

# Appendix

**DATED 6 APRIL 2020**

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Appendix is circulated to the Shareholders of iFAST Corporation Ltd. (the "Company") together with the Company's Annual Report 2019 (as defined herein). Its purpose is to explain to the Shareholders the rationale and to provide information pertaining to the proposed renewal of the Share Buy Back Mandate (as defined herein), and to seek Shareholders' approval of the same at the Annual General Meeting to be held on **27 April 2020** at **10 Collyer Quay, #26-01, Ocean Financial Centre, Singapore 049315**.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the AGM Booklet.

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

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward the Annual Report 2019 (including the Notice of Annual General Meeting and the Proxy Form) and this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST assumes no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.



**iFAST CORPORATION LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200007899C)

## **APPENDIX**

**TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 6 APRIL 2020**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE**

## CONTENTS

DEFINITIONS .....	A3
1. INTRODUCTION .....	A6
2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE .....	A6
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS .....	A17
4. DIRECTORS' RECOMMENDATIONS .....	A18
5. DIRECTORS' RESPONSIBILITY STATEMENT .....	A18
6. DOCUMENTS FOR INSPECTION .....	A18

## DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

<b>"ACRA"</b>	:	Accounting and Corporate Regulatory Authority of Singapore
<b>"AGM"</b>	:	Annual general meeting of the Company. Unless the context otherwise requires, "AGM" shall refer to the annual general meeting to be held on 27 April 2020
<b>"Annual Report 2019"</b>	:	The Company's annual report for the financial year ended 31 December 2019
<b>"Appendix"</b>	:	This appendix to the Notice
<b>"Approval Date"</b>	:	The date of the AGM at which the Share Buy Back Mandate is approved
<b>"Associate"</b>	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:-  (i) his immediate family;  (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more,  (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<b>"Associated Company"</b>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
<b>"Average Closing Price"</b>	:	The average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding 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, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period
<b>"Board"</b>	:	The Board of Directors of the Company
<b>"Business Day"</b>	:	A day on which the SGX-ST is open for trading
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Company"</b>	:	iFAST Corporation Ltd.
<b>"Companies Act"</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>"Constitution"</b>	:	The Constitution of the Company, as amended, modified or supplemented from time to time

<b><i>“Controlling Shareholder”</i></b>	: A person who:-  (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder; or  (b) in fact exercises control over a company
<b><i>“day of the making of the offer”</i></b>	: The day on which the Company announces its intention to make an offer for the purchase 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
<b><i>“Director(s)”</i></b>	: The director(s) of the Company as at the date of this Appendix
<b><i>“EPS”</i></b>	: Earnings per Share
<b><i>“FY”</i></b>	: Financial year ended 31 December
<b><i>“Group”</i></b>	: The Company and its subsidiaries
<b><i>“Latest Practicable Date”</i></b>	: 13 March 2020, being the latest practicable date prior to the printing of this Appendix
<b><i>“Listing Manual”</i></b>	: The rules of the listing manual of the SGX-ST applicable to an entity listed on the SGX-Mainboard, as amended or modified from time to time
<b><i>“Market Day”</i></b>	: A day on which the SGX-ST is open for trading in securities
<b><i>“Market Purchase”</i></b>	: Purchases transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose
<b><i>“Maximum Price”</i></b>	: Purchase price to be paid for a Share as determined by the Directors which must not exceed in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price, and in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and ten per cent. (110%) of the Average Closing Price, in either case, excluding related expenses of the purchase
<b><i>“NAV”</i></b>	: Net asset value
<b><i>“Notice”</i></b>	: The Notice of Annual General Meeting dated 6 April 2020
<b><i>“Off-Market Purchase”</i></b>	: Purchase (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual
<b><i>“Purchase Price”</i></b>	: Price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses)
<b><i>“Relevant Period”</i></b>	: The period commencing from the date on which the AGM is held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the renewal of the Share Buy Back Mandate is passed
<b><i>“Renewal”</i></b>	: Refers to this proposed renewal of the Share Buy Back Mandate
<b><i>“Rule 14”</i></b>	: Rule 14 of the Take-over Code of Singapore

# Appendix

DATED 6 APRIL 2020

<b>“Securities Account”</b>	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“SGX-Mainboard”</b>	: The Mainboard of the SGX-ST
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Share Buy Back”</b>	: Buy-back of Shares by the Company pursuant to the Share Buy Back Mandate
<b>“Share Buy Back Mandate”</b>	: A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set out in the Companies Act and the Listing Manual
<b>“Shareholders”</b>	: Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts maintained are credited with Shares
<b>“Shares”</b>	: Ordinary shares in the capital of the Company
<b>“Substantial Shareholder”</b>	: A Shareholder who has an interest in not less than 5% of the issued shares excluding treasury shares and subsidiary holdings in the Company
<b>“Take-over Code”</b>	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b>“\$” and “cents”</b>	: Dollars and cents respectively of the currency of Singapore
<b>“%” or “per cent”</b>	: Per centum or percentage

The terms “Depositors”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore. The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and 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.

## CIRCULAR TO SHAREHOLDERS

### iFAST CORPORATION LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200007899C)

#### Directors:

Lim Chung Chun (*Executive Chairman and Chief Executive Officer*)  
Yao Chih Matthias (*Lead Independent Director*)  
Kok Chee Wai (*Independent Director*)  
Ng Loh Ken Peter (*Independent Director*)  
Toh Teng Peow David (*Independent Director*)  
Janice Wu Sung Sung (*Non-Independent Non-Executive Director*)  
Lim Wee Kian (*Non-Independent Non-Executive Director*)  
Goh Bing Yuan (*Executive Director*)

#### Registered Office:

10 Collyer Quay  
#26-01, Ocean Financial Centre  
Singapore 049315

6 April 2020

**To: The Shareholders of iFAST Corporation Ltd.**

Dear Sir / Madam

#### THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

##### 1. INTRODUCTION

###### 1.1. Annual General Meeting

Reference is made to the Notice of Annual General Meeting of iFAST Corporation Ltd (the “**Company**”) dated 6 April 2020, accompanying the Annual Report 2019, convening the AGM which is scheduled to be held on 27 April 2020 and the Ordinary Resolution 10 in relation to the renewal of the Share Buy Back Mandate respectively, under the heading “Special Business” set out in the Notice.

###### 1.2. Purpose of this Appendix

The purpose of this Appendix is to provide the Shareholders with details in respect of the proposed renewal of the Share Buy Back Mandate (the “Renewal”).

##### 2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

###### 2.1. Rationale for the Proposed Renewal of the Share Buy Back Mandate

The Directors constantly seek to increase Shareholders’ value and to improve, *inter alia*, the return on equity of the Group. The Renewal of the Share Buy Back Mandate would give the Company the flexibility to undertake buy-backs of the Shares at any time, subject to market conditions, during the period when the Share Buy Back Mandate is in force. A Share Buy Back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Further, amongst others, a Share Buy Back provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The Directors also expect that Share Buy Backs may also help mitigate against short term volatility of share price, offset the effects of short term speculation and bolster Shareholders’ confidence. Share Buy Backs will also facilitate employees’ share schemes and allow the Directors greater control over the Company’s share capital structure, dividend payout and cash reserves.

The buy back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NAV per Share of the Company and the Group, and will only be made when the Directors believe that such buy back would benefit the Company and its Shareholders.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate via on-market purchases or off-market purchases will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company.

For the foregoing reasons, the Directors seek to renew the Share Buy Back Mandate, which was first approved by Shareholders at the Extraordinary General Meeting held on 21 October 2014 and last renewed at the AGM held on 16 April 2019.

## 2.2. Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by, the Companies Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the AGM for the renewal of the Share Buy Back Mandate for the purchase or acquisition by the Company of its issued Shares. If approved, the renewed Share Buy Back Mandate will take effect from the date of the AGM and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law or by the Constitution to be held, unless prior thereto, Share Buy Backs are carried out to the full extent mandated or the Share Buy Back Mandate is revoked or varied by the Company in a general meeting.

## 2.3. The Terms of the Share Buy Back Mandate

The authority for and limitations placed on purchases of Shares by the Company under the Share Buy Back Mandate, are summarised below:

### (a) Maximum Number of Shares

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

The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company, ascertained as at the date of the AGM at which the Share Buy Back Mandate is approved (the "Approval Date"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded.

For illustrative purposes only, based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of 270,134,207 Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM, not more than 27,013,420 Shares (representing 10% of the Shares in issue as at that date (excluding treasury shares and subsidiary holdings)) may be purchased or acquired by the Company pursuant to the proposed Share Buy Back Mandate.

**(b) Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of:

- (i) the date on which the next AGM of the Company is held or required by law or the Constitution to be held;
- (ii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the Shareholders in a general meeting; or
- (iii) the date on which the Share Buy Back is carried out to the full extent mandated.

The Share Buy Back Mandate may be renewed at each AGM or other general meeting of the Company.

**(c) Manner of Purchase of Shares**

Purchases or acquisitions of Shares may be made by way of, *inter alia*:

- (i) on-market purchases ("Market Purchase"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases ("Off-Market Purchase") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual.

The Directors may impose such terms and conditions, which are consistent with the Share Buy Back Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company 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) offers for the purchase of issued Shares shall be made to every person who holds issued Shares to purchase the same percentage of their issued Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of the offers are the same, except that there shall be disregarded:
  - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provide that, in making an Off-Market Purchase, in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buy Back;
- (iv) the consequences, if any, of Share Buy Backs by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (v) whether the Share Buy Back, if made, would have any effect on the listing of the Shares on the SGX-ST;



- (vi) details of any Share Buy Backs (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by the Company in the previous twelve (12) months, 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
- (vii) whether the Shares purchased will be cancelled or kept as treasury shares.

**(d) 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.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and ten per cent. (110%) of the Average Closing Price (as defined hereinafter),

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

For the above purposes:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding 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, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase 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.

## **2.4. Status of Purchased Shares under the Share Buy Back Mandate**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

## **2.5. Treasury Shares**

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

**(a) Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

**(b) Voting and Other Rights**

The Company cannot exercise any right in respect of 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 of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, 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 and Cancellation**

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

**2.6. Source of Funds for Share Buy Back**

In buying back Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The Company may not buy Shares on the SGX-Mainboard for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. The buy back of Shares by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "Purchase Price");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits available for the distribution of cash dividends by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits available for the distribution of cash dividends proportionately by the total amount of the Purchase Price.

The Company may use internal resources and/or external borrowings to fund purchases of Shares pursuant to the Share Buy Back Mandate.

The Directors do not propose to exercise the Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

**2.7. Financial Effects of the Share Buy Back Mandate**

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial results of the Group for FY2019 and are not necessarily representative of future financial performance of the Group. Although the proposed Share Buy Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back 10% of the issued Shares in full.

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy Back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group. The financial effects presented in this section of the Appendix are based on the assumptions set out below:

**(a) Information as at the Latest Practicable Date**

As at the Latest Practicable Date, the issued share capital of the Company comprised 270,358,307 Shares of which 224,100 Shares are held in treasury. On this basis, for illustrative purposes only, as the Company can only hold 10% of its Shares in treasury pursuant to Section 761 (1) of the Companies Act, it can only hold 27,035,830 Shares in treasury. As such, even though the Share Buy Back Mandate provides for potentially up to 27,013,420 Shares to be purchased or acquired by the Company, the maximum number of Shares that the Company can purchase or acquire and hold in treasury is 26,811,730 Shares. Accordingly, the exercise in full of the Share Buy Back Mandate would result in the purchase or acquisition of 26,811,730 Shares if all the Shares so purchased or acquired were to be held in treasury.

For the purposes of illustration and comparison only, the Company has assumed that pursuant to the Share Buy Back Mandate, it will purchase or acquire the smaller number of shares, i.e. 26,811,730 Shares, instead of the entire 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), i.e. 27,013,420 Shares.

**(b) Illustrative Financial Effects**

Purely for illustrative purposes, on the basis of 270,358,307 Shares, of which 224,100 Shares are held in treasury, in issue as at the Latest Practicable Date and assuming no further Shares are issued and no further Shares are held by the Company as treasury shares on or prior to the AGM, the purchase by the Company of 10% of its issued Shares to hold as treasury Shares will result in the purchase of 26,811,730 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 26,811,730 Shares at the Maximum Price of \$1.00 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-Mainboard immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 26,811,730 Shares is approximately \$26.8 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 26,811,730 Shares at the Maximum Price of \$1.05 for each Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 26,811,730 Shares is approximately \$28.2 million.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buy Back Mandate had been effective on 1 January 2019 and the Company had purchased or acquired 26,811,730 Shares on 1 January 2019; and
- (ii) such Share purchases are funded solely by internal resources,

the financial effects on the audited consolidated financial results of the Group for FY2019, are set out below:

<u>As at 31 December 2019</u>	Market Purchase		Off-Market Purchase	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
Profit attributable to owners of the Company	9,515	9,515	9,515	9,515
Share capital	66,180	66,180	66,180	66,180
Retained earnings	21,867	21,867	21,867	21,867
Share option reserve	2,549	2,549	2,549	2,549
Performance share reserve	4,257	4,257	4,257	4,257
Equity reserve	(2,010)	(2,010)	(2,010)	(2,010)
Fair value reserve	(1,134)	(1,134)	(1,134)	(1,134)
Translation reserve	(1,453)	(1,453)	(1,453)	(1,453)
Treasury shares	(199)	(27,011)	(199)	(28,351)
Shareholders' equity	90,057	63,245	90,057	61,905
Total equity	89,636	62,824	89,636	61,484
Net assets value (NAV)	89,636	62,824	89,636	61,484
Other investments	19,144	13,337	19,144	11,997
Current assets	104,710	77,898	104,710	76,558
Current liabilities	54,852	54,852	54,852	54,852
Working capital	49,858	23,046	49,858	21,706
Cash and cash equivalents	24,811	3,806	24,811	3,806
Total borrowings	3,806	3,806	3,806	3,806
Net cash	21,005	-	21,005	-
Number of Shares excluding treasury shares as at 31 December 2019 ('000)	268,732	241,921	268,732	241,921
Weighted average number of Shares for FY 2019 ('000)	268,178	241,366	268,178	241,366
<b>Financial Ratios</b>				
NAV per Share (cents) <sup>(1)</sup>	33.51	26.14	33.51	25.59
Gearing Ratio (times) <sup>(2)</sup>	0.04	0.06	0.04	0.06
Current Ratio (times) <sup>(3)</sup>	1.91	1.42	1.91	1.40
Basic EPS (cents) <sup>(4)</sup>	3.55	3.94	3.55	3.94

**Notes:**

<sup>(1)</sup> The Shareholders' equity divided by the number of Shares as at 31 December 2019.

<sup>(2)</sup> Total borrowings divided by total equity.

<sup>(3)</sup> Current assets divided by current liabilities.

<sup>(4)</sup> Profit attributable to owners of the Company divided by weighted average number of Shares for FY2019.

# Appendix

DATED 6 APRIL 2020

The financial effects set out above are for illustrative purposes only. Although the Share Buy Back Mandate would authorise the Company to purchase up to 10% of the issued Shares, the Company may not necessarily purchase or be able to purchase the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

## 2.8. Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a share buy-back by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

## 2.9. Listing Manual

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 41.76% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) are held in the hands of the public. "Public" means persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates of such persons. Assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 35.29% (excluding treasury shares and subsidiary holdings). Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Buy Back Mandate without 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.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

Under the Listing Manual, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.3(d) of this Appendix, conforms to this restriction.

Additionally, the Listing Manual also 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 of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed 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 Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its FY, or one (1) month immediately preceding the announcement of the Company's annual (full-year) results respectively.

## 2.10. Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

### Obligation to make a Take-over Offer

Pursuant to the Take-over Code, an increase of a shareholder's proportionate interest in the voting rights of the Company resulting from a Share Buy Back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**").

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

### 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 following persons will, *inter alia*, be presumed to be acting in concert:

- (a) The following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii), (iv) or (v); and
  - (vi) 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;
- (b) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) A financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;

# Appendix

DATED 6 APRIL 2020

- (g) Partners; and
- (h) The following persons and entities:
  - (i) an individual;
  - (ii) the close relatives of (i);
  - (iii) the related trusts of (i);
  - (iv) any person who is accustomed to act in accordance with the instructions of (i);
  - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) 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.

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

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

#### Effect of 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 of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company 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 in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate unless so required under the Companies Act.

Save as disclosed above, the Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Buy Back.

**The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/ or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.**

#### **2.11. Previous Share Buy Backs**

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

## 2.12. Reporting Requirements

The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchases or acquisitions including the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, and such other information as required by the Companies Act. Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Buy Back Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Listing Manual states that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company, in a timely fashion, the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.



# Appendix

DATED 6 APRIL 2020

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares, respectively, are as follows:

	Number of Shares				Number of Shares comprised in outstanding share options <sup>(9)</sup>	Number of Shares comprised in outstanding share awards <sup>(10)</sup>
	Direct Interest	%	Deemed Interest	%		
<b>Directors</b>						
Lim Chung Chun <sup>(1)</sup>	41,058,164	15.20	19,236,880	7.12	1,640,600	-
Yao Chih Matthias <sup>(2)</sup>	-	-	258,200	0.10	-	68,100
Kok Chee Wai <sup>(2)</sup>	1,288,428	0.48	157,300	0.06	-	55,600
Ng Loh Ken Peter <sup>(2)</sup>	-	-	290,500	0.11	-	64,600
Toh Teng Peow David <sup>(3)</sup>	51,010	0.02	146,400	0.05	-	24,500
Janice Wu Sung Sung	60,000	0.02	-	-	-	-
Lim Wee Kian <sup>(4)</sup>	13,615,720	5.04	6,731,800	2.49	120,000	30,200
Goh Bing Yuan <sup>(2)</sup>	543,152	0.20	279,900	0.10	-	223,700
<b>Substantial/Controlling Shareholders (excluding Directors)</b>						
Neo Lay Kien <sup>(5)</sup>	6,545,000	2.42	49,548,586	18.34	-	-
SPH Invest Ltd <sup>(6)</sup>	40,680,642	15.06	-	-	-	-
Singapore Press Holdings Limited <sup>(6)</sup>	-	-	40,680,642	15.06	-	-
Chang Foong May <sup>(7)</sup>	2,700,000	1.00	17,647,520	6.53	-	-
Albizia ASEAN Tenggara Fund <sup>(8)</sup>	-	-	13,785,000	5.10	-	-

### Notes:

- <sup>(1)</sup> Mr Lim Chung Chun is deemed to have an interest in the shares held by Accretion Investments Pte Ltd, OCBC Securities Private Ltd., iFAST Financial Pte. Ltd. (Depository Agent) and his spouse, Mdm Neo Lay Kien.
- <sup>(2)</sup> Mr Yao Chih Matthias, Mr Kok Chee Wai, Mr Ng Loh Ken Peter and Mr Goh Bing Yuan are deemed to have interests in the shares held by iFAST Financial Pte. Ltd. (Depository Agent).
- <sup>(3)</sup> Mr Toh Teng Peow David is deemed to have an interest in the shares held by DBS Nominees Pte. Ltd.
- <sup>(4)</sup> Mr Lim Wee Kian is deemed to have an interest in the shares held by DBS Nominees Pte. Ltd. and his spouse, Mdm Chang Foong May.
- <sup>(5)</sup> Mdm Neo Lay Kien is deemed to have an interest in the shares held by OCBC Securities Private Ltd., iFAST Financial Pte. Ltd. (Depository Agent) and her spouse, Mr Lim Chung Chun.
- <sup>(6)</sup> SPH Invest Ltd ("SPH Invest") is a wholly-owned subsidiary of Singapore Press Holdings Limited ("SPH"), a Singapore incorporated company listed on the SGX-Mainboard. Accordingly, SPH is deemed to have an interest in the Company's Shares held by SPH Invest. SPH Invest's principal activity is holding investments. SPH Invest acquired its stake in the Company in 2000 and is a long-term passive investor in the Company. Ms Janice Wu Sung Sung, a Non-Independent Non-Executive Director of the Company, is a Nominee Director of SPH Invest. SPH, SPH Invest and Ms Janice Wu Sung Sung are not involved in the day-to-day management of the Group.
- <sup>(7)</sup> Mdm Chang Foong May is deemed to have an interest in the shares held by DBS Nominees Pte. Ltd. and her spouse, Mr Lim Wee Kian.
- <sup>(8)</sup> Albizia ASEAN Tenggara Fund is deemed interested in 13,785,000 shares registered in the name of DBS Nominees Pte. Ltd.
- <sup>(9)</sup> The options to subscribe for Shares are granted pursuant to the iFAST Employee Share Option Scheme and iFAST 2013 Share Option Scheme.
- <sup>(10)</sup> The share awards are granted pursuant to the iFAST Corporation Performance Share Plan.

Based on information in the registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares as at the Latest Practicable Date, no Shareholder will become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the acquisition or purchase by the Company of the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

#### **4. DIRECTORS' RECOMMENDATIONS**

The Directors, having carefully considered the terms and rationale of the proposed renewal of the Share Buy Back Mandate, are of the opinion that the proposed Share Buy Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 10, being the Ordinary Resolution relating to the proposed Share Buy Back Mandate, at the 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 Buy Back Mandate, the Company and its subsidiaries, 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 FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 10 Collyer Quay, #26-01, Ocean Financial Centre, Singapore 049315 during normal business hours from the date of this Appendix up to the date of the forthcoming AGM scheduled to be held on 27 April 2020:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for FY2019.

Yours faithfully  
For and on behalf of the Board of Directors  
**iFAST Corporation Ltd.**

**Lim Chung Chun**  
Chairman and Chief Executive Officer