APPENDIX DATED 31 MARCH 2023

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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HOTUNG INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda on 5 March 1997)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

Directors:

Tsui-Hui Huang (Chairman, CEO and Executive Director)
Andy C.W. Chen (Non-Executive Director)
Ng-Chee Tan (Non-Executive Director and Independent Director)
Philip N. Pillai (Non-Executive Director and Independent Director)
Chang-Pang Chang (Non-Executive Director and Independent Director)
Kung-Wha Ding (Non-Executive Director and Independent Director)
Kenichi Shimomoto (Non-Executive Director)
Chun-Chen Tsou (Non-Executive Director)
Shih-Ping Chen (Non-Executive Director and Independent Director)
Pi-Tien Chen (Non-Executive Director)

Registered Office:

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2 Church Street
Hamilton HM11
Bermuda

To: The Shareholders of Hotung Investment Holdings Limited

ADDITIONAL INFORMATION IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE (RESOLUTION 10)

1. INTRODUCTION

Hotung Investment Holdings Limited (the "**Company**") has issued a notice convening an annual general meeting (the "**2023 AGM**") of shareholders of the Company (the "**Shareholders**") to be held on 17 April 2023 (the "**Notice of AGM**").

The proposed Resolution 10 of the Notice of AGM relates to the proposed renewal of the Share Buy-back Mandate (as defined in section 2 below).

The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to, and seek Shareholders' approval at the 2023 AGM for, the proposed renewal of the Share Buy-back Mandate.

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

The Company had at its last annual general meeting (the "**AGM**") obtained the approval of the Shareholders for the renewal of the general mandate (the "**Share Buy-back Mandate**") to authorize the directors of the Company (the "**Directors**") to purchase issued ordinary shares (with a par value of NT$50 each) in the capital of the Company (the "**Shares**"). The Share Buy-back Mandate will expire at the conclusion of the 2023 AGM. The 2023 AGM will be held on 17 April 2023.

The Company has not effected any purchase of its own Shares during the last twelve (12) months immediately preceding and up to the Latest Practicable Date (as defined in section 2.4 below).

As at the Latest Practicable Date, the Company has no subsidiary holdings (as defined in the Listing Manual of the SGX-ST (the "**Listing Manual**")).

At the 2023 AGM, the Directors propose to seek the approval of the Shareholders for the renewal of the Share Buy-back Mandate to authorize the Directors to purchase Shares (the "**Share Buy-backs**") by way of on-market purchases (the "**On-Market Purchases**") and/or off-market purchases in accordance with an equal access scheme (the "**Off-Market Purchases**") on the terms and conditions set out in the Company's appendix to the notice of AGM dated 1 April 2021 for the AGM of the Company held on 16 April 2021 (approved by the Shareholders on 16 April 2021), the key terms of which have been summarized in section 2.3 of this Appendix, subject to the terms below, the Memorandum of Association and the Amended and Restated Bye-laws of the Company (the "**Bye-laws**"), the Companies Act 1981 of Bermuda (the "**Companies Act**") and the Listing Manual. Bye-law 2 of the Bye-laws expressly permits the Company to purchase its own shares for cancellation or acquire them as treasury shares in accordance with the Companies Act.

Upon renewal with the approval of the Shareholders, the Share Buy-back Mandate shall continue in force for the period commencing from the date the proposed renewal of the Share Buy-back Mandate is approved by the Shareholders at the 2023 AGM and expiring on the earliest of (i) the conclusion of the next AGM or the date by which it is required to be held; (ii) the date on which the Share Buy-backs are carried out to the full extent mandated; or (iii) the date the said mandate is revoked or varied by the Shareholders in a general meeting (the "**Relevant Period**").

2.1 RATIONALE

Short term speculation may at times cause the market price of the Shares to be depressed below the true value of the Company and its subsidiaries (collectively, the "**Group**").

The proposed Share Buy-back Mandate will provide the Directors with the means to restore investors' confidence and to protect existing Shareholders' investments in the Company in a depressed share price situation through judicious Share Buy-backs to enhance the earnings per share and/or the net asset value per share.

The proposed Share Buy-back Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the Shareholders.

The Directors will only make a Share Buy-back as and when the circumstances permit and only if the Directors are of the view that such Share Buy-back is in the best interests of the Company and the Shareholders.

2.2 SOURCES OF FUNDS

Purchases by the Company of its own Shares must be funded out of funds legally permitted for such purpose in accordance with the Bye-laws, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Bermuda and Singapore.

Under the Companies Act, the purchase by a company of its own shares may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the share purchase; and the premium, if any, payable on purchase (i.e. the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account before the shares are purchased.

Any amount due to a shareholder on a purchase by a company of its own shares may (i) be paid in cash; (ii) be satisfied by the transfer of any part of the undertaking or property of the company having the same value; or (iii) be satisfied partly under (i) and partly under (ii). Any purchase by the company of its own shares may be authorized by its board of directors or otherwise by or in accordance with the provisions of its bye-laws.

No purchase by a company of its own shares may be effected if, on the date on which the share purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due.

The Directors do not propose to exercise the proposed Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the financial condition of the Company, the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

The Company will make prompt public announcement of any Share Buy-back.

2.3 AUTHORITY AND LIMITS ON SHARE BUY-BACK MANDATE

(a) Duration of Authority

The Share Buy-back Mandate shall continue in force during the Relevant Period.

(b) Maximum Number of Shares

The maximum number of Shares which can be purchased pursuant to the Share Buy-back Mandate is such number of Shares which represents up to a maximum of ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (ascertained as at the date on which the proposed renewal of the Share Buy-back Mandate is approved by the Shareholders).

As at the Latest Practicable Date, the Company has a total of 94,879,182 issued Shares (excluding treasury shares and subsidiary holdings).

For illustrative purposes, on the basis of the Company having 94,879,182 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the 2023 AGM, not more than 9,487,918 Shares (representing ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date on which the proposed renewal of the Share Buy-back Mandate is approved by the Shareholders) (rounded to the nearest whole Share) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

Further, it is noted that the Company's Memorandum of Association provides that the minimum subscribed share capital of the Company is NT$350,000. The Company may not purchase any of its own Shares if, as a result of the purchase of Shares, the issued share capital of the Company would be reduced below the said minimum subscribed share capital specified in its Memorandum of Association.

(c) Maximum Price

The maximum price (excluding brokerage, commission, applicable goods and services tax and other related expenses) at which the Shares can be purchased pursuant to the proposed Share Buy-back Mandate (the "**Maximum Price**") shall be determined by the Directors, but must not exceed:

(i) in the case of an On-Market Purchase, the sum constituting five per cent (5%) above the Average Closing Price (or 105% of the Average Closing Price); and

(ii) in the case of an Off-Market Purchase, the sum constituting twenty per cent (20%) above the Average Closing Price (or 120% of the Average Closing Price).

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) days on which the SGX-ST is open for securities trading (the "**Market Days**"), on which transactions in the Shares were recorded, preceding the day of the On-Market Purchase or, as the case may be, preceding the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made; and

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

(d) Manner of Share Buy-backs

Share Buy-backs may be made by way of On-Market Purchases and/or Off-Market Purchases.

(e) Status of Purchased Shares

Shares of a company which are purchased by the said company shall (unless held as treasury shares if authorized to do so by its memorandum of association or bye-laws and to the extent permitted under the Companies Act) be deemed cancelled immediately on purchase, and all rights and privileges attached to such shares will expire on such cancellation.

Where the purchased shares are cancelled and not held as treasury shares, the amount of the company's issued share capital shall be diminished by the nominal value of those shares, but the purchase of such shares shall not be taken as reducing the amount of the company's authorized share capital.

Pursuant to the current Bye-laws and the Companies Act, a Share purchased or acquired by the Company is treated as cancelled on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share was purchased to be held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are not held as treasury shares.

(f) Treasury Shares

Under the Companies Act, a company may, if authorized by its memorandum of association or bye-laws, purchase its own shares to be held as treasury shares or for cancellation. The shares so purchased may either be cancelled (in which event, the company's issued, but not its authorized, share capital will be diminished accordingly) or may be held as treasury shares. Pursuant to the current Bye-laws, the Company may purchase its own Shares on such terms as the Board shall think fit, either for cancellation or to be held as treasury shares in accordance with the Companies Act.

Under the laws of Bermuda, if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) shall be paid or made to the company in respect of such treasury shares. The company may make an allotment of shares as fully paid bonus shares in respect of shares held by it as treasury shares. But any shares allotted by the company as fully paid bonus shares in respect of treasury shares shall be treated for the purposes of the Companies Act as if the said bonus shares had been acquired by the company at the time they were allotted. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount or of a larger amount, as the case may be, is allowed so long as the total value of the treasury shares after subdivision or consolidation is the same as before.

No acquisition by a company of its own shares whether to be held as treasury shares or for cancellation may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due. A company may not acquire its own shares to be held as treasury shares if, as a result of the acquisition, all of the company's issued shares, other than the shares held as treasury shares, would be non-voting shares.

A company that acquires its own shares to be held as treasury shares may:

(i) hold all or any of the shares;

(ii) dispose of or transfer all or any of the shares for cash or other consideration; or

(iii) cancel all or any of the shares.

(g) SGX-ST Listing Manual

Under Rule 704(28) of the Listing Manual, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares, stating the following:

(i) date of the sale, transfer, cancellation and/or use;

(ii) purpose of such sale, transfer, cancellation and/or use;

(iii) number of treasury shares sold, transferred, cancelled and/or used;

(iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

(h) Suspension of Purchase

Share Buy-backs are prohibited after any price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced.

In particular, in compliance with Rule 1207(19)(c) of the Listing Manual, as the Company does not and is not required to announce its quarterly financial statements, the Company will not purchase Shares on the SGX-ST pursuant to the Share Buy-back Mandate during the period commencing one (1) month before the announcement of the half-year and full year financial statements and ending on the date of the public release of the relevant financial statements.

2.4 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

The financial effects on the Company and the Group arising from a Share Buy-back will depend on, *inter alia*, whether the Shares are purchased out of funds otherwise available for dividend or distribution, or out of capital paid up on those Shares, or out of the share premium account of the Company, the aggregate number of Shares purchased, the price at which such Shares are purchased at the relevant time and whether the purchased Shares are held as treasury shares or cancelled.

The impact of the Share Buy-backs by the Company pursuant to the proposed Share Buy-back Mandate on the Company's and the Group's financial positions is illustrated below.

Based on the existing number of issued and paid-up Shares (excluding treasury shares and subsidiary holdings) as at 20 March 2023 (the "**Latest Practicable Date**"), being 94,879,182 Shares, the exercise in full of the Share Buy-back Mandate would result in the purchase of 9,487,918 Shares.

For illustrative purposes only, assuming that the Company purchases or acquires the maximum number of 9,487,918 Shares at the Maximum Price applicable to On-Market Purchases or Off-Market Purchases, the maximum amount of funds required (excluding commission, brokerage and goods and services tax) is approximately:

(a) in the case of On-Market Purchases, S$17,249,035 (approximately NT$392,933,017 based on an exchange rate of S$1 : NT$22.78) on the basis of a Maximum Price of S$1.818 (approximately NT$41.41 based on an exchange rate of S$1 : NT$22.78) (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date); and

(b) in the case of Off-Market Purchases, S$19,715,894 (approximately NT$449,128,065 based on an exchange rate of S$1 : NT$22.78) on the basis of a Maximum Price of S$2.078 (approximately NT$47.34 based on an exchange rate of S$1 : NT$22.78) (being the price equivalent to 20% above the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date).

For illustrative purposes only, on the basis of the following assumptions that:

(a) the proposed Share Buy-back Mandate is exercised in full;

(b) the maximum amount of funds required for On-Market Purchases is S$17,249,035 and for Off-Market Purchases is S$19,715,894;

(c) the Share Buy-backs had taken place on 1 January 2022;

(d) in respect of On-Market Purchases, loss of interest income amounting to approximately NT$2,043,000 (at 0.52% per annum) and savings on tax expense of approximately NT$593,000 as a result of the lower interest income; and

(e) in respect of Off-Market Purchases, loss of interest income amounting to approximately NT$2,335,000 (at 0.52% per annum) and savings on tax expense of approximately NT$677,000 as a result of the lower interest income,

the impact of the proposed Share Buy-back Mandate on the Group's and the Company's audited financial statements for the financial period ended 31 December 2022 is as illustrated below:

On-Market Purchases

	GROUP			COMPANY		
	Before Share Buy-backs	After Share Buy-backs		Before Share Buy-backs	After Share Buy-backs	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 December 2022						
Shareholders' equity (NT$'000)	6,188,322	5,793,939	5,793,939	4,636,900	4,242,517	4,242,517
Net tangible assets (NTA) (NT$'000)[(1)]	6,188,322	5,793,939	5,793,939	4,636,900	4,242,517	4,242,517
Current Assets (NT$'000)	1,648,466	1,253,490	1, 253,490	244,033	-	-
Current Liabilities (NT$'000)	154,816	154,223	154,223	23,906	174,256	174,256
Working Capital (NT$'000)	1,493,650	1,099,267	1,099,267	220,127	(174,256)[(4)]	(174,256)[(4)]
Total Liabilities (NT$'000)	265,373	264,780	264,780	23,906	174,256	174,256
Number of Shares	94,879,182	85,391,264	85,391,264	94,879,182	85,391,264	85,391,264
Financial Ratios						
NTA Per Share (NT$)	65.22	67.85	67.85	48.87	49.68	49.68
Gearing (%)[(2)]	4.29	4.57	4.57	0.52	4.11	4.11
Current ratio (%)[(3)]	1,064.79	812.78	812.78	1,020.80	-	-

Notes:

(1) Net tangible assets equal Shareholders' equity less intangible assets.

(2) Gearing equals total liabilities divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

(4) This is on the assumption that the proposed Share Buy-back Mandate is exercised in full. The Directors do not propose to exercise the proposed Share Buy-back Mandate to such extent as would result in the Company being in a negative working capital position.

As at 31 December 2022, the Group had cash balances of approximately S$68,535,369. In order to effect On-Market Purchases of up to 9,487,918 Shares at the Maximum Price computed in the above illustration, cash reserves of S$17,249,035 will be required.

As illustrated above, the Share Buy-backs will have the effect of reducing the working capital and NTA of the Group and the Company by the dollar value of the Shares purchased, further compounded by the loss of interest income (net of tax).

Assuming that the On-Market Purchases had all taken place on 1 January 2022:

(a) the consolidated NTA per Share of the Group as at 31 December 2022 will increase from S$2.85 to S$2.97; and

(b) the consolidated basic EPS of the Group for the financial period ending 31 December 2022 would increase from S$0.023 per Share to S$0.025 per Share.

Off-Market Purchases

	GROUP			COMPANY		
	Before Share Buy-backs	After Share Buy-backs		Before Share Buy-backs	After Share Buy-backs	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 December 2022						
Shareholders' equity (NT$'000)	6,188,322	5,737,536	5,737,536	4,636,900	4,186,114	4,186,114
Net tangible assets (NTA) (NT$'000)[(1)]	6,188,322	5,737,536	5,737,536	4,636,900	4,186,114	4,186,114
Current Assets (NT$'000)	1,648,466	1,197,003	1,197,003	244,033	-	-
Current Liabilities (NT$'000)	154,816	154,139	154,139	23,906	230,659	230,659
Working Capital (NT$'000)	1,493,650	1,042,864	1,042,864	220,127	(230,659)[(4)]	(230,659)[4)]
Total Liabilities (NT$'000)	265,373	264,696	264,696	23,906	230,659	230,659
Number of Shares	94,879,182	85,391,264	85,391,264	94,879,182	85,391,264	85,391,264
Financial Ratios						
NTA Per Share (NT$)	65.22	67.19	67.19	48.87	49.02	49.02
Gearing (%)[(2)]	4.29	4.61	4.61	0.52	5.51	5.51
Current ratio (%)[(3)]	1,064.79	776.57	776.57	1,020.8	-	-

Notes:

(1) Net tangible assets equal Shareholders' equity less intangible assets.

(2) Gearing equals total liabilities divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

(4) This is on the assumption that the proposed Share Buy-back Mandate is exercised in full. The Directors do not propose to exercise the proposed Share Buy-back Mandate to such extent as would result in the Company being in a negative working capital position.

As at 31 December 2022, the Group had cash balances of approximately S$68,535,369. In order to effect Off-Market Purchases of up to 9,487,918 Shares at the Maximum Price computed in the above illustration, cash reserves of S$19,715,894 will be required.

As illustrated above, the Share Buy-backs will have the effect of reducing the working capital and NTA of the Group and the Company by the dollar value of the Shares purchased, further compounded by the loss of interest income (net of tax).

Assuming that the Off-Market Purchases had all taken place on 1 January 2022:

(a) the consolidated NTA per Share of the Group as at 31 December 2022 will increase from S$2.85 to S$2.94; and

(b) the consolidated basic EPS of the Group for the financial period ending 31 December 2022 would increase from S$0.023 per Share to S$0.024 per Share.

As illustrated above, as both On-Market Purchases and Off-Market Purchases will reduce the cash reserves of the Group and the Company, there will be a corresponding reduction in the current assets and the shareholders' equity of the Group and the Company. The gearing ratios of the Group and the Company will thus be increased and the current ratios of the Group and the Company will decline. The actual impact of the gearing and current ratios will depend on the number of Shares purchased and the prices at which the Shares were purchased.

When undertaking any Share Buy-back, the Directors will ensure that (i) the Company and the Group will at all times have adequate working capital to meet its operational requirements, (ii) any Share Buy-back will be financed by the Company's funds legally available for such purpose and (iii) the Company will neither obtain nor incur any borrowings to finance any Share Buy-back.

Shareholders should note that the financial effects illustrated above are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group as at 31 December 2022, and is not representative of the future financial performance of the Company or the Group. Although the proposed renewal of the Share Buy-back Mandate would authorize the Company to purchase such number of Shares representing up to ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not purchase or be able to purchase such number of Shares representing up to ten per cent (10%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in full.

2.5 OBLIGATION TO EXTEND TAKE-OVER OFFER

Following legislative amendments to the Securities and Futures Act 2001 of Singapore (the "**SFA**") with effect from 15 October 2005, the Company is subject to Sections 139 and 140 of the SFA and the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") notwithstanding that the Company is incorporated in Bermuda.

In general terms, Rule 14 and Appendix 2 of the Take-over Code requires, *inter alia*, except with the consent of the Securities Industry Council (the "**Council**"), where:

(a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent (30%) or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than thirty per cent (30%) but not more than fifty per cent (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights,

such person must extend offers immediately, on the basis set out in Rule 14 of the Take-over Code, to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

As at the Latest Practicable Date, the respective interests of the Company's Substantial Shareholders (as defined in the Companies Act 1967 of Singapore) in the Shares as recorded in the Register of Members of the Company are as set out below:

	Direct Interest	%	Deemed Interest	%
Tai Lung Capital Inc.	17,415,100	18.36	1,894,477[(1)]	2.00
Mega International Commercial Bank Co., Ltd.	6,025,255	6.35	-	-
Daiwa Corporate Investment Co., Ltd.	-	-	5,275,513[(2)]	5.56
Tsui-Hui Huang	-	-	21,566,112[(3)]	22.73
Cheng-Wang Huang	-	-	19,309,577[(4)]	20.35

Notes:

(1) Tai Lung Capital Inc. has a deemed interest in 1,894,477 Shares held by Chung Lung Investment Co., Ltd.

(2) The 5,275,513 Shares held by Daiwa Corporate Investment Co., Ltd. are registered in the name of Daiwa Capital Markets Singapore Limited.

(3) Tsui-Hui Huang has deemed interests in the following: (a) 17,415,100 Shares held by Tai Lung Capital Inc., (b) 1,894,477 Shares held by Chung Lung Investment Co., Ltd., (c) 1,339,785 Shares held by Alps International Co., Ltd., which are registered in the name of DB Nominees (Singapore) Pte Ltd., and (d) 916,750 Shares registered in the name of Daiwa Capital Markets Singapore Limited.

(4) Cheng-Wang Huang has deemed interests in the following: (a) 17,415,100 Shares held by Tai Lung Capital Inc., and (b) 1,894,477 Shares held by Chung Lung Investment Co., Ltd.

In the event the Company undertakes Share Buy-backs within the Relevant Period of the maximum of ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as permitted by the Share Buy-back Mandate, it is not expected that the shareholdings and/or voting rights of any of the Shareholders will be increased to thirty per cent (30%) or more, thereby triggering a requirement for any member to make a general offer to the other Shareholders under Rule 14 of the Take-over Code.

Accordingly, none of the Substantial Shareholders of the Company has sought approval from the Council to exempt them from the requirement to make a general offer to the other Shareholders under Rule 14 of the Take-over Code.

Shareholders who are in doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buy-backs pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the Council and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-back Mandate is in force.

2.6 LISTING STATUS OF THE COMPANY'S SECURITIES

The Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent (10%) of its Shares (excluding treasury shares) are in the hands of the public. The expression "**public**", as defined in the Listing Manual, means persons other than the directors, chief executive officer, Substantial Shareholders, or controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are 59,840,433 Shares in the hands of the public (as defined above), representing approximately 63.07% of the issued share capital of the Company (excluding treasury shares). The maximum number of Shares that may be purchased pursuant to the Share Buy-back Mandate is 9,487,918 Shares (representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date). Assuming that the Company makes Share Buy-backs up to the full 10% limit pursuant to the Share Buy-back Mandate from the public, the number of Shares in the hands of the public would be reduced to 50,352,515 Shares, representing approximately 58.97% of the issued share capital of the Company (excluding treasury shares) after such Share Buy-backs.

In undertaking any Share Buy-backs, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that Share Buy-backs up to the full ten per cent (10%) limit pursuant to the Share Buy-back Mandate will not:

(a) adversely affect the listing status of the Shares on the SGX-ST;

(b) cause market illiquidity; or

(c) adversely affect the orderly trading of Shares.

2.7 LIMITS ON SHAREHOLDING

The Company does not have any limits on the shareholdings of the Shareholders.

2.8 REPORTING REQUIREMENTS

Under Rule 886 of the Listing Manual, the Company shall notify the SGX-ST in respect of any Share Buy-backs from time to time, not later than 9:00 a.m. (a) in the case of an On-Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement should be made in compliance with Appendix 8.3.1 of the Listing Manual which requires the inclusion of details, such as, *inter alia*, the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, and the total consideration (including stamp duties, clearing charges, etc.) paid or payable for the shares, as applicable.

The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the aforesaid notification to the SGX-ST.

3. DISCLOSURE OF INTERESTS

None of the Directors or Substantial Shareholders has notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders and exercised.

4. ANNUAL GENERAL MEETING

The 2023 AGM, notice of which has been, or will be, despatched to Shareholders on the same date as the date of this Appendix, will be held at THE CHEVRONS, Hibiscus Room, Level 1, 48 Boon Lay Way, Singapore 609961, on 17 April 2023 (Monday) at 2:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modification, among other things, the ordinary resolution relating to the proposed renewal of the Share Buy-back Mandate.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2023 AGM and wish to appoint a proxy to attend and vote at the 2023 AGM on their behalf will find attached to the Notice of AGM a proxy form which they are requested to complete, sign and return in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive by (i) post at the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902; or (ii) email at GPB@mncsingapore.com, not later than 48 hours before the time fixed for the 2023 AGM.

Please refer to the arrangements relating to, *inter alia*, submission of questions to the Chairman of the 2023 AGM in advance of the 2023 AGM, addressing of substantial and relevant questions prior to the 2023 AGM and submission of proxy forms as set out in the Company's announcement dated 31 March 2023, which has been published, together with the notice of the 2023 AGM, on the SGX-ST's website and the Company's corporate website. In view of the evolving COVID-19 situation, the Company may be required to change its 2023 AGM arrangements at short notice. Shareholders are advised to regularly check SGX-ST's website at the URL *https://www.sgx.com/securities/company-announcements?value=HOTUNG%20INVESTMENT%20HLDGS%20LTD&type=company* for updates on the 2023 AGM.

The appointment of a proxy by a Shareholder does not preclude him/her/it from attending and voting in person at the 2023 AGM if he/she/it so wishes and in such event, the instrument appointing a proxy shall be deemed to be revoked.

A Depositor (being such person who has an account directly with The Central Depository (Pte) Limited (the "**CDP**")) shall not be regarded as a member of the Company entitled to attend the 2023 AGM and to speak and vote thereat. In the event that a Depositor wishes to attend and vote at the 2023 AGM, the Depositor would have to do so through CDP appointing him/her/it as a proxy, pursuant to the Bye-laws. A Depositor holding Shares through CDP will only be able to attend and vote at the 2023 AGM as CDP's proxy if his/her/its name appears on the Depository Register (being such register maintained by CDP in respect of book-entry securities) as at a time not earlier than 48 hours prior to the time of

the 2023 AGM. Pursuant to Bye-law 72(A)(b) of the Bye-laws, unless CDP specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the relevant general meeting supplied by CDP to the Company as CDP's proxies to vote on behalf of CDP at a general meeting of the Company. Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at 48 hours before the time of the 2023 AGM may attend and vote as CDP's proxies at the 2023 AGM without having to complete or return any form of proxy. A Depositor which is a corporation and who wishes to attend and vote at the 2023 AGM must complete and return the Depositor Proxy Form, for the nomination of person(s) to attend and vote at the 2023 AGM on its behalf as CDP's proxy, in accordance with the instructions printed thereon as soon as possible in the manner set out in the Notice of AGM and, in any event, not later than 48 hours before the time fixed for the 2023 AGM. If an individual Depositor is unable to attend the 2023 AGM personally and wishes to appoint nominee(s) to attend the 2023 AGM and vote on his behalf, he must complete, sign and return the Depositor Proxy Form in accordance with the instructions printed thereon as soon as possible and in the manner set out in the Notice of AGM, in any event, not later than 48 hours before the time fixed for the 2023 AGM.

6. BOARD'S RECOMMENDATION

Having considered the rationale and terms of the proposed renewal of the Share Buy-back Mandate, the Board is of the opinion that the proposed renewal of the Share Buy-back Mandate is in the best interests of the Company and accordingly, recommends that Shareholders vote in favour of Ordinary Resolution No. 10 relating to the renewal of the Share Buy-back Mandate to be proposed at the 2023 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Company's Singapore Share Transfer Agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 during normal business hours from the date of this Appendix up to and including the date of the 2023 AGM:

(i) the Memorandum of Association and the Bye-laws of the Company; and

(ii) the annual report of the Company for the financial period ended 31 December 2022.

Yours faithfully

Tsui-Hui Huang
Chairman, CEO and Executive Director
Hotung Investment Holdings Limited

31 March 2023