

Issuer & Securities

Issuer/ Manager

HAI LECK HOLDINGS LIMITED

Security

HAI LECK HOLDINGS LIMITED - SG1CC4000004 - BLH

Announcement Details

Announcement Title

Annual General Meeting

Date & Time of Broadcast

06-Oct-2020 22:50:25

ANNUAL GENERAL MEETING::VOLUNTARY

New

Announcement Reference

SG201006MEETOMX2

Submitted By (Co./ Ind. Name)

Siau Kuei Lian

Designation

Company Secretary

Financial Year End

30/06/2020

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attachments - Notice of Annual General Meeting and Proposed Renewal of Share Buy Back Mandate dated 7 October 2020

Event Dates

Meeting Date and Time

29/10/2020 10:00:00

Response Deadline Date

26/10/2020 10:00:00

Event Venue(s)

Place

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Venue(s)	Venue details
Meeting Venue	The AGM will be held by electronic means. Shareholders will not be able to attend the AGM in person.

Attachments

[Notice of AGM.pdf](#)

[Renewal of share buy back mandate.pdf](#)

Total size =452K MB



HAI LECK HOLDINGS LIMITED
(Company Registration No.199804461D)
(Incorporated in Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hai Leck Holdings Limited (the “**Company**”) will be held by way of electronic means on Thursday, 29 October 2020 at 10.00 a.m. (Singapore time) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2020 together with the Auditors’ Report thereon.

(Resolution 1)
2. To re-elect the following Directors of the Company retiring pursuant to Regulations 92 and 93 of the Constitution of the Company:
 - (i) Ms Cheng Li Chen - Regulation 93
[See Explanatory Note (i)]

(Resolution 2)
 - (ii) Mr Chua Keng Woon - Regulation 92
[See Explanatory Note (ii)]

(Resolution 3)
3. To note the retirement of Mr Chee Teck Kwong Patrick pursuant to Regulation 93 of the Constitution of the Company at the conclusion of this Annual General Meeting.
4. To approve the payment of Directors’ fees amounting to S\$129,973 for the financial year ending 30 June 2021 to be paid quarterly in arrears (FY2020: S\$204,016).

(Resolution 4)
5. To re-appoint Messrs Ernst & Young LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 5)
6. To transact any other ordinary business which may properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. Authority to Issue Shares

That pursuant to Section 161 of the Companies Act, Chapter. 50 of Singapore (“**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall be limited as follows:
 - (a) without prejudice to sub-paragraph (1)(b) below, the aggregate number of shares to be issued shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below) (“**General Limit**”);
 - (b) in addition to the General Limit, the aggregate number of shares to be issued by way of renounceable rights issues on a *pro-rata* basis (“**Renounceable Rights Issues**”) shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below) (“**Additional Limit**”);
 - (c) where an issue of shares is to be issued by way of Renounceable Rights Issues, that issue shall first use the Additional Limit, and in the event that the Additional Limit has been fully used and is insufficient to satisfy that issue, that issue may use the General Limit, but only to the extent of the remaining General Limit;

- (d) where an issue of shares is to be issued otherwise than by way of Renounceable Rights Issue, that issue may only use the General Limit, but only to the extent of the remaining General Limit;
- (e) an issue of shares that is not for a financing purpose may only use the General Limit, but the number of such shares that may be issued shall be limited to the numerical number of the remaining Additional Limit;
- (2) the General Limit and the Additional Limit shall not, in aggregate exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);
- (3) no shares shall be issued pursuant to this Resolution after 31 December 2021, if on that date the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) exceeds 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);
- (4) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1)(a) and 1(b) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with 7(4)(a) or 7(4)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of the Share Issue Mandate.

- (5) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being of the Company; and
- (6) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting (“AGM”) of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 6)

8. Proposed renewal of the share buy back mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Singapore Companies Act, Chapter 50 (“Companies Act”), the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) market purchases (each a “Market Purchase”) on the Singapore Exchange Securities Trading Limited (“SGX-ST”); and/or
 - (ii) off-market purchases (each an “Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable,
- (b) (“Share Buy Back Mandate”);
- (c) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (d) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:
 - (i) the date on which the next annual general meeting (“AGM”) of the Company is held or is required by law to be held;
 - (ii) the date on which the share buy backs are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked;
- (e) for purposes of this resolution:

“Prescribed Limit” means 10% of the issued ordinary share capital of the Company as at the date of the passing of this resolution 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 (as hereinafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this resolution; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

“**Average Closing Price**” refers to the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Share were recorded, before the day on which the Market Purchases are made or 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 the relevant 5-day period and the date of the Market Purchase, or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this resolution.

[See Explanatory Note (iv)]

(Resolution 7)

By Order of the Board

Chew Kok Liang / Siau Kuei Lian
Joint Company Secretaries

Singapore
7 October 2020

Explanatory Notes:

- (i) Ms Cheng Li Chen will, upon re-election as a Director, remain as Executive Director of the Company. Please refer to Table A of the Corporate Governance Statement from page 43 to 44 of the Annual Report 2020 for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (ii) Mr Chua Keng Woon will, upon re-election as a Director, remain as Independent Director of the Company, Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit Committee. Please refer to Table A of the Corporate Governance Statement from page 43 to 44 of the Annual Report 2020 for the detailed information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (iii) **Ordinary Resolution 6** in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding the aggregate of, (i) 50% of the total number of issued shares (excluding treasury shares and subsidiary shareholdings), of which up to 20% may be issued other than on a *pro rata* basis to existing shareholders of the Company (the General Limit) and (ii) additional 50% for Renounceable Rights Issues, of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (the Additional Limit), provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 6 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for the Additional Limit is proposed which became effective on 8 April 2020 until 31 December 2021 by which date no further shares shall be issued pursuant to this Resolution, if on that date the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) exceeds 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (the “**Enhanced Rights Issue Limit**”). The Enhanced Rights Issue Limit is aimed at helping companies raise funds expediently for expansion activities or working capital. It is subject to the condition that the Company complies with applicable legal requirements including but not limited to provisions in the Companies Act requiring the Company to seek shareholders’ approval and disclosure requirements under the Listing Manual on the use of the proceeds as and when the funds are materially disbursed and a status report on the use of proceeds in the Annual Report; and limitations in any existing mandate from shareholders.

The Board is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders.

The Enhanced Rights Issue Limit will be exercised only if the Directors believe that to do so would be likely to promote the success of the Company for the benefit of shareholders as a whole.
- (iv) **Ordinary Resolution 7** above, if passed, will empower the Directors of the Company from the date of the above AGM up to the earliest of (i) the conclusion of the date of the next AGM of the Company or the date by which such AGM of the Company is required by law to be held; (ii) the date on which the share buy backs are carried out to the full extent mandated; or (iii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the Company to purchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the AGM at which this Ordinary Resolution is passed. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy Back Mandate on the audited consolidated financial results of the Group for the financial year ended 30 June 2020 are set out in greater detail in the Addendum dated 7 October 2020.

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the AGM will be held by electronic means and members of the Company will NOT be able to attend the AGM in person. Printed copies of this Notice and the Annual Report 2020 will not be despatched to members. Instead, this Notice and the Annual Report 2020 will be made available to members by electronic means via publication on the SGX website at www.sgx.com/securities/company-announcements and on the Company's website at <http://www.haileck.com>.
2. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:
 - (a) watching and/or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Notes 3 to 6 below;
 - (b) submitting questions ahead of the AGM. Please refer to Notes 7 to 9 below for further details; and/or
 - (c) voting by proxy at the AGM. Please refer to Notes 10 to 19 below for further details.

Participation in AGM proceedings via "live webcast"

3. A member of the Company or their corporate representative(s) (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a "live" webcast, either, via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, member must pre-register with the Company by 10.00 a.m. on 26 October 2020 ("**Registration Deadline**"), at the URL: <https://sg.conveneagm.com/haileck> (the "**Hai Leck AGM Website**"), to create an account. Corporate members must also submit the Corporate Representative Certificate to the Company at the following email address: agm@haileck.com.
4. Following the authentication of his/her/its status as a member of the Company, such member will receive an email on their authentication status and will be able to access the Live Webcast using the account created.
5. Members who have pre-registered by the Registration Deadline but do not receive the aforementioned email by 10.00 a.m. on 28 October 2020 should contact the Company at the following email address: agm@haileck.com, with the following details included:
 - (a) the member's full name; and
 - (b) his/her/its identification/registration number.
6. Non-CPF/SRS holders whose shares are registered under Depository Agents ("**DAs**") must **also** contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast.

Submission of questions prior to the AGM

7. Shareholders will not be able to ask questions during the live webcast, therefore it is important for shareholders to register and submit their questions in advance of the AGM. A member of the Company may submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations. The Company will endeavour to address questions which are substantial and relevant.
8. To do so, all questions must be submitted no later than the Registration Deadline through any one of the following means: (a) via the **Hai Leck AGM Website** <https://sg.conveneagm.com/haileck>; or (b) in physical copy by depositing the same at the registered office of the Company at **47 Tuas View Circuit, Singapore 637357**; or (c) by email to agm@haileck.com.
9. If the questions are deposited in physical copy at the Company's registered office or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

Voting by proxy

10. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/ she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) is/are advised to specify his/her/its votes for the respective resolutions in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"), failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
11. The Chairman of the Meeting, as proxy, need not be a member of the Company.
12. The Proxy Form must be submitted through any one of the following means: (a) via the **Hai Leck AGM Website** <https://sg.conveneagm.com/haileck> in the electronic format accessible on the Hai Leck AGM Website; (b) by posting a physical copy to the registered office of the Company at **47 Tuas View Circuit, Singapore 637357**; or (c) by sending a scanned PDF copy by email to agm@haileck.com, in each case, no later than **10.00 a.m. on 26 October 2020**, and failing which, the Proxy Form will not be treated as valid.
13. In the case of submission of the Proxy Form other than via the Hai Leck AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
14. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.
15. In the case of submission of the Proxy Form other than via the Hai Leck AGM Website, the Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

16. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative with respect to the AGM, in accordance with Section 179 of the Companies Act (Chapter 50 of Singapore) and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
17. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.
18. In the case of a member of the Company whose shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
19. A member of the Company who holds his/her shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/ her Relevant Intermediary (including his/her CPF Agent Banks or SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

*A Relevant Intermediary is:

- (a) banking corporation licensed under the Banking Act (Cap 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board (“**Board**”) established by the Central Provident Fund Act (Cap. 36) of Singapore (“**Act**”), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company’s businesses and operations, a member of the Company consents to the collection, use and disclosure of such member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration, analysis and facilitation by the Company (or its agents or service providers) of his/her/its participation in the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Due to the constantly evolving COVID-19 situation, the Company will closely monitor the situation and reserve the right to change our arrangements for the AGM at short notice. Shareholders should check SGXNET and the above URL for the latest updates of the AGM. The Company apologises for any inconvenience caused and seek the understanding and cooperation of all Shareholders in enabling the Company to hold its AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

ADDENDUM DATED 7 OCTOBER 2020

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

This Addendum is circulated to the shareholders of Hai Leck Holdings Limited (the “**Company**”), together with the annual report of the Company for the financial year ended 30 June 2020 (the “**Annual Report**”). The purpose of this Addendum is to provide the shareholders of the Company (the “**Shareholders**”) with relevant information pertaining to and to seek Shareholders’ approval for the proposed renewal of the Share Buy Back Mandate (as defined in this Addendum) to be tabled at the Annual General Meeting of the Company to be held on 29 October 2020 at 10 a.m. by electronic means.

This Addendum was prepared by the Company with assistance from RHTLaw Asia LLP. RHTLaw Asia LLP has not independently verified the contents of this Addendum.

The Notice of the Annual General Meeting (the “**Notice of AGM**”) and the Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company, you should at once hand this Addendum, the Notice of AGM and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Addendum.



HAI LECK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199804461D)

ADDENDUM TO THE ANNUAL REPORT
IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

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DEFINITIONS

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

“ACRA”	: Accounting and Corporate Regulatory Authority
“Act”	: The Companies Act, Chapter 50 of Singapore, as may be amended from time to time
“Addendum”	: The addendum dated 7 October 2020
“AGM”	: An annual general meeting of the Company
“Annual Report”	: The annual report of the Company for FY2020
“Board”	: The board of directors of the Company as at the date of this Addendum
“CCH”	: Cheng Capital Holdings Pte. Ltd., a family investment company held by the Cheng Family
“CDP”	: The Central Depository (Pte) Limited
“Cheng Family”	: Mr Cheng Buck Poh @ Chng Bok Poh and his wife, Mdm Goo Guik Bing @ Goh Guik Bing, and their children, Mr Cheng Yao Tong, Ms Cheng Li Peng, Ms Cheng Li Chen, Ms Cheng Li Hui and Ms Cheng Wee Ling
“Company”	: Hai Leck Holdings Limited
“Constitution”	: The constitution of the Company, as may be amended from time to time
“control”	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company, unless determined by the SGX-ST that such person is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Director”	: A director of the Company as at the date of this Addendum, and the term “ Directors ” shall be construed accordingly
“EPS”	: Earnings per Share
“FY2020”	: The financial year for the Company ended or ending 30 June 2020
“Group”	: The Company and its subsidiaries

DEFINITIONS

“Latest Practicable Date”	: 23 September 2020, being the latest practicable date prior to the printing of this Addendum
“Listing Manual”	: The listing manual of the SGX-ST, or the rules contained therein, as may be amended from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“NAV”	: Net asset value
“Register of Members”	: The principal register of members (duly registered holders of Shares) of the Company
“Securities Account”	: A securities account maintained by a Depositor with CDP
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Buy Back”	: A purchase of Shares by the Company pursuant to the Share Buy Back Mandate
“Share Buy Back Mandate”	: The general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate
“Shareholders”	: Persons (not being Depositors) who are registered as holders of Shares in the Register of Members, and Depositors who have Shares entered against their names in the Depository Register, except that where the registered holder is the CDP, the term “ Shareholders ” shall in relation to such Shares mean the Depositors to whose Securities Accounts are credited with the Shares
“Shares”	: Ordinary shares in the capital of the Company
“SIC”	: Securities Industry Council
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares of the Company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
“2009 EGM”	: The extraordinary general meeting of the Company held on 21 October 2009

DEFINITIONS

“2019 AGM”	: The annual general meeting of the Company held on 24 October 2019
“S\$”	: Singapore dollars
“%”	: Per centum or percentage

The terms “**Depositor**” 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 terms “**subsidiary**” and “**treasury shares**” shall have the meanings ascribed to them respectively in the 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 one gender shall, where applicable, include the other genders. References to persons shall include corporations.

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

Any word defined under the Act, the Listing Manual or any statutory modification thereof and used in this Addendum shall have the meaning assigned to it under the Act, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference in this Addendum to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise stated.

References to “**paragraph**” are to the paragraphs of this Addendum, unless otherwise stated.

The headings in this Addendum are inserted for convenience only and shall be ignored in construing this Addendum.

Any discrepancies in the tables in this Addendum between the listed amounts and/or percentages and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

HAI LECK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199804461D)

Board of Directors:

Cheng Buck Poh @ Chng Bok Poh (Executive Chairman and CEO)
Tan Sim Cheng (Non-Executive Deputy Chairman)
Cheng Li Chen (Executive Director)
Chee Teck Kwong Patrick (Independent Director)
Chua Keng Woon (Independent Director)

Registered Office:

47 Tuas View Circuit
Singapore 637357

7 October 2020

To: The Shareholders of Hai Leck Holdings Limited

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

1. INTRODUCTION

1.1 AGM

The Directors refer to (a) the notice of AGM dated 7 October 2020 (the “**Notice of AGM**”) accompanying the Annual Report, and convening the AGM to be held on 29 October 2020; and (b) Ordinary Resolution No. 7 under the heading of “Special Business” set out in the Notice of AGM.

The Directors propose to seek Shareholders’ approval for the proposed renewal of the Share Buy Back Mandate at the AGM to be held on 29 October 2020.

1.2 Addendum

The purpose of this Addendum is to explain the reasons for, and to provide Shareholders with the relevant information pertaining to, and to seek Shareholders’ approval for the proposed renewal of, the Share Buy Back Mandate.

1.3 SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Addendum.

2. PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 Background

At the 2009 EGM, the Company obtained the approval of Shareholders for the Share Buy Back Mandate. The rationale for, the authority and limitations on, and the financial effects of the Share Buy Back Mandate approved at the 2009 EGM were set out in the circular to Shareholders dated 6 October 2009.

LETTER TO SHAREHOLDERS

The authority conferred by the Share Buy Back Mandate will continue to be in force until the next AGM (whereupon it will lapse, unless renewed thereat), or the day on which Share Buy Backs are carried out to the full extent mandated, or until it is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the next AGM), whichever is earlier.

The Share Buy Back Mandate approved and renewed at the 2019 AGM will expire on 29 October 2020, being the date of the forthcoming AGM. Accordingly, the Company intends to seek the approval of Shareholders for the renewal of the Share Buy Back Mandate at the forthcoming AGM, and if approved, the Share Buy Back Mandate will take effect from the forthcoming AGM and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held.

2.2 Rationale

The proposed renewal of the Share Buy Back Mandate will give the Directors the flexibility to purchase or acquire Shares if and when circumstances permit. The Directors believe that Share Buy Backs will provide the Company and the Directors with the flexibility to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, Share Buy Backs provide 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.

Share Buy Backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS of the Company, and will only be made when the Directors believe that such Share Buy Backs would benefit the Company and Shareholders.

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

2.3 Terms of the Share Buy Back Mandate

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

2.3.1 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 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 Act, at any time during a period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, in which event the total number of Shares shall be taken to be the total number of Shares as altered. For purposes of calculating the percentage of issued Shares above, treasury shares and subsidiary holdings will be disregarded.

LETTER TO SHAREHOLDERS

Illustration

As at the Latest Practicable Date, the total issued and paid-up share capital of the Company comprised 205,673,947 Shares (excluding 320,000 treasury shares and subsidiary holdings).

Assuming that no further Shares are issued on or prior to the forthcoming AGM, not more than 20,567,394 Shares (representing 10% of the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings, as at that date) may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate. If the Company buys back 20,567,394 shares, the public float would be reduced to approximately 5.17% of the issued Shares (excluding treasury shares and subsidiary holdings). Therefore, in order to maintain a public float of not less than 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company shall not purchase or acquire more than 9,572,000 Shares (or 4.65% of the issued Shares (excluding treasury shares and subsidiary holdings) as at that date) pursuant to the Share Buy Back Mandate. Accordingly, the Company is seeking shareholders' approval to buy back 9,572,000 shares, which do not result in the public float falling below 10%.

2.3.2 Duration of Authority

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

- (a) the conclusion of the next AGM or the date by which such AGM is required to be held;
- (b) the date on which the Share Buy Backs are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked.

2.3.3 Manner of Purchases or Acquisitions of Shares

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

- (a) on-market purchases (each a "**Market Purchase**"), transacted on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (each an "**Off-Market Purchase**"), effected 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 Act and the Listing Manual.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Listing Manual and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

LETTER TO SHAREHOLDERS

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

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

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

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share buy back;
- (d) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buy back, if made, could affect the listing of the Shares on the SGX-ST;
- (f) details of any share buy back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), stating 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
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

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2.3.4 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.

However, the purchase price to be paid for a Share as determined by the Directors 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 pursuant to an equal access scheme, up to 120% of the Average Closing Price,

(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 5 Market Days, 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, in accordance with the Listing Manual, for any corporate action that occurs during the relevant 5-day period and the date 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

“**date 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 or Acquired Shares under the Share Buy Back Mandate**

- 2.4.1 At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.4.2 Cancellation

All Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

Upon cancellation, all rights and privileges attached to such Shares will expire and the Company’s issued share capital and the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company which are not held as treasury shares.

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2.4.3 Treasury

Where Shares are held in treasury, the Company shall be entered in the Register of Members as the member holding such Shares. The total aggregate number of all Shares, whether ordinary or otherwise, held in treasury shall not exceed 10% of the total number of Shares held in that class.

No rights and privileges shall be attached to any Shares held in treasury. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no rights 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.

The Company may sell any such treasury shares for cash, transfer any such treasury shares for the purpose of or pursuant to an employee's share scheme, transfer any such treasury shares as consideration for the acquisition of treasury shares in or assets of another company or assets of any persons, cancel any such treasury shares or sell, transfer or otherwise use such treasury shares as may be permitted by law.

2.5 **Source of Funds**

2.5.1 The Company may only apply funds for Share Buy Backs as provided in the Constitution and in accordance with the applicable laws in Singapore. Under the Act, any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital or distributable profits.

2.5.2 Pursuant to the Act, a company is solvent if:

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

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2.5.3 The Company will use internal resources or external borrowings or a combination of both to finance the Company's purchase or acquisition of its Shares. The Directors do not propose to exercise the Share Buy Back Mandate in a manner and to such extent as would have a material adverse effect on the working capital requirements or the gearing levels of the Group. In determining whether to undertake any purchases or acquisitions of Shares under the Share Buy Back Mandate, the Directors will take into account, amongst others, the prevailing market conditions, the financial position of the Group and other relevant factors.

2.6 Take-over Implications under the Take-over Code

2.6.1 Obligation to Make a Take-over Offer

Under Rule 14 of the Take-over Code ("**Rule 14**"), a Shareholder and persons acting in concert with him will incur an obligation to make a mandatory take-over offer if, amongst others, he and the 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 6 months.

Appendix 2 of the Take-over Code contains the Share Buy Back Guidance Note ("**Appendix 2**"). Pursuant to Appendix 2, 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. Consequently, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase in his or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's purchase or acquisition of Shares.

2.6.2 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, amongst others, the following individuals and companies to be persons acting in concert with each other:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, the associated companies of the aforesaid companies; companies whose associated companies include any of the aforesaid companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid 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;
- (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 whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;

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- (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 or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the aforesaid persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights.

The circumstances under which Shareholders (including Directors and persons acting in concert with them) 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.

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

In general, unless exempted by the SIC, 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 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 1% in any period of 6 months.

Under Appendix 2, 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% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy Back Mandate.

When a group acting in concert holds over 50% of the voting rights, no obligation would normally arise from acquisitions by any member of the group. However, the SIC may, subject to various considerations as set out in Note 5 to Rule 14.1 of the Take-over Code, regard as giving rise to an obligation to make an offer any acquisition by a single member or sub-group of the group acting in concert of voting rights sufficient to increase his or its holding to 30% or more or, if he or it already holds between 30% and 50%, by more than 1% in any 6 month period.

By a letter dated 2 July 2009, the SIC has confirmed that Mr Cheng Buck Poh @ Chng Bok Poh and CCH, together with the other members of the Cheng Family, are deemed to be persons acting in concert under the provisions of the Take-over Code.

As at the Latest Practicable Date, the Company's total issued share capital comprises 205,673,947 Shares (excluding 320,000 treasury shares and subsidiary holdings), and Mr Cheng Buck Poh @ Chng Bok Poh, who is the current Executive Chairman, Chief Executive Officer and a Controlling Shareholder, together with CCH, which is also a Controlling Shareholder, hold an aggregate of 174,436,950 Shares representing approximately 84.81% of the total issued share capital of the Company, of which CCH holds an interest of 78,000,000 Shares representing approximately 37.92% of the total issued share capital of the Company.

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Accordingly, since Mr Cheng Buck Poh @ Chng Bok Poh and CCH already have an aggregate shareholding interest of more than 50% in the Company as at the Latest Practicable Date and are deemed to be persons acting in concert together with the other members of the Cheng Family, any increase in their shareholdings in the event the Company purchases Shares pursuant to the Share Buy Back Mandate will not require them to make a general offer under Rule 14.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of Share Buy Backs by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

2.7 Financial Effects

2.7.1 General

Where Shares are purchased or acquired out of the capital of the Company and cancelled, the issued share capital of the Company will be reduced by the corresponding total purchase price of the Shares purchased or acquired. If, on the other hand, the Shares purchased or acquired are not cancelled but held in treasury, there will be no change to the Company's issued capital.

Where Shares are purchased or acquired out of the profits of the Company, the consideration paid by the Company (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.

2.7.2 Illustrative Financial Effects

The financial effects arising from a Share Buy Back will depend, *inter alia*, on the number of Shares purchased or acquired, the price paid for such Shares, the manner in which the purchase or acquisition is funded and whether the Shares are cancelled or held in treasury. It is therefore not possible to realistically calculate or quantify the financial effects arising from a Share Buy Back at this point.

As at the Latest Practicable Date, the issued capital of the Company comprises 205,673,947 Shares (excluding 320,000 treasury shares and subsidiary holdings).

Assuming no further Shares are issued on or prior to the AGM, and based on a public float of approximately 30,139,247 as at the Latest Practicable Date, the purchase by the Company of up to 4.65% of its issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Buy Back Mandate, up to an extent that would not affect adversely the listing status of the Shares on the SGX-ST, will result in the purchase of up to 9,572,000 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 9,572,000 Shares at the Maximum Price of S\$0.44 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 9,572,000 Shares would be approximately S\$4,211,680.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 9,572,000 Shares at the Maximum Price of S\$0.50 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 9,572,000 Shares would be approximately S\$4,786,000.

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For illustrative purposes only and on the basis of the assumptions set out above and assuming the purchase of Shares is funded wholly by internal resources and took place at the beginning of FY2020, on 1 July 2019, the financial effects of:

- (a) the acquisition of 9,572,000 Shares by the Company in (a) a Market Purchase; or (b) an Off-Market Purchase, pursuant to the Share Buy Back Mandate, by way of purchases made entirely out of capital / profit and held as treasury shares; and
- (b) the acquisition of 9,572,000 Shares by the Company in (a) a Market Purchase; or (b) an Off-Market Purchase, pursuant to the Share Buy Back Mandate, by way of purchases made entirely out of capital / profit and cancelled,

on the audited financial results of the Group and Company for FY2020 are set out below.

A. **Purchases made entirely out of capital / profit and held as treasury shares**

(i) Market Purchases

As at 30 June 2020	Group		Company	
	Before Buy Back	After Buy Back	Before Buy Back	After Buy Back
S\$'000				
Share Capital	65,403	65,403	65,403	65,403
Treasury Shares	(160)	(4,372)	(160)	(4,372)
Capital Reserves	-	-	-	-
Translation Reserves	714	714	-	-
Fair Value Adjustment Reserve	-	-	-	-
Reserves	53,594	53,594	10,028	10,028
Total Equity	119,551	115,339	75,271	71,059
NAV	119,551	115,339	75,271	71,059
Cash and Cash Equivalents	71,416	67,204	30,312	26,100
Current Assets	120,228	116,016	40,568	36,356
Current Liabilities	47,564	47,564	606	606
Net Current Assets	72,664	68,452	39,962	35,750
Borrowing	7,691	7,691	-	-
Earnings for last 12 months	4,101	4,101	(4,061)	(4,061)
Number of Shares excluding Treasury Shares and Subsidiary Holdings ('000)	205,674	205,674	205,674	205,674
Financial Ratios				
NAV per Share (S\$)	0.58	0.59	0.37	0.36
Gearing Ratio	0.06	0.07	-	-
Working Capital Ratio	2.53	2.44	66.94	59.99
EPS (S\$)	0.02	0.02	(0.02)	(0.02)

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(ii) Off-Market Purchases

As at 30 June 2020	Group		Company	
S\$'000	Before Buy Back	After Buy Back	Before Buy Back	After Buy Back
Share Capital	65,403	65,403	65,403	65,403
Treasury Shares	(160)	(4,946)	(160)	(4,946)
Capital Reserves	-	-	-	-
Translation Reserves	714	714	-	-
Fair Value Adjustment Reserve	-	-	-	-
Reserves	53,594	53,594	10,028	10,028
Total Equity	119,551	114,765	75,271	70,485
NAV	119,551	114,765	75,271	70,485
Cash and Cash Equivalents	71,416	66,630	30,312	25,526
Current Assets	120,228	115,442	40,568	35,782
Current Liabilities	47,564	47,564	606	606
Net Current Assets	72,664	67,878	39,962	35,176
Borrowing	7,691	7,691	-	-
Earnings for last 12 months	4,101	4,101	(4,061)	(4,061)
Number of Shares excluding Treasury Shares and Subsidiary Holdings ('000)	205,674	205,674	205,674	205,674
Financial Ratios				
NAV per Share (S\$)	0.58	0.59	0.37	0.36
Gearing Ratio	0.06	0.07	-	-
Working Capital Ratio	2.53	2.43	66.94	59.05
EPS (S\$)	0.02	0.02	(0.02)	(0.02)

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B. Purchases made entirely out of capital / profit and cancelled

(i) Market Purchases

As at 30 June 2020	Group		Company	
S\$'000	Before Buy Back	After Buy Back	Before Buy Back	After Buy Back
Share Capital	65,403	61,031	65,403	61,031
Treasury Shares	(160)	-	(160)	-
Capital Reserves	-	-	-	-
Translation Reserves	714	714	-	-
Fair Value Adjustment Reserve	-	-	-	-
Reserves	53,594	53,594	10,028	10,028
Total Equity	119,551	115,339	75,271	71,059
NAV	119,551	115,339	75,271	71,059
Cash and Cash Equivalents	71,416	67,204	30,312	26,100
Current Assets	120,228	116,016	40,568	36,356
Current Liabilities	47,564	47,564	606	606
Net Current Assets	72,664	68,452	39,962	35,750
Borrowing	7,691	7,691	-	-
Earnings for last 12 months	4,101	4,101	(4,061)	(4,061)
Number of Shares excluding Treasury Shares and Subsidiary Holdings ('000)	205,674	205,674	205,674	205,674
Financial Ratios				
NAV per Share (S\$)	0.58	0.59	0.37	0.36
Gearing Ratio	0.06	0.07	-	-
Working Capital Ratio	2.53	2.44	66.94	59.99
EPS (S\$)	0.02	0.02	(0.02)	(0.02)

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(ii) Off-Market Purchases

As at 30 June 2020	Group		Company	
S\$'000	Before Buy Back	After Buy Back	Before Buy Back	After Buy Back
Share Capital	65,403	60,457	65,403	60,457
Treasury Shares	(160)	-	(160)	-
Capital Reserves	-	-	-	-
Translation Reserves	714	714	-	-
Fair Value Adjustment Reserve	-	-	-	-
Reserves	53,594	53,594	10,028	10,028
Total Equity	119,551	114,765	75,271	70,485
NAV	119,551	114,765	75,271	70,485
Cash and Cash Equivalents	71,416	66,630	30,312	25,526
Current Assets	120,228	115,442	40,568	35,782
Current Liabilities	47,564	47,564	606	606
Net Current Assets	72,664	67,878	39,962	35,176
Borrowing	7,691	7,691	-	-
Earnings for last 12 months	4,101	4,101	(4,061)	(4,061)
Number of Shares excluding Treasury Shares and Subsidiary Holdings ('000)	205,674	205,674	205,674	205,674
Financial Ratios				
NAV per Share (S\$)	0.58	0.59	0.37	0.36
Gearing Ratio	0.06	0.07	-	-
Working Capital Ratio	2.53	2.43	66.94	59.05
EPS (S\$)	0.02	0.02	(0.02)	(0.02)

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustrative purposes only. Although the Share Buy Back Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire 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. It is also important to note that the above analysis is based on historical numbers and is not necessarily representative of future financial performance.

2.8 Taxation

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional tax advisors.

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2.9 Reporting Requirements

The Act and the Listing Manual require the Company to make reports in relation to the Share Buy Back Mandate as follows:

- (a) Within 30 days of the passing of a Shareholders' resolution to approve purchases of Shares, the Company must lodge a copy of such resolution with ACRA;
- (b) Within 30 days of a purchase of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, which must include, amongst others, details of the purchase, such as the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company;
- (c) Purchases of Shares must be reported to the SGX-ST, in the forms prescribed by the Listing Manual, and announced to the public, in the case of Market Purchases, not later than 9.00 a.m. on the Market Day following the day of purchase of any of its Shares, and, in the case of Off-Market Purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer made by the Company; and
- (d) When seeking the approval of Shareholders for the renewal of the Share Buy Back Mandate, the Company is required to disclose details pertaining to purchases of Shares made by the Company during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2.10 Other Listing Rules

- 2.10.1 The Listing Manual provides that a listed company shall ensure that at least 10% of any class of its listed securities is at all times held by the public. As at the Latest Practicable Date, 30,139,247 Shares representing approximately 14.65% of the issued share capital of the Company are held in the hands of the public.
- 2.10.2 Assuming the Company exercises the Share Buy Back Mandate in full and purchases the maximum of 10% of its Shares through Market Purchases from the public, the public float would be reduced to approximately 5.17% of the issued Shares (excluding treasury shares and subsidiary holdings). In order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than 10% in the issued Shares (excluding treasury shares and subsidiary holdings), the Company shall not purchase or acquire more than 9,572,000 Shares (or 4.65% of the issued Shares (excluding treasury shares and subsidiary holdings) as at that date) pursuant to the Share Buy Back Mandate. Accordingly, the Company is seeking Shareholders' approval to buy back 9,572,000 shares, which do not result in the public float falling below 10%.
- 2.10.3 Based on the percentage of issued share capital of the Company held by the public as mentioned above, the Directors will ensure that any Shares purchased or acquired by the Company will not result in a fall in the percentage of Shares held by the public to below 10% of the total number of issued Shares.

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- 2.10.4 The Directors will use their best efforts to ensure that the Company does not effect any purchase or acquisition of Shares if the purchase or acquisition would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.
- 2.10.5 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.
- 2.10.6 In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company and its officers should not and will not deal in the Company’s securities during the period commencing 2 weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year, and one month before the announcement of the Company’s full year financial statements, as the case may be.

2.11 Share Buy Backs by the Company

No purchases or acquisitions of Shares have been made or effected by the Company pursuant to the Share Buy Back Mandate in the 12 months preceding the Latest Practicable Date.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Interests of Substantial Shareholders

As at the Latest Practicable Date, the shareholding interests of Substantial Shareholders in the Company are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
CCH ⁽¹⁾⁽²⁾	78,000,000	37.92	-	-	78,000,000	37.92
Cheng Buck Poh @ Chng Bok Poh ⁽¹⁾⁽²⁾⁽³⁾	96,436,950	46.89	78,000,000	37.92	174,436,950	84.81
Goo Guik Bing @ Goh Guik Bing ⁽¹⁾⁽³⁾	-	-	174,436,950	84.81	174,436,950	84.81

The percentage of shareholding interest above is computed based on the total issued shares of 205,673,947 Shares, excluding treasury shares and subsidiary holdings.

Notes:

- (1) CCH is held by the Cheng Family.
- (2) Mr Cheng Buck Poh @ Chng Bok Poh is deemed to be interested in the 78,000,000 Shares held by CCH by virtue of his 31.68% shareholding in CCH.
- (3) Mdm Goo Guik Bing @ Goh Guik Bing is deemed to be interested in (i) the 78,000,000 Shares held by CCH by virtue of her husband’s, Mr Cheng Buck Poh @ Chng Bok Poh’s 31.68% shareholding in CCH; and (ii) the 96,436,950 Shares held by her husband, Mr Cheng Buck Poh @ Chng Bok Poh.

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Save for their aforesaid respective interests in the Company, none of the Substantial Shareholders has any direct or indirect interest in the proposed renewal of the Share Buy Back Mandate.

3.2 Interests of Directors

As at the Latest Practicable Date, the shareholding interests of the Directors in the Company are set out below:

Director	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Cheng Buck Poh @ Chng Bok Poh ⁽¹⁾	96,436,950	46.89	78,000,000	37.92	174,436,950	84.81
Tan Sim Cheng	93,750	0.05	-	-	93,750	0.05
Chee Teck Kwong, Patrick	62,500	0.03	-	-	62,500	0.03
Chua Keng Woon	941,500	0.46	-	-	941,500	0.46

The percentage of shareholding interest above is computed based on the total issued shares of 205,673,947 Shares, excluding treasury shares and subsidiary holdings.

Notes:

- (1) Mr Cheng Buck Poh @ Chng Bok Poh is deemed to be interested in the 78,000,000 Shares held by CCH by virtue of his 31.68% shareholding in CCH.

Save for their aforesaid respective interests in the Company, none of the Directors has any direct or indirect interest in the proposed renewal of the Share Buy Back Mandate.

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the proposed renewal of the Share Buy Back Mandate set out in Ordinary Resolution No. 7 in the Notice of AGM.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is enclosed with the Annual Report, will be held on 29 October 2020 by electronic means at 10 a.m. for the purpose of considering, and, if thought fit, passing the resolutions set out in the Notice of AGM.

6. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed renewal of the Share Buy Back Mandate is sought at the AGM. The resolution relating to the proposed renewal of the Share Buy Back Mandate is contained in the Notice of AGM as Ordinary Resolution No. 7.

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7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with the Annual Report the Notice of AGM and a Proxy Form.

Due to current movement restriction orders in Singapore, Shareholders will not be able to attend the AGM in person. A Shareholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy, to vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM, in accordance with the instructions printed on the Proxy Form.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum 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 Addendum misleading. Where information in this Addendum 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 Addendum in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 47 Tuas View Circuit, Singapore 637357, during normal business hours, from the date of this Addendum up to the date of the AGM:

- (a) the Constitution; and
- (b) the Annual Report.

In view of the movement restrictions pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, access to the registered office of the Company may not be possible during this period. Shareholders who wish to inspect the above documents should contact the Company so that arrangements can be made.

Yours faithfully
for and on behalf of the Board of Directors of
Hai Leck Holdings Limited

Cheng Buck Poh @ Chng Bok Poh
Executive Chairman and Chief Executive Officer