

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

*Unless otherwise defined, capitalised terms appearing on the cover of this Appendix bear the same meanings as defined in this Appendix.*

This Appendix has been made available on SGXNET and the website of the Company and may be accessed at the URL <http://www.bbr.com.sg>. A printed copy of this Appendix will NOT be despatched to Shareholders. The purpose of this Appendix is to provide information to the Shareholders relating to the resolutions on the proposed renewal of the Share Purchase Mandate and the Proposed Diversification to be tabled at the Annual General Meeting to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on 29 April 2026 at 4.00 p.m..

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately inform the purchaser or transferee or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Appendix (together with the Annual Report, Notice of AGM and accompanying Proxy Form) may be accessed at the Company's website at <http://www.bbr.com.sg> and SGXNET.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



**BBR HOLDINGS (S) LTD**  
(Company Registration No.: 199304349M)  
(Incorporated in the Republic of Singapore)

**APPENDIX TO THE ANNUAL REPORT**

**IN RELATION TO**

**(1) THE PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS TO INCLUDE THE SENIOR LIVING BUSINESS AND THE INVESTMENT MANAGEMENT BUSINESS;**

**AND**

**(2) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

Registered Office: 50 Changi South Street 1, BBR Building, Singapore 486126

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## DEFINITIONS

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In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

### Companies, Organisations and Agencies

|                          |   |   |
|--------------------------|---|---|
| "BBRS"                   | : | BBR Holding AG                                |
| "Company"                | : | BBR Holdings (S) Ltd                          |
| "Group"                  | : | The Company and its subsidiaries              |
| "MAS" or the "Authority" | : | The Monetary Authority of Singapore           |
| "SGX-ST"                 | : | Singapore Exchange Securities Trading Limited |
| "SIC"                    | : | Securities Industry Council of Singapore      |

### General

|                           |   |  |
|---------------------------|---|--|
| "32 <sup>nd</sup> AGM"    | : | The AGM to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on 29 April 2026 at 4.00 p.m.   |
| "Accommodation Assets"    | : | Dormitories, purpose-built workers' accommodation, student accommodation and other similar accommodation assets  |
| "Accommodation Solutions" | : | The business of owning, developing, constructing, managing and operating Accommodation Assets in geographical markets where the Group has a presence or operates in  |
| "accredited investors"    | : | As defined in the SFA which includes: <ul style="list-style-type: none"><li>(i) an individual:<ul style="list-style-type: none"><li>(A) whose net personal assets exceed in value the minimum amount of \$2 million (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount, and in determining whether an individual's net personal assets exceeds the minimum amount, the estimated fair market value of an individual's primary residence less any outstanding amounts in respect of any credit facility granted to the individual or any other person that is secured by that residence, shall not account for more than \$1 million (or its equivalent in a foreign currency) of the minimum amount; or</li><li>(B) whose income in the preceding 12 months is not less than \$300,000 (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount;</li></ul></li></ul> |

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## DEFINITIONS

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- (ii) a corporation with net assets exceeding \$10 million in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe, in place of the first amount, as determined by:
    - (A) the most recent audited balance-sheet of the corporation; or
    - (B) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance sheet, which date shall be within the preceding 12 months;
  - (iii) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or
  - (iv) such other person as the Authority may prescribe
- "AGM" or "Annual General Meeting" : An annual general meeting of the Company
- "Annual Report" : The annual report of the Company for the financial year ended 31 December 2025
- "Appendix" : This Appendix to the Annual Report
- "Board" : The board of directors of the Company as at the Latest Practicable Date
- "CEO" : Chief executive officer of the Company
- "CMS" : Capital markets services
- "Companies Act" : The Companies Act 1967 of Singapore, as amended or modified from time to time
- "Constitution" : The constitution of the Company, as amended or modified from time to time
- "Directors" : The directors of the Company for the time being, and "Director" shall be construed accordingly
- "EPS" : Earnings per Share
- "Existing Business" : The Group's existing core business of (1) general construction, (2) specialised engineering, (3) property development and investment, (4) green technology and (5) Accommodation Solutions, in key markets such as Singapore, Malaysia, and the Philippines
- "Fund Manager(s)" : A new vehicle or vehicles to be established by the Group for the purposes of operating the Investment Management Business

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## DEFINITIONS

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- "FY" : Financial year ended 31 December
- "HCSA" : Healthcare Services Act 2020 of Singapore, as amended or modified from time to time
- "institutional investor" : As defined in the SFA which includes:
- (i) the Government;
  - (ii) a statutory board specified in Part I of the Fifth Schedule of the SFA;
  - (iii) any sovereign fund entity or government-owned entity;
  - (iv) any central government in a jurisdiction other than Singapore;
  - (v) any central governmental agency in a jurisdiction other than Singapore;
  - (vi) any multilateral agency, organisation or entity specified in Part II of the Fifth Schedule of the SFA;
  - (vii) a bank that is licensed under the Banking Act 1970;
  - (viii) a merchant bank that is approved as a financial institution under Section 28 of the Monetary Authority of Singapore Act 1970;
  - (ix) a finance company that is licensed under the Finance Companies Act 1967;
  - (x) a company or co-operative society that is licensed under the Insurance Act 1966 to carry on insurance business in Singapore;
  - (xi) a company licensed under the Trust Companies Act 2005;
  - (xii) a holder of a capital markets services licence;
  - (xiii) a person (other than an individual) carrying on business outside Singapore, the conduct of which, if carried on in Singapore, would require such person to be licensed as a holder of a capital markets services licence, or licensed to carry on insurance business under the Insurance Act 1966, or licensed, registered, approved or regulated by the Authority under the Banking Act 1970, Monetary Authority of Singapore Act 1970, Finance Companies Act 1967 or Trust Companies Act 2005;
  - (xiv) a pension fund or collective investment scheme;

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## DEFINITIONS

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- (xv) a person (other than an individual) who carries on the business of dealing in bonds with accredited investors or expert investors;
- (xvi) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or
- (xvii) such other person as the Authority may prescribe
- "Investment Committee" : The investment committee established in respect of the respective funds managed by the Fund Manager which shall have the power to make all investment decisions which fall within the respective funds' mandates
- "Investment Management Business" : The business of fund management within the meaning of the SFA, which involves managing the property of, or operating, a collective investment scheme or undertaking on behalf of customers (whether on a discretionary basis or otherwise) the management of a portfolio of real estate assets and subject to the obtaining of the LFMC, real estate securities, as further described in Section 2.4 of this Appendix
- "Latest Practicable Date" : 2 April 2026, being the latest practicable date prior to the electronic dissemination of this Appendix
- "LFMC" : A licensed fund management company that holds a CMS licence for the regulated activity of fund management and which will undertake the Investment Management Business
- "Licensable SRH" : Licensable social residential home within the meaning of the SRHA as further detailed in Section 2.3.2 of this Appendix
- "Listing Manual" : The listing manual of the SGX-ST, as amended or modified from time to time
- "Market Day" : A day on which the SGX-ST is open for trading in securities
- "NAV" : Net asset value
- "New Businesses" : Means collectively, the Senior Living Business and the Investment Management Business
- "Notice of AGM" : The notice of the 32<sup>nd</sup> AGM as set out on pages 173 to 181 of the Annual Report
- "Nursing Home Service" : Healthcare services that are provided pursuant to the HCSA to an inpatient who is elderly or a disabled person, or is labouring under a life-limiting condition or illness, and requires continuous nursing care but does not require continuous onsite supervision by a medical practitioner as further detailed in Section 2.3.2 of this Appendix
- "Proposed Diversification" : The proposed diversification of the Existing Business to include the Senior Living Business and the Investment Management Business, as further described in Section 1 and Section 2.1 of this Appendix

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## DEFINITIONS

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|                           |   |   |
|---------------------------|---|---|
| "Proxy Form"              | : | The proxy form accompanying the Notice of AGM   |
| "Senior Living Assets"    | : | Nursing homes, medicare centres, care homes, social residential homes, retirement homes, geriatric rehabilitation centres and other similar healthcare-related assets which combine accommodation and/or residential options with personalised support services for the elderly such as residential nursing services, clinical services and rehabilitation and subject to obtaining the requisite licences, may include Nursing Home Services |
| "Senior Living Business"  | : | The business of investing, owning, developing, managing and operating Senior Living Assets in geographical markets where the Group has a presence or operates in, as further described in Section 2.3 of this Appendix  |
| "SF(LCB)R"                | : | Securities and Futures (Licensing and Conduct of Business) Regulations (2001, Regulation 10), as amended or modified from time to time  |
| "SFA"                     | : | The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time  |
| "SGXNET"                  | : | The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST   |
| "SGX-ST"                  | : | Singapore Exchange Securities Trading Limited   |
| "Share Purchase Mandate"  | : | The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate  |
| "Shareholders"            | : | Registered holders of Shares, except that where the registered holder is the Depository, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in respect of the number of Shares standing to the credit of their names in the Depository Register, and "shareholder" shall be construed accordingly  |
| "Share(s)"                | : | Ordinary share(s) in the share capital of the Company, and "Share" shall be construed accordingly   |
| "SRHA"                    | : | Social Residential Homes Act 2025 of Singapore, as amended or modified from time to time  |
| "Substantial Shareholder" | : | A person (including a corporation) who has an interest in one or more voting shares in the Company and the total votes attached to such Share(s) is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company, and "Substantial Shareholders" shall be construed accordingly   |

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## DEFINITIONS

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"Take-over Code" : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time

"treasury share(s)" : Share(s) purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate and held by the Company in accordance with Sections 76H to 76K of the Companies Act

### Currencies, units and others

"S\$" and "cents" : Singapore dollars and cents respectively

"%" or "per cent." : Per centum or percentage

The terms "**Depositor**", "**Depository**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Companies Act.

The term "**subsidiary holdings**" shall have the meaning ascribed to it in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S\$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the Proposed Diversification and the proposed renewal of the Share Purchase Mandate.

This Appendix may contain projections or other forward-looking statements regarding future events or future financial performance of countries, markets, or companies. Such projections and statements are only predictions and actual events or results may differ materially. Such projections and statements may be subject to various risks and uncertainties. Accordingly, there may be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should be read in conjunction with other cautionary statements included in this Appendix and other filings by the Company. The Company does not undertake any obligation to publicly update or review any projections or forward-looking statements, whether as a result of new information, future developments, or otherwise.

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## LETTER TO SHAREHOLDERS

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**BBR HOLDINGS (S) LTD**  
(Company Registration No.: 199304349M)  
(Incorporated in the Republic of Singapore)

**Board of Directors**

Mr Lim Boon Cheng (*Independent Non-Executive Chairman*)  
Mr Tan Kheng Hwee Andrew (*Executive Deputy Chairman*)  
Mr Seow Chin Heng Adrian (*Executive Director and Chief Executive Officer*)  
Mr Voon Yok Lin (*Executive Director*)  
Mr Bruno Sergio Valsangiacomo (*Non-Executive Director*)  
Mr Pietro Brenni (*Non-Executive Director*)  
Mr Chan Mun Wei (*Independent Non-Executive Director*)  
Ms Karen Lee Kiah Ling (*Independent Non-Executive Director*)  
Mr Romano William Fanconi (*Alternate Director to Mr Pietro Brenni*)  
Mr Marcel Poser (*Alternate Director to Mr Bruno Sergio Valsangiacomo*)

**Registered Office**

50 Changi South Street 1  
BBR Building  
Singapore 486126

10 April 2026

To: The Shareholders of **BBR Holdings (S) Ltd**

Dear Sir / Madam

- (I) **PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS TO INCLUDE THE SENIOR LIVING BUSINESS AND THE INVESTMENT MANAGEMENT BUSINESS**
  - (II) **PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**
- 1. INTRODUCTION**

We refer to Ordinary Resolutions 11 to 13 set out in the Notice of AGM convening the 32<sup>nd</sup> AGM to be held on 29 April 2026 at 4.00 p.m. to seek Shareholders' approval for the Proposed Diversification and the proposed renewal of the Share Purchase Mandate, respectively. The Notice of AGM is set out on pages 173 to 181 of the Annual Report.

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and the rationale for, the above-mentioned proposals to be tabled at the 32<sup>nd</sup> AGM and to seek Shareholders' approval at the 32<sup>nd</sup> AGM for the same.

Shareholders should note that Ordinary Resolution 11 relating to the Proposed Diversification of the Existing Business to include the Senior Living Business, Ordinary Resolution 12 relating to the Proposed Diversification of the Existing Business to include the Investment Management Business, and Ordinary Resolution 13 relating to the proposed renewal of the Share Purchase Mandate, are independent of each other. As such, the passing of any Ordinary Resolution is not conditional upon the passing of the other resolutions or any other resolutions to be tabled at the AGM.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

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## LETTER TO SHAREHOLDERS

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### **2. PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS TO INCLUDE THE SENIOR LIVING BUSINESS AND THE INVESTMENT MANAGEMENT BUSINESS**

#### **2.1 Background**

The Group is currently engaged in the Existing Business, which comprises (1) general construction, (2) specialised engineering, (3) property development and investment, (4) green technology and (5) Accommodation Solutions. The Group has an extensive and robust business presence in key markets such as Singapore, Malaysia and the Philippines. The Group remains committed to the Existing Business as long as its continuity is in the best interests of the Group and the Shareholders.

The Proposed Diversification involves the inclusion of the New Businesses to the Existing Business, by expanding Accommodation Solutions to include the Senior Living Business and adding the Investment Management Business as a new business segment. The New Businesses are substantially different from the Existing Business and it is accordingly envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, the Company intends to seek Shareholders' approval for the Proposed Diversification at the 32<sup>nd</sup> AGM to be convened.

#### **2.2 The Proposed Diversification**

Subject to the approval of the Shareholders at the 32<sup>nd</sup> AGM, the Company intends to diversify the Existing Business to include the New Businesses in the following manner:

- (a) by expanding Accommodation Solutions to include the Senior Living Business, which will encompass exploring opportunities to invest in or acquire investments and shares or interests in Senior Living Assets, sourcing for suitable land parcels or tendering for suitable projects in owning, developing and constructing Senior Living Assets, and developing, managing and operating the Senior Living Assets, including without limitation, leasing out the Senior Living Assets for the collection of rent, the provision of property management services for the Senior Living Assets (including, for avoidance of doubt, Senior Living Assets that are owned by third parties) and the collection of fees for senior living services and activities; and
- (b) by adding the Investment Management Business as a new business segment, which will include the formation of new subsidiaries, strategic alliances and/or investment into joint ventures with third parties to undertake the business of fund management as a fund manager, and/or the investment in funds managed by fund managers, such as through participation by way of a limited partner or shareholder in the fund company, in relation to real estate assets and subject to the obtaining of the LFMC, real estate securities.

#### **2.3 Information regarding the Senior Living Business**

##### **2.3.1 Scope, Structure and Management of the Senior Living Business**

The Group proposes to expand Accommodation Solutions to include the Senior Living Business. The Senior Living Business will involve the investing, owning, developing, managing and operating Senior Living Assets and seeks to provide services which combine accommodation and/or residential options (and subject to obtaining the requisite licences, may include Licensable SRHs) with personalised support services for the elderly such as residential nursing services (and subject to obtaining the requisite licences, may include Nursing Home Services), clinical services and rehabilitation, which are catered to offer a safe residential

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## LETTER TO SHAREHOLDERS

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environment along with tailored assistance for daily living activities to enable them to maintain a high quality of life. The Company intends to develop the Senior Living Business in the following ways:

- (a) identifying suitable leases for real properties, sourcing for suitable land parcels or tendering for suitable projects in owning, developing and constructing the accommodation and/or residential options for the Senior Living Business, with a focus on creating value through asset enhancement initiatives and modernising facilities to meet elderly care needs;
- (b) investing in, purchasing or otherwise acquiring or disposing of any such assets, investments and shares or interests in Senior Living Assets, or exploring joint ventures, cooperation and/or strategic alliances and fostering partnerships with various other third parties who have the relevant expertise and resources to carry out the Senior Living Business and integrating future collaborations or acquisitions of Senior Living Assets, as and when such opportunity arises;
- (c) establishing a portfolio of high-quality Senior Living Assets with diverse accommodation and/or residential options, providing 24-hour personalised care and community-integrated services for elderly; and/or
- (d) managing and operating the Senior Living Assets and having general oversight for the services being provided.

Accommodation Solutions as expanded to include the Senior Living Business is presently intended to be limited to geographical markets where the Group currently has a presence or operates in. The Company is of the view that the work to be undertaken for the development and construction phase of the Senior Living Business would be an extension of the Existing Business. The Board is of the view that the current management of the Company already has the expertise and skillset required to manage the development and construction of the Senior Living Assets with regard to the third party sub-contractors it intends to engage as well as to any infrastructural works the Company will undertake itself. The Company, however, recognises that the ownership, management and/or operations of the Senior Living Assets would be a new business area for the Group. Nevertheless, the Company is confident of developing and building up the expertise required for the Senior Living Business over time.

The Board and senior management of the Company comprise individuals with varied qualifications and experience who will provide the strategic vision and policy for the Senior Living Business. Participation in projects pursuant to the Senior Living Business will be under the supervision of the Executive Director and CEO, Mr Seow Chin Heng, Adrian ("**Mr Seow**"). Senior management personnel from the Company will also assist Mr Seow in the overseeing and managing the Senior Living Business. Additionally, to ensure that the Senior Living Business is well managed and to minimise risks relating to the Senior Living Business, the Company intends to do as follows:

- (i) strengthen the management's expertise in the Senior Living Business with additional headcount as and when necessary by engaging new capable personnel with the required knowledge and relevant experience to assist with the day-to-day running of the Senior Living Business; and
- (ii) in making decisions, the management will, where necessary and appropriate, seek the advice of qualified external consultants and experts.

Further, the Company believes that any additional experience and expertise required to carry

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## LETTER TO SHAREHOLDERS

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out the Senior Living Business can be acquired and developed by the Company over time as it progresses.

### 2.3.2 Regulatory Requirements for the Senior Living Business in Singapore

Certain aspects of the Senior Living Business may be subject to certain regulatory requirements in Singapore, in particular:

(a) the provision of nursing home services within the meaning of the HCSA ("**Nursing Home Services**"), which includes:

(i) any of the following healthcare services that is provided to an inpatient who is an elderly or a disabled person, or is labouring under a life-limiting condition or illness, and requires continuous nursing care but does not require continuous onsite supervision by a medical practitioner:

- (1) the examination of the inpatient's body or mind;
- (2) the assessment of the inpatient's health;
- (3) the observation and diagnosis of, and intervention in, the inpatient's health condition;
- (4) the treatment of the inpatient for any condition, disability, disease, disorder or injury;
- (5) the provision of medical care to the inpatient while the inpatient is being accommodated to receive that care;
- (6) the rehabilitation of an inpatient for the purpose of slowing down the disabling effects of the inpatient's health condition and functional abilities;
- (7) the provision of palliative care to an inpatient; and

(ii) any other healthcare service that is incidental to the provision of a healthcare service mentioned in subparagraphs (i)(1) to (7) above including:

- (1) the conduct of any simple in vitro diagnostic test on the inpatient; and
- (2) the conduct of any ultrasound imaging on the inpatient,

but excludes the following:

- (iii) the provision of any dental care, treatment or procedure to an inpatient, other than assisting the inpatient in cleaning his or her teeth or mouth to ensure the oral hygiene of the inpatient;
- (iv) any specialised treatment given to an inpatient who is acutely unwell and requires critical medical care;
- (v) the conduct of any surgical procedure, other than a minor surgical procedure;
- (vi) the provision of any treatment or conduct of any procedure on an inpatient that

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## LETTER TO SHAREHOLDERS

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requires the inpatient to be in a state of general anaesthesia; and

- (vii) the administration of any anaesthetic to cause general anaesthesia in an inpatient; and
- (b) the operation of a "licensable social residential home" within the meaning of the SRHA ("**Licensable SRH**"), which includes:
  - (i) an adult disability home, meaning any premises that provides residential accommodation, care, biopsychosocial intervention<sup>1</sup>, and support to carry out daily activities<sup>2</sup> to any individual who:
    - (1) is 18 years of age or older at the time of the individual's admission to the premises as a resident; and
    - (2) has autism or any intellectual, physical or sensory disability or any combination of those disabilities,
  - but does not include any premises used for the provision of a community hospital service or a nursing home service; or
  - (ii) a sheltered home, meaning any premises that provides residential accommodation, care and support to carry out daily activities<sup>2</sup> to elderly persons, but does not include any premises used for the provision of a community hospital service or a nursing home service, or an adult disability home.

The provision of Nursing Home Services is a licensable healthcare service and the Company will be required to obtain the relevant licence from the Ministry of Health before offering Nursing Home Services. Further, the operation of the Licensable SRH will need to be licenced by, and subject to the supervision and regulation of, the Ministry of Social and Family Development.

The Group may, in future, apply to the Ministry of Health or the Ministry of Social and Family Development for the requisite licences to carry out either the Nursing Home Services or the Licensable SRH which would enable it to carry out the necessary aspects of operating such Senior Living Assets, or it may collaborate with third parties who have such licences.

While the Senior Living Business is presently intended to be limited to geographical markets where the Group has a presence or operates in, the Group does not currently have any senior living operations in Malaysia or Thailand. The inclusion of Malaysia and Thailand in the potential geographical markets where the Group may undertake the Accommodation Solutions reflects the Group's existing broader business presence in these markets. The Group may, in the future, explore opportunities to expand the Accommodation Solutions (including the Senior Living Business) into these jurisdictions. Should the Group proceed with any such expansion, it will undertake the necessary assessments to ensure compliance with the applicable laws and regulatory requirements in the relevant jurisdictions and will make the appropriate disclosures in accordance with SGX-ST listing rules where required.

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1 Under the SRHA, "biopsychosocial intervention" means any measure that is taken in respect of an individual to provide the individual with assistance to improve the quality of the individual's life, including, but not limited to (a) behavioural modification therapy which seeks to modify any behaviour of the individual which may have a negative effect on the individual's health; (b) counselling on matters including, but not limited to, the emotions, family, financial state and career of the individual; (c) occupational therapy; (d) physical therapy; and (e) psychological therapy.

2 Under the SRHA, "support to carry out daily activities" means in relation to an individual, any supervision or assistance that is provided to the individual who is unable to take care of himself or herself (whether partially or completely) in carrying out the individual's daily activities, including, but not limited to (a) bathing or dressing the individual; (b) enabling the individual to meet the individual's toileting needs; and (c) if the individual has any mobility issue, assisting the individual to move or walk from one place to another place.

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## LETTER TO SHAREHOLDERS

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### 2.3.3 Internal Controls and Risk Management of the Senior Living Business

The Directors recognise the importance of internal controls and risk management for the smooth running of the Senior Living Business. The external and internal risks presented by the Senior Living Business to the Group will be managed under the existing system of internal controls and risk management of the Group, which will determine the nature and extent of risks which the Directors may take in achieving the strategic objectives of the Group. Where necessary to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will implement a set of operations and compliance procedures. Where necessary, the audit and risk committee of the Company and the Directors will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance and risk management systems relating to the Senior Living Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

### 2.3.4 Revenue from, and Funding for, the Senior Living Business

The revenue for the Senior Living Business is expected to be substantially derived from rental and caregiving services charged to the residents of the Senior Living Assets.

The Group may fund the Senior Living Business through a combination of borrowings from financial institutions and internal cash resources of the Group and the Directors will determine the optimal mix of internal funding and bank borrowings, taking into account the cash flow of the Group (including the net cashflow generated from the rental of bed spaces and other income streams from the Senior Living Business) and prevailing bank financing costs.

While the Board is of the opinion that the aforesaid are sufficient to finance the Senior Living Business and there is no imminent need to raise additional funds for the Senior Living Business, the Group may consider in future tapping into the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments, as and when necessary and deemed appropriate.

The Group will remain prudent and take into account the financial health of the Group in deciding the types of Senior Living Business development and/or investment projects it undertakes, and the amounts thereof.

## 2.4 **Information regarding the Investment Management Business**

### 2.4.1 Scope, Structure and Management of the Investment Management Business

The Group proposes to expand the Existing Business to include the Investment Management Business. The Investment Management Business will involve the business of fund management within the meaning of the SFA, which involves managing the property of, or operating, a collective investment scheme or undertaking on behalf of customers (whether on a discretionary basis or otherwise) the management of a portfolio of real estate assets and real estate securities. Accordingly, the Group intends to engage in fund management activities in relation to real estate assets and subject to the obtaining of the LFMC, real estate securities, including assets that are developed or acquired by the Group under its Existing Business (which if approved at the 32<sup>nd</sup> AGM, may include Accommodation Assets and Senior Living Assets),

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## LETTER TO SHAREHOLDERS

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in order to leverage on its existing strengths in the core business of the Group.

The primary focus of the Investment Management Business will be on establishing and marketing funds (either by way of collective investment schemes or otherwise) which will invest primarily in the real estate sector, targeted at institutional investors and/or accredited investors and managed by the Fund Manager(s). For the avoidance of doubt, the Investment Management Business does not include real estate investment trust management.

The Company is of the view that the Investment Management Business, which will focus on the real estate sector and real estate assets, would also be an extension of Accommodation Solutions, given that Accommodation Solutions involves owning the Accommodation Assets and, if approved at the 32<sup>nd</sup> AGM, may include Senior Living Assets. In this manner, the real estate assets owned by the Group, including without limitation the Accommodation Assets and, if approved at the 32<sup>nd</sup> AGM, the Senior Living Assets, may instead be managed under the Investment Management Business. The Company, however, recognises that the ownership of the real estate assets (including the Accommodation Assets and, if approved at the 32<sup>nd</sup> AGM, the Senior Living Assets) under the Investment Management Business would be a new business area for the Group. Nevertheless, the Company is also confident of developing and building up the expertise required for the Investment Management Business over time.

The Investment Management Business will include but is not limited to:

- (a) forming new subsidiaries and/or investing into entities which will act as Fund Manager(s), whether through joint ventures and/or strategic alliances with third parties. The Fund Manager will undertake activities such as setting up and marketing funds, establishing investment strategies, analysing potential investment opportunities, producing research notes, formulating and implementing investment strategies and solutions, and executing investments in accordance with the relevant mandate of the funds; and
- (b) raising funds and investing in funds managed by fund managers, such as through participation by way of a limited partner or shareholder in the fund company, for the purpose of income and capital gain at the end of the fund tenure. For the avoidance of doubt, the investing in funds is not restricted only to funds managed by fund management entities formed by the Group.

The Investment Management Business is not intended to be limited to any geographical markets. The Group will remain prudent by taking into account the financial condition and cash flow requirements of the Group in deciding the amount for each allocation and/or investment and to ensure that the financial exposure of the Group is managed.

The Investment Management Business will become a new segment of the Group's business for the purpose of risk management, which will be one or more wholly-owned subsidiaries of the Group. In the future, the Company may enter into joint ventures or strategic alliances with third parties who are experienced in the field of fund management to undertake the Investment Management Business, and act as Fund Manager. The Fund Manager may either operate under the "immovable asset" exemption in accordance with the SFA or obtain the LPMC. The duties as a Fund Manager include seeking investors with capital to invest into the fund, overseeing asset management strategies, managing fund-related matters including financing, tax and regulatory matters, handling investor relations and proactively sourcing for viable investments by the funds.

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The Investment Management Business will be under the supervision of the Executive Director and CEO, Mr Seow. Mr Seow has more than 19 years of experience in real estate capital markets and in-depth knowledge of real estate investments. He previously held the position of Head of Singapore and Southeast Asia, Real Estate at Schrodgers Capital, where he was responsible for transaction, asset management, business development and corporate matters relating to real estate investments in Singapore and Southeast Asia. In addition, he also held several directorships in corporate entities relating to the managed funds. Prior to his role at Schrodgers Capital, he also held various real estate capital market positions at Savills Singapore, Jones Lang LaSalle (JLL), ING Real Estate Investment Management and DTZ Debenham Tie Leung.

The Board and senior management of the Company comprise individuals with varied qualifications and experience who will provide the strategic vision and policy for the Investment Management Business. Participation in, overseeing and management of the Investment Management Business by senior management personnel from the Company will be subject to and under the supervision of Mr Seow. Additionally, in order to ensure that the Investment Management Business is well managed and to minimise risks relating to the Investment Management Business, the Company intends to do as follows:

- (i) strengthen the management's expertise in the Investment Management Business with additional headcount as and when necessary by engaging new capable personnel with the required knowledge and relevant experience to assist with the day-to-day running of the Investment Management Business; and
- (ii) in making decisions, the management will, where necessary and appropriate, seek the advice of qualified external consultants and experts.

Further, the Company believes that any additional experience and expertise required to carry out the Investment Management Business can be acquired and developed by the Company over time as it progresses.

The Fund Manager will be responsible for complying with the relevant regulatory requirements for the Investment Management Business, including the hiring of the relevant personnel. Where necessary, ancillary work functions of the Fund Manager may be outsourced to third parties who have expertise in the relevant area.

The board of the Fund Manager will be responsible for the setting, overseeing and monitoring of the overall investment strategy and direction, determining the operational structure and governance related matters of the funds to be managed by the Fund Manager.

The investment acquisition and divestment decisions and other key decisions relating to the investment funds will be made by an Investment Committee of the Fund Manager. The Investment Committee will comprise of individuals with varied qualifications and experience who can provide strategic vision and policy on the Investment Management Business.

The Investment Committee will set certain predetermined criteria such as the projected rate of return, investment objectives, potential costs and risks involved, based on the fund mandate of the respective fund. Each investment proposed to be acquired by the Fund Manager on behalf of the relevant fund will be evaluated by the Investment Committee against the aforesaid criteria and the Investment Committee will then make a decision on whether to proceed with the specific investment. The Investment Committee will update the board of the Fund Manager regularly with the details of the investments by the relevant funds under the management of the Fund Manager and the performance of such investments.

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### 2.4.2 Regulatory Requirements for the Investment Management Business

Fund management in Singapore is a regulated activity under the SFA, and is subject to the supervision and regulation of MAS. The current regulatory regime requires a corporation carrying on the business of fund management to either hold a CMS licence authorising it to carry on the businesses of fund management, or operate under an exemption under the SFA.

Paragraph 5(1)(h) of the SF(LCB)R provides an exemption for fund managers who carry on the business of fund management in Singapore on behalf of qualified investors where assets managed by it comprise securities issued by one or more bodies corporate or interests in bodies unincorporate, where the sole purpose of each such body corporate or body unincorporate is to hold, whether directly or through another entity or trust, immovable assets.

It is intended that during the initial stages of the Investment Management Business, the Fund Manager(s) will manage fund structures comprising a mix of proprietary monies of the Group and monies from third parties and in carrying out its fund management activities, the Fund Manager(s) will initially operate in reliance on the exemption from holding a CMS licence under paragraph 5(1)(h) of the SF(LCB)R. In order to rely on this exemption, the scope of the Investment Management Business will initially be limited to solely managing assets or securities, the underlying assets of which constitute real estate assets for qualified investors.

It is intended that the Group will apply to the MAS for the requisite CMS licence to carry out the regulated activity of fund management as a LFMC as it would allow the Group to carry on the business in fund management as a (i) Licensed Accredited/Institutional Fund Management Company ("**A/I LFMC**"), which would enable the FMC to carry on business in fund management with qualified investors only, without restriction on the number of qualified investors; or (ii) Licensed Retail Fund Management Company ("**Retail LFMC**"), which would enable the Group to carry on business in fund management with all types of investors.

In the initial stage of the Investment Management Business, the Group is likely to focus on the Singapore market, however, the Company does not intend to limit the Investment Management Business to any geographical region as mentioned in Section 2.4.1 of this Appendix. Aside from the relevant approval from MAS required by the Fund Manager for it to undertake the Investment Management Business in Singapore, the fund manager may in this regard require licence(s) to operate the Investment Management Business in such other jurisdictions into which the Group may venture. The Group may apply for such licence(s) on its own or may collaborate with third parties who have such licence(s) for its Investment Management Business.

### 2.4.3 CMS Licence Application for the Investment Management Business as a LFMC

It is intended that the Fund Manager may first operate under the "immovable asset" exemption in accordance with the SFA. Subject to and following receipt of the approval of the Shareholders at the 32<sup>nd</sup> AGM for the Proposed Diversification, the Group intends to submit an application to the MAS for the CMS licence to carry on the Investment Management Business as a LFMC.

In order to be licensed as a LFMC, the LFMC must meet, amongst others, the following requirements:

(a) *Competency of key individuals*

A LFMC is required to appoint an adequate number of directors, relevant professionals and representatives. A LFMC should ensure that the minimum competency requirements of its key individuals are met. These requirements include, inter alia:

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- (i) having a minimum of two directors, each with at least five years of relevant experience, one of whom is to be an executive director residing in Singapore and employed full time in the day-to-day operations of the fund management company and one of whom is to be the chief executive officer;
- (ii) employing at least two relevant professionals, each with at least five years of relevant experience and who are residing in Singapore; and
- (iii) employing at least two representatives based in Singapore. Representatives are individuals who conduct activities such as portfolio construction and allocation, research and advisory, business development and marketing or client servicing.

Relevant professionals and representatives may include the directors and chief executive officer of the LFMC.

(b) *Fit and proper*

A LFMC should satisfy MAS that the shareholders, directors, representatives and employees of the fund management company are fit and proper in accordance with the Guidelines on Fit and Proper Criteria issued by MAS.

(c) *Base capital*

A LFMC shall at all times meet the base capital thresholds set out in the SF(LCB)R upon obtaining its licence.

(d) *Compliance arrangements*

A LFMC should put in place an independent and dedicated compliance function in Singapore with staff who are suitably qualified and independent from the front office. Compliance staff may perform other non-conflicting and complementary roles such as that of an in-house legal counsel. There are other minimum compliance arrangements depending on whether the LFMC is an A/I LFMC and whether the assets under management is less than or exceeds S\$1 billion.

(e) *Risk management framework*

A LFMC shall put in place a risk management framework to identify, address and monitor the risks associated with customers' assets that it manages, as required by the SF(LCB)R. Such risk management framework should address (i) the governance, independence and competency of the risk management function; (ii) identification and measurement of risks associated with customer assets; (iii) timely monitoring and reporting of risks to management, and (iv) documentation of risk management policies, procedures and reports.

(f) *Internal audit and independent annual audits*

A LFMC's business activities shall be subject to adequate internal audit, which should be commensurate with the scale, nature and complexity of its operations. In addition, a LFMC shall meet the annual audit requirements as set out in the SFA and the SF(LCB)R.

The Fund Manager(s) will satisfy the above requirements, including having at least two relevant professionals, each with at least five years of relevant experience and who are residing in Singapore, in order to apply for licence as a LFMC at the appropriate time.

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### 2.4.4 Internal Controls and Risk Management of the Investment Management Business

The Board recognises the importance of internal control and risk assessment for the smooth running of the Group's business. To address the risks presented by the Investment Management Business to the Group, the Group currently has in place a system of risk management and internal controls. If and/or when the Proposed Diversification is approved, the risks presented by the Investment Management Business to the Group will be managed under the existing system of risk management and internal controls, which will determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group will also comply with the risk management requirements imposed by MAS, including but not limited to MAS's Guidelines on Risk Management Practices, in relation to activities relating to the Investment Management Business. The Group will endeavour to ensure that the risk management systems implemented are commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the entities engaging in the Investment Management Business.

Where necessary, the audit and risk committee of the Company and the Board will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Investment Management Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

### 2.4.5 Revenue from, and Funding for, the Investment Management Business

As a Fund Manager, the Group will be entitled to fund management fees based on a percentage of contributed capital, receive fees for services connected to the acquisition and divestment of properties by some of the funds such as property management fees, as well as a performance and/or incentive fee for certain funds if the internal rate of return exceeds certain specified return level. It is envisaged for the Group to invest its own capital in funds that they manage alongside that of the fund investors.

The revenue for the Investment Management Business is expected to be substantially derived from the management fees based on a percentage of contributed capital and/or performance fees where the internal rate of return exceeds a certain specified hurdle rate. The Group will also have the opportunity to earn additional investment income from investing its own capital alongside that of the Group's fund investors. Such a strategy creates an alignment of interest with its co-investors.

The Group intends to fund the Investment Management Business through internal resources and retained earnings generated from the Group's business operations and the Group's existing credit facilities. As and when necessary and deemed appropriate, the Group may develop secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments. Where the Group has identified any circumstances where it foresees that it would be appropriate to tap into capital markets to raise funds for the Investment Management Business, it would comply with the requirements under the Listing Manual, and any offering requirements under the SFA (including any applicable guidelines issued by MAS).

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As at the Latest Practicable Date, the Group has not identified any new projects to invest in for the Investment Management Business. The Group may also explore opportunities to restructure assets under the Existing Business (including without limitation the Accommodation Assets and if approved at the 32<sup>nd</sup> AGM, the Senior Living Assets) to form part of the Investment Management Business, but no specific assets of the Group have been earmarked for such restructuring at this stage.

### 2.4.6 Rule 1020 of the Listing Manual

According to Rule 1020 of the Listing Manual, where an issuer, which had originally qualified for a listing of its securities under Chapter 2 of the Listing Manual, intends to set up an investment fund or undertake any business(es) in investment fund management, which in aggregate, exceeds 50% of the issuer's net asset value, the issuer must demonstrate to the SGX-ST that it satisfies the listing requirements for investment funds stipulated in Chapter 4 of the Listing Manual before it takes any steps to undertake such a business, whether through a transaction or a series of transactions.

The Company anticipates that the aggregate value of the assets under management which it may own pursuant to the Investment Management Business, will not exceed 50% of the Group's net asset value at any point in time, and will comply with the requirements of the Listing Manual in the event that such value is expected to exceed 50% of the Group's net asset value.

## 2.5 **Rationale for the Proposed Diversification**

The Board proposes to diversify the Existing Business to include the New Businesses, comprising the expansion of Accommodation Solutions to include the Senior Living Business and the addition of the new Investment Management Business, for the following reasons:

### 2.5.1 The Proposed Diversification can raise capital to fund construction projects in the Existing Business

Certain aspects of the Existing Business, in particular, construction and property development and investment, are capital intensive and may require a significant amount of funding. This funding has conventionally been provided to the Group by bank financing, which may require security via mortgage of land. Further, bank borrowings are capped by the specified security margins, resulting in bank borrowings being limited for the property development aspect of the Existing Business. The Group's exposure to liquidity risk primarily arises from mismatches of the maturities of financial assets and liabilities. Funds raised pursuant to the Investment Management Business would thus serve as alternative sources of funds to the traditional bank borrowings for the expansion of the Existing Business. Any additional revenue from the Senior Living Business would generate additional cashflow for the Group's Existing Business.

### 2.5.2 The Proposed Diversification is expected to provide additional and recurrent revenue streams with a view to achieving long-term growth

The Proposed Diversification is expected to provide additional and recurrent revenue streams for the Group, which may include, *inter alia*, capital gains from investments, and recurring income from management fees and performance fees from acting as a fund manager. As such, the Proposed Diversification is synergistic with the Group's existing business and will help to enhance shareholder value over the long-term and achieving long-term growth.

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While the Group will continue to pursue sustainable growth strategies to strengthen and grow its Existing Business, the Group's exploration of other growth areas will facilitate the Group's quest for sustained performance in the future. Given the uncertainties prevailing in the current global economic outlook, the Group believes it is more prudent not to rely solely on its Existing Business. The inclusion of the New Businesses may provide the Group with a more diversified business and stable revenue stream for future growth and reduce the Group's reliance on its Existing Business for its revenue streams.

### 2.5.3 Enhance shareholder value

The Proposed Diversification is part of the corporate strategy of the Group to realign its business strategies and improve profits, as well as provide Shareholders with diversified returns and long-term growth. The Proposed Diversification is expected to provide additional and recurrent revenue streams for the Group from the Senior Living Business, which could include rental income, and Investment Management Business, which could include the recurring income from management fees and performance fees from acting as a fund manager, capital gains from investments, profits from on-selling and capital gains from investments.

The Board believes that the Proposed Diversification will offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance shareholder value in the Company. The Group will venture into the New Businesses prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth.

### 2.5.4 Positive prospects in the senior living sector

There is an increased demand for medicare centres, care homes, social residential homes, retirement homes, geriatric rehabilitation centres and nursing homes due to the growing ageing populations across Asia and other regions. The World Health Organisation stated that the proportion in the age group of 60 years and above is expected to increase from 12.2% in 2024 to 22.9% by 2050. Specifically, the key markets that the Company have business presence in are expected to see an increase in the number of elderly. While life expectancy is increasing globally, it is not always accompanied by good health. The gap between health span and lifespan is wide, with more older adults possibly spending several years in poor health, often requiring care. The Company believes that the shift provides opportunities investment in Senior Living Assets by the Group, as well as the development, construction and operation of Senior Living Assets. Thus, barring unforeseen circumstances, the expansion of Accommodation Solutions to include the Senior Living Business will yield an additional source of revenue for the Group.

### 2.5.5 The Investment Management Business is expected to facilitate the Group's business development goals

The Investment Management Business is expected to facilitate the Group's business development goals in its Existing Business. The Group's network of contacts is likely to expand with the Group's engagement in the Investment Management Business by providing, *inter alia*, a larger network of contacts as the Group engages other corporations, institutions, entities and persons in the course of the business and operations of the Investment Management Business. This expansion in outreach possibilities may lead to new business opportunities for the Group's Existing Business, as well as facilitate access to new groups of prospective clients. The Proposed Diversification may also provide the Group with opportunities to form joint venture partnerships and/or allow prospective clients to co-invest in the Existing Business.

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### 2.5.6 The Investment Management Business is a capital-light business model

The Investment Management Business is a capital-light business model that scales efficiently with assets under management. It will allow the Group to scale investments without relying solely on its own balance sheet. The Group can raise capital from external investors and investments or projects can be funded through third-party capital instead of corporate equity. This enables the Group to pursue larger or more projects simultaneously and benefit from higher return on equity and more efficient capital deployment.

### 2.5.7 Leveraging the Group's core competencies and expertise

The Group already possesses technical knowledge, project management experience, and industry relationships through its Existing Business. These factors can be monetized beyond construction contracts through investment management and co-investment opportunities under the Investment Management Business. Leveraging the Group's existing expertise in the Existing Business would open opportunities for vertical integration across the real estate value chain.

### 2.5.8 The Proposed Diversification will give the Group flexibility to enter into transactions relating to the New Businesses in the ordinary course of business

Subject to receipt of Shareholders' approval for the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the New Businesses, may be deemed to be in the Company's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual. Accordingly, the Company may, in its ordinary course of business, enter into transactions relating to the New Businesses and which will not change the risk profile of the Company, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the New Businesses arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

## 2.6 **Requirements under Chapter 10 of the Listing Manual**

Rule 1002(1) of the Listing Manual provides that a "transaction" generally refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

Pursuant to Practice Note 10.1 of the Listing Manual, an acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Further guidelines are provided under Practice Note 10.1 of the Listing Manual on what consists of "existing principal business" and "change of risk profile".

As each of the New Businesses will involve a new business area which is not part of the Company's existing principal business, it is envisaged that the New Businesses may change the existing risk profile of the Group. Accordingly, the Directors are seeking Shareholders' approval for the Proposed Diversification at the 32<sup>nd</sup> AGM.

Upon approval by the Shareholders of the Proposed Diversification, any transaction which is in, or in connection with, the New Businesses, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter

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10 of the Listing Manual. As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Listing Manual will not apply to transactions in the New Businesses which are within the Company's existing principal business for so long as it is in the ordinary course of business or of a revenue nature.

Pursuant to Rule 1014 of the Listing Manual, a major transaction is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20% but less than 100% ("**Major Transaction**"). A Major Transaction must be made conditional upon approval by shareholders of the issuer in a general meeting. In the case where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20% an announcement of the prescribed information pursuant to Rule 1010 of the Listing Manual will also be required.

The Proposed Diversification will thus allow the Group, in its normal course of business, to enter into transactions relating to the New Businesses in an efficient and timely manner without the need for Shareholders' approval, for so long as it is in the ordinary course of its business or of a revenue nature. As such, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are transactions within the ordinary course of the New Businesses or are of a revenue nature arise, even when such transactions cross the thresholds of a Major Transaction. This will substantially reduce the administrative time and expenses incurred in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

For the avoidance of doubt, notwithstanding that Shareholders' approval for the Proposed Diversification has been obtained, in respect of transactions relating to the New Businesses:

- (a) in accordance with the SGX-ST's recommended practice in relation to diversification of business ("**SGX-ST Recommended Practice**"), where the Company enters into the first Major Transaction involving either the Senior Living Business or the Investment Management Business (in either case, the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Listing Manual in respect of several transactions involving either the Senior Living Business or the Investment Management Business (as the case may be) which when aggregated over the course of a financial year exceeds 20% (the "**Aggregated Transactions**"), such First Major Transaction or the last of the Aggregated Transactions in either the Senior Living Business or the Investment Management Business (as the case may be) will be made conditional upon Shareholders' approval;
- (b) the Company will make immediate announcement and disclosure pursuant to and in compliance with Rule 704(17) of the Listing Manual for any acquisition of (i) shares resulting in the Company holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings of a quoted company; and (ii) quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets;
- (c) Rule 1015 of the Listing Manual will apply to an acquisition of assets (whether or not the acquisition is deemed in the Company's ordinary course of business, which will include the New Businesses if the Proposed Diversification is approved by Shareholders) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual is 100% or more, or which results in a change in control of the Company. Such transactions must be, amongst others, made conditional upon approval by Shareholders at a general meeting;

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- (d) Chapter 9 of the Listing Manual will apply to a transaction which constitutes an "interested person transaction" as defined under the Listing Manual, and the Company will comply with the provisions of Chapter 9 of the Listing Manual;
- (e) in light of Practice Note 10.1 of the Listing Manual, if a transaction changes the risk profile of the Company such as an expansion of the Group's business to a new jurisdiction that will expose the Company to significant new risks, Shareholders' approval may be sought for such transaction; and
- (f) the Company will be required to comply with any applicable and prevailing rules under the Listing Manual as amended or modified from time to time.

### 2.7 Risk Factors

In undertaking the Proposed Diversification, the Group could be affected by a number of risks which relate to the New Businesses as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Appendix.

To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification have been set out below. If any of the factors and/or uncertainties described below develop into actual events affecting the Proposed Diversification, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time, and it is not possible for the Directors to predict all risk factors, nor can the Directors assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Diversification. There may also be other risks associated with the Proposed Diversification which are not presently known to the Directors, or that the Company may currently deem immaterial and as such have not been included in the discussion below.

**Shareholders should consider the risk factors in light of their own investment objectives and financial circumstances. If a Shareholder is in doubt as to the action they should take, they should consult their stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser(s) immediately.**

#### 2.7.1 Risk Factors relating to the Proposed Diversification

- (a) *The Group is dependent on key management personnel and availability of adequately skilled personnel for its continued success and growth*

The Group will also be dependent on the expertise of certain key members of management, and in particular Mr Seow, for a scalable implementation of the New Businesses. However, the expansion of the New Businesses may significantly divert the attention and resources of our management, and may result in disruptions to the day-to-day operations of the Existing Business.

Further, the Group may need to also recruit other skilled personnel with the relevant experience and expertise to support the growth of the New Businesses. This includes personnel who also have the requisite relevant experience for the purposes of the satisfying the minimum competency requirements of the key individuals of a LFMC.

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While the senior management and Mr Seow have extensive experience and are well-equipped to source, develop and upskill the relevant operational and care staff internally and externally, there is a risk that the Group may not attract sufficient skilled personnel immediately or retain them for the long term. Any loss of such skilled personnel, including Mr Seow, without suitable or comparable replacements in a timely manner may also have an adverse effect on our business, including the CMS licence for the Investment Management Business.

(b) *The New Businesses may be subjected to extensive laws, regulations and licensing requirements*

The New Businesses may be subjected to extensive government laws, regulations, licensing and accreditation requirements in the countries where the Group may operate. Such laws, regulations, licensing and accreditation requirements are constantly evolving and cover many aspects of the New Businesses. Changes to existing laws, regulations and guidelines, or the introduction of new laws, regulations and guidelines could also have a negative impact on the operations of the New Businesses, even if such laws and regulations are not directly applicable. Should there be any subsequent modifications, additions or new restrictions to the current compliance standards, the Group may incur additional costs or administrative burdens in complying with the new or modified standards which may materially and adversely affect the New Businesses' profitability and, consequently, the business, results of operations, financial condition and prospects of the New Businesses.

In addition, the New Businesses may be required to maintain certain licences in order to operate the New Businesses as well as implement internal protocols and procedures to comply with the terms and conditions of such licences. If the Group or any relevant third parties are unable to obtain or renew such permits, licences or certifications in a timely manner, or at all, the Group and/or such third parties may not be able to carry out the New Businesses in the relevant jurisdiction and the Group's business operations in such jurisdiction may be materially disrupted. Further, if there is a failure to comply fully with the stipulated conditions of licences, local law may provide for the relevant authorities to revoke registrations, licences or permits. There is no assurance that there will not be any such occurrence in the future and upon the occurrence of any of the foregoing, the business, financial condition, results of operations and prospects of the New Businesses may be materially and adversely affected.

The New Businesses in geographical markets where the Group may operate in may be subject to various laws and regulations. Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, property development, addition and alteration works and building works. If the Group fails to obtain the requisite approvals in the relevant country, it will be unable to undertake the New Businesses in such country. The Group must also comply with the applicable laws and regulations in the New Businesses, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage any underlying assets which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the business and financial performance of the Group. There can also be no assurance that the licences, approvals and agreements will be renewed upon their expiration on commercially reasonable terms, if at all.

(c) *Fluctuations in the market conditions could affect the performance of the Group's investments or the funds managed by the Group*

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Unstable and/or unfavourable market conditions in the countries in which the investments are located may affect the value of the investments held by the funds managed by the Group. Lack of liquidity or price volatility may further reduce the value of the funds managed by the Group or which the Group has directly invested into, which in turn may result in a material adverse effect on the business, growth prospects, fee income, results of operations and/or financial position of the New Businesses.

- (d) *The Proposed Diversification is subject to general risks associated with operating businesses outside Singapore*

The Proposed Diversification in relation to the Senior Living Business is presently limited to geographical markets where the Group has a presence or operates in. There is presently no limitation on the geographical markets in relation to the Investment Management Business. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

- (e) *The Group's performance following the Proposed Diversification will be subject to exposure to macro-economic risks*

The markets in which the Group will operate the New Businesses are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;
- (iii) the level and volatility of liquidity and risk aversion;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vi) the level and volatility of interests rates and foreign currency exchange rates;
- (vii) concerns over inflation; and
- (viii) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the performance of the New Businesses, which in turn may affect the Group's revenue, results of operations and/or financial condition.

- (f) *The Group could be subject to foreign exchange exposure and currency fluctuations*

In the event that operations of the New Businesses are expanded to a different

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geographic jurisdiction, the Group may be subject to risks arising from foreign exchange fluctuations. The Group's revenue is denominated in Singapore Dollars while revenue or income generated from the New Businesses could be denominated in the currencies of the jurisdictions where the operations of the Group take place. Any unfavourable fluctuations in currency exchange rates will result in exchange losses arising from transactions carried out in foreign currencies and translations of foreign currency monetary assets and liabilities as at the end of the relevant reporting periods. If the exchange losses are substantial, it could have a negative impact on the Group's financial performance and financial condition.

- (g) *The Group may face difficulties in remitting capital, profits and dividends out of the countries it may operate in pursuant to the New Businesses*

The Group may establish or invest in foreign entities to carry out the New Businesses outside of Singapore. The Group's foreign entities which may be engaged in the New Businesses may experience difficulty in remitting capital, profits and dividends out of its countries of operation, as such remittances may be subject to scrutiny and specific approval of the government or regulatory authorities in such countries, or may be subject to foreign exchange policies and conditions prevailing from time to time.

- (h) *Natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group*

The operations of the New Businesses, in particular during the day-to-day operations of the Accommodation Assets including the Senior Living Assets, may be adversely affected by natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group. Riots or the outbreak of communicable diseases could result in the closure of the Accommodation Assets including the Senior Living Assets temporarily or even permanently and this would impact upon the Group's income stream and revenue generated from the Accommodation Assets including the Senior Living Assets. The occurrence of such events would therefore have a material adverse effect on the Accommodation Assets including the Senior Living Assets and adversely affect the financial condition and results of operations of the Group.

- (i) *The Group may be affected by the actions of its employees and/or the professionals it engages*

Employee misconduct and/or negligence may result in legal liability, regulatory sanctions and unquantifiable damage to the Group's reputation, and may materially and adversely affect the Group's business operations and financial performance. Notwithstanding that the Group intends to put in place internal policies and guidelines to prevent risks and mitigate liabilities relating to employee misconduct or fraud, such precautions may not be effective in any or all cases, and it may not always be possible to detect employee misconduct.

Furthermore, the laws, rules and regulations applicable to the professionals engaged by the Group to manage the New Businesses may also impose restrictions and/or penalties on the Group in the event such laws, rules or regulations are breached, or alleged to be breached by the professionals, and the Group's competitiveness and financial performance may consequently be materially and adversely affected.

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(j) *The Proposed Diversification is subject to litigation risks*

The New Businesses will be subject to a complex legal and regulatory environment. Any litigation brought against the Group by the third parties (including residents of the Senior Living Assets or clients of the Investment Management Business) could have a material adverse effect on the Group's reputation, business, growth prospects, fee income, results of operations and/or financial position of the Group.

(k) *Risk management and internal control systems contain inherent limitations*

While the Group intends to put in place internal policies and risk management guidelines, the risk management and internal control systems of an entity, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there can be no assurance that the risk management and internal control systems will remain adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, prosecution being taken against the Company and/or its employees, disruption to the risk management system, and the Group's financial condition and operating results may be materially or adversely affected.

(l) *The New Businesses are dependent on the Group's reputation and any adverse publicity could have an adverse effect on the Group's business and financial performance*

The Proposed Diversification relies to a large extent on market perception on how successful the Group has been in the conduct of its core business as the Group will be operating in an industry where the Group's integrity (and perception thereof) as well as, the trust and confidence of the clients are of critical importance. Negative publicity (whether or not justified) associated with the Group or any of its officers or employees may adversely impact the Group's reputation and result in a loss of clients. Accordingly, any perception of, or alleged mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities or obligations may have an adverse effect on the Group's growth prospects, business operations and financial performance.

(m) *The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances in respect of the New Businesses*

Depending on available opportunities, feasibility and market conditions, the Group may participate in joint ventures, strategic alliances, acquisitions or other investment opportunities involving numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. Furthermore, the Group is expected to rely on its joint venture partners at the initial stage of its foray into the Proposed Diversification and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the joint venture partner or meet the financial obligations), it may result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

Further, the Group may hold investments through or make investments in entities that are not the Group's subsidiary and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the New Businesses described herein that affect the Group. There is no assurance that the Group will be able to influence management,

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operation, and performance of these entities favourably through its voting rights. If all or any of these entities were to perform poorly, the Group's overall business, financial condition and prospects may be adversely affected.

### 2.7.2 Risk Factors relating to the Senior Living Business

(a) *The Group does not have a prior track record and operating history in the Senior Living Business*

While the Group can leverage on existing expertise from its operations in Existing Business, it does not have prior track record in carrying out or implementing the full extent of the Proposed Diversification including the Senior Living Business. Therefore, there is no assurance that the Group's foray into the Senior Living Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Senior Living Business. The Senior Living Business may also require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Group's future plans with regard to the Senior Living Business may not yield profitability or achieve returns that justify the investments made, and it may take a long period of time before the Group can realise any return. Further, such future plans and new initiatives could result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group.

The Senior Living Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Senior Living Business effectively, the overall financial position and profitability of the Group may be adversely affected.

(b) *The Group may be unable to identify and secure new projects and investments to grow the Senior Living Business*

The success of the proposed Senior Living Business heavily relies on the Group's ability to identify and secure profitable projects that meet the growing demand for Senior Living Assets. However, this could be hindered by several factors such as intense competition, economic conditions and risk of project failure. In respect of competition, although there are existing operators of Senior Living Assets in Singapore, the market remains relatively new and has yet to gain momentum. Future competition may make it challenging for the Group to secure prime locations or valuable partnerships essential for establishing new facilities or services.

Additionally, the general economic conditions in the regions where the Group intends to operate its Senior Living Business could also impact its ability to identify viable Senior Living Assets. Economic downturns, changes in government policies regarding Senior Living Assets especially the regulatory framework, or fluctuations in funding for Senior Living Assets could affect the availability of suitable projects and the financial viability of investments.

There is also the additional risk of project failure even if the Group successfully identifies potential projects, there is no assurance that these projects will be

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completed profitably. Factors such as operational challenges, regulatory hurdles, or unanticipated expenses could adversely affect the financial performance of the Senior Living Business.

- (c) *The Group may not be able to provide the capital investments needed to undertake the Senior Living Business*

The proposed Senior Living Business will likely require substantial capital investments to develop, maintain, and expand facilities or services, such as specialised healthcare services, at the Senior Living Assets. These investments are necessary to meet market demand and ensure competitive service offerings. However, the Group may not have the financial resources readily available to undertake these investments.

In respect of securing financing, there is no assurance that short-term or long-term financing will be available to support the capital investments required for the Senior Living Business. If financing is unavailable, or if it can only be obtained on unfavourable terms, it could jeopardise the Group's growth plans in this sector.

Further, taking on additional debt could expose the Group to interest rate fluctuations and restrictive conditions (such as maintaining financial ratios or requiring lender consent for further corporate actions). These restrictions could reduce cash flow flexibility and hinder the Group's ability to respond to industry or economic changes.

- (d) *The Senior Living Business may be affected by the spread or an outbreak of any contagious disease*

The Senior Living Business may encounter significant challenges during an outbreak of a contagious or communicable disease, such as COVID-19. Key impacts include operational disruptions due to government restrictions, like lockdowns, which could prevent the Group from opening or improving Senior Living Assets. Additionally, health regulations may become more stringent during outbreaks, resulting in extra costs and delays in providing services.

Moreover, concerns about health and safety may lead families to hesitate in utilising Senior Living Assets. This reluctance could result in lower occupancy rates in care facilities and decreased revenue. In summary, outbreaks of contagious diseases can severely disrupt the Senior Living Business by affecting operations, increasing costs, and diminishing demand for services.

- (e) *The Group may not be able to generate adequate returns on the Senior Living Business*

The Senior Living Business may face challenges in generating adequate returns on its investments. The financial success of this venture will depend on both the capital appreciation of the facilities and the income earned from occupancy fees paid by residents. However, various risks could impact these returns. Factors such as changes in market demand for senior living services, the inability to maintain high occupancy rates, and the potential for residents to leave or face financial difficulties in paying fees may adversely affect revenue. Ongoing costs related to maintenance, staffing, and service improvements can further diminish profitability. If the Group invests in Senior Living Assets and fails to achieve adequate returns, its overall financial condition could suffer.

Moreover, the Senior Living Assets acquired for the Senior Living Business may be

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relatively illiquid, which could hinder the Group's ability to convert these assets into cash quickly if needed. In a challenging market environment, the Group might be forced to sell facilities at significantly lower prices to attract buyers, potentially leading to financial losses. This lack of liquidity could limit the Group's ability to adjust its investment portfolio in response to changing economic conditions, which could further jeopardise the financial performance of the Senior Living Business.

- (f) *The Group may be required to obtain the necessary licences, permits, accreditation and/or approvals to operate the Senior Living Business*

The Group may be required to obtain various licences, permits, accreditation and/or approvals to operate the Senior Living Business. In particular, the Senior Living Business is subject various laws, regulations and requirements, including, but not limited to:

- (i) the conduct of the Group's operations;
- (ii) the development, management and operation of Senior Living Assets, including Licensable SHRs;
- (iii) compliance with safety, accessibility, environmental sustainability, and buildability standards;
- (iv) provision of services in the senior living sector generally, including Nursing Home Services;
- (v) the quality of the Senior Living Assets, including facilities, equipment and services;
- (vi) the handling and disposal of regulated items and associated environmental regulations for Senior Living Assets;
- (vii) the qualifications of healthcare personnel in carrying out the Senior Living Business;
- (viii) the confidentiality and maintenance of, and security issues associated with, health-related information and healthcare records; and
- (ix) promotion and advertising in the healthcare industry.

Such licences, permits, accreditations and/or approvals are generally subject to conditions stipulated by the relevant issuing authorities or bodies and/or the relevant laws or regulations under which such licences, permits, accreditation and/or approvals are issued. In Singapore, the nursing home sector is regulated by the Ministry of Health and social residential homes are regulated by the Ministry of Social and Family Development. A breach of licensing conditions may lead to regulatory actions being taken and may result in adverse consequences including but not limited to the suspension of the licence and a financial penalty being imposed. Accordingly, the Group would be required to constantly assess and review its processes and operations to ensure that it is in compliance with the relevant conditions, laws and regulations. Failure to comply with such conditions, laws and regulations could result in the revocation or non-renewal of the relevant licence, permit, accreditation and/or approval or an imposition of fines or other penalties. In such an event, the Group's operations and financial performance will be adversely affected. Furthermore, any future changes to the policies of the health department of any country may adversely affect the ability of the Group to obtain licenses for the Senior Living Business in such geographical markets.

- (g) *The Senior Living Business may be affected by availability of manpower in the nursing home and healthcare industry*

The Senior Living Business is dependent, in part, on the availability of manpower to

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operate the Senior Living Assets, including nursing homes, medicentres and care homes. There may be a labour shortage for staff skilled to work in such Senior Living Assets and in the healthcare industry in general as healthcare workers are in great demand worldwide. These workers also face competition from other healthcare institutions such as polyclinics and hospitals. In Singapore, the Ministry of Health regulates the staffing requirements, including the required ratio of care staff to residents. Such labour shortages may affect the Group's compliance with regulatory requirements and lead to regulatory actions being taken. The day-to-day operations of the nursing homes and the ability for the Group to operate more nursing homes may also be adversely affected by labour shortages. These would impact the revenue generated from the Senior Living Business and the Group's income stream.

- (h) *The Senior Living Business is subjected to labour and immigration laws and policies that govern the employment of foreign workers*

Give the manpower constraints in the senior living industry, the Group may employ a significant number of foreigners for the Senior Living Business, where necessary. The Group is therefore subject to applicable laws, regulations and policies imposed by governments in geographical markets where the Group operates in or those of the foreigners' countries of origin in relation to the employment of foreign workers. For instance, the relevant government authorities (for example, the Ministry of Manpower in Singapore) may set a limit on the number of such workers and impose levies on each foreign worker hired by us. The Group are susceptible to any increase in such levies and any changes in the supply and/or quota of foreign employees that we are permitted to hire. As a result of these measures, our costs of hiring foreign employees may increase. The Group is also required to comply with the conditions and qualifying requirements in order for work passes to be issued to foreign employees. Any changes in government policies could result in higher operation costs and workforce constraints and adversely affect the revenue generated from the Senior Living Business and the Group's income stream.

- (i) *The Senior Living Business may be affected by the Singapore government's exercise of the right to compulsorily acquire land in accordance with law*

Under Singapore law, the Singapore government may compulsorily acquire all or any part of a property or properties for public purposes or various other reasons, and compensate the Group in respect of the properties, or part thereof, being compulsorily acquired. There is a risk that the compensation in respect of any such compulsory acquisition by the relevant regulatory authority will be less than the market value of the relevant property and/or the purchase consideration paid by the Group for the property or the carrying amount of the relevant property. This may adversely affect the Group's financial condition and the Group's results of operations and profitability. Further, there can be no assurance that the Group will be able to find a suitable alternative investment to replace the income loss in a timely manner, or at all, and this may have an adverse effect on the financial conditions, results of operations and profitability of the Group.

- (j) *The Senior Living Business is dependent on the availability of land suitable for the development of the Senior Living Assets*

The Senior Living Business is dependent, in part, on the availability of land suitable for the development of the Senior Living Assets. The local government may implement measures to adjust macroeconomic policies to prevent and curtail the overheating of its economy, which may affect the real estate market that the Group is operating in. Additionally, the Group's ability to acquire land or licensing rights to develop such land

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for future development and the acquisition costs of such land will be affected by the policies of the local government toward land supply. There can be no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, or at all. If the Group is not able to identify and acquire attractive new sites at commercially acceptable prices, this could impair the Group's ability to compete with other property developers and materially and adversely affect the Group's business and financial performance.

### 2.7.3 Risk Factors relating to the Investment Management Business

- (a) *The Group has little experience in the Investment Management Business, and faces integration risk*

Currently, the Group has little experience in the Investment Management Business. The Group intends to devote resources, time and management attention to setting up the Investment Management Business, including but not limited to, applying for the requisite registrations and/or licences, hiring skilled professionals and employees, providing the necessary training, know-how, business support, creating new incentive structures for management and staff, establishing the operating infrastructure and internal controls, brand development, and establishing clientele.

However, there is no guarantee that the Group will be successful in the Investment Management Business, or that the aforesaid measures will result in the seamless integration of Investment Management Business into the Group's existing operations. Delays or interruptions in the integration or unforeseen or unresolved issues may divert the Group's management attention and resources, delay the commencement of or prevent revenue growth pursuant to the Proposed Diversification, which may materially and adversely affect the results of operations or financial position of the Group.

- (b) *The Investment Management Business is subject to competition risks*

The success of the Investment Management Business will depend to a large extent on the Group's ability to establish itself in the fund management markets and build its clientele on an economically viable scale and in line with the Group's business objectives. The Group will have to compete with other fund management entities, some of which may be larger, better capitalised, offer a wider range of services, have access to greater human resources, and have both a stronger presence as well as a longer operating history in these markets.

There can be no assurance that the Group's plan to penetrate these markets will be commercially successful. Furthermore, the competitive market environment may increase pressure on the Group's fee income margins for the Investment Management Business, consequently compromising the Group's fee income and financial performance.

If the Group fails to compete effectively in this environment, the Group may lose clients and/or investee companies, and the opportunity to gain new clients and/or investee companies. The Group will need to increase its marketing activities to develop market awareness and relationships with potential clients and/or investee companies. Such activities will increase the Group's expenses, and such expenditure without a corresponding increase in revenue may have an adverse impact on the Group's growth prospects and financial performance.

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- (c) *The performance of the investments or the funds managed by the Group cannot be guaranteed*

The success of the Group's investment approach in relation to the funds it manages depends, in part, on the Group's ability to correctly interpret market data and other information. It also depends on the Group's ability to conduct and obtain relevant investment research analysis and/or accurately predict market conditions and developments. There can be no assurance that the Group's analysis and investment strategies will be successful under all or any market conditions. In the event that the funds do not perform as envisioned, there may be a material adverse effect on the Group's reputation, fee income, financial performance and business operations.

- (d) *Management fees and/or performance fees derived from the Investment Management Business may decline*

The Investment Management Business derives its revenue from, amongst others, management fees and performance fees, which may be partly based on the performance of the funds managed by the Group. A decline in the fund's performance may result in a reduction in fees payable to the Group, which in turn may have a material adverse effect on the Group's business, growth prospects, fee income, results of operations and/or financial position of the Group.

- (e) *The Group may not be able to obtain the requisite registration and/or licenses to engage in fund management*

The Group intends to apply to MAS for the registration of the Fund Manager as a LFMC. The Group also intends to apply for various other requisite licenses, permits, approvals and/or exemptions from the relevant authorities in the jurisdictions in which the Group may operate the Investment Management Business. Any failure to obtain, maintain and/or renew the fund manager's licences, permits, approvals and/or exemptions may impede or hinder operations for the Group's Investment Management Business, and may adversely affect its prospects and business plans.

- (f) *The Group will be subject to strict regulation and supervision by MAS for the Investment Management Business*

MAS is empowered to establish standards, codes, rules and regulations to be observed by capital markets services providers, and regulate the conduct of these registrants and licensees in the provision of capital markets services. If a registrant or licensee is found to be in breach of any condition of its registration or licence, or any provision of any code, practice, standard of performance, regulation or directive, MAS may issue a written order for compliance, impose a financial penalty, cancel the registration or licence part thereof, suspend the registration or licence or part thereof for a specified period, or reduce the term of the registration or licence.

Upon engaging in the Investment Management Business, the Group will be subject to strict regulation and supervision by MAS. MAS may require the Fund Manager and/or any other entity in the Group which undertakes fund management activities to hold certain levels of assets or monies, to meet any risk-based capital adequacy requirements imposed by MAS.

Further, MAS may impose requirements on the Company itself in its capacity as parent company, and in such event the Company may be required to devote significant time and resources to overseeing a subsidiary's operations, financial position, compliance with laws, management, and other issues, and/or provide

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financial support for a subsidiary's liquidity requirements or financial obligations.

Further, in the event of any breach or alleged breach of any applicable law, rules, regulation, policy, practice, note or directive, the Group may be subject to various measures imposed by MAS, including but not limited to extended investigations, revocation or suspension of the Group's registrations and/or licences and/or substantial financial penalties. In such events, the Group's growth prospects, business operations and financial performance may be materially and adversely affected.

- (g) *The Investment Management Business is subject to risks associated with debt financing*

The funds managed by the Fund Manager may acquire assets through capital calls as well as loans from banks and financial institutions. In relation to real estate assets, the availability of adequate financing is important for the acquisition of buildings, and to complete property development projects (where applicable) according to schedule. However, there is no assurance that financing options will always be available on terms and conditions acceptable to the Group. In addition, the future financial performance and business operations of the Investment Management Business could be materially and adversely affected by a decrease in the amount of banking facilities available, or due to an increase in interest expenses on bank borrowings, which could be caused by factors outside the Group's control such as global situations or the gradual normalisation of interest rates.

Debt financing may also involve the imposition of debt covenants, which may: (i) increase vulnerability to general adverse industry and economic conditions; (ii) require consent for the payment of dividends or limit the ability to pay dividends; (iii) limit the Group's ability to pursue growth plans; (iv) limit flexibility in reacting to or planning for changes in the business and industry; (v) limit the Group's ability to obtain further third party loans and borrowings; and/or (vi) require the Group to dedicate a substantial portion of cash flow from operations to repaying debts, thereby reducing the availability of the Group's cash flow to fund working capital requirements, capital expenditure and other general corporate purposes. There is no assurance that loans granted for the Investment Management Business will not contain such debt covenants.

- (h) *The Investment Management Business may compete with the Group for acquisition of land and property*

The funds managed by the Fund Manager may, *inter alia*, acquire land and/or buildings. On the other hand, the Group may acquire land and/or buildings for its Existing Business. In the unlikely event that the funds managed by the Fund Manager and the Group bid for the same piece of land or property, there may be potential conflicts of interest arising from such acquisitions. There can be no assurance that the Fund Manager will be successful in competing with the Group for such acquisitions.

- (i) *Regulatory changes may limit the Group's activities in the Investment Management Business and/or subject the Group to regulatory risk*

Any changes in the applicable regulatory framework may restrict or modify the range of funds services the Group is able to offer, or the fees the Group is able to charge for its Investment Management Business. The Group may need to incur additional costs and/or modify its operations to ensure that it continues to comply with the

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changes to the regulatory framework, which may have an adverse effect on the Group's growth prospects, operations and/or financial performance.

### **2.8 Interests of the Directors and Substantial Shareholders in the Proposed Diversification**

As at the Latest Practicable Date, none of the Directors or (so far as the Directors are aware) Controlling Shareholders has any interest, direct or indirect, in the Proposed Diversification (other than through their respective shareholdings in the Company, if any).

### **3. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

#### **3.1 Background**

At the 31<sup>st</sup> AGM held on 30 April 2025, Shareholders had approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued Shares. The rationale for, and the authority and limitations on, the Share Purchase Mandate were set out in the appendix to the notice of AGM dated 10 April 2025 convening the 31<sup>st</sup> AGM.

The existing Share Purchase Mandate will expire on the date of the forthcoming 32<sup>nd</sup> AGM to be held on 29 April 2026 at 4.00 p.m.. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 32<sup>nd</sup> AGM.

#### **3.2 Shares Purchased or Acquired in the Previous 12 Months**

The Company has not purchased or acquired any Shares in the previous 12 months preceding the Latest Practicable Date.

#### **3.3 Rationale for the Renewal of the Share Purchase Mandate**

The renewal of the Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. Such purchases or acquisitions of Shares provide the Company and its Directors with an easy mechanism to facilitate the return of surplus cash over and above the Company's ordinary requirements in an expedient, efficient and cost-effective manner and may, depending on market conditions and funding arrangements at the time, allow the Company and its Directors to better manage the Company's capital structure with a view to enhancing the EPS and/or NAV per share of the Group. The purchases or acquisitions of Shares may, in appropriate circumstances, also help to mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

The Directors will decide whether to effect the purchases or acquisitions of the Shares after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.

#### **3.4 Terms of the Proposed Share Purchase Mandate**

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate (if renewed at the 32<sup>nd</sup> AGM), are substantially the same as those previously approved by Shareholders at the 31<sup>st</sup> AGM, and are summarised below:

##### **3.4.1 Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

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The total number of Shares that may be purchased or acquired by the Company shall not exceed 10% of the total number of Shares (excluding subsidiary holdings and any Shares which are held as treasury shares) in issue as at the date of the 32<sup>nd</sup> AGM at which the renewal of the Share Purchase Mandate is approved.

### 3.4.2 Duration of Authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 32<sup>nd</sup> AGM at which the renewal of the Share Purchase Mandate is approved up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

### 3.4.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares by the Company may be made by way of:

- (a) an on-market purchase transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) an **off-market** purchase in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchase**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the constitution of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in connection with or in relation to an equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
  - (A) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
  - (B) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
  - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an

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offer document to all shareholders containing, *inter alia*, the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share purchases;
- (4) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST;
- (6) details of any share purchases made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

### 3.4.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

("Maximum Price") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

**"Average Closing Price"** means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

**"Closing Market Price"** means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources; and

**"date of the making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### **3.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled**

Any Shares purchased or acquired pursuant to the Share Purchase Mandate will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company in treasury in accordance with Sections 76H to 76K of the Companies Act.

#### **3.5.1 Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain provisions on treasury shares under the Companies Act are summarised below:

- (a) **Maximum Holdings:** The aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six months from the day the aforesaid limit is first exceeded.
- (b) **Voting and Other Rights:** The Company cannot exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

- (c) **Disposal or Cancellation:** Where Shares are held as treasury shares, the Company may at any time:
  - (i) sell the treasury shares (or any of them) for cash;
  - (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
  - (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
  - (iv) cancel the treasury shares (or any of them); or
  - (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (A) the date of the sale, transfer,

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cancellation and/or use of such treasury shares, (B) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (C) the number of treasury shares which have been sold, transferred, cancelled and/or used, (D) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (E) the percentage of the number of treasury shares against the total number of issued shares outstanding (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (F) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

### 3.5.2 Purchased or Acquired Shares Cancelled

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

### 3.6 **Source of Funds**

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the constitution of the Company and in accordance with applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is "solvent" if at the time of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including

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contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources, or external loans and borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Board does not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially and adversely affect the working capital requirements, the gearing levels of the Group and the financial position of the Group taken as a whole.

### 3.7 Financial Effects of the Share Purchase Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2025, are prepared based on the assumptions set out below.

#### 3.7.1 Purchase or Acquisition of Shares made out of Capital or Profits

Where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares will correspondingly reduce the profits available for distribution as dividends by the Company. Where the purchase or acquisition of Shares is made out of capital, the profits available for the distribution as dividends by the Company will not be reduced. For the purposes of preparing the financial effects below, the Company has excluded brokerage, stamp duties, applicable goods and services tax and other related expenses from the purchase price paid by the Company for the Shares.

#### 3.7.2 Number of, and Maximum Price paid for, Shares Purchased or Acquired

As at the Latest Practicable Date, the Company has a total of 322,386,218 Shares in issue (excluding treasury shares) and has no subsidiary holdings. Further, as at the Latest Practicable Date, 2,324,200 Shares are held by the Company as treasury shares.

Based on 322,386,218 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date (and assuming that no further Shares are issued and no further Shares are purchased or acquired and held by the Company as treasury shares on or prior to the forthcoming AGM), the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition by the Company of up to 32,238,621 Shares.

##### (a) Where Shares purchased or acquired are cancelled

The financial effects of the purchase or acquisition of Shares by the Company made entirely out of capital or profits and where such Shares are cancelled are based on the purchase or acquisition of 32,238,600 Shares (rounded down to the nearest 100 Shares).

In the case of Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 32,238,600 Shares at the

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Maximum Price of S\$0.190 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 32,238,600 Shares is approximately S\$6.1 million.

In the case of Off-Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 32,238,600 Shares at the Maximum Price of S\$0.217 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 32,238,600 Shares is approximately S\$7.0 million.

(b) Where Shares purchased or acquired entirely out of capital or profits are held as treasury shares

As stated in Section 3.5.1 of this Appendix, the aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. On the basis of the aforesaid limit and that the Company holds 2,324,200 Shares as treasury shares as at the Latest Practicable Date, the maximum number of Shares which can be purchased or acquired by the Company and be held as treasury shares is 30,146,800 (rounded down to the nearest 100 Shares), representing approximately 9.35% of the total number of Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 30,146,800 Shares at the Maximum Price of S\$0.190 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,146,800 Shares is approximately S\$5.7 million.

In the case of Off-Market Purchases by the Company assuming that the Company purchases or acquires 30,146,800 Shares at the Maximum Price of S\$0.217 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,146,800 Shares is approximately S\$6.5 million.

(c) Source of funds

As the Company has insufficient cash and cash equivalents as at 31 December 2025 to purchase or acquire the relevant maximum number of Shares, the financial effects below are prepared on the basis that the Company will first utilise all its cash and cash equivalents and after which, it will utilise the financial resources of its subsidiaries through borrowings within the Group for any shortfall in the cash amount that is needed to purchase or acquire the relevant maximum number of Shares.

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### 3.7.3 Illustrative Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Company and the Group for FY2025, the assumptions stated above and assuming the purchases or acquisitions of Shares by the Company are funded solely from internal resources, the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the following Scenarios A to D described below are as follows:

#### (1) Market Purchases

| As at 31<br>December 2025<br>(audited)                 | GROUP                       |                      |            |            |            |
|--|-----------------------------|----------------------|------------|------------|------------|
|  | Before<br>Share<br>Purchase | After Share Purchase |            |            |            |
|  |                             | Scenario A           | Scenario B | Scenario C | Scenario D |
|  | S\$'000                     | S\$'000              | S\$'000    | S\$'000    | S\$'000    |
| Profit attributable to equity holders                  | 4,468                       | 4,468                | 4,468      | 4,468      | 4,468      |
| Share capital  | 49,082                      | 49,082               | 49,082     | 49,082     | 42,957     |
| Reserves   | 80,508                      | 80,508               | 80,508     | 74,383     | 80,508     |
| Treasury shares  | (566)                       | (6,294)              | (6,294)    | (566)      | (566)      |
| NAV  | 129,024                     | 123,296              | 123,296    | 122,899    | 122,899    |
| Non-controlling interests                              | 1,087                       | 1,087                | 1,087      | 1,087      | 1,087      |
| Equity   | 130,111                     | 124,383              | 124,383    | 123,986    | 123,986    |
| Current assets   | 247,794                     | 242,066              | 242,066    | 241,669    | 241,669    |
| Current liabilities                                    | 120,395                     | 120,395              | 120,395    | 120,395    | 120,395    |
| Net current assets                                     | 127,399                     | 121,671              | 121,671    | 121,274    | 121,274    |
| Total loans and borrowings <sup>1</sup>                | 64,256                      | 64,256               | 64,256     | 64,256     | 64,256     |
| Cash and cash equivalents <sup>2</sup>                 | 52,785                      | 47,057               | 47,057     | 46,660     | 46,660     |
| Number of Shares (in '000) (excluding treasury shares) | 322,386                     | 292,239              | 292,239    | 290,148    | 290,148    |
| Treasury shares (in '000)                              | 2,324                       | 32,471               | 32,471     | 2,324      | 2,324      |
| <u>Financial Ratios</u>                                |                             |                      |            |            |            |
| EPS – cents  | 1.39                        | 1.53                 | 1.53       | 1.54       | 1.54       |
| NAV per Share – cents                                  | 40.02                       | 42.19                | 42.19      | 42.36      | 42.36      |
| Gearing ratio <sup>3</sup> (times)                     | 0.09                        | 0.14                 | 0.14       | 0.14       | 0.14       |
| Current ratio <sup>4</sup> (times)                     | 2.06                        | 2.01                 | 2.01       | 2.01       | 2.01       |

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| COMPANY  |                             |                      |            |            |            |
|--|-----------------------------|----------------------|------------|------------|------------|
| As at 31 December<br>2025 (audited)                    | Before<br>Share<br>Purchase | After Share Purchase |            |            |            |
|  |                             | Scenario A           | Scenario B | Scenario C | Scenario D |
|  |                             | S\$'000              | S\$'000    | S\$'000    | S\$'000    |
| Profit attributable to equity holders                  | 5,596                       | 5,596                | 5,596      | 5,596      | 5,596      |
| Share capital  | 49,082                      | 49,082               | 49,082     | 49,082     | 42,957     |
| Reserves   | 10,136                      | 10,136               | 10,136     | 4,011      | 10,136     |
| Treasury shares  | (566)                       | (6,294)              | (6,294)    | (566)      | (566)      |
| NAV  | 58,652                      | 52,924               | 52,924     | 52,527     | 52,527     |
| Current assets   | 32,846                      | 27,118               | 27,118     | 26,721     | 26,721     |
| Current liabilities                                    | 27,937                      | 27,937               | 27,937     | 27,937     | 27,937     |
| Net current liabilities                                | 4,909                       | (819)                | (819)      | (1,216)    | (1,216)    |
| Total loans and borrowings <sup>1</sup>                | 9,100                       | 9,100                | 9,100      | 9,100      | 9,100      |
| Cash and cash equivalents <sup>2</sup>                 | 14,245                      | 8,517                | 8,517      | 8,120      | 8,120      |
| Number of Shares (in '000) (excluding treasury shares) | 322,386                     | 292,239              | 292,239    | 290,148    | 290,148    |
| Treasury shares (in '000)                              | 2,324                       | 32,471               | 32,471     | 2,324      | 2,324      |
| <u>Financial Ratios</u>                                |                             |                      |            |            |            |
| EPS – cents  | 1.74                        | 1.91                 | 1.91       | 1.93       | 1.93       |
| NAV per Share – cents                                  | 18.19                       | 18.11                | 18.11      | 18.10      | 18.10      |
| Gearing ratio <sup>3</sup> (times)                     | N.A                         | 0.01                 | 0.01       | 0.02       | 0.02       |
| Current ratio <sup>4</sup> (times)                     | 1.18                        | 0.97                 | 0.97       | 0.96       | 0.96       |

Notes:

- 1 Total loans and borrowings include bank borrowings and excludes loans from non-controlling interests.
- 2 Cash and cash equivalents represent cash and bank balances less bank deposits pledged with financial institutions, restricted cash and maintenance funds received on behalf of property managing agent.
- 3 Gearing ratio equals net debts (i.e. total loans and bank borrowings after deducting cash and cash equivalents) divided by equity.
- 4 Current ratio equals current assets divided by current liabilities.

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- (a) Scenario A: Market Purchases of 30,146,800 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 42.19 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.53 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Market Purchases of 30,146,800 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 42.19 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.53 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Market Purchases of 32,238,600 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 42.36 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.54 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Market Purchases of 32,238,600 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 42.36 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.54 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

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### (2) Off-Market Purchases

| As at 31<br>December 2025<br>(audited)                 | GROUP                       |                      |            |            |            |
|--|-----------------------------|----------------------|------------|------------|------------|
|  | Before<br>Share<br>Purchase | After Share Purchase |            |            |            |
|  |                             | Scenario A           | Scenario B | Scenario C | Scenario D |
|  | S\$'000                     | S\$'000              | S\$'000    | S\$'000    | S\$'000    |
| Profit attributable to equity holders                  | 4,468                       | 4,468                | 4,468      | 4,468      | 4,468      |
| Share capital  | 49,082                      | 49,082               | 49,082     | 49,082     | 42,086     |
| Reserves   | 80,508                      | 80,508               | 80,508     | 73,512     | 80,508     |
| Treasury shares  | (566)                       | (7,108)              | (7,108)    | (566)      | (566)      |
| NAV  | 129,024                     | 122,482              | 122,482    | 122,028    | 122,028    |
| Non-controlling interests                              | 1,087                       | 1,087                | 1,087      | 1,087      | 1,087      |
| Equity   | 130,111                     | 123,569              | 123,569    | 123,115    | 123,115    |
| Current assets   | 247,794                     | 241,252              | 241,252    | 240,798    | 240,798    |
| Current liabilities                                    | 120,395                     | 120,395              | 120,395    | 120,395    | 120,395    |
| Net current assets                                     | 127,399                     | 120,857              | 120,857    | 120,403    | 120,403    |
| Total loans and borrowings <sup>1</sup>                | 64,256                      | 64,256               | 64,256     | 64,256     | 64,256     |
| Cash and cash equivalents <sup>2</sup>                 | 52,785                      | 46,423               | 46,423     | 45,789     | 45,789     |
| Number of Shares (in '000) (excluding treasury shares) | 322,386                     | 292,239              | 292,239    | 290,148    | 290,148    |
| Treasury shares (in '000)                              | 2,324                       | 32,471               | 32,471     | 2,324      | 2,324      |
| <u>Financial Ratios</u>                                |                             |                      |            |            |            |
| EPS – cents  | 1.39                        | 1.53                 | 1.53       | 1.54       | 1.54       |
| NAV per Share – cents                                  | 40.02                       | 41.91                | 41.91      | 42.06      | 42.06      |
| Gearing ratio <sup>3</sup> (times)                     | 0.09                        | 0.15                 | 0.15       | 0.15       | 0.15       |
| Current ratio <sup>4</sup> (times)                     | 2.06                        | 2.00                 | 2.00       | 2.00       | 2.00       |

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| COMPANY  |                             |                      |            |            |            |
|--|-----------------------------|----------------------|------------|------------|------------|
| As at 31 December<br>2025 (audited)                    | Before<br>Share<br>Purchase | After Share Purchase |            |            |            |
|  |                             | Scenario A           | Scenario B | Scenario C | Scenario D |
|  |                             | S\$'000              | S\$'000    | S\$'000    | S\$'000    |
| Profit attributable to equity holders                  | 5,596                       | 5,596                | 5,596      | 5,596      | 5,596      |
| Share capital  | 49,082                      | 49,082               | 49,082     | 49,082     | 42,086     |
| Reserves   | 10,136                      | 10,136               | 10,136     | 3,140      | 10,136     |
| Treasury shares  | (566)                       | (7,108)              | (7,108)    | (566)      | (566)      |
| NAV  | 58,652                      | 52,110               | 52,110     | 51,656     | 51,656     |
| Current assets   | 32,846                      | 26,304               | 26,304     | 25,850     | 25,850     |
| Current liabilities                                    | 27,937                      | 27,937               | 27,937     | 27,937     | 27,937     |
| Net current liabilities                                | 4,909                       | (1,633)              | (1,633)    | (2,087)    | (2,087)    |
| Total loans and borrowings <sup>1</sup>                | 9,100                       | 9,100                | 9,100      | 9,100      | 9,100      |
| Cash and cash equivalents <sup>2</sup>                 | 14,245                      | 7,703                | 7,703      | 7,249      | 7,249      |
| Number of Shares (in '000) (excluding treasury shares) | 322,386                     | 292,239              | 292,239    | 290,148    | 290,148    |
| Treasury shares (in '000)                              | 2,324                       | 32,471               | 32,471     | 2,324      | 2,324      |
| <u>Financial Ratios</u>                                |                             |                      |            |            |            |
| EPS – cents  | 1.74                        | 1.91                 | 1.91       | 1.93       | 1.93       |
| NAV per Share – cents                                  | 18.19                       | 17.83                | 17.83      | 17.80      | 17.80      |
| Gearing ratio <sup>3</sup> (times)                     | N.A                         | 0.03                 | 0.03       | 0.04       | 0.04       |
| Current ratio <sup>4</sup> (times)                     | 1.18                        | 0.94                 | 0.94       | 0.93       | 0.93       |

Notes:

- 1 Total loans and borrowings include bank borrowings and excludes loans from non-controlling interests.
- 2 Cash and cash equivalents represent cash and bank balances less bank deposits pledged with financial institutions, restricted cash and maintenance funds received on behalf of property managing agent.
- 3 Gearing ratio equals net debts (i.e. total loans and bank borrowings after deducting cash and cash equivalents) divided by equity.
- 4 Current ratio equals current assets divided by current liabilities.

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- (a) Scenario A: Off-Market Purchases of 30,146,800 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 41.91 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.53 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Off-Market Purchases of 30,146,800 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 41.91 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.53 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Off-Market Purchases of 32,238,600 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 42.06 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.54 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Off-Market Purchases of 32,238,600 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2025 will increase from 40.02 cents to 42.06 cents.

Assuming that the purchase of Shares had taken place on 1 January 2025, the consolidated basic EPS of the Group for FY2025 would be increased from 1.39 cents to 1.54 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

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Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are purely for illustration purposes only and are not necessarily representative of future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, whether the purchase or acquisition of Shares is made out of the profits or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The Board would emphasise that it does not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

### 3.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

### 3.9 Listing Manual

#### 3.9.1 No Purchases during Price Sensitive Developments

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the Board until the price sensitive information has been publicly announced.

In particular, in line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company's half year financial statements and full year financial statements.

#### 3.9.2 Listing Status of the Shares

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word "public" is defined in the Listing Manual as persons other than directors, the chief executive officer, substantial shareholders, or controlling shareholders of the listed company or its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 154,747,866 Shares, representing approximately 48.00% of the total number of issued Shares (excluding treasury shares), held by the public. In the event that the Company purchases the maximum of 10% of the total number of issued Shares from public Shareholders, the percentage of the Company's public

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float would be reduced to approximately 42.22% of the total number of Shares in issue (excluding treasury shares and subsidiary holdings). Accordingly, the Board is of the view that there is, at present, a sufficient number of Shares in issue held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without adversely affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

### 3.9.3 Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares, and (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

### 3.10 **Certain Take-over Code Implications Arising from the Proposed Share Purchase Mandate**

Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below:

#### 3.10.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

#### 3.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be acting in concert with each other:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent of (i);
  - (iii) the subsidiaries of (i);

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- (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i) to (iv);
  - (vi) companies whose associated companies include any of (i) to (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives and related trusts and companies controlled by any of the directors, their close relatives and related trusts).

For the above purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

### 3.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

The circumstances under which Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer as a result of a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of a purchase or acquisition of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company would increase to 30% or more; or
- (b) where the Directors and their concert parties together hold between 30% and 50% of the Company's voting rights, their voting rights would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% to 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire voting Shares after the Company's purchase of its own Shares. For this purpose, an increase in the percentage of voting rights as a result of the Company's purchase of its own Shares will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six months.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

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### 3.10.4 Shareholding Interests of Directors

Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the interests of the Directors in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases the maximum of 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (c) there are no further issue of Shares and (d) no further Shares are purchased or acquired and held by the Company as treasury shares and no Shares are held as subsidiary holdings on or prior to the 32<sup>nd</sup> AGM, will be as follows:

| Name of Director   | Number of Shares Held |                 |                | % Before Share Purchase <sup>(1)</sup> | % After Share Purchase |
|--|-----------------------|-----------------|----------------|--|------------------------|
|  | Direct Interest       | Deemed Interest | Total Interest |  |                        |
| Lim Boon Cheng   | -                     | -               | -              | -                                      | -                      |
| Tan Kheng Hwee Andrew <sup>(2)</sup>                               | 17,250,474            | 228,400         | 17,478,874     | 5.422                                  | 6.024                  |
| Seow Chin Heng Adrian  | -                     | -               | -              | -                                      | -                      |
| Voon Yok Lin   | 16,690,000            | -               | 16,690,000     | 5.177                                  | 5.752                  |
| Bruno Sergio Valsangiacomo <sup>(3)</sup>                          | -                     | 85,632,978      | 85,632,978     | 26.562                                 | 29.514                 |
| Pietro Brenni  | -                     | -               | -              | -                                      | -                      |
| Chan Mun Wei   | -                     | -               | -              | -                                      | -                      |
| Karen Lee Kiah Ling  | -                     | -               | -              | -                                      | -                      |
| Romano William Fanconi<br>(Alternate Director to Pietro Brenni)    | 80,000                | -               | 80,000         | 0.025                                  | 0.028                  |
| Marcel Poser<br>(Alternate Director to Bruno Sergio Valsangiacomo) | -                     | -               | -              | -                                      | -                      |

Notes:

- (1) Based on the Company's total issued share capital of 322,386,218 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr Tan Kheng Hwee Andrew is deemed to have an interest in the Shares held by his wife, Ms Koh Peck Poh, Phyllis.
- (3) Mr Bruno Sergio Valsangiacomo is deemed to have an interest in the Shares held by BBRS by virtue of him together with his wife, Mrs Claudia Valsangiacomo-Brandestini, holding in aggregate not less than 20% of the voting shares of Tectus S.A.. See also Notes (2) and (3) under Section 3.10.5 of this Appendix.

### 3.10.5 Shareholding Interests of Substantial Shareholders

Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases or acquires the maximum of 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the Substantial Shareholders have an interest as at the Latest Practicable Date, (c) there are no further issue of Shares and

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(d) no further Shares are purchased or acquired and held by the Company as treasury shares no shares are held as subsidiary holdings on or prior to the 32<sup>nd</sup> AGM, will be as follows:

| Name of Substantial Shareholder                  | Number of Shares Held |                 |                | % Before Share Purchase <sup>(1)</sup> | % After Share Purchase |
|--|-----------------------|-----------------|----------------|--|------------------------|
|  | Direct Interest       | Deemed Interest | Total Interest |  |                        |
| BBRS   | 85,632,978            | -               | 85,632,978     | 26.562                                 | 29.514                 |
| Tectus S.A. <sup>(2)</sup>                       | -                     | 85,632,978      | 85,632,978     | 26.562                                 | 29.514                 |
| Claudia Valsangiacomo-Brandestini <sup>(3)</sup> | -                     | 85,632,978      | 85,632,978     | 26.562                                 | 29.514                 |
| Bruno Sergio Valsangiacomo <sup>(4)</sup>        | -                     | 85,632,978      | 85,632,978     | 26.562                                 | 29.514                 |
| Vesna Eckert-Brandestini <sup>(3)</sup>          | -                     | 85,632,978      | 85,632,978     | 26.562                                 | 29.514                 |
| Nick Brandestini <sup>(3)</sup>                  | -                     | 85,632,978      | 85,632,978     | 26.562                                 | 29.514                 |
| Tan Kheng Hwee Andrew <sup>(5)</sup>             | 17,250,474            | 228,400         | 17,478,874     | 5.422                                  | 6.024                  |
| Voon Yok Lin <sup>(6)</sup>                      | 16,690,000            | -               | 16,690,000     | 5.177                                  | 5.752                  |
| Chiu Hong Keong or Khoo Yok Kee <sup>(7)</sup>   | 25,569,900            | 40,000          | 25,609,900     | 7.944                                  | 8.827                  |
| ZYG Investment Pte Ltd                           | 22,146,600            | -               | 22,146,600     | 6.870                                  | 7.633                  |
| Lau Kah Soon <sup>(8)</sup>                      | -                     | 22,146,600      | 22,146,600     | 6.870                                  | 7.633                  |
| Tan See Choy <sup>(8)</sup>                      | -                     | 22,146,600      | 22,146,600     | 6.870                                  | 7.633                  |

**Notes:**

- (1) Based on the Company's total issued share capital of 322,386,218 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Tectus S.A. is deemed to have interests in the Shares held by BBRS by virtue of its holding in aggregate not less than 20% of the voting shares of BBRS.
- (3) Mrs Claudia Valsangiacomo-Brandestini, Ms Vesna Eckert-Brandestini and Mr Nick Brandestini are each deemed to have an interest in the Shares held by BBRS by virtue of each of them holding not less than 20% of the voting shares of Tectus S.A.
- (4) Mr Bruno Sergio Valsangiacomo is deemed to have an interest in the Shares held by BBRS by virtue of him together with his wife, Mrs Claudia Valsangiacomo-Brandestini, holding in aggregate not less than 20% of the voting shares of Tectus S.A.
- (5) The Shares of Mr Tan Kheng Hwee Andrew are held in the name of DBS Nominees Pte Ltd. He is deemed to have an interest in the Shares held by his wife, Ms Koh Peck Poh, Phyllis.
- (6) The Shares of Mr Voon Yok Lin are held in the name of Citibank Nominees Singapore Pte Ltd.
- (7) Mr Chiu Hong Keong or Ms Khoo Yok Kee are deemed to have an interest in the Shares held by their son, Mr Chiu Wei Wen.
- (8) Mr Lau Kah Soon is the spouse of Mdm Tan See Choy. Mr Lau Kah Soon and Mdm Tan See Choy are the shareholders of ZYG Investment Pte Ltd, each holding 50% of the shares in ZYG Investment Pte. Ltd..

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### 3.10.6 Consequences of Share Purchases or Acquisitions by the Company

As at the Latest Practicable Date, BBRS, a Substantial Shareholder and Mr Romano William Fanconi, the alternate Director to Dr Pietro Brenni, together with certain persons acting in concert or presumed to be acting in concert with them (collectively, the "**BBRS Concert Parties**") own or control an aggregate of 85,712,978 Shares representing approximately 26.587% of the total voting rights of the Company as at the Latest Practicable Date.

Assuming that there is no change in the shareholding interests of the BBRS Concert Parties in the Company as at the Latest Practicable Date, the purchase or acquisition by the Company of the maximum of 32,238,621 Shares (being 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) will result in an increase in the holdings of the BBRS Concert Parties in the Shares from approximately 26.587% to 29.541%.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder who would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code in the event that the Company purchases or acquires the maximum of 32,238,621 Shares (being 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) pursuant to the Share Purchase Mandate.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.**

## 4. DIRECTORS' RECOMMENDATION

### 4.1 **Proposed Diversification of the Existing Business to include the Senior Living Business**

After having considered, *inter alia*, the terms and rationale for the Proposed Diversification and all other relevant information set out in this Appendix, the Directors are of the view that the Proposed Diversification of the Existing Business by way of expansion of Accommodation Solutions to include the Senior Living Business is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 11 relating to the Proposed Diversification of the Existing Business to include the Senior Living Business to be proposed at the 32<sup>nd</sup> AGM.

### 4.2 **Proposed Diversification of the Existing Business to include the Investment Management Business**

After having considered, *inter alia*, the terms and rationale for the Proposed Diversification and all other relevant information set out in this Appendix, the Directors are of the view that the Proposed Diversification of the Existing Business to include the Investment Management Business is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 12 relating to the Proposed Diversification of the Existing Business to include the Investment Management Business to be proposed at the 32<sup>nd</sup> AGM.

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### 4.3 Proposed Renewal of the Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company and, accordingly, recommend that Shareholders **vote in favour** of Ordinary Resolution 13 relating to the renewal of the Share Purchase Mandate to be proposed at the 32<sup>nd</sup> AGM.

### 5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Proposed Diversification and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

### 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126 during normal business hours from the date of this Appendix up to and including the date of the 32<sup>nd</sup> AGM:

- (a) the constitution of the Company; and
- (b) the Annual Report.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**BBR Holdings (S) Ltd**

Seow Chin Heng, Adrian  
Executive Director and Chief Executive Officer