

CIRCULAR DATED 3 JANUARY 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by the Company (both as defined herein).

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

If you have sold or transferred all your shares in the capital of the Company, you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular, together with the Notice of EGM, the accompanying Proxy Form and Request Form (all as defined herein), may be assessed on the website of the Singapore Exchange Securities Trading Limited ("SGX-ST") at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://powermatic.com.sg/>.

A printed copy of this Circular will NOT be despatched to Shareholders as the Company's Constitution provides for the use of electronic communications pursuant to the Listing Manual (all as defined herein). Accordingly, only hardcopies of the Notice of EGM, Proxy Form and Request Form will be sent to Shareholders. Shareholders who wish to obtain a printed copy of the Circular should complete the Request Form and return it to the Company by post to the Company's registered office at 9 Harrison Road, #05-01, Singapore 369651 or via email to egm2024propertyredevelopment@powermatic.com.sg no later than 11.00 a.m. on 10 January 2024.

The SGX-ST (as defined below) assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.



POWERMATIC DATA SYSTEMS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198900414E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED REDEVELOPMENT OF EXISTING INVESTMENT PROPERTY WITH ESTIMATED CAPEX COSTS OF S\$28.0 MILLION

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 22 January 2024 at 11.00 a.m.

Date and time of Extraordinary General Meeting : 25 January 2024 at 11.00 a.m.

Place of Extraordinary General Meeting : SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027

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DEFINITIONS

The following definitions apply throughout this Circular unless otherwise stated or the context otherwise requires:

“Announcement”	:	The Company’s announcement dated 6 July 2023 in relation to the Proposed Redevelopment
“Architect”	:	An architectural firm with experience and a strong track record in designing food factories appointed by the Company, to develop the architectural designs and plans and provide the costs estimates for the Redeveloped Property
“B1 Light Industry”	:	Clean or light industrial properties which are suitable for clean and light trades which are involved in light manufacturing activities
“Board”	:	The board of Directors
“CAPEX Costs”	:	The construction costs and other capital expenditure costs and expenses required to be incurred by the Company for purposes of the Proposed Redevelopment
“CDP”	:	The Central Depository (Pte) Limited
“Chairman of the EGM”	:	The person appointed as the chairperson of the EGM
“Circular”	:	This circular dated 3 January 2024 issued by the Company to the Shareholders
“Company”	:	Powermatic Data Systems Limited (Company Registration No. 198900414E), a public company limited by shares incorporated in Singapore, with its registered office at 9 Harrison Road #05-01, Singapore 369651
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Constitution”	:	The constitution of the Company, as may be amended or modified from time to time
“Directors”	:	The directors of the Company (whether executive or non-executive) for the time being and the term “Director” shall be construed accordingly
“EGM”	:	The extraordinary general meeting of the Company to be held at SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027, on 25 January 2024 at 11:00 a.m., notice of which is set out on page N-1 of this Circular
“EPS”	:	Earnings per Share
“Estimated CAPEX Costs”	:	The current estimate of CAPEX Costs of approximately S\$28.0 million which has been arrived at in the manner as further elaborated in Section 2.2 below
“Executive Director”	:	An executive Director of the Company
“Existing Buildings”	:	The two buildings that are currently located on the Property
“Existing Use Property Valuation”	:	The valuation of the Property at a fair value of S\$46.3 million as at 31 March 2023, based on an appraisal conducted by Knight

DEFINITIONS

		Frank Pte. Ltd., and on the basis and assumptions as further elaborated in Section 2.1 below
“FY2023”		The financial year ended 31 March 2023
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	27 December 2023, being the latest practicable date prior to the date of issue of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“Main Contractor”	:	A construction company to be appointed by the Company to undertake the Proposed Redevelopment as the main contractor
“M&E Engineering Consultant”	:	A mechanical and electrical engineering consultant appointed by the Company to provide engineering expertise to the Company relating to the mechanical and electrical systems of the Property
“Notice of EGM”	:	The notice of EGM as set out in the Section titled “Notice of Extraordinary General Meeting” of this Circular
“NTA”	:	Net tangible assets
“Outline Planning Permission”	:	Outline planning permission for the proposed erection of the Redeveloped Property, granted by the URA on 2 November 2022
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of EGM
“Potential Estimated Redeveloped Use Property Valuation”	:	The valuation of the Redeveloped Property following the completion of the Proposed Redevelopment which, solely for the purposes of illustration of financial effects in Section 4 of this Circular, has been potentially estimated at S\$40.0 million, on the basis and assumptions as further set out in Section 4.1(h) of this Circular
“Provisional Permit”	:	Provisional permit for the proposed erection of the Redeveloped Property, granted by the URA on 16 May 2023
“Property”	:	The existing investment property owned by the Group located at 7 and 9 Harrison Road, Singapore 369651
“Property Business”	:	The leasing and maintenance of the Property for investment
“Proposed Redevelopment”	:	The redevelopment of the Property into a 8-storey multiple-user industrial development for food production, with a view to selling the units of the Redeveloped Property to buyers upon completion
“Proxy Form”	:	An instrument appointing a proxy in respect of the EGM as set out in this Circular
“Quantity Surveyor”	:	A quantity surveyor firm appointed by the Company to assist the Company in calling for a tender to appoint the Main Contractor for the Proposed Redevelopment, and provide the costs estimates for the Proposed Redevelopment
“Redeveloped Property”	:	An 8-storey multiple-user industrial development for food production

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“Securities Account”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“Register of Members”	:	The Register of Members of the Company
“Request Form”	:	A request form to be submitted by Shareholders who may wish to request for a printed copy of the Circular
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Shares”	:	Ordinary share(s) in the issued and paid-up share capital of the Company
“Singapore”	:	The Republic of Singapore
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued and paid up share capital in the Company
“Structural Engineering Consultant”	:	A structural engineering consultant appointed by the Company to provide engineering expertise to the Company relating to the assessment of the structural systems of the Property
“URA”	:	Urban Redevelopment Authority
“Utilised Unit”	:	Unit #05-01 in the Property which is used by the Company for its Singapore operations and as headquarters for providing support and administration functions to the Group
“Wireless Business”	:	The manufacturing, sales, marketing and distribution of wireless connectivity products ranging from wireless modules to embedded boards, either off the shelf for customers looking for quicker-to-market wireless solutions, to Original Equipment Manufacturing and Original Design Manufacturing solutions for customers who require customised hardware and software
“Written Permission”	:	Written permission for the proposed erection of the Redeveloped Property to be granted by the URA
Currencies, Units and Others		
“S\$” and “cents”	:	Singapore dollars and cents, the lawful currency of Singapore
“%” or “per cent”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings defined for them, respectively, in section 81SF of the SFA. The term **“Direct Account Holder”** shall have the same meaning defined for the term “account holder” in section 81SF of the SFA.

DEFINITIONS

The term “**Treasury Shares**”, “**subsidiary**”, “**subsidiary holdings**” and “**related company**” shall have the meaning ascribed to it in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall, where applicable, include all other and neuter genders. References to natural persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meanings ascribed to it under the Companies Act, the SFA, Listing Manual or any modification thereof, as the case may be unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

Altum Law Corporation has been appointed as the legal adviser to the Company as to Singapore law in relation to the preparation of this Circular in connection with the Proposed Redevelopment.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

POWERMATIC DATA SYSTEMS LIMITED

(Company Registration Number: 198900414E)
(Incorporated in the Republic of Singapore)

Board of Directors

Dr Chen Mun *(Chairman and Chief Executive Officer)*
Ms Ang Bee Yan, Katherine *(Executive Director)*
Mr Tan Chao Hsiung, David *(Lead Independent Director)*
Mr Cheng Heng Tan *(Independent Director)*
Dr Lye Kin Mun *(Independent Director)*
Professor Cham Tao Soon *(Independent Director)*

Registered Office

9 Harrison Road #05-01
Singapore 369651

3 January 2024

To: The Shareholders of Powermatic Data Systems Limited

Dear Shareholders

THE PROPOSED REDEVELOPMENT OF EXISTING INVESTMENT PROPERTY WITH ESTIMATED CAPEX COSTS OF S\$28.0 MILLION

1. INTRODUCTION

1.1. Overview

The Company had on 6 July 2023, announced its intention to undertake the Proposed Redevelopment, with a view to selling units of the Redeveloped Property to buyers upon completion of the Proposed Redevelopment (“**Announcement**”).

As at the Latest Practicable Date, the CAPEX Costs for undertaking the Proposed Redevelopment is estimated to be approximately S\$28.0 million (“**Estimated CAPEX Costs**”), further details of which are set out in Section 2.2 below.

1.2. EGM

The Directors are convening an EGM to be held at SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027, on 25 January 2024 at 11.00 a.m. to seek Shareholders’ approval for the Proposed Redevelopment.

1.3. Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders’ approval for the Proposed Redevelopment to be tabled at the EGM. The Notice of EGM is set out on pages N-1 to N-3 of this Circular.

Shareholders are advised to read Section 3 of this Circular titled “Risk Factors” in relation to the risks involved pursuant to the Proposed Redevelopment carefully and in its entirety.

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular. Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. THE PROPOSED REDEVELOPMENT OF AN EXISTING INVESTMENT PROPERTY

2.1. Information on the Property

LETTER TO SHAREHOLDERS

The Property comprises two adjoining industrial buildings located on 7 and 9 Harrison Road respectively, each building comprising 6 floors, with one unit or strata lot per floor, with the 12 units having a total gross floor area of 79,073sqft and net usable (rentable) area of 61,171sqft.

The Property, situated on freehold land, is currently approved for light industrial use (B1 Light Industry).

The Property was acquired by the Group on 9 October 2009 for a purchase consideration of S\$19.34 million and is held by the Group mainly for investment purposes. The Group currently utilises the Utilised Unit and the remaining 11 units are leased out to third parties for rental income.

The Property, inclusive of the Utilised Unit, is carried in the balance sheet of the Company at an aggregate net book value of \$18.09 million as at 31 March 2023 and accordingly, the net tangible asset value of the Property inclusive of the Utilised Unit was S\$18.09 million as at 31 March 2023, as disclosed in the audited financial statements of the Group for FY2023. The net book value of the Property excluding the Utilised Unit (and other items of “property plant and equipment”) was S\$16.3 million (rounded to the nearest one decimal point) as at 31 March 2023, as stated in the Announcement. The disclosure in the FY2023 audited financial statements, required under current accounting standards, has divided the Property into two parts – the units of the Property which are held for investment (yielding rental from third party tenants) and the Utilised Unit which is used by the Group for its operations. The Utilised Unit has been classified under the item of “property plant and equipment” at an amount of S\$1.77 million in the balance sheet of the Company for FY2023. The carrying value of the Property is based on the acquisition price of the Property and the costs incurred for certain upgrading works undertaken in connection with the Property, after deduction of depreciation costs.

Based on an appraisal conducted by Knight Frank Pte. Ltd., the Property has a fair value of S\$46.3 million as at 31 March 2023 (“**Existing Use Property Valuation**”). The Existing Use Property Valuation was obtained pursuant to a valuation of the Property carried out for audit disclosure purposes where the basis of the valuation was on an “as is where is” basis and with vacant possession for the owner-occupied Utilised Unit and being subject to existing tenancies for the tenanted units of the Property.

2.2. **Proposed Redevelopment**

Under the Proposed Redevelopment, the Company will undertake demolition, construction and redevelopment of the Property into the Redeveloped Property, with a view to selling the units of the Redeveloped Property to buyers, upon completion of the Proposed Redevelopment.

For reasons as further elaborated in Section 2.3 below, the Company had previously applied to the URA for an Outline Planning Permission to carry out the Proposed Redevelopment of the Property, and subsequent to obtaining approval for the Outline Planning Permission, the Company had applied for a Provisional Permit to carry out the Proposed Redevelopment of the Property, which was obtained on 16 May 2023. As at the Latest Practicable Date, the Company is in the process of obtaining the Written Permission which will be granted by the URA subject, *inter alia*, to the Proposed Redevelopment complying with all relevant planning requirements.

As at the Latest Practical Date, the Company has appointed the Architect and Quantity Surveyor to assist the Company, *inter alia*, in calling for a tender for the selection of the Main Contractor to be appointed for the Proposed Redevelopment.

The Company also appointed the Structural Engineering Consultant and the M&E Engineering Consultant to set the design parameters for the key structural and safety areas of the Property as per standard building practices. The Company will be relying on the expertise of the aforesaid relevant professional parties, *inter alia*, to prescribe the applicable specifications and other relevant terms and conditions required in connection with the Proposed Redevelopment.

The Company currently intends to call for a tender for the selection of the Main Contractor to be appointed for the Proposed Redevelopment and the Company will be reviewing the bids received together with the relevant professional parties (namely the Quantity Surveyor and Architect) appointed by the Company for purposes of the Proposed Redevelopment.

LETTER TO SHAREHOLDERS

Based on the current estimates or preliminary quotations given by the relevant professional parties (namely the Quantity Surveyor, Architect, Structural Engineering Consultant and M&E Engineering Consultant) appointed for the purposes of the Proposed Redevelopment, the CAPEX Costs is estimated to be in the region of approximately S\$28.0 million ("**Estimated CAPEX Costs**") which, for the avoidance of doubt, does not include any of the sales and marketing and other costs and expenses which are necessary or required to launch the sale of the units of the Redeveloped Property following completion of the Proposed Redevelopment.

A breakdown of the Estimated CAPEX Costs is set out in the table below:

Items	Amount (S\$ million)	%
Demolition and construction costs	22.32	79.7
Professional Fees	1.04	3.7
Architectural models	0.89	3.2
Permits and regulatory fees	0.11	0.4
Others ⁽¹⁾	3.64	13.0
Total costs	28.00	100

Note:

(1) this includes contingency costs for which the Company has set aside an amount of S\$3.64 million as at the Latest Practicable Date as compared to an amount of S\$0.64 million as stated in the Announcement, resulting in the Estimated CAPEX Costs being increased to S\$28 million as compared to the amount of S\$25 million as stated in the Announcement.

Shareholders should note that as at the Latest Practicable Date, other than having appointed the relevant professional parties (namely the Quantity Surveyor, Architect, Structural Engineering Consultant and M&E Engineering Consultant) necessary or required for the purposes of the Proposed Redevelopment, the Company has not appointed the Main Contractor or entered into any binding contract or agreement with, or received any binding letter of offer or commitment from any contractors, sub-contractors, suppliers for the provision of construction services or supplies necessary or required in connection with the Proposed Redevelopment, and accordingly the finalised CAPEX Costs agreed to be borne by the Company in connection with the Proposed Redevelopment may be higher or lower than the Estimated CAPEX Costs, and if the finalised CAPEX Costs agreed to be borne by the Company is higher than the Estimated CAPEX Costs, this will lead to an increase in the costs of the Proposed Redevelopment and a reduction in the margins and/or profit arising from the sale of units in the Redeveloped Property.

The Company currently intends to finance the CAPEX Costs entirely from internal resources without any new loans or borrowings to be obtained for such purpose, but this may be subject to change depending, *inter alia*, on further review(s) of the Group's working capital or cash flow requirements.

Upon the Company obtaining Shareholders' approval for the Proposed Redevelopment at the EGM, the Company intends to demolish the existing buildings located on the Property and commence construction of the Redeveloped Property once all the existing tenants vacate their premises following the expiry or termination of their respective tenancy agreements, which is currently estimated to be within the first half of next year. Construction of the Redeveloped Property is envisaged to take at least two (2) years from the commencement of the Proposed Redevelopment to complete.

While the Utilised Unit is currently being used by the Group for its Singapore operations and headquarters for providing support and administration functions to the Group, the Proposed Redevelopment should not bring any undue disruptions to the Group's business as the Group intends to rent a property and relocate its operations to such rented property, before commencing with the Proposed Redevelopment. The Group's manufacturing facilities are in Suzhou (People's Republic of China) and Kulai (Johore – Malaysia).

LETTER TO SHAREHOLDERS

2.3. Rationale for the Proposed Redevelopment

The Group's existing business comprises the Wireless Business and Property Business.

As mentioned in Section 2.1 above, the Company had acquired the Property in 2009 for investment purposes, with the aim to achieve capital appreciation. The Company has been actively re-evaluating its investment strategy in the Property as the Company continues to grow and generate stable profits from the Wireless Business (based on historical results) and for reasons as further elaborated below.

In assessing the Proposed Redevelopment, the Board took into consideration the following:

(a) The Property Business's contribution to the Group's revenue and profitability is immaterial

As mentioned in Section 2.1 above, the Property is currently being held by the Group mainly as an investment property. As at the Latest Practicable Date, the Group derives rental income from the Property Business by leasing out eleven (11) units of the Property, with a gross monthly rental ranging from approximately S\$1.3 per square foot to S\$3.5 per square foot, while retaining one unit of the Property for its own use.

The Wireless Business is the key driver and contributes substantially to the Group's revenue and profitability, and rental income from the Property Business is recognised as other income to the Group pursuant to the accounting policy of the Group in line with the Wireless Business being the sole core business of the Group. In the past five financial years, contributions from the Property Business, as a percentage to the Group's profitability, declined as contributions from the Wireless Business increased during this period. The relevant figures illustrating this are as set out in the table below:

	Financial Year									
	2023		2022		2021		2020		2019	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Net profits from Wireless Business	9,444	99.5	8,278	101.3	7,220	97.3	8,517	97.5	6,746	96.4
Net Profit from Property Business	350	3.7	519	6.4	436	5.9	539	6.2	487	7.0
Net loss from group-level corporate services	(306)	(3.2)	(626)	(7.7)	(237)	(3.2)	(323)	(3.7)	(238)	(3.4)
Total group consolidated net profit	9,488	100.0	8,171	100.0	7,419	100.0	8,733	100.0	6,995	100.0

(b) The Proposed Redevelopment will serve to unlock and monetise the value of the Property

The Company has been adopting the cost approach method of valuation for the Property in its financial statements and the Property has been carried in the balance sheet at its cost of acquisition (which includes costs of upgrading undertaken) less accumulated depreciation. As mentioned in Section 2.1 above, the Property, inclusive of the Utilised Unit, is carried in the balance sheet of the Company at a net book value of \$18.09 million as at 31 March 2023, compared to the Existing Use Property Valuation.

LETTER TO SHAREHOLDERS

Following the completion of the Proposed Redevelopment, the Redeveloped Property will be approved for food production. The Company observes that based on current market conditions and trends, properties approved, *inter alia*, for food production generally fetch a higher sale price and/or rental income in comparison to similar or comparable properties which are only approved for light industrial use (B1 Light Industry).

The Proposed Redevelopment would thus give the Group an opportunity, upon the completion of the Proposed Redevelopment to the Redeveloped Property, to potentially improve or enhance the existing valuation of the Property, and further, to monetise such enhanced asset, *inter alia*, through the sale of units of the Redeveloped Property to buyers.

By way of illustration only, the Existing Use Property Valuation ascribes a valuation to the Property of approximately S\$757 per square foot, while buildings having approved usage for food production have recent transacted sale prices ranging between S\$1,300 to S\$2,100 per square foot. A range of recent transaction prices for properties approved for food production is set out in the table below for comparison:

Date	Address	Property Type	Area (sqft)	Price (S\$ psf)	Price (S\$)
5 May 2021	25 Harper Road (Harper Point)	Factory	4,542	1,868	8,486,000
4 October 2022	7 Mandai Estate (FoodFab @ Mandai)	Factory	1,981	1,813	3,590,000
28 September 2022	7 Mandai Estate (FoodFab @ Mandai)	Factory	2,928	1,700	4,976,000
21 September 2022	7 Mandai Estate (FoodFab @ Mandai)	Factory	1,981	1,877	3,718,000
1 November 2022	20 Mactaggart Road (Mactaggart Foodlink)	Factory	2,594	1,118	2,900,000
18 November 2022	239 Pandan Loop (Food Concept @ Pandan)	Factory	2,024	2,100	4,250,000
24 May 2023	21 Mandai Estate (Food Vision @ Mandai)	Factory	1,733	1,530	2,651,000
9 January 2023	21 Mandai Estate (Food Vision @ Mandai)	Factory	1,722	1,598	2,752,000
20 February 2023	21 Mandai Estate (Food Vision @ Mandai)	Factory	1,722	1,313	2,216,000

Source: <https://www.edgeprop.sg>

(c) The Group has available resources to undertake the Proposed Redevelopment

The Group has shareholders' funds and cash balances of approximately S\$73.8 million and S\$55.0 million respectively as at 31 March 2023, and as mentioned in Section 2.2 above, the Company can deploy part of the surplus cash of the Group to finance the CAPEX Costs of the Proposed Redevelopment. The Group will enjoy lower development costs by not having to incur interest costs from assuming or taking on additional loans or liability to undertake the Proposed Redevelopment, and hence, this should lead to higher margins from the sale of the units of the Redeveloped Property upon completion of the Proposed Redevelopment.

LETTER TO SHAREHOLDERS

(d) Enhancing Shareholders' value – possible distributions

The Board intends to distribute the net profits arising from the sale of units of the Redeveloped Property (if any) to Shareholders by way of distribution including dividends.

Such distributions, if they occur, will be an additional means through which the Company can enhance Shareholders' value by giving Shareholders the benefit of any profits or gains to be received by the Group through the monetisation of its enhanced asset through the Proposed Redevelopment.

For the avoidance of doubt, there is no certainty or assurance that there will be any such net profits available for such intended distributions, and/or that there will not be any changes or adjustments required to the proportion of such net profits to be made available for such intended distributions, including in the event of any changes to the working capital or cash flow requirements of the Group.

(e) Enhancing Shareholders' value – possible better returns than outright disposal of the Property

The Board notes that Shareholders had, on previous occasions, asked the Board to consider, and the Board has looked into the possibility of the Company undertaking an outright sale or disposal of the Property, rather than undertaking the Proposed Redevelopment, as a means of realising sale proceeds and unlocking value from the Property. While the Company did previously receive an offer from a third party to purchase the Property, having considered the indicative sale price offered as aforesaid and for reasons as further elaborated in paragraph (b) above, the Board is of the view that the option of an outright sale or disposal of the Property will not give the Company the best opportunity of securing a better return on its investment, compared to making use of the land it owns to redevelop and provide purpose-built facilities for the food industry under the Proposed Redevelopment.

Taking into account the foregoing considerations, including the potential risks as described in Section 3 below associated with the Company undertaking or carrying out the Proposed Redevelopment, the Board is of the view that the Shareholders' interests, at large, would be best served, and it would be beneficial for the Company to undertake or carry out the Proposed Redevelopment, and the Company intends to seek Shareholders' approval for the same.

2.4. Shareholders' Approval

The Proposed Redevelopment (excluding the sale of units of the Redeveloped Property upon completion of the Proposed Redevelopment) does not entail or involve the Company entering into any transaction(s) to dispose of asset(s) to or to acquire asset(s) from a third party. However, as part of the Proposed Redevelopment, the Company will be demolishing the buildings that are currently located on the Property in order to allow for construction of the Redeveloped Property and incurring the CAPEX Costs to undertake the Proposed Redevelopment, upon the completion of which the Company will be assuming ownership of the Redeveloped Property.

Based on the foregoing, on the basis and assumptions as set out below, the relative figures for the Proposed Redevelopment computed on the bases set out in Rule 1006 of the Listing Manual and based on the latest audited financial statements for FY2023, are as follows:

Rule	Bases	Relative Figures
1006(a)	Net asset value ⁽²⁾ of the assets to be disposed of ⁽¹⁾ , compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	8.25%
1006(b)	Net profits ⁽³⁾ attributable to the assets disposed of ⁽¹⁾ , compared with the Group's net profits/losses	55.49%
1006(c)	The aggregate value of the consideration given or received ⁽⁴⁾ , compared with Company's market capitalisation based on the total number of issued shares, excluding treasury shares	32.97%

LETTER TO SHAREHOLDERS

1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate to the Group's proven and probable reserves	Not applicable ⁽⁶⁾

Notes:

Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.

(1) For purposes of computing the relative figures under Rule 1006(a) and Rule 1006(b) of the Listing Manual, it is assumed that there is a deemed disposal of assets by the Company by reason of the Company having to demolish the Existing Buildings in order to allow for construction of the Redeveloped Property.

(2) the net asset value is based on the carrying value of the Property attributable to the Existing Buildings of S\$6.085 million as at 31 March 2023, and the relative figure of 8.25% is derived by dividing such net asset value by the Group's net asset value of S\$73.752 million as at 31 March 2023 based on the audited financial statements of the Group as at FY2023.

(3) the loss arising from the demolition of the Existing Buildings will be, (a) the amount of the carrying value of the Property attributable to the Existing Buildings of the absolute figure of S\$6.085 million which has to be written off and; (b) the loss of rental profit of S\$0.35 million, following the demolition of the Existing Buildings. The relative figure of 55.49% is derived by dividing such net losses arising from the demolition of the Existing Buildings by the Group's net profit of S\$11.596 million based on the audited financial statements of the Group for FY2023.

(4) For the purposes of this computing the relative figures under Rule 1006(c) of the Listing Manual, it is assumed that the Estimated CAPEX Cost is the deemed consideration payable by the Company in connection with the Proposed Redevelopment, and the relative figure of 32.97% is derived by dividing such deemed consideration amount by the Company's market capitalisation of S\$84,936,169 as at 31 March 2023.

(5) This basis is not applicable as there are no equity securities being issued by the Company under the Proposed Redevelopment.

(6) This basis is not applicable as the Company is not a mineral, oil and gas company.

The Company intends to seek Shareholders' approval for the Proposed Redevelopment in view of the relative figures under Rule 1006(b) and 1006(c) of the Listing Manual exceeding 20% on the basis and assumptions as set out in the table above and, as it does not fall within the current scope and ambit of the Property Business and is not otherwise in the ordinary course of business of the Company, and further, the undertaking or carrying out of the Proposed Redevelopment may potentially entail an impact on the future financial results, financial condition and/or risk profile of the Company and the Group, as compared to the current financial results, financial condition and/or risk profile of the Company and the Group, including potential risk factors arising from the Proposed Redevelopment as further set out in Section 3 below.

Accordingly, the Company is convening the EGM to seek Shareholders' approval for the Proposed Redevelopment.

As mentioned in section 2.2 above, the actual CAPEX Costs has not been finalised or fixed as at the Latest Practicable Date, *inter alia*, pending Shareholders' approval of the Proposed Redevelopment at the EGM, and the Company will update Shareholders by way of announcement(s) on the SGXNet and consider the appropriate course of action to be taken, including seeking fresh Shareholders' approval, if necessary or desirable, in the event of material cost overruns and/or if the finalised CAPEX Costs agreed to be borne by the Company were to be significantly higher than the Estimated CAPEX Costs of S\$28.0 million as currently envisaged.

2.5. Management of the Proposed Redevelopment

As the Company does not have a proven track record in property development, it has taken steps to mitigate such lack of experience, *inter alia*, by appointing the Architect and, the Company has also appointed a renowned Quantity Surveyor. The Company contemplates that the costs estimates provided

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by such relevant professional parties should be reasonably accurate estimates that the Company can rely on, given their professional expertise and experience as aforesaid.

2.6. Risk Management Procedures

The Architect and Quantity Surveyor will play a significant role in managing the Proposed Redevelopment, which includes monitoring the progress and managing cost. They are appointed by the Company and is obligated to the Company in ensuring or assisting the Company to ensure the due and timely implementation and completion of the Proposed Redevelopment in accordance with the terms of the applicable contracts relating thereto.

The Board may consider establishing a project committee comprising members of Management and the Board, who may meet regularly during the period of the Proposed Redevelopment with the Quantity Surveyor and other appointed consultants, which includes the Structural Engineering Consultant and M&E Engineering Consultant, to review and monitor the progress of the Proposed Redevelopment and, where applicable, to take the necessary steps or measures to rectify or remedy any issues of costs overruns and/or project delays arising.

Where necessary to better manage the Group's risks arising from the Proposed Redevelopment, the Group will further formulate and implement additional policies and procedures to mitigate such risks.

2.7. In the event of Interested Person Transactions

As at the Latest Practicable Date, none of the relevant professional parties (namely the Quantity Surveyor, Architect, Structural Engineering Consultant and M&E Engineering Consultant) appointed are interested persons as defined under Chapter 9 of the Listing Manual. The appointment of the Main Contractor will be through a tender process and parties such as subcontractors and suppliers will be appointed based on price competitiveness and track record.

The Company will seek independent Shareholder's approval, if required, in the event the Company were to appoint an interested person for any of the aforesaid roles which would constitute an interested person transaction under Chapter 9 of the Listing Manual, and/or any other interested person transactions which may arise in connection with the Proposed Redevelopment including the sales of units in the Proposed Redevelopment. prior to entering into such arrangements or undertakings.

3. RISK FACTORS

3.1. Introduction to Risk Factors

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders for making an informed judgement on the Proposed Redevelopment are set out below. The Proposed Redevelopment involves a number of risks which relate to the property market or industry as well as those which may generally arise from, *inter alia*, economic, business, market, political, liquidity, operational, legal and regulatory factors. These risks could materially change the risk profile of the Company.

Any of the risks described below or additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial performance, financial condition, cash flow, operations or prospects. The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face.

Shareholders should carefully evaluate the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM. The risks set out below are the material risks which the Group faces following or in connection with the Proposed Redevelopment. If any of the following considerations, risks or uncertainties develops into actual events, the business, financial performance, financial condition, cash flow, operations or prospects of the Group may be materially and adversely affected.

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Shareholders should consider the risk factors in light of their own investment objectives and financial circumstances and should seek professional advice from their accountant, stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

3.2. Risks factors relating to the Proposed Redevelopment

(a) The Group does not have a business history or proven track record in property development

The Group does not have any prior history of, or a proven track record in property development. The Property was acquired by the Company for investment purposes and has been used primarily to generate rental income since its acquisition. The Proposed Redevelopment, however, will entail the Company having to carry out construction and re-development of the Property into industrial property units, which the Company plans to sell to buyers on completion of the Proposed Redevelopment.

As mentioned in Section 2.5 above, the Company will be taking certain steps to mitigate against some of the risks which may arise in connection with managing the Proposed Redevelopment. The risk management procedures and internal control systems described in Section 2.6 above, regardless its comprehensiveness, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

There is no assurance that the Company will be able to successfully complete the Proposed Redevelopment in a timely manner or within the Estimated CAPEX Costs in its foray into property development. Any prolonged delays in the implementation and completion of the Proposed Redevelopment will adversely affect the Group's ability to launch sales of the units of the Redeveloped Property and/or lead to an increase in the costs of the Proposed Redevelopment which may have an adverse impact on the Group's financial performance arising from the Proposed Redevelopment, *inter alia*, if the Group is unable to sell, or has to hold on for a longer period to sell, the units of the Redeveloped Property, at a price which is at or above such costs of the Proposed Redevelopment, or such increased costs of the Proposed Redevelopment were to lead to a reduction in the margins and/or profit arising from the sale of units in the Redeveloped Property.

For the avoidance of doubt, the cost of the Proposed Redevelopment (or CAPEX) has no impact on the financial performance of the Group until the units of Redeveloped Property are sold or disposed of. Prior to such sale or disposal, such cost is recognised as the carrying value of the Redeveloped Property in the balance sheet. When the Proposed Redevelopment is completed, the Redeveloped Property will be classified as an asset held for sale. The recognition of profit or loss in the financial statements of the Group is only upon the sale or disposal of the relevant units of the Redeveloped Property. However, the Group may incur various holding costs should it choose not to sell or dispose of the units of the Redeveloped Property as further elaborated in paragraph (i) below.

(b) The Group may need to hire additional management or staff with relevant expertise or experience to execute the Proposed Redevelopment

The existing management team of the Group, being largely engaged in the Wireless Business, do not have direct relevant expertise or experience in property development or sales. The Group may thus need to consider hiring additional management or staff with the relevant expertise or experience to supervise, oversee or execute the implementation of the Proposed Redevelopment. There is no assurance that the Group will be able to hire persons with the necessary qualifications or sufficient experience for such purpose, and in the event it is unable to do so, this may delay the successful implementation or completion of the Proposed Redevelopment. The Group will also have to incur additional manpower costs arising from the hiring of such additional management or staff required. Any prolonged delays in the implementation and completion of the Proposed Redevelopment will adversely affect the Group's ability to launch sales of the units of

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the Redeveloped Property and/or lead to an increase in the costs of the Proposed Redevelopment which may have an adverse impact on the Group's financial performance arising from the Proposed Redevelopment, *inter alia*, if the Group is unable to sell, or has to hold on for a longer period to sell, the units of the Redeveloped Property, at a price which is at or above such costs of the Proposed Redevelopment, or such increased costs of the Proposed Redevelopment were to lead to a reduction in the margins and/or profit arising from the sale of units in the Redeveloped Property.

- (c) The Group's financial performance arising from the Proposed Redevelopment will be largely dependent on its ability to sell the units of the Redeveloped Property on completion of the Proposed Redevelopment

For reasons as further elaborated in Section 2 above, it is anticipated that the Group's financial performance will be enhanced from the returns expected from the sale of units of the Redeveloped Property following completion of the Proposed Redevelopment. However, in order to undertake the Proposed Redevelopment, the Company will need to demolish the existing buildings on the Property and write-down the carrying value of the Property pursuant thereto.

Such write-down will adversely impact the profitability of the Group to the extent and amount of the carrying value of the building costs of the Property (namely S\$6.09 million) being written down although it has no impact on the Group's cashflow and, while not significant, the Group will also be losing the rental income that comes from the rental of the units in such buildings, both during and after the period of the Proposed Redevelopment. Please refer to Section 4 below for the illustration of financial effects on the Proposed Redevelopment.

While the Company plans to sell the units of the Redeveloped Property to buyers on completion of the Proposed Redevelopment, there is no certainty or assurance that the Company will be able to successfully sell all the units in the Redeveloped Property in a timely manner, or at all. There is also no certainty or assurance that the Company will be able to sell the units in the Redeveloped Property at such prices as currently estimated or contemplated by the Company or that the sale proceeds derived from the sale of units in the Redeveloped Property will be sufficient to recover the CAPEX Costs incurred in connection with the Proposed Redevelopment and/or otherwise to derive a gross profit or net profit from the sale of such units, and in the event the Group is not able to recover the cost of the Proposed Redevelopment, the Group's financial performance will be adversely affected.

- (d) The Group's ability to sell the units of the Redeveloped Property is subject to macro-economic risks beyond the Group's control

The Redeveloped Property will be a multi-user industrial development for food production. The Group is targeting to sell the units of the Redeveloped Property to potential buyers who may be buying such units for their own use(s) and/or property investors who are keen to invest in this particular industrial property segment.

The market demand for the units of the Redeveloped Property to be offered for sale by the Company when completed, as well as the selling price at which such units can be sold, may be affected by many factors that affect the economy or property market in Singapore, many of which are beyond the Group's control. In particular, market demand for the units of the Redeveloped Property will be highly dependent upon the applicable rules or regulations under the legal, regulatory and/or taxation regimes relating to the acquisition, ownership or holding of commercial properties such as the Redeveloped Property, or properties in general, including whether there may be any duties or taxes such as buyer's stamp duties, additional buyer's stamp duties or additional conveyance duties payable and the applicable rates payable, or whether there may be any foreign ownership restrictions or any other restrictions applicable. The fluctuating, volatile, and uncertain nature of any of such factors (several of which are further elaborated below) may adversely affect the ability of the Group to sell the units of the Redeveloped Property, as well as the selling price at which such units can be sold:

- (i) global, regional and local economic, political, and social conditions;
- (ii) lockdown or restrictions in movements or economic activity due to spread or outbreak of contagious disease such as COVID-19;

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- (iii) legal and regulatory changes;
 - (iv) liquidity and risk aversion;
 - (v) equity, debt, property, commodity, and other financial markets;
 - (vi) interest rates and foreign currency exchange rates;
 - (vii) inflation and consumer demand; and
 - (viii) investor confidence levels.
- (e) Risks in relation to supply and fluctuations in price of building materials

The construction of the Redeveloped Property will require building materials including but not limited to concrete, cement, sand, granite and steel for the construction works. These building materials are generally imported and hence subject to international market forces. Should there be a shortage in the supply of such building materials or should the price of such building materials increase significantly during the tenure of the construction, this will lead to delays in the completion of the Proposed Redevelopment, and cost overruns as further elaborated in paragraph (g) below.

- (f) Risks in relation to shortage of labour and manpower costs

The Group's contractors, sub-contractors, suppliers and/or other service providers to be appointed in connection with the Proposed Redevelopment may face foreign workers quota restrictions, labour shortages or otherwise experience difficulties in hiring or procuring the manpower needed to carry out and implement the Proposed Redevelopment which may affect their ability to carry out and implement the Proposed Redevelopment in a timely manner. Any interruption or termination in the services or deterioration in the performance of the Group's contractors, sub-contractors, suppliers and/or other service providers to be appointed in connection with the Proposed Redevelopment may cause delays or disruptions to the completion of the Proposed Redevelopment. If the Group's arrangements with any of its contractors, sub-contractors, suppliers and/or other service providers to be appointed in connection with the Proposed Redevelopment are terminated, the Group may have to source for alternative contractors, sub-contractors, suppliers and/or other service providers and there is no assurance that these engagements will be on terms no less favourable to the Group as compared to the Group's then existing arrangements.

- (g) Cost overruns will adversely affect the Group's financial performance arising from the Proposed Redevelopment

As mentioned in Section 2.2 above, the Estimated CAPEX Costs were computed based on, *inter alia*, the preliminary quotations or current estimates given by the relevant professional parties (namely the Quantity Surveyor, Architect, Structural Engineering Consultant and M&E Engineering Consultant) appointed for the purposes of the Proposed Redevelopment, however, the Company has not, as the Latest Practicable Date, appointed the Main Contractor for the Proposed Redevelopment, or firmed up all the definitive binding contracts to lock in the construction costs and other terms and conditions relating to the Proposed Redevelopment.

The finalised CAPEX Costs agreed to be borne by the Company in connection with the Proposed Redevelopment may be higher or lower than the Estimated CAPEX Costs, and in the event the finalised CAPEX Costs agreed to be borne by the Company ends up being higher than the Estimated CAPEX Costs based on the finalised agreed terms and conditions which the Company will be entering into with its contractors, sub-contractors, and suppliers, and/or the actual CAPEX Costs incurred or to be incurred by the Company ends up being higher than projected due to costs overruns, this will lead to an increase in the costs of the Proposed Redevelopment which may have an adverse impact on the Group's financial performance arising from the Proposed Redevelopment, *inter alia*, if the Group is unable to sell, or has to hold on for a longer period to sell, the units of the Redeveloped Property, at a price which is at or above such costs of the Proposed Redevelopment, or such increased costs of the Proposed Redevelopment were to lead

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to a reduction in the margins and/or profit arising from the sale of units in the Redeveloped Property.

Further, there may be other unforeseen costs such as fluctuations in the costs of labour, building materials, equipment, rental and sub-contracting services or costs not previously factored into the contract value of contracts agreed to by the Company, which will lead to cost overruns that may have to be absorbed by the Group, and this will lead to an increase in the costs of the Proposed Redevelopment which may have an adverse impact on the Group's financial performance arising from the Proposed Redevelopment, *inter alia*, if the Group is unable to sell, or has to hold on for a longer period to sell, the units of the Redeveloped Property, at a price which is at or above such costs of the Proposed Redevelopment, or such increased costs of the Proposed Redevelopment were to lead to a reduction in the margins and/or profit arising from the sale of units in the Redeveloped Property.

(h) Risks in relation to interest rate movements

In the event the Group intends to finance the CAPEX Costs through loans and borrowings, the Group will face risks in relation to interest rate movements. Changes in interest rates will affect the Group's interest servicing cost and may adversely affect the Group's ability to raise and service its debt. Further, the property market is very sensitive to interest rate movements, and a high interest rate environment will generally dampen market demand for property, and investor sentiments.

(i) The Group will be subjected to holding and other costs if units of the Redeveloped Property are left unsold

In the event the Company is unable to sell all of the units of the Redeveloped Property, including in situations where the prevailing general market conditions or demand for the units of the Redeveloped Property does not allow the Company to sell or dispose of the units at a price that will enable it to recover the costs of redevelopment of such units, the Group will need to incur various holding costs such as payment of property taxes, insurance, maintenance and utilities pending further sales, if any, which will have an adverse impact on the Group's financial performance.

In the event the Company is unable to sell all of the units of the Redeveloped Property, there is an opportunity cost in holding on to the units of the Redeveloped Property since the Group will not be able to realise cash from such sale for use or deployment for other purposes of the Group, and the Group may even need to incur interest costs if, as a result of not being able to realise cash from the sale of the units of the Redeveloped Property, the Group has to incur borrowings to raise funds for its working capital needs.

As property assets are relatively illiquid assets, there is no assurance that the Company will be able to sell the units of the Redeveloped Property in a timely manner, or at all, and in the event the Company has to sell any of such units at short notice to realise cash, it will realise a lower selling price than anticipated for such sale, and this may also have a negative impact on the prices of the remaining unsold units, all of such may have an adverse impact on the Group's financial performance and/or financial condition.

(j) Possible fluctuations in the valuation of the Redeveloped Property may have an adverse impact on the Group's financial performance and/or financial condition

The Company has been adopting the cost approach method of valuation for the Property in its financial statements. In the event the Company has to apply fair value accounting standards in valuing the Redeveloped Property due, *inter alia*, to changes in accounting standards, the Company may need to take into account fluctuations in the valuation of the Redeveloped Property due to fluctuations in its market value from time to time. Market value of a property can change upwards or downwards depending, *inter alia*, on changes to the economic or regulatory environment or other relevant factors as further elaborated in paragraph (d) above and a drop in market value of the Redeveloped Property will have an adverse impact on the Group's financial performance and/or financial condition.

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(k) A spread or outbreak of contagious disease may adversely affect the Proposed Redevelopment

Any spread or outbreak of any contagious disease, for instance, the recent COVID-19 outbreak, may lead to a significant disruption in the implementation or completion of the Proposed Redevelopment. The Group may be unable to proceed with any construction works due to control orders imposed by the government, or in the event the Group's employees or those of the Group's contractors or subcontractors are infected or suspected of being infected with any contagious disease, the Group may be required by health authorities to temporarily shut down the affected project site and quarantine the relevant workers to prevent the spread of the disease. This will result in delays in the completion of the Proposed Redevelopment, as further elaborated in paragraph (l) below. Market sentiment and consumer confidence could be affected and may lead to a deterioration of economic conditions.

(l) Delays in the completion of the Proposed Redevelopment could adversely affect the Group's financial performance arising from the Proposed Redevelopment

Delays in the implementation or completion of the Proposed Redevelopment could occur from time to time due to many factors including but not limited to changes to regulatory policies or requirements, adverse weather conditions, shortages of labour, shortages or delays in delivery of equipment or construction or building materials, the occurrence of natural disasters, labour disputes, disputes with suppliers, contractors and sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the worksite, other unanticipated construction constraints at the worksite which may arise during the course of construction, or lockdown or restrictions in movements or economic activity due to spread or outbreak of contagious disease such as COVID-19.

The Company will endeavour to mitigate some of the risks of possible delays in the implementation or completion of the Proposed Redevelopment through imposing relevant terms and conditions on the Main Contractor to be appointed in respect of the Proposed Redevelopment including, *inter alia*, requiring the Main Contractor to arrange for insurance policies such as construction or performance bonds to be taken up to insure against delays in the implementation or completion of the Proposed Redevelopment and/or any other claims or damages relating to safety, project delays, cost overruns in respect of the Proposed Redevelopment, as per standard industry practice, but there is no assurance or certainty that such policies can be obtained, or if any such policies obtained (if applicable) will be sufficient to fully cover such risks.

Any prolonged delays in the implementation and completion of the Proposed Redevelopment will adversely affect the Group's ability to launch sales of the units of the Redeveloped Property, and/or lead to an increase in the costs of the Proposed Redevelopment which may have an adverse impact on the Group's financial performance arising from the Proposed Redevelopment, *inter alia*, if the Group is unable to sell, or has to hold on for a longer period to sell, the units of the Redeveloped Property, at a price which is at or above such costs of the Proposed Redevelopment, or such increased costs of the Proposed Redevelopment were to lead to a reduction in the margins and/or profit arising from the sale of units in the Redeveloped Property.

(m) The Group's reliance on third party contractors and sub-contractors

The Group will need to rely on third party contractors and sub-contractors for the Proposed Redevelopment. Accordingly, it is subject to risks such as the failure of third party contractors to carry out their contractual obligations, failure of third party contractors to bear cost overruns, and any other unforeseen circumstances which may have an adverse impact on its financial performance arising from the Proposed Redevelopment. Furthermore, the contractors or sub-contractors engaged for the Proposed Redevelopment may experience financial or other difficulties that may affect their ability to carry out the work, thus delaying the completion of or failing to complete the Proposed Redevelopment and resulting in additional costs or exposures to the Group. There is also no assurance that the services rendered by such third party contractors and sub-contractors will be satisfactory or match the targeted quality level, and this may in turn affect the customers' demand for the completed units of the Redeveloped Property.

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- (n) The Group may be exposed to potential legal or other proceedings arising from the Proposed Redevelopment

The Group may be involved from time to time in disputes with various parties involved in the Proposed Redevelopment. These parties include contractors, subcontractors, suppliers and/or purchasers. Such disputes may be due to delays, non-compliant, defective or unsatisfactory works, and may potentially lead to legal action or other proceedings being taken by or against the Group. The Group may also have disagreements with regulatory bodies and these may subject the Group to administrative proceedings. The Group's business and financial performance will be adversely affected if the Group has to pay significant amounts of compensation or expend significant legal costs or other resources to defend itself from such actions or proceedings. Further, the Group may suffer not only such financial losses but also a delay in the implementation or completion of the Proposed Redevelopment, which may have an adverse impact on its financial performance arising from the Proposed Redevelopment.

- (o) The Group may be exposed to potential liability arising from damages, injury or death due to accidents

In the course of the Proposed Redevelopment, there may be a risk of accidents occurring to either the Group's employees or employees of contractors or subcontractors on the project site. These accidents may occur due to various reasons or as a result of non-compliance with safety rules and regulations. Depending on the severity of such accidents, the Group may be subject to inquiries and investigations by the relevant authorities and/ or be issued with stop work orders. In the event that the Group is found to be liable for such accidents, penalties or damages may be imposed against the Group, and the Group's financial performance will be adversely affected if such penalties or damages are not covered by the Group's insurance policies, or there are medical or other claims arising from such accidents not covered by, or in excess of the Group's insurance coverage.

- (p) The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance.

Examples of potential risks or losses relating to the Proposed Redevelopment include losses arising out of extraordinary events such as natural disasters like floods or fire, claims arising from injuries or accidents occurring at the work site, or other loss or damage suffered in the course of the construction works. While the Group will, where appropriate, obtain insurance policies to cover potential risks or losses with respect to the Proposed Redevelopment and the Redeveloped Property, the insurance obtained may not cover all potential risks or losses. The Group's financial performance will be adversely affected if it incurs losses which are not covered by insurance policies, or the losses incurred are in excess of the amount it is insured for.

4. FINANCIAL EFFECTS OF THE PROPOSED REDEVELOPMENT

- 4.1. The pro forma financial effects of the Proposed Redevelopment on the NTA per Share and EPS of the Group have been prepared based on the latest audited financial statements for FY2023.

The pro forma financial effects of the Proposed Redevelopment are for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group following the completion of the Proposed Redevelopment.

For the purpose of illustrating the financial effects of the Proposed Redevelopment, the financial effects have been computed based on, *inter alia*, the following assumptions:

- (a) The financial effects on the Group's EPS are computed assuming commencement and completion of the Proposed Redevelopment takes place within FY2023, commencing with the vacation of all of the units in the two buildings located at the Property by the existing tenants and the Company, then proceeding with the construction of the Redeveloped Property and the corresponding incurrence of the CAPEX Costs such that the Redeveloped Property was fully constructed and ready for occupation or use by the end of FY2023.

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- (b) The financial effects on the Group's NTA are computed assuming the Proposed Redevelopment was completed and the Redeveloped Property was fully constructed and ready for occupation or use as at 31 March 2023.

As noted in Section 2.2 of this Circular, the actual timeline for commencement and completion of the Proposed Redevelopment will not fall in line with the assumption in this paragraph (b) due, *inter alia*, to possible delays in the actual commencement of the Proposed Redevelopment and because the estimated time required to complete the Proposed Redevelopment is actually two (2) years from its commencement. However, we have had to make the assumption in this paragraph (b) in order to facilitate illustration of financial effects, and Shareholders should note that the actual financial effects related to the Proposed Redevelopment, including but not limited to those which are illustrated here, would span across more than one financial year.

- (c) No rental income was earned or accrued for FY2023 due to the termination or expiry of tenancy agreements following the vacation of all of the units in the two buildings located at the Property by the existing tenants.
- (d) Total actual CAPEX Costs incurred for the Proposed Redevelopment is S\$28.0 million, in line with the Estimated CAPEX Costs as further elaborated in Section 2.2 of this Circular.
- (e) Apart from the CAPEX Costs as further elaborated in Section 2.2 of this Circular, there will not be other material costs and expenses, including but not limited to hiring of additional staff to monitor or manage the Proposed Redevelopment, to be incurred in connection with the Proposed Redevelopment.
- (f) The entire CAPEX Costs will be funded from surplus cash of the Group, with no borrowings or financing to be obtained to fund the Proposed Redevelopment.
- (g) A write-off of a portion of the net book value of the Property (inclusive of the Utilised Unit) amounting to S\$6.09 million following the demolition of the two buildings located at the Property in conjunction with the Proposed Redevelopment. As mentioned in Section 2.1 above, the Property is carried in the balance sheet of the Company at its cost of acquisition (including costs of upgrading undertaken) less accumulated depreciation, and its net book value (inclusive of the Utilised Unit) of S\$18.09 million as at 31 March 2023 includes an amount of S\$6.09 million attributable to the net book value of the two buildings excluding land costs located at the Property being demolished.
- (h) While the Company's intention is to sell the units of the Redeveloped Property to buyers following the completion of the Proposed Redevelopment, we have not, for purposes of illustration of financial effects in this Section 4, provided any financial projections for and/or made any assumptions as to the Company's ability to sell all or any of such units, and/or the price(s) at which the Company may be able to sell such unit(s), given the uncertainty over the occurrence and/or timing of such sale(s).

Instead, we have assumed that the Potential Estimated Redeveloped Use Property Valuation will be S\$40.0 million on the assumption that the Company will be adopting the cost approach method of valuation for the Redeveloped Property immediately upon the completion of the Proposed Redevelopment, whereby the Redeveloped Property will be carried in the balance sheet of the Company at its cost of redevelopment, giving rise to a carrying value of S\$40.0 million for the Redeveloped Property immediately upon the completion of the Proposed Redevelopment, after taking into consideration, *inter alia*, the net book value of the underlying land of the Property at S\$12 million (based on the difference between the net book value of the Property of S\$18.09 million as at 31 March 2023 and the net book value of the two buildings to be demolished of S\$6.09 million as at 31 March 2023) and the Estimated CAPEX Costs of S\$28.0 million.

Shareholders should note, however, that the Potential Estimated Redeveloped Use Property Valuation is merely a preliminary estimate of the potential valuation of the Redeveloped Property upon completion of the Proposed Redevelopment, and there is no certainty or assurance on whether the actual valuation of the Redeveloped Property will be the same, higher or lower than the Potential Estimated Redeveloped Use Property Valuation amount being used for purposes of illustration of financial effects in this Section 4.

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4.2. NTA/NAV of the Group

(S\$'000)	Before the Proposed Redevelopment	After the Proposed Redevelopment
NTA	73,751	73,751
Less: Effects of Proposed Redevelopment	-	6,435 ⁽¹⁾
Resultant NTA	73,751	67,316

Note:

(1) *The carrying value of the Property recorded in the balance sheet of the Company as at 31 March 2023 is S\$18.09 million.*

The amount of S\$6.435 million comprises (a) the carrying value of the Property amounting to S\$6.085 million that has to be written off in conjunction with demolition of the two existing buildings on the Property for purposes of the Proposed Redevelopment and non-accrual profit attributable to the Property in respect of the net profit arising from the rental income of the units of the Property (other than the Utilised Unit) of S\$0.35 million.

4.3. EPS of the Group

	Before the Proposed Redevelopment	After the Proposed Redevelopment
Profits attributable to Shareholders (S\$'000)	9,488	9,488
Less: Effects of Proposed Redevelopment (S\$'000)	-	6,435
Resultant profit attributable to Shareholders (S\$'000)	-	3,053
Profit per Share (cents)	27.14	8.73

4.4. Gearing of the Group

(S\$'000)	Before the Proposed Redevelopment	After the Proposed Redevelopment
Total borrowing	-	-
Total assets	85,301	78,866
Total debt ratio	-	-

4.5. Share Capital of the Company

	Before the Proposed Redevelopment	After the Proposed Redevelopment
Paid up share capital (S\$'000)	24,562	24,562
Number of issued Shares (excluding Treasury Shares)	34,953,156	34,953,156

LETTER TO SHAREHOLDERS

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 5.1. The interests of Directors and Substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Chen Mun	19,427,932	55.58	-	-
Ang Bee Yan, Katherine	2,874,800	8.22	-	-
Tan Chao Hsiung, David	40,000	0.11	-	-
Lye Kin Mun	-	-	-	-
Cheng Heng Tan	-	-	-	-
Cham Tao Soon	-	-	-	-
Substantial Shareholders (excluding Directors)				
-	-	-	-	-

- 5.2. Save for their respective shareholdings in the Company as disclosed above, none of the Directors and Substantial Shareholders have any interest, direct or indirect, in the Proposed Redevelopment.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027 on 25 January 2024 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the Ordinary Resolution.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM must complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and, in any event, not less than 72 hours before the time fixed for the EGM.

Shareholders may raise questions at the EGM and/or submit questions related to the Ordinary Resolution to be tabled for approval at the EGM, in advance of the EGM. For Shareholders who would like to submit questions in advance of the EGM, they may do so by 11.00 a.m. on 11 January 2024 by post to the registered address of the Company at 9 Harrison Road, #05-01, Singapore 369651 or by email to egm2024propertyredevelopment@powermatic.com.sg.

For verification purposes, when submitting any questions via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the submission will be treated as invalid.

For questions submitted in advance of the EGM, the Company will endeavour to address the questions which are substantial and relevant to the agenda of the EGM prior to the EGM and by publication on the SGXNET by 11.00 a.m. on 20 January 2024.

LETTER TO SHAREHOLDERS

The Directors will endeavour to address as many substantial and relevant questions as possible during the EGM. However, Shareholders should note that there may not be sufficient time available at the EGM to address all questions raised. Please note that individual responses will not be sent to Shareholders.

The Company will also publish the minutes of the EGM on SGXNET within one month after the date of the EGM.

Printed copies of this Circular will NOT be sent to Shareholders. Only hardcopies of the Notice of EGM, Proxy Form and Request Form will be sent to Shareholders. This Circular will be made available on the Company's website at <https://powermatic.com.sg/> and on SGXNET at <https://www.sgx.com/securities/company-announcements>. A Shareholder will need an internet browser and PDF reader to view these documents.

SHAREHOLDERS ARE ADVISED TO READ IN ITS ENTIRETY THIS CIRCULAR (TOGETHER WITH ALL DOCUMENTS ATTACHED THERETO) CAREFULLY AND THOROUGHLY BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE ORDINARY RESOLUTION SET OUT IN THE NOTICE OF EGM.

8. CONSENT

Altum Law Corporation, named as the legal adviser to the Company as to Singapore law in relation to the preparation of this Circular in connection with the Proposed Redevelopment, has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

9. DIRECTORS' RECOMMENDATIONS

The Directors having considered, *inter alia*, the rationale for the Proposed Redevelopment and the potential risk factors arising from the Proposed Redevelopment, are of the opinion that the Proposed Redevelopment is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders **VOTE IN FAVOUR** of the Ordinary Resolution in relation to the Proposed Redevelopment.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Redevelopment, and the Company and its subsidiaries which are relevant to the Proposed Redevelopment, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

11.1. Copies of the following documents may be inspected at the registered office of the Company at 9 Harrison Road #05-01, Singapore 369651, during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the annual report of the Company for FY2023; and
- (b) the Constitution of the Company.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to egm2024propertyredevelopment@powermatic.com.sg to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect the documents accordingly.

LETTER TO SHAREHOLDERS

By Order of the Board

Dr Chen Mun
Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

POWERMATIC DATA SYSTEMS LIMITED
(Company Registration Number: 198900414E)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Powermatic Data Systems Limited (“**Company**”) and together with its subsidiaries, the “**Group**”) will be held at SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027 on 25 January 2024 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the ordinary resolution as set out below (“**Notice of EGM**”).

All capitalised terms used in this Notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular dated 3 January 2024 to shareholders of the Company.

ORDINARY RESOLUTION: THE PROPOSED REDEVELOPMENT OF EXISTING INVESTMENT PROPERTY

RESOLVED THAT:

- (a) the Proposed Redevelopment as described in Section 2 of the Company's circular to Shareholders dated 3 January 2024 be and is hereby approved; and
- (b) the Directors and/or any of them be and are hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

Dr Chen Mun
Chairman and Chief Executive Officer
3 January 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM will be held at SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027, on 25 January 2024 at 11.00 a.m. **There will be no option for members to participate virtually.** The Circular, Notice of EGM, the accompanying proxy form ("**Proxy Form**") and a request form (to request for a printed copy of the Circular) ("**Request Form**") will be made available on the Company's website at <https://powermatic.com.sg> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.

Printed copies of this Notice of EGM, the Proxy Form and the Request Form will be sent to members via post. Printed copies of the Circular will NOT be sent to members. Members who wish to obtain a printed copy of the Circular should complete the Request Form and return it to the Company by post to the Company's registered office at 9 Harrison Road, #05-01, Singapore 369651 or via email to egm2024propertyredevelopment@powermatic.com.sg no later than 11.00 a.m. on 10 January 2024.

2. Members including Central Provident Fund Investment Scheme members ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") may participate in the EGM by:
 - (a) attending the EGM in person;
 - (b) raising questions at the EGM or submitting questions in advance of the EGM; and/or
 - (c) voting at the EGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11.00 a.m. on 15 January 2024, being seven (7) working days prior to the date of the EGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

3. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form. If no such proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named.
4. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy, failing which, the appointment shall be invalid. Where a relevant intermediary appoints more than two (2) proxies, separate Proxy Forms should be used.
5. "**Relevant Intermediary**" has the meaning ascribed to it in section 181(6) of the Companies Act.
6. A member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

7. A proxy, including the Chairman of the EGM, need not be a member of the Company.
8. The duly executed instrument appointing a proxy (including an instrument appointing the Chairman of the EGM as proxy), together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:
 - (a) if sent personally or by post, be received by the Company's registered office at 9 Harrison Road, #05-01, Singapore 369651 or;
 - (b) if submitted by email, be received by the Company by email to egm2024propertyredevelopment@powermatic.com.sg,

NOTICE OF EXTRAORDINARY GENERAL MEETING

in either case no later than 11.00 a.m. on 22 January 2024 (being not less than seventy-two (72) hours before the time appointed for holding the EGM), and in default the instrument of proxy shall not be treated as valid.

9. The instrument appointing a proxy(ies) must be signed by the appointer or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy (such as in the case where the appointer submits more than one (1) instrument of proxy).

10. In the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
11. Members may raise questions at the EGM and/or submit questions which are substantial and relevant to the ordinary resolution to be tabled for approval at the EGM. For members who would like to submit questions in advance of the EGM, they may do so by 11.00 a.m. on 11 January 2024 by writing to the Company in advance by post to the registered address of the Company at 9 Harrison Road, #05-01, Singapore 369651 or by email to egm2024propertyredevelopment@powermatic.com.sg.
12. For verification purposes, when submitting any questions via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the submission will be treated as invalid.
13. The Company will endeavour to address the substantial and relevant questions (as determined by the Company in its sole discretion) pertinent to the resolution to be tabled for approval at the EGM as received from Shareholders by 11.00 a.m. on 20 January 2024.
14. The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNET.
15. The Company shall be entitled to reject the instrument appointing a proxy 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 instrument appointing the proxy (such as in the case where the appointor submits more than one instrument of proxy).

PERSONAL DATA PRIVACY:

By submitting a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

POWERMATIC DATA SYSTEMS LIMITED
(Company Registration No. 198900414E)
(Incorporated in the Republic of Singapore)

PROXY FORM
Extraordinary General Meeting

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://powermatic.com.sg/>. A printed copy of this form of proxy will be sent to members via post

IMPORTANT

1. For investors who hold shares in the Company under the Central Provident Fund Investment Scheme ("CPF Investors") and Supplementary Retirement Scheme ("SRS Investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF Investors and SRS Investors should approach their respective CPF agent banks and SRS operators to submit their votes at least seven (7) working days before the EGM, by 11:00 a.m. on 15 January 2024, to allow sufficient time for their respective relevant intermediaries to, in turn, submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf.

I/We*, _____ (Name including NRIC/Passport No./Company Registration Number)* of _____ (Address) being a shareholder / shareholders of **POWERMATIC DATA SYSTEMS LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing whom the Chairman of the EGM as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at SAFRA Yishun Country Club: 60 Yishun Ave 4, Level 2, Canna Room, Singapore 769027 on 25 January 2024 at 11.00 a.m. and at any adjournment thereof.

Please note that where the Chairman of the EGM is appointed as proxy, the proxy appointing the Chairman of the EGM must be directed, i.e., the member must indicate for each resolution whether the Chairman of the EGM is directed to vote "for" or "against" or "abstain" from voting. If no specific direction as to voting is given, the appointment of the Chairman of the EGM as proxy for the resolution will be treated as invalid at the EGM and at any adjournment thereof. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the EGM and at any adjournment thereof.

The resolution put to the vote at the EGM shall be decided by way of poll.

No.	ORDINARY RESOLUTION	For	Against	Abstain
1.	To approve the Proposed Redevelopment			

Notes: If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2024

Signature(s) of Shareholder(s)/Common Seal

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

*Delete where inapplicable

PROXY FORM

NOTES FOR PROXY FORM:

1. Printed copies of the Notice of EGM, this Proxy Form and a request form (to request for a printed copy of the Circular) ("**Request Form**") will be sent to members via post. The Notice of EGM, this Proxy Form, the Circular and the Request Form may also be accessed at the Company's website at the URL <https://powermatic.com.sg> and the website of SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.
2. If the member has Shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
3. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
4. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. Where a relevant intermediary appoints more than 2 proxies, separate Proxy Forms should be used.
5. "**Relevant intermediary**" has the meaning ascribed to it in section 181(6) of the Companies Act.
6. A proxy, including the Chairman of the EGM, need not be a member of the Company.
7. CPF Investors and SRS Investors who wish to exercise their votes should approach their respective CPF agent banks and SRS operators to submit their votes at least seven (7) working days before the EGM, by 11:00 a.m. (Singapore Time) on 15 January 2024.
8. The instrument appointing the proxy must:
 - (a) if sent personally or by post, be received by the Company's registered office at 9 Harrison Road, #05-01, Singapore 369651 or;
 - (b) if submitted by email, be received by the Company by email at egm2024propertyredevelopment@powermatic.com.sg,in either case no later than 11.00 a.m. on 22 January 2024 (being no less than seventy-two (72) hours before the time appointed for holding the EGM), and in default the instrument of proxy shall not be treated as valid.

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.
9. The instrument appointing the proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing the proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. A copy of the power of attorney or such other authority must be submitted together with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing the proxy 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 instrument appointing the proxy (such as in the case where the appointor submits more than one (1) instrument of proxy).
11. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
12. Completion and return of the Proxy Form by a member will not prevent him/her/it from attending, speaking and voting at the EGM if he/she/it so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.
13. By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 January 2024.

