

CIRCULAR DATED 6 NOVEMBER 2023

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

This Circular is issued by Hiap Seng Engineering Ltd (Under Judicial Management) (the "Company"). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Capitalised terms used but not defined on the cover of this Circular bear the same meanings as ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("CDP"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular (including the Notice of EGM, the Notice of Shareholders' Scheme Meeting, the Proxy Forms for the EGM and the Shareholders' Scheme Meeting) is available for download from SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com). As part of the Company's ongoing sustainability efforts and as the Company has opted for electronic dissemination, printed copies of this Circular will not be despatched to the Shareholders. Printed copies of the Notice of EGM, the Notice of Shareholders' Scheme Meeting, the Proxy Forms for the EGM and the Shareholders' Scheme Meeting, and the Request Form will be despatched to Shareholders.

Please refer to section 15 (Action to be taken by Shareholders) of this Circular for further details, including the steps to be taken by Shareholders to participate at the EGM and/or the Shareholders' Scheme Meeting

The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.

The SGX-ST has, on 28 July 2023, (a) provided approval-in-principle for the dealing in, listing and quotation for all of the Shares in the New Listco on the Mainboard of the SGX-ST (including the Subscription Shares, the Options Shares and the Settlement Shares); (b) stated that the SGX-ST has no objection to the resumption of trading of the Shares on the Mainboard of the SGX-ST; and (c) confirmed that Chapter 2 and Rules 1307, 1308 and 1309 of the Listing Manual are not applicable to the transfer of listing status from the Company to the New Listco, subject to certain conditions (the "AIP"). The AIP is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Shares in the New Listco (including the Subscription Shares, the Options Shares and the Settlement Shares) and the New Listco, the Company and/or its subsidiaries.

This Circular does not constitute an offer to sell or a solicitation of an offer to buy shares nor shall there be any sale of any shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under any securities laws of such jurisdiction. This Circular is issued to Shareholders (as defined herein) solely for the purpose of providing Shareholders with the information pertaining to, and seeking Shareholders' approval for the resolutions to be proposed at the EGM and the Shareholders' Scheme Meeting. Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this Circular and/or the transfer of the provisional allotments of Rights Shares and the Rights Shares into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



HIAP SENG ENGINEERING LTD

(UNDER JUDICIAL MANAGEMENT)

(Incorporated in the Republic of Singapore)

(Company Registration Number: 197100300Z)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE EXTRAORDINARY GENERAL MEETING

AS ORDINARY RESOLUTIONS:

- THE PROPOSED ALLOTMENT AND ISSUE OF 1,473,296,500 NEW ORDINARY SHARES (THE "SUBSCRIPTION SHARES") TO VIBRANT EQUITIES PTE. LTD. ("VIBRANT") AND TIAN YUAN (COLLECTIVELY, THE "SUBSCRIBERS") AT THE ISSUE PRICE OF S\$0.00543 PER SUBSCRIPTION SHARE (THE "PROPOSED SUBSCRIPTION");
- THE PROPOSED GRANT OF 1,473,296,500 UNLISTED AND TRANSFERABLE OPTIONS TO THE SUBSCRIBERS, WITH EACH OPTION CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW SHARE (AN "OPTION SHARE") (THE "PROPOSED GRANT OF OPTIONS");
- THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 1,353,591,160 NEW SHARES (THE "SETTLEMENT SHARES") TO THE SCHEME CREDITORS PURSUANT TO THE SHARE DISTRIBUTION UNDER THE CREDITORS' SCHEME AT AN ISSUE PRICE OF S\$0.00543 PER SETTLEMENT SHARE (THE "PROPOSED ISSUE OF SETTLEMENT SHARES");
- THE PROPOSED ALLOTMENT AND ISSUE OF 4,757,810 SETTLEMENT SHARES TO MR. RICHARD TAN LEAU KUEE @ TAN CHOW KUEE AT AN ISSUE PRICE OF S\$0.00543 PER SETTLEMENT SHARE;
- THE PROPOSED ALLOTMENT AND ISSUE OF 4,520,552 SETTLEMENT SHARES TO MR. KOH KIM WAH AT AN ISSUE PRICE OF S\$0.00543 PER SETTLEMENT SHARE;
- THE PROPOSED ALLOTMENT AND ISSUE OF 577,947 SETTLEMENT SHARES TO MR. TAN YAW SONG AT AN ISSUE PRICE OF S\$0.00543 PER SETTLEMENT SHARE;
- THE PROPOSED ALLOTMENT AND ISSUE OF 27,242 SETTLEMENT SHARES TO MR. TAN YEW KUN AT AN ISSUE PRICE OF S\$0.00543 PER SETTLEMENT SHARE;
- THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO VIBRANT ARISING FROM THE ISSUE OF THE SUBSCRIPTION SHARES TO VIBRANT (THE "PROPOSED TRANSFER OF CONTROLLING INTEREST TO VIBRANT");
- THE POTENTIAL TRANSFER OF CONTROLLING INTEREST TO TIAN YUAN ARISING FROM THE ISSUE OF THE SUBSCRIPTION SHARES TO TIAN YUAN AND ASSUMING FULL EXERCISE OF THE OPTIONS GRANTED TO TIAN YUAN (THE "POTENTIAL TRANSFER OF CONTROLLING INTEREST TO TIAN YUAN");
- THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM VIBRANT FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY VIBRANT AND ITS CONCERT PARTIES (THE "PROPOSED WHITEWASH RESOLUTION");
- THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 607,500,000 NEW SHARES (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.00543 FOR EACH RIGHTS SHARE, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD BY ENTITLED SHAREHOLDERS AS AT THE RECORD DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "PROPOSED RIGHTS ISSUE");
- THE PROPOSED APPOINTMENT OF MR. SEBASTIAN TAN CHER LIANG AS A DIRECTOR OF THE NEW LISTCO WITH EFFECT FROM COMPLETION OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED TRANSFER LISTING
- THE PROPOSED APPOINTMENT OF MR. KHUA KIAN HUA AS A DIRECTOR OF THE NEW LISTCO WITH EFFECT FROM COMPLETION OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED TRANSFER LISTING;
- THE PROPOSED APPOINTMENT OF MR. TAN PHUAY HUNG, MAX AS A DIRECTOR OF THE NEW LISTCO WITH EFFECT FROM COMPLETION OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED TRANSFER LISTING;
- THE PROPOSED APPOINTMENT OF MR. PITI PRAMOTEDHAM AS A DIRECTOR OF THE NEW LISTCO WITH EFFECT FROM COMPLETION OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED TRANSFER LISTING;
- THE PROPOSED APPOINTMENT OF MR. DAVID ONG KIM HUAT AS A DIRECTOR OF THE NEW LISTCO WITH EFFECT FROM COMPLETION OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED TRANSFER LISTING (ORDINARY RESOLUTIONS 12 TO 16 COLLECTIVELY, THE "PROPOSED APPOINTMENT OF NEW DIRECTORS");

AS SPECIAL RESOLUTION:

- THE PROPOSED RATIFICATION OF THE CONSTITUTION OF THE NEW LISTCO; AND

IN RELATION TO THE SHAREHOLDERS' SCHEME MEETING

AS THE PROPOSED TRANSFER LISTING RESOLUTION:

THE COMPANY RESTRUCTURING AND TRANSFER OF LISTING STATUS OF THE COMPANY TO HIAP SENG INDUSTRIES LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT 1967 OF SINGAPORE.

Independent Financial Adviser in relation to the Proposed Whitewash Resolution



XANDAR CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200002789M)

IMPORTANT DATES AND TIMES:

EXTRAORDINARY GENERAL MEETING

Last date and time for lodgement of Proxy Form : 26 November 2023 at 2.30 p.m.
Date and time of Extraordinary General Meeting : 28 November 2023 at 2.30 p.m.

SHAREHOLDERS' SCHEME MEETING TO APPROVE THE PROPOSED TRANSFER LISTING

Last date and time for lodgement of Proxy Form : 26 November 2023 at 3.00 p.m.
Date and time of Shareholders' Scheme Meeting : 28 November 2023 at 3.00 p.m.
(or as soon thereafter following the conclusion of the Extraordinary General Meeting to be held in person at 2.30 p.m. on the same day (or its adjournment thereof))

Place of Extraordinary General Meeting and Shareholders' Scheme Meeting : **Conference Room, 28 Tuas Crescent, Singapore 638719**

Your attention is also drawn to the section entitled "Indicative Timetable" of this Circular and the notes thereunder.

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DEFINITIONS

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

- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “AIP”** : The SGX-ST’s (a) approval-in-principle for the dealing in, listing and quotation for all of the Shares in the New Listco on the Mainboard of the SGX-ST (including the Subscription Shares, the Options Shares and the Settlement Shares); (b) statement that the SGX-ST has no objection to the resumption of trading of the Shares on the Mainboard of the SGX-ST; and (c) confirmation that Chapter 2 and Rules 1307, 1308 and 1309 of the Listing Manual are not applicable to the transfer of listing status from the Company to the New Listco, subject to certain conditions. The AIP is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Shares in the New Listco (including the Subscription Shares, the Options Shares and the Settlement Shares) and the New Listco, the Company and/or its subsidiaries
- “Approved Scheme Claims”** : The claims of Scheme Creditors against the Company that have been determined and admitted in accordance with the Creditors’ Scheme, for the purpose of the Creditors’ Scheme and for distributions to be made under the Creditors’ Scheme
- “ARE”** : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Proposed Rights Issue
- “ARS”** : Application and acceptance form for Rights Shares to be issued to Purchasers of the provisional allotments of Rights Shares under the Proposed Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- “Associates”** : (a) In relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his / her immediate family;
 - (ii) the trustees of any trust of which he / she or his / her immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he / she and his / her immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more

DEFINITIONS

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| “ATM” | : Automated teller machine of a Participating Bank |
| “Board” | : The board of Directors of the Company as at the Latest Practicable Date |
| “Business Day” | : Any day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST is open for trading |
| “CDP” | : The Central Depository (Pte) Limited |
| “CG Code” | : The Code of Corporate Governance 2018 of Singapore |
| “Circular” | : This circular to Shareholders dated 6 November 2023 |
| “Closing Date” | : The time and date to be determined and announced by the Company in due course, being the last time and date for acceptance of and/or excess application and payment of the Rights Shares under the Proposed Rights Issue |
| “Companies Act” | : Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time |
| “Company” | : Hiap Seng Engineering Ltd (Under Judicial Management) |
| “Company Restructuring” | : The restructuring of the Company to be undertaken pursuant to the Shareholders’ Scheme, as further described in section 1.7 (<i>The Proposed Transfer Listing</i>) of this Circular |
| “Completion” | : Completion of the Proposed Subscriber Transactions pursuant to the Subscription Agreement |
| “Completion Date” | : The date on which Completion takes place which shall be no later than 14 Business Days from the date on which all of the conditions precedent under the Subscription Agreement have been satisfied (or otherwise waived) |
| “Constitution” | : The constitution of the Company, as amended, modified or supplemented from time to time |
| “Controlling Shareholder” | : A person who (a) holds directly or indirectly 15.0% or more of the total voting rights in a company (unless the SGX-ST determines that such a person is not a controlling shareholder of a company); or (b) in fact exercises control over a company |
| “Court” | : The General Division of the High Court of the Republic of Singapore or, where applicable on appeal, the Appellate Division of the High Court of the Republic of Singapore |
| “CPF” | : The Central Provident Fund |
| “CPF Agent Banks” | : Banks approved by CPF to be the agent banks for CPF investors |
| “CPF Funds” | : CPF investible savings |
| “CPF Investment Account” | : The investment account maintained with an approved CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account |

DEFINITIONS

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| “CPFIS” | : | CPF Investment Scheme |
| “CPFIS Members” | : | Shareholders who have previously purchased Shares using their CPF Funds under their CPF Investment Accounts |
| “Creditors’ Scheme” | : | The scheme of arrangement for the Scheme Creditors as proposed by the Company and as sanctioned by the Court on 29 August 2022, including and incorporating all such amendments, additions and variations thereto as may be required, approved or sanctioned by the Court, in relation to the Proposed Debt Restructuring |
| “Director” | : | A director of the Company as at the Latest Practicable Date |
| “Effective Date” | : | The date on which the Shareholders’ Scheme becomes effective in accordance with its terms upon the lodgement of the Shareholders’ Scheme Court Order with ACRA, and which date shall, in any event, be no later than 2 March 2024 or such other date as may be agreed in writing between the Company and the New Listco |
| “EGM” | : | The extraordinary general meeting of the Company to be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 2.30 p.m. to seek the approval of Shareholders for the Proposals, notice of which is set out on pages NE-1 to NE-8 of this Circular |
| “Enlarged Share Capital” | : | The enlarged issued share capital of the New Listco (with nil treasury shares and subsidiary holdings) on a diluted basis pursuant to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing (assuming that the Proposed Rights Issue has not completed and that none of the Options are exercised), being 3,130,637,660 Shares |
| “Entitled Depositors” | : | Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Record Date (in relation to the Shareholders’ Scheme or the Proposed Rights Issue, as the case may be) or who have, at least three (3) Market Days prior to the Record Date (in relation to the Shareholders’ Scheme or the Proposed Rights Issue, as the case may be), provided CDP with addresses in Singapore for the service of notices and documents |
| “Entitled Scripholders” | : | Shareholders whose share certificates have not been deposited with the CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates thereto for registration up to the Record Date (in relation to the Shareholders’ Scheme or the Proposed Rights Issue, as the case may be) and whose registered addresses with the Company are in Singapore as at the Record Date (in relation to the Shareholders’ Scheme or the Proposed Rights Issue, as the case may be) or who have, at least three (3) Market Days prior to the Record Date (in relation to the Shareholders’ Scheme or the Proposed Rights Issue, as the case may be), provided the Share Registrar with addresses in Singapore for the service of notices and documents |
| “Entitled Shareholders” | : | Entitled Depositors and Entitled Scripholders |

DEFINITIONS

- “EPS”** : Earnings per Share
- “Excess Rights Shares”** : Additional Rights Shares in excess of an Entitled Shareholder’s provisional allotments of Rights Shares under the Proposed Rights Issue
- “Exercise Period”** : The exercise period of the Options shall be the period commencing on and including the date of issue of the Options and expiring on the second (2nd) anniversary of the date of issue of the Options, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding Market Day (as the case may be), as further set out in section 2.6.2 (*Principal terms of the Options*) of this Circular
- “Exercise Price”** : The sum payable in respect of each Option Share for which an Option Holder shall subscribe upon exercise of an Option as further set out in section 2.6.2 (*Principal terms of the Options*) and section 2.6.4 (*Exercise Price*) of this Circular
- “Existing Business”** : The existing business of the Group which includes being engaged as an engineering, procurement and construction contractor and a maintenance works contractor for the oil, gas and energy industrial sectors, including process plants and facilities, and storage terminals
- “Existing Share Capital”** : The issued share capital of the Company (with nil treasury shares and subsidiary holdings) being 303,750,000 Shares as at the Latest Practicable Date
- “Existing Shareholders”** : The Shareholders as at the Latest Practicable Date
- “Existing Shares”** : The Shares held by Existing Shareholders, being 303,750,000 Shares at the Latest Practicable Date
- “First Exercise Price”** : The Exercise Price of S\$0.00543 for each Option Share for the First Exercise Period
- “First Exercise Period”** : The First Exercise Period means the period commencing on and including the date of issue of the Options and expiring on the first (1st) anniversary of the date of issue of the Options, as further set out in section 2.6.2 (*Principal terms of the Options*) of this Circular
- “Foreign Shareholders”** : Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
- “FY”** : Financial year ended or ending on 31 March, as the case may be
- “Governmental Agency”** : means any Singaporean or foreign government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity (including without limitation, ACRA, the SGX-ST, the SIC and the MAS)
- “Group”** : The Company and its subsidiaries (each a **“Group Company”**)

DEFINITIONS

- “HY2023” and “HY2022”** : Financial period ended 30 September 2022 and financial period ended 30 September 2021, respectively
- “IFA”** : Xandar Capital Pte. Ltd., the independent financial adviser in relation to the Proposed Whitewash Resolution
- “IFA Letter”** : The letter dated 6 November 2023 from the IFA in relation to the Proposed Whitewash Resolution
- “Implementation Agreement”** : The implementation agreement dated 11 October 2023, entered into by the Company with the New Listco in relation to the Proposed Transfer Listing
- “Independent Shareholders”** : The Shareholders who are deemed to be independent for the purpose of the Proposed Whitewash Resolution, being the Shareholders other than (a) the Subscribers and parties acting in concert with it, and (b) parties not independent of the Subscribers and parties acting in concert with it
- “Initial Announcement”** : The initial announcement of the Proposed Subscriber Transactions, as announced by the Company on 7 January 2022
- “Inter-conditional Resolutions”** : Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16, relating to the Proposed Subscription, the Proposed Grant of Options, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan, the Proposed Whitewash Resolution and the Proposed Appointment of New Directors, Special Resolution 1 relating to the proposed ratification of the New Listco Constitution, as set out in the Notice of EGM, and the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders’ Scheme Meeting
- “IRDA”** : Insolvency, Restructuring and Dissolution Act 2018, as amended, modified or supplemented from time to time
- “Irrevocable Undertaking”** : The deed of undertaking dated 14 December 2022 provided by the Undertaking Shareholder Entity to the Company and the New Listco, as amended, modified and supplemented by the supplemental deeds of undertaking dated 20 June 2023 and 6 October 2023, pursuant to which the Undertaking Shareholder Entity has irrevocably undertaken that it, among others:
- (a) shall cast, or where applicable, procure the casting of all votes in respect of all voting rights attached to its 70,788,639 Shares in favour of the resolutions in respect of the Proposed Subscription, the Proposed Grant of Options, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan, the Proposed Whitewash Resolution, the Proposed Rights Issue, the Proposed Appointment of New Directors, the Proposed Transfer Listing and any other matter necessary or proposed to be implemented together with the Proposed Subscriber Transactions and such other corporate actions as required to be undertaken by the Company and the New Listco, proposed to be passed at the EGM and the Shareholders’ Scheme, save in the event that it is required to abstain from voting for any of the aforementioned resolutions under applicable laws and regulations; and

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- (b) in accordance with the terms and conditions of the Proposed Rights Issue, shall subscribe and pay for all of the Rights Shares which it is entitled to, by virtue of its 70,788,639 Shares in the Company, subscribe for under the Proposed Rights Issue and subject to availability, pay for such number of additional Rights Shares which have not been subscribed for by other Shareholders pursuant to their entitlements under the Proposed Rights Issue, provided always that the amount to be paid by the Undertaking Shareholder Entity for the Rights Shares described shall be a total of S\$1,000,000
- “JTC”** : JTC Corporation
- “JTC Investment Criteria”** : The investment criteria set by JTC in relation to the Tuas Properties, where the Company is required to fulfil a prerequisite amount of investment on plant and machinery for the Tuas Properties in order to obtain further extensions on the various leases of the Tuas Properties for approximately 15 years until August 2038.
- The JTC Investment Criteria was originally intended to be completed by 13 August 2021 and the Company had previously obtained written approval for further extensions from JTC, with the latest extension obtained on 8 February 2023, where the Company has until 31 May 2024 to meet the JTC Investment Criteria
- “Judicial Managers”** : Mr. Lin Yueh Hung and Ms. Oon Su Sun (c/o RSM Corporate Advisory Pte Ltd) being the joint and several judicial managers appointed by the Court to manage the affairs, business and property of the Company effective 15 September 2020
- “Last Dealt Price”** : In relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on the SGX-ST
- “Latest Practicable Date”** : 31 October 2023, being the latest practicable date prior to the issue of this Circular
- “Listing Manual”** : The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
- “Longstop Date”** : 2 March 2024, or such other date as may be mutually agreed between the parties to the Subscription Agreement
- “Market Day”** : A day on which the SGX-ST is open for securities trading
- “MAS”** : The Monetary Authority of Singapore
- “Maximum Subscription Scenario”** : Assuming all of the Entitled Shareholders (including the Undertaking Shareholder Entity) subscribe for their *pro rata* entitlements of Rights Shares, 607,500,000 Rights Shares will be allotted and issued under the Proposed Rights Issue, resulting in a total of S\$3,298,725 in proceeds raised from the Proposed Rights Issue

DEFINITIONS

- “Minimum Subscription Scenario”** : Assuming (a) none of the Entitled Shareholders (excluding the Undertaking Shareholder Entity) subscribe for their pro rata entitlements of Rights Shares; and (b) only the Undertaking Shareholder Entity subscribes for its pro rata entitlement of 141,577,278 Rights Shares and 42,584,784 Excess Rights Shares pursuant to the Irrevocable Undertaking, 184,162,062 Rights Shares will be allotted and issued under the Proposed Rights Issue, resulting in a total of S\$1,000,000 in proceeds raised from the Proposed Rights Issue
- “Mr. David Ong”** : Mr. David Ong Kim Huat, a proposed independent director, chairman of the remuneration committee, member of the audit committee and member of the nominating committee, to be appointed to the board of the New Listco upon Completion, subject to Shareholder approval of the Inter-conditional Resolutions
- “Mr. Frankie Tan”** : Mr. Frankie Tan Ah Lam, the Non-Executive Chairman and Substantial Shareholder¹ of the Company as at the Latest Practicable Date
- “Mr. Koh”** : Mr. Koh Kim Wah, an independent director of the Company as at the Latest Practicable Date
- “Mr. Max Tan”** : Mr. Max Tan Phuay Hung, a proposed executive director to be appointed to the board of the New Listco upon Completion, subject to Shareholder approval of the Inter-conditional Resolutions
- “Mr. Pramotedham”** : Mr. Piti Pramotedham, a proposed independent director, chairman of the audit committee and member of the remuneration committee, to be appointed to the board of the New Listco upon Completion, subject to Shareholder approval of the Inter-conditional Resolutions
- “Mr. Richard Tan” or the “Executive Director”** : Mr. Richard Tan Leau Kuee @ Tan Chow Kuee, the Executive Director, Chief Executive Officer and Substantial Shareholder² of the Company as at the Latest Practicable Date
- “Mr. Sebastian Tan”** : Mr. Sebastian Tan Cher Liang, the proposed independent chairman, chairman of the nominating committee, member of the audit committee and member of the remuneration committee, to be appointed to the board of the New Listco upon Completion, subject to Shareholder approval of the Inter-conditional Resolutions
- “New Listco”** : Hiap Seng Industries Limited, being the new company incorporated for the purposes of the Proposed Transfer Listing
- “New Listco Constitution”** : Constitution of the New Listco, which was adopted by Vibrant (in its capacity as sole shareholder) by way of a special resolution passed on 18 September 2023, as amended, modified or supplemented from time to time. For the avoidance of doubt, the New Listco Constitution will be subject to ratification by the Shareholders by way of Special Resolution 1 as set out in the Notice of EGM

¹ Mr. Frankie Tan is deemed to have an interest in the shares held by the Undertaking Shareholder Entity, Tan Kuay Hoe Holdings Pte Ltd, by virtue of Section 7 of the Companies Act.

² Mr. Richard Tan is deemed to have an interest in the shares held by the Undertaking Shareholder Entity, Tan Kuay Hoe Holdings Pte Ltd, by virtue of Section 7 of the Companies Act.

DEFINITIONS

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| “New Listco Shares” | : | Ordinary shares in the capital of the New Listco |
| “N.M” | : | Not meaningful |
| “Notice of EGM” | : | The notice of EGM which is on pages NE-1 to NE-8 of this Circular |
| “Notice of Shareholders’ Scheme Meeting” | : | The notice of Shareholders’ Scheme Meeting which is on pages NS-1 to NS-4 of this Circular |
| “NTA” | : | Net tangible assets |
| “NTL” | : | Net tangible liabilities |
| “Offer Information Statement” | : | The offer information statement referred to in Section 277 of the SFA, together with the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the New Listco and to be lodged with the MAS in connection with the Proposed Rights Issue |
| “Option Amount” | : | The in principal amount of the Options to be subscribed for by the Subscribers, being S\$8,000,000 |
| “Option Conditions” | : | The terms and conditions of the Options as set out in the Subscription Agreement |
| “Option Holder” | : | The holder of any of the Options |
| “Option Issue Price” | : | The issue price of S\$0.00543 for each Option, which is equivalent to the First Exercise Price |
| “Option Shares” | : | New Shares to be allotted and issued by the New Listco credited as fully paid upon the exercise of the Options, including, where the context admits, such new Shares arising from the exercise of the additional options as may be required or permitted to be issued in accordance with the provisions of the Subscription Agreement |
| “Options” | : | The 1,473,296,500 unlisted and transferable share options to be granted to the Subscribers for an aggregate of S\$1.00, with each Option carrying the right to subscribe for one (1) new Share at the relevant Exercise Price |
| “Options Maximum Enlarged Share Capital” | : | The enlarged issued share capital of the New Listco (with nil treasury shares and subsidiary holdings) on a diluted basis, pursuant to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Maximum Subscription Scenario) and assuming the full exercise of all the Options by the Subscribers, being 5,211,434,160 Shares |
| “Options Minimum Enlarged Share Capital” | : | The enlarged issued share capital of the New Listco (with nil treasury shares and subsidiary holdings) on a diluted basis, pursuant to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Minimum Subscription Scenario) and assuming the full exercise of all the Options by the Subscribers, being 4,788,096,222 Shares |

DEFINITIONS

- “Ordinary Resolutions”** : The ordinary resolutions relating to the Proposed Subscription, the Proposed Grant of Options, the Proposed Issue of Settlement Shares, the Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals, the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan, the Proposed Whitewash Resolution, the Proposed Rights Issue, the Proposed Appointment of New Directors, as set out in the Notice of EGM, each an **“Ordinary Resolution”**
- “PAL”** : The provisional allotment letter to be issued to Entitled Scripholders, setting out their provisional allotment of Rights Shares under the Proposed Rights Issue
- “Participating Banks”** : The banks that will be participating in the Proposed Rights Issue by making available their ATMs to Entitled Depositors and persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, for acceptances of the Rights Shares and/or applications for Excess Rights Shares, and to be set out in the Offer Information Statement in due course
- “Potential Transfer of Controlling Interest to Tian Yuan”** : The potential transfer of controlling interest in the Company (and consequently the New Listco pursuant to the Proposed Transfer Listing) to Tian Yuan arising from the allotment and issue to Tian Yuan of the (a) Subscription Shares; and (b) Option Shares pursuant to the exercise of all Options by Tian Yuan
- “Proposals”** : The Proposed Subscription, the Proposed Grant of Options, the Proposed Issue of Settlement Shares, the Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals, the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan, the Proposed Whitewash Resolution, the Proposed Rights Issue, the Proposed Appointment of New Directors, and the proposed ratification of the New Listco Constitution
- “Proposed Appointment of New Directors”** : The proposed appointment of the Proposed New Directors to board of the New Listco with effect from Completion
- “Proposed Debt Restructuring”** : The debt restructuring exercise (including the Creditors’ Scheme) undertaken to restructure the debts and liabilities owing by the Group to UOB and other unsecured trade creditors, directors and employees of the Company as at 15 September 2020, via partial settlement in cash and partial settlement through the allotment and issue of new Shares
- “Proposed Grant of Options”** : The proposed grant of 1,473,296,500 unlisted and transferable Options to the Subscribers, with each Option carrying the right to subscribe for one (1) Option Share
- “Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals”** : The proposed allotment and issue of certain Settlement Shares to the Settlement Directors and Related Individuals with Approved Scheme Claims in accordance with the Creditors’ Scheme
- “Proposed Issue of Settlement Shares”** : The proposed allotment and issue of up to 1,353,591,160 Settlement Shares to the Scheme Creditors with Approved Scheme Claims in accordance with the Creditors’ Scheme

DEFINITIONS

- “Proposed New Directors”** : Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong, being the five (5) new directors proposed to be appointed to the board of directors of the New Listco upon Completion
- “Proposed Rights Issue”** : The proposed renounceable non-underwritten rights issue by the New Listco of up to 607,500,000 Rights Shares at the Rights Issue Price for each Rights Share, on the basis of two (2) Rights Shares for every one (1) Existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, on the terms and conditions of the Offer Information Statement
- “Proposed Subscriber Transactions”** : The Proposed Subscription and the Proposed Grant of Options
- “Proposed Subscription”** : The proposed subscription by the Subscribers for 1,473,296,500 Subscription Shares at the Subscription Price of S\$0.00543 for each Subscription Share, for the Subscription Amount of S\$8,000,000
- “Proposed Transfer Listing”** : The transfer of listing status by the Company to the New Listco
- “Proposed Transfer Listing Resolution”** : The resolution relating to the Proposed Transfer Listing as set out in the Notice of Shareholders’ Scheme Meeting
- “Proposed Transfer of Controlling Interest to Vibrant”** : The proposed transfer of controlling interest in the Company (and consequently the New Listco pursuant to the Proposed Transfer Listing) to Vibrant arising from the allotment and issue to Vibrant of the (a) Subscription Shares; and (b) Option Shares pursuant to the exercise of all Options by Vibrant
- “Proposed Whitewash Resolution”** : The proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from Vibrant in connection with the allotment and issue of the (a) Subscription Shares; and (b) Option Shares pursuant to the exercise of all Options by Vibrant, as set out in the Notice of EGM
- “Prospectus Exemption Declaration”** : A declaration from the MAS that pursuant to Section 273(5) of the SFA, sub-divisions (2) and (3) of Division 1 of Part XIII of the SFA (other than Section 257 of the SFA) shall not apply to an offer of the Shares in the New Listco to the Shareholders made pursuant to the Proposed Transfer Listing, for a period of six (6) months from the date of the declaration, subject to the conditions as set out in section 8.7 (*Regulatory Approvals for the Shareholders’ Scheme*) of this Circular
- “Proxy Form”** : The relevant proxy form for (a) the EGM as enclosed to the Notice of EGM and set out on pages PE-1 to PE-4 of this Circular; and/or (b) the Shareholders’ Scheme Meeting as enclosed to the Notice of Shareholders’ Scheme Meeting and set out on pages PS-1 to PS-2 of this Circular, as the case may be
- “Purchaser”** : A purchaser of the provisional allotments of Rights Shares traded on the SGX-ST through the book-entry (scripless) settlement system

DEFINITIONS

- “Record Date”** : The time and date to be determined at and on which, the Register of Members and share transfer books of the Company will be closed to determine the (a) entitlements of Shareholders in respect of the Shareholders’ Scheme; or (b) provisional allotments of Rights Shares of Entitled Shareholders under the Proposed Rights Issue, as the case may be
- “Register of Members”** : Register of members of the Company
- “Regulatory Approvals”** : means such consents and approvals or other acts from any Governmental Agency as required by either party to the Implementation Agreement which, or which the parties to the Implementation Agreement may agree, are necessary to complete the Company Restructuring or implement the Shareholders’ Scheme or to give effect to the provisions of the Implementation Agreement
- “Resumption Proposal”** : The proposal for the resumption of trading submitted to the SGX-ST on 6 December 2022 which took into consideration, among others, the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing, for the resumption of trading of the Company’s shares (and consequent to the Proposed Transfer Listing, the trading of the New Listco’s shares) on the Mainboard of the SGX-ST
- “Rights”** : The “nil-paid” rights (evidenced by the provisional allotments of Rights Shares)
- “Rights Issue Maximum Enlarged Share Capital”** : The enlarged issued share capital of the New Listco (including nil treasury shares and subsidiary holdings) on a diluted basis pursuant to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue in the Maximum Subscription Scenario but assuming that none of the Options are exercised, being 3,738,137,660 Shares. For the avoidance of doubt, only the Entitled Shareholders who hold Existing Shares are entitled to participate in the Proposed Rights Issue
- “Rights Issue Minimum Enlarged Share Capital”** : The enlarged issued share capital of the New Listco (including nil treasury shares and subsidiary holdings) on a diluted basis of pursuant to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue in the Minimum Subscription Scenario but assuming that none of the Options are exercised, being 3,314,799,722 Shares. For the avoidance of doubt, only the Entitled Shareholders who hold Existing Shares are entitled to participate in the Proposed Rights Issue
- “Rights Issue Price”** : The issue price of each Rights Share, being the Subscription Price
- “Rights Shares”** : New Shares to be allotted and issued by the New Listco at the Rights Issue Price pursuant to the Proposed Rights Issue
- “Scheme Consideration”** : A sum of S\$2,500,000 to be distributed to the Scheme Creditors with Approved Scheme Claims in cash in connection with the Creditors’ Scheme

DEFINITIONS

- “Scheme Creditors”** : Creditors which hold claims against the Company, including UOB but excluding excluded creditors as further described under the scheme document for the Creditors’ Scheme
- “Scheme Debt”** : The liabilities of the Company due to UOB and the Scheme Creditors as at 15 September 2020, which were proved in the Creditors’ Scheme and admitted as Approved Scheme Claims, as further described in section 3.1 (*Background to the Proposed Debt Restructuring*) of this Circular
- “Scheme Managers”** : Mr. Lin Yueh Hung and Ms. Oon Su Sun (c/o RSM Corporate Advisory Pte Ltd), or any person appointed in accordance with the Creditors’ Scheme
- “Second Exercise Period”** : The period commencing after the date of first (1st) anniversary of the date of issue of the Options and expiring on the expiry date of the Options, as further set out in section 2.6.2 (*Principal terms of the Options*) of this Circular
- “Second Exercise Price”** : The Exercise Price of S\$0.00597 for each Option Share for the Second Exercise Period
- “Securities Account”** : A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
- “Settlement Directors and Related Individuals”** : The Directors and related individuals to be allotted and issued Settlement Shares, being (a) Mr. Richard Tan; (b) Mr. Koh; (c) Mr. Tan Yaw Song; and (d) Mr. Tan Yew Kun
- “Settlement Shares”** : New Shares to be allotted and issued by the New Listco to the Scheme Creditors with Approved Scheme Claims in accordance with the Creditors’ Scheme
- “SFA”** : Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “SGXNet”** : A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
- “Shareholders”** : The registered holders of Shares, 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 those Shares
- “Shareholders’ Scheme”** : The scheme of arrangement dated 6 November 2023 as set out in **Appendix H** (*Shareholders’ Scheme*) to this Circular (or as amended, modified or supplemented from time to time in accordance with clause 4 of the Shareholders’ Scheme), proposed in accordance with Section 210 of the Companies Act for the approval of the Shareholders, in relation to the Company Restructuring and the Proposed Transfer Listing

DEFINITIONS

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| “Shareholders’ Scheme Conditions” | : | The conditions precedent to the Company Restructuring, the Shareholders’ Scheme and the Proposed Transfer Listing, as set out in paragraph 5 of the Shareholders’ Scheme Explanatory Statement as set out in Appendix G (<i>Shareholders’ Scheme Explanatory Statement</i>) to this Circular |
| “Shareholders’ Scheme Court Order” | : | The order of the Court sanctioning the Shareholders’ Scheme under Section 210 of the Companies Act |
| “Shareholders’ Scheme Explanatory Statement” | : | The explanatory statement of the Shareholders’ Scheme required by Section 211 of the Companies Act dated 6 November 2023 as set out in Appendix G (<i>Shareholders’ Scheme Explanatory Statement</i>) to this Circular |
| “Shareholders’ Scheme Meeting” | : | The meeting of the Shareholders pursuant to an order of the Court obtained on 27 October 2023, to be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the Extraordinary General Meeting to be held in person at 2.30 p.m. on the same day (or its adjournment thereof)) to seek the approval of Shareholders for the Shareholders’ Scheme, notice of which is set out on pages NS-1 to NS-4 of this Circular |
| “Share Registrar” | : | The share registrar of the Company and the New Listco, being Boardroom Corporate & Advisory Services Pte. Ltd. as at the Latest Practicable Date, the registered office of which is at 1 HarbourFront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 |
| “Shares” | : | Ordinary shares in the capital of the Company or the New Listco, to be interpreted as the case may be |
| “SIC” | : | Securities Industry Council of Singapore |
| “SIC Conditions” | : | The conditions imposed by the SIC in its grant of the Whitewash Waiver, details of which are set out in section 5.2 (<i>Whitewash Waiver</i>) of this Circular |
| “Special Resolution 1” | : | The special resolution relating to the proposed ratification of the New Listco Constitution as set out in the Notice of EGM |
| “SRS” | : | Supplementary Retirement Scheme |
| “SRS Investors” | : | Investors who have previously purchased Shares under the SRS |
| “SRS Operators” | : | Agent banks approved by CPF under the SRS |
| “Subscribers” | : | Vibrant and Tian Yuan, collectively |
| “Subscription Agreement” | : | The conditional subscription agreement dated 7 January 2022 entered into between the Company, the New Listco and the Subscribers in relation to the Proposed Subscription and the Proposed Grant of Options, as amended, modified and supplemented by the Supplemental Agreements |
| “Subscription Amount” | : | The aggregate cash consideration to be paid by the Subscribers for the Subscription Shares, being S\$8,000,000 |
| “Subscription Price” | : | The issue price of S\$0.00543 for each Subscription Share |

DEFINITIONS

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| “ Subscription Shares ” | : | New Shares to be allotted and issued by the New Listco at the issue price of S\$0.00543 per Subscription Share pursuant to the Proposed Subscription |
| “ Substantial Shareholder ” | : | A person who has an interest or interests in voting shares of a company representing not less than 5.0% of all the voting shares of a company, as defined under Section 81 of the Companies Act |
| “ Supplemental Agreements ” | : | The supplemental agreements dated 25 March 2022, 15 August 2022, 31 May 2023 and 6 October 2023, each entered into between the Company, the New Listco and the Subscribers in relation to amendments to the Subscription Agreement, and each a “ Supplemental Agreement ” |
| “ Takeover Code ” | : | Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time |
| “ Tuas Properties ” | : | The properties leased by Company at (a) 24 Tuas Crescent, Singapore 638738; (b) 28 Tuas Crescent, Singapore 638719; and (c) 30 Tuas Crescent, Singapore 638736 |
| “ Undertaking Shareholder Entity ” | : | Tan Kuay Hoe Holdings Pte Ltd |
| “ UOB ” | : | United Overseas Bank Limited |
| “ UOB Restructuring Deed ” | : | The restructuring deed entered into with UOB as announced by the Company on 18 August 2022, as amended, modified or supplemented from time to time |
| “ Vibrant ” | : | Vibrant Equities Pte. Ltd. |
| “ VWAP ” | : | Volume weighted average price |
| “ Whitewash Waiver ” | : | The waiver granted by the SIC on 29 September 2023 (and not having revoked or repealed such grant) of the obligations of Vibrant to make a mandatory general offer for the Shares pursuant to Rule 14 of the Takeover Code by reason of the allotment and issue of the Subscription Shares and Option Shares (assuming the exercise of all the Options by Vibrant), subject to the satisfaction of the SIC Conditions, details of which are set out in section 5.2 (<i>Whitewash Waiver</i>) of this Circular |

Currencies, Units and Others

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| “%” or “ per cent. ” | : | Per centum or percentage |
| “ S\$ ” and “ cents ” | : | Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore |

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

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

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

DEFINITIONS

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

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

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

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

The legal advisers appointed by the Company for the purpose of the corporate actions set out in this Circular is Morgan Lewis Stamford LLC.

CAUTIONARY NOTES

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s and/or the New Listco’s current expectations, beliefs, hopes, plans, prospects, 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. The Group, the New Listco, the Directors, the executive officers and the Judicial Managers are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group. Further, the Company disclaims any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

No person has been authorised to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. Nothing contained in this Circular is, or may be relied upon as, a promise or representation as to the future performance, financial position or policies of the Company, the New Listco and/or the Group. The delivery of this Circular shall not, under any circumstance, constitute a continuing representation, or give rise to any implication or suggestion, that there has not been or there will not be any change in the affairs of the Company, the New Listco and/or the Group or in the information herein since the Latest Practicable Date. Where any such changes occur after the Latest Practicable Date, the Company and/or the New Listco may make an announcement of the same on SGXNet (<https://www.sgx.com/securities/company-announcements>). Shareholders should take note of any such announcement and shall, upon the release of such an announcement, be deemed to have notice of such changes.

The distribution of this, and other relevant documents, may be prohibited or restricted by law in certain jurisdictions. Shareholders are required to inform themselves of and to observe any such prohibitions and restrictions. It is the responsibility of the Shareholders in such jurisdictions to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any government, exchange control or other consents which may be required, the compliance with all necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.

Where the Company is of the view that the distribution of this Circular and/or any other relevant document to any Foreign Shareholder in any jurisdiction(s) may infringe any relevant foreign law or necessitate compliance with conditions or requirements which the Company regards as onerous or impracticable by reason of costs, delay or otherwise, the Company will not distribute this Circular and other relevant documents to Shareholders with registered addresses in such jurisdiction(s). Please also refer to paragraph 14 (*Overseas Shareholders*) of the Shareholders’ Scheme Explanatory Statement as set out in **Appendix G** (*Shareholders’ Scheme Explanatory Statement*) to this Circular for further details.

This Circular and/or any other related documents may not be used for the purposes of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

Shareholders are advised to consult their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional advisers immediately if they are in any doubt as to any aspect of the transactions contemplated under this Circular. It is emphasised that none of the Company, the New Listco or any other persons involved in the transactions contemplated under this Circular accepts responsibility for any tax effects of, or such liabilities resulting therefrom.

INDICATIVE TIMETABLE

Any reference to a time of day or date in the indicative timetable below shall be a reference to Singapore time or date, as the case may be, unless otherwise stated.

1. Last date and time for lodgement of Proxy Forms

In respect of the EGM : 26 November 2023 at 2.30 p.m.

In respect of the Shareholders' Scheme Meeting : 26 November 2023 at 3.00 p.m.

2. Shareholders' meetings

Date and time of the EGM : 28 November 2023 at 2.30 p.m.

Date and time of the Shareholders' Scheme Meeting : 28 November 2023 at 3.00 p.m.
(or as soon thereafter following the conclusion of the EGM to be held in person at 2.30 p.m. on the same day and at the same place (or its adjournment thereof))

Place of the EGM and the Shareholders' Scheme Meeting : Conference Room,
28 Tues Crescent,
Singapore 638719

3. Date of application to be made to the Court for sanction of the Shareholders' Scheme : On or about 29 November 2023

4. Expected date of Court hearing to sanction the Shareholders' Scheme : On or about 8 January 2024

In relation to the Proposed Transfer Listing, the following events are subject to the approval of the Shareholders' Scheme at the Shareholders' Scheme Meeting and the sanction of the Shareholders' Scheme by the Court after the voting results have been obtained:

5. Expected date of notice of Record Date for the Shareholders' Scheme : On or about 8 January 2024

6. Expected Record Date for the Shareholders' Scheme : On or about 16 January 2024

7. Expected Effective Date (lodgement of Shareholders' Scheme Court Order with ACRA or such earlier date as the Court may determine and as may be specified in the Shareholders' Scheme Court Order) : On or about 17 January 2024

8. Expected date of debiting of Shares from the Securities Accounts of Entitled Depositors : On or about 29 January 2024

9. Expected completion date for the crediting of all of the Shares of the New Listco into Securities Accounts pursuant to the Shareholders' Scheme : On or about 30 January 2024

10. Expected time and date for the commencement of trading of Shares in the New Listco on the SGX-ST : 9.00 a.m. on or about 31 January 2024

11. Expected date for the delisting of the Company from the SGX-ST : On or about 31 January 2024

INDICATIVE TIMETABLE

In relation to the Proposed Rights Issue:

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| 12. | Expected Record Date | : | On or about 29 January 2024 |
| 13. | Expected date for despatch (where required) of the Offer Information Statement (together with the product highlights sheet, the ARE, the ARS or the PAL, as the case may be) to Entitled Shareholders | : | On or about 1 February 2024 |
| 14. | Expected date for commencement of trading of Rights | : | On or about 1 February 2024 from 9.00 a.m. |
| 15. | Expected date for first date and time for acceptance of and payment for the Rights Shares and/or applications for Excess Rights Shares ⁽¹⁾ | : | On or about 1 February 2024 (9.00 a.m. for electronic applications with ATMs of Participating Banks and an online application website) ⁽²⁾ |
| 16. | Expected date for last date and time for splitting and trading of Rights ⁽¹⁾ | : | On or about 9 February 2024 at 5.00 p.m. |
| 17. | Expected date for last date and time for acceptance of and payment for Rights Shares and/or applications for Excess Rights Shares ⁽¹⁾ | : | On or about 16 February 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service) ⁽²⁾ |
| 18. | Expected date for last date and time for application and payment for Rights Shares by renounees ⁽¹⁾ | : | On or about 16 February 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks or through an Accepted Electronic Service) |
| 19. | Expected date of issue of Rights Shares | : | On or about 26 February 2024 |
| 20. | Expected date of commencement of trading of Rights Shares | : | On or about 26 February 2024 |

Notes:

- (1) This does not apply to CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent. CPFIS Members, SRS Investors and investors who hold Shares through a finance company and/or Depository Agent should refer to the Offer Information Statement after the lodgement of the Offer Information Statement with the MAS for details relating to the application procedure for them.
- (2) Further details relating to the online application website and the Accepted Electronic Service will be set out in the Offer Information Statement after the lodgement of the Offer Information Statement with the MAS.

Shareholders should note that, save for the last date and time for lodgement of the Proxy Forms for the EGM and the Shareholders' Scheme Meeting and the date and time of the EGM and the Shareholders' Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as "expected", please refer to future announcement(s) by the Company for the exact dates and times of these events.

CORPORATE INFORMATION

THE COMPANY

- Board of Directors** : Mr. Frankie Tan Ah Lam (*Non-Executive Chairman*)
Mr. Richard Tan Leau Kuee @ Tan Chow Kuee
(*Executive Director and Chief Executive Officer*)
Mr. Koh Kim Wah (*Independent Director*)
- Joint and Several
Judicial Managers** : Mr. Lin Yueh Hung and Ms. Oon Su Sun
c/o 8 Wilkie Rd
#03-08 Wilkie Edge
Singapore 228095
- Joint Company
Secretaries** : Tan Hak Jin, CA (Singapore)
Chan Lai Yin, ACIS
- Registered Office** : 28 Tuas Crescent
Singapore 638719
- Auditors** : **PricewaterhouseCoopers LLP**
Public Accountants and Chartered Accountants
7 Straits View, Marina One
East Tower Level 12
Singapore 018936

Partner-in-charge: Tham Tuck Seng
- Share Registrar** : **Boardroom Corporate & Advisory Services Pte. Ltd.**
1 HarbourFront Avenue
Keppel Bay Tower, #14-07
Singapore 098632

THE NEW LISTCO (SUBJECT TO COMPLETION OF THE PROPOSED TRANSFER LISTING)³

- Board of Directors** : Mr. Sebastian Tan Cher Liang (*Independent Chairman*)
Mr. Khua Kian Hua (*Executive Director*)
Mr. Tay Phuay Hung, Max (*Executive Director and Chief Executive Officer*)
Mr. Piti Pramotedham (*Independent Director*)
Mr. David Ong Kim Huat (*Independent Director*)
- Company Secretary** : Chan Lai Yin, ACIS
- Registered Office** : 28 Tuas Crescent
Singapore 638719
- Auditors** : **Foo Kon Tan LLP**
1 Raffles Place, #04-61
One Raffles Place Tower 2
Singapore 048616

Partner-in-charge: Mr. Kong Chih Hsiang Raymond
- In compliance with Rule 712(3) of the Listing Manual, a circular containing information on, among others, the change of auditors, will be issued to Shareholders in due course to seek approval from the Shareholders for such change of auditors at an extraordinary general meeting to be held by no later than the expected date of completion of the Proposed Transfer Listing.
- Share Registrar** : **Boardroom Corporate & Advisory Services Pte. Ltd.**
1 HarbourFront Avenue
Keppel Bay Tower, #14-07
Singapore 098632

³ As at the Latest Practicable Date, the sole director of the New Listco is Mr. Khua Kian Hua.

LETTER TO SHAREHOLDERS

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT)

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197100300Z)

Directors:

Mr. Frankie Tan Ah Lam
(Non-Executive Chairman)
Mr. Richard Tan Leau Kuee @ Tan Chow Kuee
(Executive Director and Chief Executive Officer)
Mr. Koh Kim Wah
(Independent Director)

Registered Office:

28 Tuas Crescent
Singapore 638719

Judicial Managers:

Ms. Oon Su Sun
Mr. Lin Yueh Hung
c/o RSM Corporate Advisory Pte. Ltd. Edge

Registered Office:

8 Wilkie Edge
#03-08 Wilkie
Singapore 228095

6 November 2023

To: The Shareholders of Hiap Seng Engineering Ltd (Under Judicial Management)

Dear Sir / Madam,

- (A) THE PROPOSED SUBSCRIPTION;
- (B) THE PROPOSED GRANT OF OPTIONS;
- (C) THE PROPOSED ISSUE OF SETTLEMENT SHARES;
- (D) THE PROPOSED ISSUE OF SETTLEMENT SHARES TO THE SETTLEMENT DIRECTORS AND RELATED INDIVIDUALS;
- (E) THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO VIBRANT;
- (F) THE POTENTIAL TRANSFER OF CONTROLLING INTEREST TO TIAN YUAN;
- (G) THE PROPOSED WHITEWASH RESOLUTION;
- (H) THE PROPOSED RIGHTS ISSUE;
- (I) THE PROPOSED TRANSFER LISTING;
- (J) THE PROPOSED APPOINTMENT OF NEW DIRECTORS; AND
- (K) THE PROPOSED RATIFICATION OF THE NEW LISTCO CONSTITUTION.

1. INTRODUCTION

1.1 Purpose of this Circular

The Company is convening an EGM at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 2.30 p.m. to seek Shareholders' approval for the following (collectively, the "Proposals"):

- (a) the Proposed Subscription (Ordinary Resolution 1);

LETTER TO SHAREHOLDERS

- (b) the Proposed Grant of Options (Ordinary Resolution 2);
- (c) the Proposed Issue of Settlement Shares (Ordinary Resolution 3);
- (d) the Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals (Ordinary Resolutions 4 to 7);
- (e) the Proposed Transfer of Controlling Interest to Vibrant (Ordinary Resolution 8);
- (f) the Potential Transfer of Controlling Interest to Tian Yuan (Ordinary Resolution 9);
- (g) the Proposed Whitewash Resolution (Ordinary Resolution 10);
- (h) the Proposed Rights Issue (Ordinary Resolution 11);
- (i) the Proposed Appointment of New Directors (Ordinary Resolutions 12 to 16); and
- (j) the proposed ratification of the New Listco Constitution (Special Resolution 1).

In addition, the Company is convening the Shareholders' Scheme Meeting to be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the EGM to be held in person at 2.30 p.m. on the same day (or its adjournment thereof)), to seek Shareholders' approval for the Proposed Transfer Listing Resolution.

The purpose of this Circular is to provide Shareholders with information relating to the Proposals and the Proposed Transfer Listing (implemented through the Company Restructuring by way of the Shareholders' Scheme), and to seek Shareholders' approval in relation thereto at the EGM and the Shareholders' Scheme Meeting. The Notice of EGM is set out on pages NE-1 to NE-8 of this Circular and the Notice of Shareholders' Scheme Meeting is set out on pages NS-1 to NS-4 of this Circular.

1.2 The Proposed Subscriber Transactions

On 7 January 2022, the Company announced among others that the Judicial Managers had entered into the Subscription Agreement with the New Listco and the Subscribers in respect of:

- (a) the subscription by the Subscribers of Subscription Shares amounting to S\$8,000,000 (the "**Subscription Amount**"), on the terms and conditions of the Subscription Agreement (the "**Proposed Subscription**"); and
- (b) the subscription by the Subscribers of S\$8,000,000 in principal amount (the "**Option Amount**") of unlisted and transferable share options (the "**Options**"), with each Option carrying the right to subscribe for one (1) Option Share, on the terms and conditions of the Subscription Agreement (the "**Proposed Grant of Options**", together with the Proposed Subscription, the "**Proposed Subscriber Transactions**").

The Subscription Agreement was subsequently amended, modified and supplemented by the Supplemental Agreements dated 25 March 2022, 15 August 2022, 31 May 2023 and 6 October 2023 for the purposes of, among others, reflecting that the Proposed Transfer Listing shall be undertaken by the Company and the New Listco in conjunction with (and expected to be completed together) with the Proposed Subscriber Transactions and the Proposed Debt Restructuring (unless otherwise agreed in writing by the parties to the Subscription Agreement) and to extend the Longstop Date to, most recently, 2 March 2024 (or such other date as may be mutually agreed between the parties to the Subscription Agreement).

To proceed with the Proposed Subscriber Transactions, specific approval from Shareholders is being sought at the EGM. Please refer to sections 2.5 (*The Proposed Subscription*) and 2.6 (*The Proposed Grant of Options*) of this Circular for further details on the Proposed Subscription and the Proposed Grant of Options, respectively.

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1.3 The Proposed Debt Restructuring

On 7 January 2022, the Company also announced its intention to undertake a debt restructuring exercise (the “**Proposed Debt Restructuring**”) to restructure the debts and liabilities owing by the Group to UOB and other unsecured trade creditors, directors and employees of the Company as at 15 September 2020, via partial settlement in cash and partial settlement through the allotment and issue of new Shares.

Further to a meeting on 18 August 2022 of the Company’s creditors (including UOB) which hold claims against the Company (excluding excluded creditors as further described under the relevant scheme document) (the “**Scheme Creditors**”), it was approved by creditors amounting to a majority in number and representing three-fourths in value of the creditors present and voting that:

- (a) the Company shall effect a pro rata distribution of a sum of S\$2,500,000 in cash to the Scheme Creditors to the extent of each Approved Scheme Claim; and
- (b) the issue of Settlement Shares to the Scheme Creditors with Approved Scheme Claims in connection with the debt-to-equity conversion of the Scheme Debt, at S\$0.00543 per Settlement Share, up to a maximum of 1,353,591,160 Settlement Shares with an aggregate value of not more than S\$7,350,000.

To proceed with the Proposed Debt Restructuring and the Creditors’ Scheme, specific approval from Shareholders is being sought at the EGM for the allotment and issue of up to 1,353,591,160 Settlement Shares.

Additionally, as certain of the Settlement Shares will be issued to (a) Mr. Richard Tan (a Director and Substantial Shareholder of the Company); (b) Mr. Koh (a Director); (c) Mr. Tan Yaw Song (immediate family member of the Directors and Substantial Shareholders of the Company, Mr. Frankie Tan and Mr. Richard Tan); and (d) Mr. Tan Yew Kun (immediate family member of the Directors and Substantial Shareholders of the Company, Mr. Frankie Tan and Mr. Richard Tan) (collectively, the “**Settlement Directors and Related Individuals**”), specific approval is being sought at the EGM from Shareholders for the allotment and issue of such Settlement Shares to each of the Settlement Directors and Related Individuals, pursuant to Rules 804 and 812(1) of the Listing Manual.

Please refer to section 3 (*The Proposed Debt Restructuring*) of this Circular for further details on the Proposed Debt Restructuring. For further details on the Creditors’ Scheme, please refer to the Company’s announcements dated 20 May 2022, 2 June 2022, 29 June 2022, 4 July 2022, 18 August 2022, 24 August 2022 and 29 August 2022.

1.4 The Proposed Transfer of Controlling Interest to Vibrant and the Potential Transfer of Controlling Interest to Tian Yuan

As a result of the Proposed Subscriber Transactions, Vibrant and Tian Yuan will become Controlling Shareholders upon the allotment and issue of the Subscription Shares to each of Vibrant and Tian Yuan pursuant to the Proposed Subscription and assuming full exercise of the Options granted to Tian Yuan. Please refer to Section 4 (*The Proposed Transfer of Controlling Interest to Vibrant and the Potential Transfer of Controlling Interest to Tian Yuan*) of this Circular for further details on the Proposed Transfer of Controlling Interest to Vibrant and the Potential Transfer of Controlling Interest to Tian Yuan.

Pursuant to Rule 803 of the Listing Manual, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in a general meeting. Accordingly, the Company is seeking specific Shareholders’ approval at the EGM for the transfer of controlling interest in the Company (and consequently the New Listco pursuant to the Proposed Transfer Listing) to Vibrant and Tian Yuan pursuant to the Proposed Subscriber Transactions.

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1.5 The Proposed Whitewash Resolution

Upon the allotment and issue of the Subscription Shares and Option Shares (assuming the exercise of all the Options by the Subscribers), Vibrant will incur an obligation to make a mandatory general offer for the Shares under Rule 14 of the Takeover Code unless such obligation is waived by the Securities Industry Council of Singapore (the “**SIC**”). The Whitewash Waiver was obtained from the SIC on 29 September 2023 and is subject to, among others, the Proposed Whitewash Resolution being approved by a majority of holders of voting rights of the Company, before the issue of the Subscription Shares and the Proposed Grant of Options to Vibrant, by way of poll to waive their rights to receive a general offer from Vibrant at the EGM.

Accordingly, the Company is seeking the approval of Shareholders who are deemed to be independent for the purpose of the Proposed Whitewash Resolution, being the Shareholders other than (a) the Subscribers and parties acting in concert with it, and (b) parties not independent of the Subscribers and parties acting in concert with it (the “**Independent Shareholders**”) for the Proposed Whitewash Resolution at the EGM. Please refer to section 5 (*The Proposed Whitewash Resolution*) of this Circular for further details on the Proposed Whitewash Resolution.

1.6 The Proposed Rights Issue

On 11 October 2023, the Company announced its intention to undertake a proposed renounceable non-underwritten rights issue of up to 607,500,000 Rights Shares at the Rights Issue Price of S\$0.00543 for each Rights Share, on the basis of two (2) Rights Shares for every one (1) Existing Share that Entitled Shareholders are entitled to based on their shareholdings in the Company as at the Record Date, with fractional entitlements to be disregarded (the “**Proposed Rights Issue**”).

The Proposed Rights Issue is intended to be undertaken after completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, and after trading in the Shares of the New Listco has commenced on the Mainboard of the SGX-ST. To proceed with the Proposed Rights Issue, specific approval from Shareholders is being sought at the EGM. Please refer to section 7 (*The Proposed Rights Issue*) of this Circular for further details on the Proposed Rights Issue.

1.7 The Proposed Transfer Listing

On 11 October 2023, the Company announced that it had entered into an implementation agreement with the New Listco (the “**Implementation Agreement**”), pursuant to which the Company and the New Listco has agreed on the terms for the transfer of the Company’s listing status on the Mainboard of the SGX-ST to the New Listco (the “**Proposed Transfer Listing**”), and for such to be effected by way of a restructuring of the Company (the “**Company Restructuring**”) through the Shareholders’ Scheme under which:

- (a) all the Existing Shares will be transferred to the New Listco (i) fully paid; (ii) free from all encumbrances; and (iii) together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date; and
- (b) the New Listco will:
 - (i) allot and issue such number of New Listco Shares on the basis of one (1) New Listco Share for every one (1) Share held by the Existing Shareholders as at the Record Date;

LETTER TO SHAREHOLDERS

- (ii) on behalf of the Company⁴, allot and issue the Subscription Shares to the Subscribers⁵ and the Settlement Shares to the Scheme Creditors, all of which will (1) be duly authorised, validly issued, credited as fully paid; (2) be free from all encumbrances; (3) be together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date; (4) rank *pari passu* in all respects with one another as well as the existing issued New Listco Share as of the Effective Date; and (5) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date; and
- (iii) on behalf of the Company, grant the Options to the Subscribers, such Options to be subject to the terms and conditions of the Options as set out in the Subscription Agreement; and
- (c) the New Listco will assume all liabilities and obligations of the Company in connection with the Options to be granted by the Company to the Subscribers pursuant to the Proposed Grant of Options, and the New Listco Shares to be allotted and issued to the Subscribers and the Scheme Creditors respectively pursuant to the Proposed Subscription and the Proposed Debt Restructuring.

The Proposed Transfer Listing will be implemented through the Company Restructuring by way of the Shareholders' Scheme pursuant to Section 210 of the Companies Act and accordingly, is to be approved by a majority in number of Shareholders present and voting, either in person or by proxy, at the Shareholders' Scheme Meeting, such majority holding not less than three-fourths in value of the Shares held by the Shareholders present and voting either in person or by proxy at the Shareholders' Scheme Meeting, and by order of the Court, in compliance with the requirements under Section 210(3AB) of the Companies Act.

For the avoidance of doubt, the Shareholders' Scheme, unlike the Creditors' Scheme, is not a debt restructuring scheme. There is no write-off of any debt of the Company in connection with the Shareholders' Scheme.

Please refer to section 8 (*The Proposed Transfer Listing*) of this Circular, the Shareholders' Scheme Explanatory Document and the Shareholders' Scheme as set out in **Appendix G** (*Shareholders' Scheme Explanatory Statement*) and **Appendix H** (*Shareholders' Scheme*) to this Circular, respectively, for further details on the Proposed Transfer Listing. In particular, the Shareholders' Scheme Explanatory Document sets out the key terms of, the rationale for and the effect of the Shareholders' Scheme and the procedures for its implementation, and it should be read with the full text of this Circular.

⁴ For the avoidance of doubt, the allotment and issue of the Subscription Shares, the Options and the Settlement Shares are for the benefit of the Company pursuant to the transactions to be undertaken under the Resumption Proposal. Given the Company is undertaking the Proposed Transfer Listing for the reasons as set out in section 8.5 (Rationale for and benefits of the Proposed Transfer Listing) of this Circular, the Company and the New Listco have agreed in the Implementation Agreement that the New Listco will allot and issue these directly on behalf of the Company, to streamline the administrative procedures required. In relation thereto and for administrative documentation purposes, the Company and the New Listco had also entered into a loan agreement on 11 October 2023, where the New Listco has extended an unsecured loan facility (with repayment terms at the discretion of the Company) up to a maximum aggregate amount equal to S\$15,350,000 (being the total amount of (a) S\$8.00 million from the proceeds of the Subscription for the allotment and issue of the Subscription Shares, as used for the partial repayment of the principal amounts and interests under loans owing to UOB; and (b) S\$7.35 million, being the cost of the Settlement Shares allotted and issued by the Company to the Scheme Creditors, including UOB).

⁵ For the purposes of the Company Restructuring through the Shareholders' Scheme, one (1) less Subscription Share will be allotted and issued by the New Listco to Vibrant, as Vibrant holds one (1) New Listco Share as at the Latest Practicable Date and has undertaken in writing to waive its rights to receive one (1) Subscription Share out of its entitlement to the Subscription Shares.

LETTER TO SHAREHOLDERS

1.8 Proposed Appointment of New Directors

In conjunction with the actions listed above and in connection with the Proposed Subscriber Transactions, the Company is also seeking approval from Shareholders for the proposed appointment of Mr. Sebastian Tan Cher Liang (“**Mr. Sebastian Tan**”) (as independent chairman), Mr. Khua Kian Hua (as executive director), Mr. Max Tan Phuay Hung (“**Mr. Max Tan**”) (as executive director), Mr. Piti Pramotedham (“**Mr. Pramotedham**”) (as independent director), and Mr. David Ong Kim Huat (“**Mr. David Ong**”) (as independent director) as the new directors of the New Listco upon Completion.

1.9 Proposed Ratification of the New Listco Constitution

The New Listco Constitution has been updated from the existing Constitution of the Company in order to take into account changes to the Companies Act and the Listing Manual for the purposes of clarity and good order. In view of the numerous changes which would have to be made to the existing Constitution of the Company (which was adopted on 28 May 1999) due to changes to the Companies Act and the Listing Manual, the New Listco had adopted a new constitution instead of adopting an amended version of the existing Constitution of the Company. Notwithstanding that the New Listco Constitution has been adopted and approved by Vibrant, it is proposed that the New Listco Constitution be ratified by Shareholders at the EGM.

1.10 Application to the SGX-ST

In connection with the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing, the Company had submitted an application to the SGX-ST for the listing and quotation of all of the Shares in the New Listco on the Mainboard of the SGX-ST (including the Subscription Shares, the Option Shares and the Settlement Shares), approval-in-principle for which was obtained on 28 July 2023 subject to, among others, the following conditions:

- (a) Shareholders’ approval for the Proposed Subscription, the Proposed Grant of Options and the Proposed Issue of Settlement Shares;
- (b) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of proceeds from the proposed placement of shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company announcements on use of proceeds and in the annual report; and
- (c) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual.

The AIP is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Shares in the New Listco (including the Subscription Shares, the Options Shares and the Settlement Shares) and the New Listco, the Company and/or its subsidiaries.

In addition, the SGX-ST had also, in its AIP granted on 28 July 2023, confirmed that:

- (i) Chapter 2 and Rules 1307, 1308 and 1309 of the Listing Manual are not applicable to the transfer of listing status from the Company to the New Listco; and
- (ii) it has no objection to the Company’s request to resume trading subject to (1) compliance with the listing requirements; (2) completion of the Proposed Subscriber Transactions; (3) completion of the Proposed Issue of Settlement Shares; and (4) completion of the Proposed Transfer Listing.

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1.11 Application to the MAS

In addition, the Company had applied to the MAS and the MAS had declared in its letter dated 17 May 2023 that pursuant to Section 273(5) of the SFA, sub-divisions (2) and (3) of Division 1 of Part XIII of the SFA (other than Section 257 of the SFA) shall not apply to an offer of the Shares in the New Listco to the Shareholders made pursuant to the Proposed Transfer Listing, for a period of six (6) months from the date of the declaration, subject to the conditions as set out in section 8.7 (*Regulatory Approvals for the Shareholders' Scheme*) of this Circular (the "**Prospectus Exemption Declaration**"). In view of the proposed timeline for the Proposed Transfer Listing as set out in the section entitled "Indicative Timetable" of this Circular, the Company had re-applied to the MAS on 13 October 2023 for an updated Prospectus Exemption Declaration. An appropriate announcement will be made on the outcome of the re-application in due course.

1.12 Conditionality of Resolutions

Shareholders should note that Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16, Special Resolution 1 and the Proposed Transfer Listing Resolution are inter-conditional upon the passing of one another. This means that if any of Ordinary Resolutions relating to the Proposed Subscription, the Proposed Grant of Options, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan, the Proposed Whitewash Resolution, the Proposed Appointment of New Directors, Special Resolution 1 relating to the proposed ratification of the New Listco Constitution and the Proposed Transfer Listing Resolution (collectively, the "Inter-conditional Resolutions") is not approved by Shareholders at the EGM and the Shareholders' Scheme Meeting (as the case may be), none of Inter-conditional Resolutions will be passed.

The Inter-conditional Resolutions are inter-conditional for the following reasons:

- (a) without the Proposed Subscriber Transactions and the Creditors' Scheme which was undertaken in connection with the Proposed Debt Restructuring, the Group will not be able to reduce its outstanding debt obligations to operate as a going concern or have a viable proposal for its Resumption Proposal;
- (b) the Proposed Issue of Settlement Shares is a condition precedent to the Creditors' Scheme and the Proposed Subscriber Transactions;
- (c) the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan and the Proposed Whitewash Resolution is a consequence of the Proposed Subscriber Transactions;
- (d) under the Subscription Agreement, Completion is inter-conditional with, among others, the Proposed Transfer Listing;
- (e) the proposed ratification of the New Listco Constitution and the Proposed Transfer Listing are interlinked and inter-conditional on one another as the Existing Shareholders will become shareholders of the New Listco and will be bound by the New Listco Constitution upon completion of the Proposed Transfer Listing.

Shareholders should further note that each of the Ordinary Resolutions 4 to 7 and 11 is conditional upon all of the Inter-conditional Resolutions being passed. Accordingly, in the event that any of the Inter-conditional Resolutions is not approved, each of the Ordinary Resolutions relating to Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals and the Proposed Rights Issue will not be passed.

Each of the Ordinary Resolutions for the Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals is conditional upon the Inter-conditional Resolutions being passed as the Ordinary Resolution for the Proposed Issue of Settlement Shares is required to be passed for the Settlement Shares to be able to be allotted and issued to the Settlement Directors and Related Individuals and the Ordinary Resolution for the Proposed Issue of Settlement Shares is part of the Inter-conditional Resolutions.

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The Proposed Rights Issue is conditional upon the Inter-conditional Resolutions being passed as the Proposed Rights Issue is intended to provide Existing Shareholders an opportunity to subscribe for Rights Shares at the same issue price of the Subscription Shares and the Settlement Shares and therefore be able to participate in the Group going forward and be able to reduce the dilutive effect of the Proposed Subscriber Transactions and Proposed Debt Restructuring. This rationale is no longer applicable in the event that the Proposed Subscriber Transactions and Proposed Debt Restructuring are not completed.

2. THE PROPOSED SUBSCRIBER TRANSACTIONS

2.1 Information on the Subscribers

As at the Latest Practicable Date, Vibrant is an investment holding company incorporated in Singapore on 24 October 2007 and held by Vibrant Group Limited. (40.0%), Mr. Khua Kian Hua (30.0%) and Mr. Khua Kian Ann, Vincent (30.0%). The directors of Vibrant are Mr. Khua Kian Keong and Mr. Khua Kian Hua. Mr. Khua Kian Keong, Mr. Khua Kian Hua and Mr. Khua Kian Ann, Vincent are brothers. Since incorporation, Vibrant has been a dormant investment holding company, does not hold any other investments and therefore, has no conflicts with the business of the Group. The Proposed Subscription is for investment purposes only.

Vibrant Group Limited is an integrated service provider in logistics, real estate and financial services headquartered in Singapore and listed on the Mainboard of the SGX-ST. Mr. Khua Kian Hua and Mr. Khua Kian Ann, Vincent do not own shares in Vibrant Group Limited and Mr. Khua Kian Keong is a director and majority shareholder of Vibrant Group Limited.

As at the Latest Practicable Date, Tian Yuan is a Singapore Permanent Resident and is the chief executive officer of CGC Group Pte. Ltd. Since 2012, CGC Group Pte. Ltd. carries out major construction and infrastructure projects. These projects include (a) mechanical and electrical works for factory and offices; (b) piling works for buildings in Johor Bahru; and (c) appointment as the management company in Malaysia for the Penang government's transport masterplan. From 1998 to 2010, Tian Yuan was the regional director for South-East Asia at China Construction Third Engineering Bureau and was based in Singapore. After Tian Yuan left China Construction Third Engineering Bureau in 2010, Tian Yuan took a break for about one (1) year to explore and assess his work options, after which, he joined CGC Group Pte. Ltd. as its chief executive officer in 2012. Tian Yuan has extensive experience within the construction and infrastructure industries in Southeast Asia and he also has various private investments, none of which conflicts with the business of the Group.

To the best of the Company's knowledge, the Subscribers are unrelated to each other and do not have any business relationships with each other.

As at the Latest Practicable Date, none of Subscribers, their directors or their shareholders (where applicable) (a) holds any Shares; or (b) is not related to any of the Directors, Substantial Shareholders of the Company, or their respective Associates. There is also no connection (including business relationship) between any of the Subscribers, directors or their shareholders (where applicable) and the Directors or Substantial Shareholders of the Company.

Each of the Subscribers has also confirmed with the Company that it and its ultimate beneficial shareholders (where applicable) do not fall within the categories of persons set out in Rules 804 or 812(1) of the Listing Manual.

One of the main objectives for the Judicial Managers in the resuscitation of the Company was to achieve the survival of the Company. This objective formed the basis for identification of potential investors and the Judicial Managers then reached out to various parties, through business connections of both the Company and the Judicial Managers. Amongst the various parties, Vibrant expressed interest in an investment in the Company and were able to advance discussions together with Tian Yuan, leading to the Subscribers undertaking the Proposed Subscriber Transactions.

LETTER TO SHAREHOLDERS

2.2 Background

The Shares of the Company have been suspended from trading on 28 November 2019 on the basis that a financial consultant was engaged to undertake a financial review and viability assessment on the Group and that the Board was not able to conclude if the Group could continue operating as a going concern. Since 15 September 2020, the Judicial Managers have been managing the affairs, business and property of the Company in order to achieve, among others, the survival of the Company, a more advantageous realisation of the assets of the Company or a scheme of arrangement with its creditors. To that end, the Judicial Managers have assessed various options and investment proposals.

As at the Latest Practicable Date, the Group continues to carry on its normal course of business, rendering turnaround and shutdown maintenance services and maintenance services to its customers, and fulfilling existing contracts in Singapore. The Group has discontinued its overseas business operations in 2022.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$36,178,290 comprising 303,750,000 ordinary shares. It does not have any treasury shares or subsidiary holdings, and does not have any outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into the shares of the Company.

2.3 Rationale for the Proposed Subscriber Transactions

Pursuant to the considerations above, the Company is of the view that the investment by the Subscribers through the Proposed Subscriber Transactions is beneficial to the Company and the Group as the Proposed Subscriber Transactions, if entered into, will allow for certainty of funding resulting in the Company being able to partially settle its outstanding debt obligations to UOB, which is vital for the continuity of the Group as it will allow the Group to continue as a going concern, and upon the exercise of the Options, the Company will also have further access to funds for working capital.

Specifically, the Proposed Subscription will provide the Group with the necessary funds to address its outstanding principal amounts and interests under loans owing to UOB and the Proposed Grant of Options will allow the Group to have access to additional funds for working capital as and when the Subscribers exercise the Options.

As of the Latest Practicable Date, after taking into consideration the Proposed Subscription and assuming the completion of the Proposed Debt Restructuring, the cashflows generated by the Group can be used as working capital to the Group to meet its present requirements and that the Company will be able to operate as a going concern and therefore, have a viable Resumption Proposal (through the New Listco pursuant to the Proposed Transfer Listing).

Without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not be able to reduce its outstanding debt obligations to operate as a going concern or have a viable Resumption Proposal.

2.4 Principal Terms of the Subscription Agreement

2.4.1 Earnest Monies and Deposit Amount

As at the Latest Practicable Date, the Subscribers have paid to the Company:

- (a) earnest monies amounting to S\$200,000 (which forms part of the Subscription Amount). This amount is not refundable in any circumstances; and
- (b) a deposit amounting to S\$500,000 (which forms part of the Subscription Amount). The Deposit will be refunded to the Subscribers if the Proposed Subscriber Transactions do not complete in accordance with the Subscription Agreement by the Longstop Date through no fault of the Subscribers.

LETTER TO SHAREHOLDERS

2.4.2 Details of Subscription Shares

Each of the Subscribers will be issued and allotted the Subscription Shares at the Subscription Price for the full Subscription Amount, with fractional entitlements to be disregarded, in the following proportions on the Completion Date:

| Subscriber | Subscription Amount | Subscription Amount payable on Completion ⁽¹⁾ | No. of Subscription Shares to be issued | Shareholding Percentage of Enlarged Share Capital |
|--------------|---------------------|--|---|---|
| Vibrant | S\$6,000,000 | S\$5,475,000 | 1,104,972,375 | 35.3% |
| Tian Yuan | S\$2,000,000 | S\$1,825,000 | 368,324,125 | 11.8% |
| Total | S\$8,000,000 | S\$7,300,000 | 1,473,296,500 | 47.1% |

Note:

- (1) Taking into consideration the earnest monies amounting to S\$200,000 and the additional deposit amounting to S\$500,000 which have been paid as at the Latest Practicable Date.

For further details, please refer to section 2.5 (*The Proposed Subscription*) of this Circular.

2.4.3 Details of Options

Each of the Subscribers will be granted such number of Options (as determined by dividing the Option Amount by the Option Issue Price of S\$0.00543 per Option), with fractional entitlements to be disregarded, in the following proportions on the Completion Date:

| Subscriber | Option Amount | No. of Options to be issued | No. of Option Shares ⁽¹⁾ | Shareholding Percentage of Options Minimum Enlarged Share Capital ⁽¹⁾ | Shareholding Percentage of Options Maximum Enlarged Share Capital ⁽²⁾ |
|--------------|---------------------|-----------------------------|-------------------------------------|--|--|
| Vibrant | S\$6,000,000 | 1,104,972,375 | 1,104,972,375 | 46.2% | 42.4% |
| Tian Yuan | S\$2,000,000 | 368,324,125 | 368,324,125 | 15.4% | 14.1% |
| Total | S\$8,000,000 | 1,473,296,500 | 1,473,296,500 | 61.6% | 56.5% |

Note:

- (1) Assuming that the Proposed Rights Issue is completed on the basis of the Minimum Subscription Scenario and that the Options are exercised in full prior to the expiry of the Exercise Period.
- (2) Assuming that the Proposed Rights Issue is completed on the basis of the Maximum Subscription Scenario and that the Options are exercised in full prior to the expiry of the Exercise Period.

The Options will not be listed or quoted on any stock exchange and shall be transferable in accordance with the terms and conditions of the Options. Please refer to section 2.6 (*The Proposed Grant of Options*) of this Circular for further details on the terms of the Options.

2.4.4 Conditions Precedent

Completion shall be conditional upon the following:

- (a) completion of legal and financial due diligence on the Company and/or the New Listco, Hiap Seng Manco WLL., and Petroleum Maintenance Services Joint Stock Company to the satisfaction of the Subscribers in their absolute discretion (acting reasonably) within 12 weeks from the date of the Subscription Agreement, being by the week of 28 March 2022, or such other date as may be mutually agreed between the parties to the Subscription Agreement;

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- (b) as part of the arrangements under the Proposed Debt Restructuring, the entry by the Company and/or the New Listco (as applicable) into definitive agreements with UOB for the settlement of principal amounts and interests under loans owing to UOB⁶;
- (c) as part of the arrangements under the Proposed Debt Restructuring, the scheme of arrangement (which shall include the Proposed Transfer Listing) being binding on the Company and all the creditors or classes of creditors meant to be bound by the scheme of the arrangement, the members of the Company and having been approved by the Courts pursuant to Part 5 of the IRDA (as the case may be) and lodged with ACRA in accordance with Section 71(10) of the IRDA;
- (d) the approval of JTC Corporation (“**JTC**”) to a consultation letter to be submitted by the Company confirming with JTC, among others, that it has no objection to the change of control of the Company pursuant to the Proposed Subscriber Transactions and the Proposed Transfer Listing;
- (e) the in-principle approval of SGX-ST being obtained for the listing and quotation of the Subscription Shares and the Option Shares;
- (f) the submission of a Resumption Proposal and receipt of a no-objection letter from the SGX-ST indicating that has no objection to the Resumption Proposal and/or the Proposed Transfer Listing;
- (g) the grant by the SIC (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of the Subscribers to make a mandatory general offer under Rule 14 of the Takeover Code for the Shares not held by the Subscribers following the issue of the Subscription Shares pursuant to the Subscription under the Subscription Agreement and the Option Shares pursuant to the exercise of the Options under the Subscription Agreement, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscribers (the “**Whitewash Waiver**”); and (ii) the Independent Shareholders approving at an EGM the proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from the Subscribers in connection with the issue of the Subscription Shares and the Option Shares;
- (h) Shareholders’ approval being obtained at an EGM to be duly convened for, among others, the Proposed Subscriber Transactions, the allotment and issue of the Subscription Shares and the Option Shares (pursuant to the exercise of the Options), the transfer of controlling interest to Vibrant, the Proposed Whitewash Resolution, the Proposed Debt Restructuring (specifically the allotment and issue of the Settlement Shares), the Proposed Transfer Listing and the Proposed Rights Issue;
- (i) in relation to the leases for the Tuas Properties, the fulfilment of the JTC Investment Criteria, or the Company obtaining the written approval from JTC for the extension of the deadline for the fulfilment of the JTC Investment Criteria to the date falling one (1) year from the Completion Date (or such other date as may be mutually agreed between the Parties to the Subscription Agreement);

⁶ At as the ascertainment date on 15 September 2020 for the purposes of the Creditors’ Scheme, the total amount owed to UOB amounted to S\$26.6 million. During the period between the ascertainment date and the execution of the UOB Restructuring Deed on 18 August 2022, UOB enforced its rights under the security it held, including a mortgagee sale of the Company’s property pursuant to leave of Court granted on 6 September 2021. There was also cash deduction made pursuant to UOB’s enforcement of its security rights, with the consent of Judicial Managers, pursuant to Section 96(4)(e) of IRDA. The remaining balance is to be settled by way of (a) S\$6.3 million in accordance with the terms and conditions of the Creditors’ Scheme; and (b) the balance in accordance with the terms and conditions of the UOB Restructuring Deed (including the repayment of S\$8.0 million from the proceeds of the Proposed Subscription).

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- (j) in relation to certain of the foreign companies which the Company and/or the Group has shareholding interests in:
 - (i) the deregistration or conversion to a limited liability company of Hiap Seng Engineering Ltd, Fujairah Branch; and
 - (ii) in relation to MHS Integrated Engineering Sdn Bhd, the execution of a deed of termination discharging the Company from all guarantees and indemnities provided under the joint venture;
- (k) the nomination by Vibrant of such number of directors, taking into consideration the Board size, to the Board of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), and such director(s) to be a member of the remuneration, audit and/or nominating committee of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the Code of Corporate Governance 2018 of Singapore (the “**CG Code**”))⁷;
- (l) the nomination by Vibrant of the chief executive officer and deputy chief executive officer of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that the Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the CG Code); and
- (m) such consents, approval or waiver as may be required (or deemed necessary by the parties to the Subscription Agreement) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the parties to the Subscription Agreement in respect of the transactions contemplated in the Subscription Agreement and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the parties to the Subscription Agreement.

As at the Latest Practicable Date, save for conditions set out in sub-paragraphs (h) and (i) as described above, and sub-paragraph (m) which is to be fulfilled on Completion, all other conditions to the Proposed Subscriber Transactions have been fulfilled.

2.4.5 Inter-conditionality

Completion shall be inter-conditional with the completion of the allotment and issue of the Settlement Shares pursuant to the Proposed Debt Restructuring and the Proposed Transfer Listing (or if the Proposed Transfer Listing is not completed, the resumption of the trading of the Company’s Shares on the Mainboard of the SGX-ST). Failing which, the Completion will not proceed unless otherwise mutually agreed by the parties to the Subscription Agreement.

2.4.6 Longstop Date

The Company undertakes to use all reasonable endeavours to ensure that the conditions precedent to the Proposed Subscriber Transactions are fulfilled as soon as reasonably practicable, and in any event by 2 March 2024 (or such other date as may be mutually agreed between the parties to the Subscription Agreement) (the “**Longstop Date**”).

⁷ As at the Latest Practicable Date and save as contemplated under this Circular, there are no further directors intended to be appointed by Vibrant. Regardless, Vibrant, as the Controlling Shareholder pursuant to the completion of the Proposed Subscriber Transactions, may, in consultation with the relevant board of directors, make changes to the relevant board of directors in the future, as required by the needs of the Group and the New Listco’s operations and direction. Any such changes to the relevant board of directors will be made in compliance with the relevant laws and regulations (including the Listing Manual and the CG Code).

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2.4.7 Undertakings

Each of the Company or the New Listco (as the case may be) undertakes to the Subscribers that it will:

- (a) utilise all of the proceeds from the Proposed Subscription for the partial settlement in cash of the principal amounts and interests under loans owing to UOB;
- (b) in the event that the Subscribers exercise the Options, utilise such proceeds to fund the working capital needs of the Company;
- (c) not utilise any cash amounts from the Company's bank account whereby the monies thereunder have been ringfenced for specific uses by the Judicial Managers, save for any payments in relation to (i) cash settlement amounts under the Creditors' Scheme; and (ii) professional fees and transaction expenses incurred in connection with the judicial management of the Company, the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue and all ancillary transactions in connection thereto;
- (d) undertake the Proposed Rights Issue;
- (e) utilise the proceeds from the Proposed Rights Issue to fund the working capital needs of the Company;
- (f) perform and comply with all rules, regulations and requirements imposed by the SGX-ST in order to maintain its listing on the SGX-ST; and
- (g) for so long as it remains listed on the SGX-ST, take all necessary steps to ensure that all approvals for the issue, allotment, listing and quotation of the Subscription Shares to be issued pursuant to the Proposed Subscription and Option Shares to be issued pursuant to the exercise of the Options is not revoked, amended and where such approval is subject to conditions, use best endeavours to fulfil them and obtain and maintain a listing for all such Shares as and when they are issued.

The Company further undertakes to the Subscribers that it will use its best endeavours to:

- (i) facilitate all correspondence, meetings and discussions between the Subscribers together with the Company and JTC for all matters in relation to the Tuas Properties; and
- (ii) facilitate and complete (unless otherwise mutually agreed by the parties to the Subscription Agreement) the disposal and/or liquidation of certain assets of the Company.

2.5 **The Proposed Subscription**

2.5.1 Introduction

Pursuant to the Subscription Agreement, the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed) agrees to allot and issue, and the Subscribers agree to subscribe for, an aggregate of 1,473,296,500 Subscription Shares (in the proportion as set out in section 2.4.2 (*Details of Subscription Shares*) of this Circular) at the issue price of S\$0.00543 per Subscription Share, with fractional entitlements to be disregarded.

2.5.2 Subscription Shares

The issue price of S\$0.00543 per Subscription Share represents a discount of approximately 72.9% to the VWAP of S\$0.02 for each Share based on the trades done on 26 November 2019, being the last full Market Day when the Shares were traded prior to the Company's trading suspension on 28 November 2019.

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The issue price was mutually agreed between the Company and the Subscribers on a willing-buyer, willing-seller basis, taking into consideration a pro forma pre-money valuation of S\$1.65 million attributable to Existing Shareholders and the 303,750,000 Existing Shares of the Company, resulting in a pre-money valuation of S\$0.00543 for each Share and the proposed issue price of the Subscription Shares.

The pre-money valuation of S\$1.65 million was calculated by the Judicial Managers (as part of the restructuring exercise undertaken by the Group) with reference to:

- (a) the pre-money valuation of the Company of S\$9.0 million calculated on a net asset value basis and attributable to the pre-Judicial Management creditors of the Company (being Settlement Shares of an aggregate value of approximately S\$7.35 million is to be allotted and issued to the Scheme Creditors) and the Existing Shareholders (being the balance of the value attributable to Existing Shareholders of S\$1.65 million), based on a pro forma balance sheet for Company for the financial year ended 30 June 2021, adjusted for the financial effects of the Creditors' Scheme (including the distribution of S\$2,500,000 in cash to the Scheme Creditors in satisfaction of a portion of the Scheme Debt). This comprises:
 - (i) S\$5.2 million of current assets;
 - (ii) S\$12.9 million of non-current assets, of which S\$8.4 million is ascribed to the Tuas Properties (the value of which would be zero without any proposed investment into the Company due to failure to fulfil the JTC Investment Criteria); and
 - (iii) S\$9.1 million of liabilities (consisting of remaining amounts of a loan from UOB (of S\$8.0 million which is to be repaid by the proceeds from the Proposed Subscription) and post-Judicial Management trade payables of S\$1.1 million incurred and to be paid in the ordinary course of business (which amounted to approximately a month of working capital when such amount was computed for the basis of the pre-money valuation)); and
- (b) out of the S\$9.0 million attributable to the pre-Judicial Management creditors of the Company and Existing Shareholders, Settlement Shares of an aggregate value of S\$7.35 million is to be allotted and issued to the Scheme Creditors. This was determined by the Judicial Managers and agreed to by the Scheme Creditors at the Creditors' Scheme meeting held on 18 August 2022. The significant portion of the Company's value allocated to the Scheme Creditors was to persuade the Scheme Creditors with Approved Scheme Claims to convert their debts into equity and vote in favour of the Creditors' Scheme, which was a crucial step in fulfilling of the condition precedent to the Proposed Subscriber Transactions as set out in section 2.4.4(c) of this Circular.

The Subscription Shares, when allotted and issued to the Subscribers, shall be credited as fully-paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Subscription Shares.

2.5.3 Issue Size

The number of Subscription Shares to be allotted and issued is 1,473,296,500 representing approximately 485.0% of the Existing Share Capital, 47.1% of the Enlarged Share Capital, 44.4% of the Rights Issue Minimum Enlarged Share Capital, 39.4% of the Rights Issue Maximum Enlarged Share Capital and 28.3% of the Options Maximum Enlarged Share Capital, as at the Latest Practicable Date.

Please refer to section 11 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

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For the purposes of this Circular, references to the issue size of the Proposed Subscription are to the 1,473,296,500 Subscription Shares to be allotted and issued to the Subscribers. Notwithstanding, Shareholders are to note that pursuant to the Company Restructuring through the Shareholders' Scheme for the Proposed Transfer Listing, one (1) less Subscription Share (out of the 1,473,296,500 Subscription Shares) will be allotted and issued by the New Listco to Vibrant, as Vibrant holds one (1) New Listco Share as at the Latest Practicable Date and has undertaken in writing to waive its rights to receive one (1) Subscription Share out of its entitlement to the Subscription Shares. For further details, please refer to section 8 (The Proposed Transfer Listing) of this Circular.

2.5.4 Use of Proceeds

All S\$8,000,000 of the proceeds from the Proposed Subscription will be utilised for the partial settlement in cash of the principal amounts and interests under loans owing to UOB.

2.5.5 Rule 812 of the Listing Manual

None of the Subscribers is a person who falls within the categories set out in Rule 812(1) of the Listing Manual. Accordingly, none of the Subscription Shares will be placed to any person who is a Director or Substantial Shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

2.5.6 Authority to Allot and Issue the Subscription Shares

Under Section 161 of the Companies Act and pursuant to Rule 805(1) of the Listing Manual, an issuer must obtain the prior approval of shareholders in general meeting for the allotment and issue of shares, unless such shares are issued under a general mandate obtained from shareholders in general meeting.

Separately, Rule 811(1) of the Listing Manual provides that an issue of shares must not be priced at more than 10.0% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement or Subscription Agreement was signed. Rule 811(3) of the Listing Manual provides, among others, that Rule 811(1) of the Listing Manual is not applicable if specific shareholder approval is obtained for the issue of shares.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Subscription and the allotment and issue of the Subscription Shares for the purposes of Rules 805(1) and 811(3) of the Listing Manual.

2.5.7 No Placement Agent

There is no placement agent appointed for the Proposed Subscription. The Proposed Subscription will be by way of a private placement pursuant to an exempted offer under Section 272B of the SFA. Hence, no prospectus or offer information statement will be issued in connection with the Proposed Subscription.

2.6 **The Proposed Grant of Options**

2.6.1 Introduction

Pursuant to the Subscription Agreement, 1,473,296,500 unlisted and transferrable Options (in the proportion set out in section 2.4.3 (*Details of Options*) of this Circular) will be granted to the Subscribers for a nominal aggregate consideration of S\$1.00, with each Option carrying the right to subscribe for one (1) Option Share at the relevant Exercise Price (which shall vary depending on the exercise date).

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2.6.2 Principal Terms of the Options

The principal terms of the Options are set out below⁸:

Number of Options: 1,473,296,500 Options, subject to any adjustments required as summarised below in *Adjustments* pursuant to the Subscription Agreement.

Consideration: S\$1.00.

Status and transferability of the Options: The Options constitute a valid and legally binding and enforceable obligation of the Company and are unlisted and transferable.

Exercise rights of the Options: Each Option entitles the holder of the Options (the “**Option Holder**”) to subscribe for one (1) Option Share at the relevant Exercise Price (as defined below) during the Exercise Period (as defined below).

Subject to the terms and conditions of the Options, the Option Holder may only exercise the Options in tranches of S\$250,000 at any time during the Exercise Period (with fractional entitlements to be disregarded), save where the balance of Options held by an Option Holder is less than S\$250,000, in which case, the Option Holder may exercise all but not some of such balance of the Options (with fractional entitlements to be disregarded).

Exercise Price: The exercise price shall be the sum payable in respect of each Option Share for which an Option Holder shall subscribe upon exercise of an Option (the “**Exercise Price**”), which shall be:

- (a) for the First Exercise Period, S\$0.00543 (the “**First Exercise Period**”); or
- (b) for the Second Exercise Period, S\$0.00597 (being a premium of approximately 10.0% to the First Exercise Price) (the “**Second Exercise Period**”),

subject to any adjustments required as summarised below in *Adjustments* pursuant to the terms and conditions of the Options in the Subscription Agreement.

Exercise Period: The exercise period shall be the period commencing on and including the date of issue of the Options and expiring on the second (2nd) anniversary of the date of issue of the Options, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding Market Day (as the case may be) (the “**Exercise Period**”).

⁸ Please note that pursuant to the Proposed Transfer Listing, the New Listco will will grant the Options to the Subscribers on behalf of the Company on the terms and conditions of the Options as set out in the Subscription Agreement and assume all liabilities and obligations of the Company in connection with the Options to be granted by the Company to the Subscribers pursuant to the Proposed Grant of Options.

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The First Exercise Period means the period commencing on and including the date of issue of the Options and expiring on the first (1st) anniversary of the date of issue of the Options, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event, such period shall end on the date after to the closure of the Register of Members or immediate preceding Market Day (as the case may be) (the “**First Exercise Period**”) and the Second Exercise Period means the period commencing after the date of first (1st) anniversary of the date of issue of the Options and expiring on the expiry date of the Options (the “**Second Exercise Period**”).

Exercise Date:

The exercise date, in relation to the exercise of the Options, shall be the Market Day (falling within the Exercise Period) on which the applicable conditions referred to in the terms and conditions of the Options in the Subscription Agreement are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls on a date when the Register of Members is closed, the exercise date shall be the following Market Day on which the Register of Members is open.

The Options which are exercised shall be treated as exercised on such exercise date, and shall immediately thereafter be cancelled on such exercise date.

Gross proceeds to be raised from the Proposed Grant of Options:

S\$8.0 million (assuming the exercise of all Options).

Status of the Option Shares:

The Option Shares to be issued pursuant to the exercise of the Options, when allotted and issued to the Subscribers, shall be credited as fully-paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Option Shares.

Adjustments:

The Exercise Price and number of Options are subject to certain anti-dilution adjustments under circumstances provided for in the Subscription Agreement. Such circumstances relate to, among others:

- (a) an issue of shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to its Shareholders (other than an issue of shares to Shareholders who elect to receive shares in lieu of cash or other dividend);
- (b) a Capital Distribution (as defined in the Subscription Agreement) made to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (c) an offer or invitation made to its Shareholders whereunder they may acquire or subscribe for shares by way of rights (save for the Proposed Rights Issue); or

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- (d) any share split, consolidation, reclassification or sub-division of the Shares.

Please refer to **Appendix B** (*Adjustment Events under the terms and conditions of the Options*) to this Circular for further details on the anti-dilution adjustments.

Notice of expiry:

The Company shall, not later than one (1) month before the expiry date of the Options (being the last day of the Exercise Period), announce the expiry date on SGXNet and take reasonable steps to notify the Option Holder in writing of the expiry date and such notice shall be delivered personally or by post to the address of the Option Holder.

Alteration to terms:

No material alteration to the terms of the Options after the issue thereof to the advantage of the Option Holder shall be made, unless the alterations are made pursuant to the terms and conditions of the Options or the prior approval of Shareholders in general meeting has been sought.

No modification or alteration shall materially adversely affect the rights attaching to any Option granted prior to such modification or alteration, except with the written consent of the Option Holders holding or representing not less than fifty per cent. (50%) of the Options for the time being unexercised.

Liquidation:

If notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, the Option Holder shall be entitled upon and subject to the Option Conditions, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by submission of an exercise notice to the Company, together with all moneys payable in respect of the Options, to elect to be treated as if it had immediately prior to the commencement of such winding-up exercised the Options and had on such date been the holder of the Shares to which it would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Option Holder of the passing of any such resolution within seven (7) days after the passing thereof.

Subject to the foregoing, if an order is made for the winding up of the Company on the basis of its insolvency, all Options which have not been exercised at the date of the passing of such order shall lapse and the Options shall cease to be valid for any purpose.

Further issues:

Subject to the Option Conditions, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Option Holder shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting.

Governing law:

The Options and the terms and conditions of the Options shall be governed by and construed in accordance with the laws of the Republic of Singapore.

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2.6.3 Issue Size

The number of Option Shares to be allotted and issued pursuant to the full exercise of all Options is 1,473,296,500. The Option Shares represent approximately 485.0% of the Existing Share Capital, 47.1% of the Enlarged Share Capital, 44.4% of the Rights Issue Minimum Enlarged Share Capital, 39.4% of the Rights Issue Maximum Enlarged Share Capital and 28.3% of the Options Maximum Enlarged Share Capital, as at the Latest Practicable Date.

Please refer to section 11 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

2.6.4 Exercise Price

The First Exercise Price of S\$0.00543 per Option Share for Options exercised during the First Exercise Period represents a discount of approximately 72.9% to the VWAP of S\$0.02 for each Share based on the trades done on 26 November 2019, being the last full Market Day when the Shares were traded prior to the Company's trading suspension on 28 November 2019. The First Exercise Price was mutually agreed between the Company, the New Listco and the Subscribers on a willing-buyer, willing-seller basis, to be the same as the Subscription Price. Please refer to section 2.5.2 (*Subscription Shares*) of this Circular for further details regarding the basis on which the Subscription Price was determined.

The Second Exercise Price of S\$0.00597 per Option Share for Options exercised during the Second Exercise Period represents a discount of approximately 70.2% to the VWAP of S\$0.02 for each Share based on the trades done on 26 November 2019, being the last full Market Day when the Shares were traded prior to the Company's trading suspension on 28 November 2019. The premium of approximately 10.0% to the First Exercise Price for Options exercised during the Second Exercise Period was mutually agreed between the Company, the New Listco and the Subscribers on a willing-buyer, willing-seller basis taking into consideration the First Exercise Price and the length of the Exercise Period.

Further, in the view of the Company, there is no intrinsic value of the Option Shares, on the following basis:

- (a) the Company was in a net liability position as at the Latest Practicable Date. Based on the last traded price of S\$0.02 for each Share based on the trades done on 26 November 2019, being the last full Market Day when the Shares were traded prior to the Company's trading suspension on 28 November 2019, S\$0.00543 represents a discount of approximately 72.9%. As it has been more than three (3) years since the trading suspension, and with the Company's entry into judicial management, it is not meaningful to compare against this benchmark to derive an intrinsic value; and
- (b) based on the assumption that trading resumes and the price per Subscription Share is S\$0.00543, there will be no intrinsic value of the Options as the First Exercise Price is the same as the Subscription Share per Share at S\$0.00543. The Exercise Period of the Options is for two (2) years, and there is an approximately 10.0% premium if exercised during the Second Exercise Period.

2.6.5 Use of Proceeds

The amount of proceeds from the exercise of the Options issued pursuant to the Proposed Grant of Options is dependent on the number of Options validly exercised by the Subscribers and the relevant Exercise Period during which the Options were exercised.

Assuming that all the Options are validly exercised during the First Exercise Period, the aggregate gross proceeds from the allotment and issue of Option Shares will be S\$8,000,000. Assuming that all the Options are validly exercised during the Second Exercise Period, the aggregate gross proceeds from the allotment and issue of Option Shares will be S\$8,800,000.

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No material expenses are expected to be incurred from the Proposed Grant of Options. The aggregate gross proceeds from the exercise of the Options shall be used fully for the general working capital of the Company.

Pending the deployment for the uses identified above, the gross proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

Periodic announcement(s) as to the use of the proceeds will be made as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. A status report will be provided on the use of proceeds in the interim and full-year financial statements and annual report. Where the proceeds have been used for working capital purposes, a breakdown will be provided with specific details on how the proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of the proceeds, an announcement will be made with the reasons for such deviation.

2.6.6 Rule 812 of the Listing Manual

None of the Subscribers is a person who falls within the categories set out in Rule 812(1) of the Listing Manual. Accordingly, none of the Option Shares will be placed to any person who is a Director or Substantial Shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

2.6.7 Authority to Grant the Options and Allot and Issue the Option Shares

Under Section 161 of the Companies Act, a company must obtain the prior approval of shareholders in general meeting for the allotment and issue of shares. In addition, pursuant to Rules 805(1) and 824 of the Listing Manual, an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

Separately, Rule 811(2)(a) of the Listing Manual provides that in an issue of convertible securities (including options), if the conversion price is fixed, the price must not be more than 10.0% discount to the prevailing market price of the underlying shares prior to the signing of the placement or Subscription Agreement. Rule 811(3) of the Listing Manual provides, among others, that Rule 811(2) of the Listing Manual is not applicable if specific shareholder approval is obtained for the issue of convertible securities.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Grant of Options and the allotment and issue of the Option Shares for the purposes of Rules 805(1), 811(3) and 824 of the Listing Manual.

2.6.8 No Placement Agent

There is no placement agent appointed for the Proposed Grant of Options. The Proposed Grant of Options will be by way of a private placement pursuant to an exempted offer under Section 272B of the SFA. Hence, no prospectus or offer information statement will be issued in connection with the Proposed Grant of Options.

2.7 **Irrevocable Undertaking**

As at the Latest Practicable Date, Tan Kuay Hoe Holdings Pte Ltd (the "**Undertaking Shareholder Entity**") holds an interest in 70,788,639 Shares, representing approximately 23.3% of the Existing Share Capital and 2.3% of the Enlarged Share Capital. The Undertaking Shareholder Entity is the family investment vehicle of Mr. Frankie Tan, the Non-Executive Chairman of the Company, and Mr. Richard Tan, the Executive Director and Chief Executive Officer of the Company.

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To show support for the Proposals and the Proposed Transfer Listing, and to demonstrate commitment to and confidence in the Company, the Undertaking Shareholder Entity had on 14 December 2022 provided a deed of undertaking, as amended, modified and supplemented by supplemental deeds of undertaking dated 20 June 2023 and 6 October 2023 (the “**Irrevocable Undertaking**”) pursuant to which it has irrevocably undertaken to the Company and the New Listco, among others, that it shall cast, or where applicable, procure the casting of all votes in respect of all voting rights attached to its 70,788,639 Shares in favour of the resolutions in respect of the Proposed Subscription, the Proposed Grant of Options, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan, the Proposed Whitewash Resolution, the Proposed Rights Issue, the Proposed Appointment of New Directors, the Proposed Transfer Listing and any other matter necessary or proposed to be implemented together with the Proposed Subscriber Transactions and such other corporate actions as required to be undertaken by the Company and the New Listco, proposed to be passed at the EGM and the Shareholders’ Scheme Meeting, save in the event that it is required to abstain from voting for any of the aforementioned resolutions under applicable laws and regulations. Further, the Undertaking Shareholding Entity has undertaken that it will have in aggregate not less than the 70,788,639 Shares which it currently holds.

Separately, the Undertaking Shareholder Entity had also provided certain undertakings in relation to the Proposed Rights Issue under the Irrevocable Undertaking. Please refer to the section 7.3 (*Irrevocable Undertaking in relation to the Proposed Rights Issue*) of this Circular for further details on the Undertaking Shareholder Entity’s undertakings relating to the Proposed Rights Issue.

The Irrevocable Undertaking shall terminate upon the earliest of the following:

- (a) if, for whatsoever reason, other than as a result of the breach of any provisions by the Undertaking Shareholder Entity under the Irrevocable Undertaking, any of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing or the Proposed Rights Issue are not completed, upon the release of an announcement by the Company through SGXNet of such decision;
- (b) the completion date of the Proposed Rights Issue; and
- (c) 2 March 2024 (or such other date as the parties to the Irrevocable Undertaking may mutually agree upon in writing).

3. THE PROPOSED DEBT RESTRUCTURING

3.1 Background to the Proposed Debt Restructuring

Trading in the Shares of the Company has been suspended since 28 November 2019 when the Company engaged a financial consultant to undertake a financial review and viability assessment on the Group and the then existing Board was not able to conclude if the Group could operate as a going concern. The Company’s decision to request for suspension arose from an accumulation of factors, including but not limited to the downward trend of crude oil prices in the later part of 2018 and into 2019 which affected the Company’s business as it was dependent on the economic sentiments surrounding crude oil prices. In particular, the Company observed an increasing frequency in work stoppages, spending cuts at the energy companies, cancellation of projects in the oil and gas industry and the extension, or even suspension, of construction timelines. The Company had also observed a generally increasing reluctance of lenders in Singapore to provide financing to the oil and gas industry. In April 2019, the Company began to observe a shortening of its invoice financing facility due to the drop in new invoices, as well as restrictions in the grant of new facilities.

Subsequent to the trading suspension of the Company’s Shares, on 28 July 2020, applications to the Court to place the Company and one of its subsidiaries, HS Compression & Process Pte Ltd under judicial management were made. On 15 September 2020, the Court granted the Company’s application in Case No. HC/OS 729 of 2020 for, among others, an order that the Company be

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placed under judicial management for an initial period of 180 days and that the Judicial Managers be appointed. Since then, the aforementioned order has been extended by further orders of the Court on 8 March 2021, 6 September 2021, 7 March 2022, 29 August 2022, 7 March 2023 and 4 September 2023. The period of judicial management will expire on 2 March 2024, unless otherwise extended.

Since their appointment on 15 September 2020, the Judicial Managers have carried out a range of tasks as part of their management of the Company and efforts to restructure the same, including the proposal of the Creditors' Scheme to the Scheme Creditors. The Scheme Creditors with Approved Scheme Claims are UOB, the Company's principal secured lender (to the extent of an unsecured amount admitted as an Approved Scheme Claim) and the Company's unsecured trade creditors, directors and employees. As at 15 September 2020, the adjudicated amounts of the Company's Scheme Creditors as determined by the Scheme Managers held claims in the aggregate of about S\$25,976,000. These debts consist of amounts owing to UOB, Directors' fees, Director and related individuals' salaries and related expenses, employees' salaries and related expenses and trade payables incurred prior to the Judicial Management of the Company. Please refer to **Appendix C** (*Details of Scheme Creditors*) to this Circular for a breakdown of the Scheme Debt.

At the meeting of the Scheme Creditors convened on 18 August 2022 in connection with Creditors' Scheme, a majority in number representing three-fourths in value of the Scheme Creditors present and voting approved the Creditors' Scheme. On 24 August 2022, the Company announced that it filed a sanction application to the Court to approve the Creditors' Scheme. The Creditors' Scheme was sanctioned by the Court on 29 August 2022. Pursuant to section 210(5) of the Companies Act 1967 (version as at 29 July 2020), a copy of the order of Court dated 29 August 2022 was lodged with the Registrar of Companies on 31 August 2022 and took effect from the date of such lodgement.

Pursuant to the terms of the Creditors' Scheme, upon completion of the Creditors' Scheme by performance in accordance with its terms, all liabilities of the Company in relation to or in connection with the following scheme debt of the Scheme Creditors (the "**Scheme Debt**") shall be deemed satisfied:

- (a) the Company's ascertained liabilities of S\$6,330,000 due to UOB as at 15 September 2020 (when the Company was placed under judicial management) (less any sum recovered from the Company between 15 September 2020 and the date of recovery of any part of the requisite sum as defined in the Creditors' Scheme) which were proved by UOB in the Creditors' Scheme as an unsecured claim and admitted as an Approved Scheme Claim; and
- (b) the Company's liabilities of up to S\$19,645,594.67 to other Scheme Creditors as at 15 September 2020 (subject to clause 4.5 of the Creditors' Scheme) which were proved in the Creditors' Scheme and admitted as Approved Scheme Claims.

3.2 Rationale for the Proposed Debt Restructuring

The Proposed Debt Restructuring is a means by which the Company will be able to restructure its debts and provide a higher return to the Scheme Creditors as opposed to a close-to-nil return in the event the Company is placed in liquidation. In addition, given that the Company is a public listed company, many members of the public who are Existing Shareholders would be affected by a delisting and winding up of the Company. A winding up of the Company would have an adverse impact on other parties as well which are involved in the business and operations of the Company (and consequently, the employees of the Company).

The Judicial Managers believe that the Proposed Issue of Settlement Shares pursuant to the terms of the Creditors' Scheme will assist the Company in addressing its solvency issues, facilitate the execution of any future business or restructuring plans and provide an opportunity for Scheme Creditors to benefit from the potential rehabilitation of the Company.

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In particular, after taking into consideration the Proposed Subscription and assuming the completion of the Proposed Debt Restructuring, the cashflows generated by the Group can be used as working capital for the Group to meet its present requirements and that the Company will be able to operate as a going concern and therefore, have a viable proposal for the resumption of trading (whether through the Company or the New Listco pursuant to the Proposed Transfer Listing).

Shareholders should note that the Proposed Issue of Settlement Shares is an integral aspect of the Creditors' Scheme and the Proposed Debt Restructuring, and if the Proposed Issue of Settlement Shares is not approved, the Creditors' Scheme which has been approved by the Scheme Creditors and sanctioned by the Court will be terminated. Although the Proposed Subscription is not part of the Creditors' Scheme, Shareholders should note that the Creditors' Scheme is inter-conditional upon, among others, the completion of the Proposed Subscription and *vice versa*.

3.3 The Key Terms of the Creditors' Scheme and the Proposed Issue of Settlement Shares

3.3.1 Creditors' Scheme Overview

Certain key terms of the sanctioned Creditors' Scheme are as follows:

- (a) the aggregate amount of the Approved Scheme Claims of the Scheme Creditors as determined by the Scheme Managers are approximately S\$25,976,000;
- (b) a sum of S\$2,500,000 in cash to be distributed to the Scheme Creditors with Approved Scheme Claims (the "**Scheme Consideration**"), which is to be funded through the Company's available funds
- (c) up to a maximum of 1,353,591,160 Settlement Shares with an aggregate value of not more than S\$7,350,000 will be issued to the Scheme Creditors with Approved Scheme Claims in connection with the debt-to-equity conversion of the Scheme Debt, at an issue price of S\$0.00543 per Settlement Share, on a *pari passu* basis; and
- (d) the payment of the Scheme Consideration and allotment and issue of the Settlement Shares to the Scheme Creditors with Approved Scheme Claims shall constitute a full and final settlement of the Scheme Debt.

Excluding the Scheme Debt, the Earnest Monies and the Deposit Amount, the remaining trade and other payables, and borrowings of the Group as at 31 March 2023 based on the audited financial statements of the Group for FY2023 is approximately S\$20,162,000. These liabilities that were not included in the Creditors' Scheme mainly consist of the following:

- (i) trade and other payables of approximately S\$1,682,000, relating to liabilities pertaining to excluded creditors;
- (ii) debt of approximately S\$8,730,000 incurred after 15 September 2020 following the appointment of the Judicial Managers as the Scheme Debt only pertains to liabilities incurred before 15 September 2020. These will be repaid from the Group's operational cash flows; and
- (iii) the remaining secured portion of the borrowings to UOB of approximately S\$9,750,000 which were excluded from the Creditors' Scheme as these are separately provided for in the UOB Restructuring Deed.

Based on the preliminary adjudication of the proofs of debt submitted, the Scheme Consideration amounts to a recovery of approximately 9.6% to the Scheme Creditors with Approved Scheme Claims and the aggregate value for the Settlement Shares to be allotted and issued to the Scheme Creditors amounts to an additional recovery of approximately 28.3% to the Scheme Creditors with Approved Scheme Claims. The abovementioned recovery to the Scheme Creditors with Approved Scheme Claims may be subject to changes upon final adjudication by the Scheme Managers.

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3.3.2 Conditions Precedent to the Creditors' Scheme

The implementation of the Creditors' Scheme on the date on which the conditions precedent to the Creditors' Scheme are met (or waived) in accordance with the terms of the Creditors' Scheme, and shall be a date not later than 31 October 2022⁹ (or such other date as may be mutually agreed between the Judicial Managers, the Company or the New Listco and the Subscribers) is subject to all of the following conditions precedent being satisfied or waived (as the case may be):

- (a) the approval of the Creditors' Scheme by a majority in number representing three-fourths in value of the relevant Scheme Creditors at the meeting of the Scheme Creditors in connection with Creditors' Scheme;
- (b) the approval of the Creditors' Scheme by the Court with or without modifications, additions or conditions imposed by the Court pursuant to section 210 of the Companies Act;
- (c) a copy of the Sanction Order (as defined in the scheme document in relation to the Creditors' Scheme) being lodged with ACRA in accordance with section 210(5) of the Companies Act;
- (d) no injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Creditors' Scheme or the transactions proposed herein or any part thereof;
- (e) the completion of the legal and financial due diligence on the Company and the New Listco, to the satisfaction of the Subscribers in their absolute discretion (acting reasonably), and with such due diligence to be completed within 12 weeks from the date of the Subscription Agreement or such other date as may be mutually agreed between the Judicial Managers and the Subscribers;
- (f) the entry by the Company and/or the New Listco into definitive agreements with UOB for (i) the settlement of principal amounts and interests under the existing UOB facilities, and (ii) in consideration of such settlement, the release and discharge of the relevant security to facilitate the Company's restructuring plan;
- (g) the approval of JTC to a consultation letter to be submitted by the Company confirming with JTC that it has no objection to the change of control of the Company pursuant to the Proposed Subscriber Transactions and the Proposed Transfer Listing;
- (h) the in-principle approval of the SGX-ST being obtained for the listing and quotation of the Subscription Shares and the Option Shares;
- (i) the in-principle approval of the SGX-ST being obtained for the Resumption Proposal and the Proposed Transfer Listing, and receipt of a no-objection letter from the SGX-ST indicating that has no objection to the Resumption Proposal and/or the Proposed Transfer Listing;
- (j) the grant by the SIC (and the SIC not having revoked or repealed such grant) of the Whitewash Waiver and the approval of the Proposed Whitewash Resolution;
- (k) the approval of the shareholders of the Company being obtained at an extraordinary general meeting for the Proposed Subscriber Transactions, the allotment and issue of the Subscription Shares and the Option Shares (pursuant to the exercise of the Options), the allotment and issue of the Settlement Shares, the transfer of controlling interest to Vibrant, the proposed Whitewash Resolution, the Creditors' Scheme, the Proposed Transfer Listing and the Proposed Rights Issue;

⁹ As extracted from the application filed by the Company with the Court on 18 May 2022 for leave to convene the meeting of the Scheme Creditors in connection with Creditors' Scheme. For an updated list of conditions precedent to the Proposed Subscription made pursuant to the Supplemental Agreements, please refer to section 2.4.4 (*Conditions Precedent*) of this Circular.

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- (l) in relation to the leases for the Tuas Properties, the fulfilment of JTC Investment Criteria, or the Company obtaining the written approval from JTC for the extension of the deadline for the fulfilment of JTC Investment Criteria to 13 February 2023)¹⁰;
- (m) in relation to certain of the foreign companies in which the Company and/or its subsidiaries have shareholding interests in,
 - (i) the deregistration or conversion to a limited liability company of Hiap Seng Engineering Ltd, Fujairah Branch;
 - (ii) the completion of the legal and financial due diligence on Hiap Seng Manco WLL and Petroleum Maintenance Service Joint Stock Company, to the satisfaction of the Subscribers in their absolute discretion (acting reasonably), with such due diligence to be completed within 12 weeks from the date of the Subscription Agreement, or such other date as may be mutually agreed between the Judicial Managers and the Subscribers; and
 - (iii) in relation to MHS Integrated Engineering Sdn Bhd, the execution of a deed of termination discharging the Company from all guarantees and indemnities provided under the joint venture;
- (n) the nomination by Vibrant of such number of directors, taking into consideration the Board size of the Company (if the Proposed Transfer Listing is not completed) or to the board of the New Listco (if the Proposed Transfer Listing is completed), and such director(s) to be a member of the remuneration, audit and/or nominating committee of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that the Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the CG Code);
- (o) the nomination by Vibrant of the chief executive officer and deputy chief executive officer of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that the Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the CG Code);
- (p) such consents, approvals or waivers as may be required (or deemed necessary by the Judicial Managers, the Subscribers and/or the New Listco) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Company, the Subscribers or the New Listco in respect of the transactions contemplated in the Subscription Agreement (and any amendment, variation or supplement thereto) and such consents, approvals or waivers not having been amended or revoked and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Judicial Managers, the Subscribers and the New Listco (as the case may be); and
- (q) all necessary governmental and regulatory approvals and consents to the Creditors' Scheme and the underlying transactions thereunder being obtained.

As at the Latest Practicable Date, save for the conditions set out in sub-paragraphs (k) and (l) as described above, and sub-paragraphs (p) and (q) which are to be fulfilled on completion, all other conditions to the Creditors' Scheme have been fulfilled.

¹⁰ As extracted from the application filed by the Company with the Court on 18 May 2022 for leave to convene the meeting of the Scheme Creditors in connection with Creditors' Scheme. For an updated list of conditions precedent to the Proposed Subscription made pursuant to the Supplemental Agreements, please refer to section 2.4.4 (*Conditions Precedent*) of this Circular.

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3.3.3 The Settlement Shares

The issue price of the Settlement Shares represents a discount of approximately 72.9% to the VWAP of S\$0.02 for each Share based on the trades done on 26 November 2019, being the last full Market Day when the Shares of the Company were traded prior to the trading suspension on 28 November 2019. The significant discount of the issue price to the aforementioned VWAP was given so as to persuade the Scheme Creditors with Approved Scheme Claims to convert their debts into equity, and is in line with the Subscription Price and the Option Issue Price. Please refer to section 2.5.2 (*Subscription Shares*) of this Circular for further details regarding the basis on which the Subscription Price was determined.

The Settlement Shares, when allotted and issued, shall be credited as fully-paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Settlement Shares.

3.3.4 Issue Size

The number of Settlement Shares to be allotted and issued is up to 1,353,591,160. The Settlement Shares represent approximately 445.6% of the Existing Share Capital, 43.2% of the Enlarged Share Capital, 40.8% of the Rights Issue Minimum Enlarged Share Capital, 36.2% of the Rights Issue Maximum Enlarged Share Capital and 26.0% of the Options Maximum Enlarged Share Capital, as at the Latest Practicable Date.

Please refer to section 11 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

3.3.5 Scheme Creditors

As mentioned in the above, Scheme Creditors with Approved Scheme Claims are entitled to be allotted and issued Settlement Shares. Details of the various categories of Scheme Creditors (including UOB) together with their respective Approved Scheme Claims are set out in **Appendix C** (*Details of Scheme Creditors*) to this Circular.

In particular, Directors and immediate family members of certain Directors and Substantial Shareholders of the Company had submitted their proof of debts and, following adjudication of their proof of debts, are also Scheme Creditors with Approved Scheme Claims who are entitled to be allotted and issued Settlement Shares in accordance with the terms of the Creditors' Scheme.

Brief details of their Approved Scheme Claims as adjudicated by the Scheme Managers are as follows:

- (a) Mr. Richard Tan in respect of outstanding unutilised leave balance and annual wage supplement of S\$91,303.01 which accrued between 1 April 2019 and 15 September 2020;
- (b) Mr. Koh in respect of outstanding directors' fees for S\$86,750 which accrued between 1 April 2019 and 15 September 2020;
- (c) Mr. Tan Yaw Song¹¹ in respect of unutilised leave balance accumulated between 1 April 2019 and 15 September 2020 during his term as project director of the Company, amounting to S\$11,090.89; and
- (d) Mr. Tan Yew Kun¹² in respect of unutilised leave balance accumulated between 1 April 2019 and 15 September 2020 during his term as plant maintenance director of the Company, amounting to S\$522.78.

¹¹ Mr. Tan Yaw Song and Mr. Tan Yew Kun are siblings, and immediate family members of the Directors and Substantial Shareholders of the Company, Mr. Frankie Tan and Mr. Richard Tan.

¹² See footnote 11.

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3.3.6 Authority to Allot and Issue the Settlement Shares

The Proposed Issue of Settlement Shares is subject to specific Shareholders' approval under the Listing Manual and the Companies Act.

Under Section 161 of the Companies Act and pursuant to Rule 805(1) of the Listing Manual, an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares, unless such shares are issued under a general mandate obtained from shareholders in a general meeting.

Separately, Rule 811(1) of the Listing Manual provides that an issue of shares must not be more than 10.0% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement was signed. Rule 811(3) of the Listing Manual provides, among others, that Rule 811(1) of the Listing Manual is not applicable if specific shareholder approval is obtained for the issue of shares.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Issue of Settlement Shares for the purposes of Rules 805(1) and 811(3) of the Listing Manual. The Company will also be seeking specific Shareholders' approval at the EGM for the Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals for the purposes of Rules 804 and 812(2) of the Listing Manual. Please refer to section 3.4 (*Proposed Issue of Certain Settlement Shares to the Settlement Directors and Related Individuals*) of this Circular for further details.

3.3.7 No Placement Agent

There is no placement agent appointed for the Proposed Issue of Settlement Shares. The Proposed Issue of Settlement Shares will be made pursuant to the exemption under Section 273(1)(cb) of the SFA. Accordingly, no prospectus or offer information statement will be issued in connection with the Proposed Issue of Settlement Shares.

3.3.8 Use of Proceeds

There will not be any proceeds in cash from the Proposed Issue of Settlement Shares as the consideration for the Settlement Shares will be set-off against the Scheme Debt.

3.4 **Proposed Issue of Certain Settlement Shares to the Settlement Directors and Related Individuals**

3.4.1 Principal Terms, Rationale and Issue Size

Please refer to sections 3.1 (*Background to the Proposed Debt Restructuring*), 3.2 (*Rationale for the Proposed Debt Restructuring*) and 3.3 (*The Key Terms of the Creditors' Scheme and the Proposed Issue of Settlement Shares*) details of the Settlement Shares, where¹³:

- (a) 4,757,810 of such Settlement Shares is to be allotted and issued to Mr. Richard Tan (a Director and Substantial Shareholder of the Company);
- (b) 4,520,552 of such Settlement Shares is to be allotted and issued to Mr. Koh (a Director);
- (c) 577,947 of such Settlement Shares is to be allotted and issued to Mr. Tan Yaw Song (an immediate family member of the Directors and Substantial Shareholders of the Company, Mr. Richard Tan and Mr. Frankie Tan); and

¹³ Shareholders should also note that there may be a difference (a) between the cash proposed to be distributed and the actual cash distributed to Scheme Creditors, including the Settlement Directors and Related Individuals; and (b) between the number of Settlement Shares proposed to be issued and the actual number of Settlement Shares issued to Scheme Creditors, including the Settlement Directors and Related Individuals, due to the further adjudication of claims by the Scheme Managers arising from outstanding debts owing and credit notes issued by certain Scheme Creditors.

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- (d) 27,242 of such Settlement Shares is to be allotted and issued to Mr. Tan Yew Kun (an immediate family member of the Directors and Substantial Shareholders of the Company, Mr. Richard Tan and Mr. Frankie Tan).

3.4.2 Authority to Allot and Issue the Settlement Shares to the Settlement Directors and Related Individuals

Under Rule 804 of the Listing Manual, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in a general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

In addition, Rules 812(1) and 812(2) of the Listing Manual provide that, save where specific shareholder approval for such a placement has been obtained, an issue must not be placed to any of the following persons:

- (a) an issuer's directors and substantial shareholders;
- (b) immediate family members of the directors and substantial shareholders;
- (c) substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders;
- (d) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10.0%; or
- (e) any person who, in the opinion of the SGX-ST, falls within category (a) to (d) above.

As at the Latest Practicable Date, (a) Mr. Richard Tan is a Director and Substantial Shareholder of the Company; (b) Mr. Koh is a Director; (c) Mr. Tan Yaw Song is an immediate family member of the Directors and Substantial Shareholders of the Company, Mr. Frankie Tan and Mr. Richard Tan; and (d) Mr. Tan Yew Kun is an immediate family member of the Directors and Substantial Shareholders of the Company, Mr. Frankie Tan and Mr. Richard Tan and accordingly, each of the Settlement Directors and Related Individuals is a person who falls within the categories set out in Rules 804 and 812(1) of the Listing Manual.

Save as disclosed in this Circular, (i) each of the Settlement Directors and Related Individuals is not related to any of the other Directors, Substantial Shareholders of the Company, or their respective associates; and (ii) there is no connection (including business relationship) between each of the Settlement Directors and Related Individuals and the other Directors or Substantial Shareholders of the Company. Each of the Settlement Directors and Related Individuals has also confirmed that he will not be holding the Settlement Shares on trust or as nominee for any other person.

In accordance with Rules 804 and 812(2) of the Listing Manual, specific approval from Shareholders is required for the allotment and issue of the Settlement Shares to each of the Settlement Directors and Related Individuals.

For the avoidance of doubt, as the Settlement Shares are being allotted and issued to each of the Settlement Directors and Related Individuals as settlement of outstanding Directors' fees and remuneration and/or employment remuneration (as the case may be) under Rule 915(8) of the Listing Manual, no compliance with Rules 905, 906 and 907 of the Listing Manual is required.

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3.4.3 Abstention from Voting

Pursuant to Rule 812(2) of the Listing Manual:

- (a) Mr. Richard Tan and his associates, shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the proposed issue of certain Settlement Shares to Mr. Richard Tan. The Company will disregard any votes cast on Ordinary Resolution 4 by Mr. Richard Tan and his associates pursuant to Rule 812(2) of the Listing Manual or pursuant to a court order where such court order is served on the Company;
- (b) Mr. Koh and his associates, shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the proposed issue of certain Settlement Shares to Mr. Koh. The Company will disregard any votes cast on Ordinary Resolution 5 by Mr. Koh and his associates pursuant to Rule 812(2) of the Listing Manual or pursuant to a court order where such court order is served on the Company;
- (c) Mr. Tan Yaw Song and his associates, shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the proposed issue of certain Settlement Shares to Mr. Tan Yaw Song. The Company will disregard any votes cast on Ordinary Resolution 6 by Mr. Tan Yaw Song and his associates pursuant to Rule 812(2) of the Listing Manual or pursuant to a court order where such court order is served on the Company; and
- (d) Mr. Tan Yew Kun and his associates, shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the proposed issue of certain Settlement Shares to Mr. Tan Yew Kun. The Company will disregard any votes cast on Ordinary Resolution 7 by Mr. Tan Yew Kun and his associates pursuant to Rule 812(2) of the Listing Manual or pursuant to a court order where such court order is served on the Company.

4. THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO VIBRANT AND THE POTENTIAL TRANSFER OF CONTROLLING INTEREST TO TIAN YUAN

Rule 803 of the Listing Manual provides that an issuer must not issue securities to transfer a controlling interest without prior approval by Shareholders in a general meeting. Under the Listing Manual, a Controlling Shareholder is a person who (a) holds directly or indirectly 15.0% or more of the total voting rights in a company (unless the SGX-ST determines that such a person is not a controlling shareholder of the company); or (b) in fact exercises control over a company.

As at the Latest Practicable Date, none of the Subscribers owns any Shares.

Upon Completion:

- (a) Vibrant will hold 1,104,972,375 Shares representing approximately 35.3% of the Enlarged Share Capital (which excludes any Option Shares) and assuming completion of the Proposed Rights Issue and the full exercise of all Options by the Subscribers, will hold 2,209,944,750 Shares representing approximately 46.2% of the Options Minimum Enlarged Share Capital and 42.4% of the Options Maximum Enlarged Share Capital; and
- (b) Tian Yuan will hold 368,324,125 Shares representing approximately 11.8% of the Enlarged Share Capital (which excludes any Option Shares) and assuming completion of the Proposed Rights Issue and the full exercise of all Options by the Subscribers, will hold 736,648,250 Shares representing approximately 15.4% of the Options Minimum Enlarged Share Capital and 14.1% of the Options Maximum Enlarged Share Capital.

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Accordingly, each of the Subscribers will hold more than 15.0% of the Options Minimum Enlarged Share Capital as at the Completion, thereby causing a transfer in controlling interest. Accordingly, the Company is seeking the specific approval of Shareholders for the Proposed Transfer of Controlling Interest to Vibrant and the Potential Transfer of Controlling Interest to Tian Yuan in accordance with Rule 803 of the Listing Manual.

As at the Latest Practicable Date, the Subscribers do not hold, directly or indirectly, any Shares in the Company. The Subscribers (a) are not related to each other; (b) have no existing connection (including business relationships) with the Company and its Directors; and (c) are not persons to whom the Company is prohibited from issuing Shares to, as set out under Rule 812 of the Listing Manual. In addition, the Subscribers have confirmed that there is no agreement or undertaking (whether formal or informal) amongst the Subscribers or between any of the Subscribers or with any existing shareholder of the Company to acquire Shares to obtain or consolidate majority control of the Company, and each Subscriber is not a party acting in concert with another Subscriber or with any existing shareholder of the Company as defined in the Takeover Code.

Please refer to section 11 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

5. THE PROPOSED WHITEWASH RESOLUTION

5.1 Mandatory Offer Obligation under the Takeover Code

Pursuant to Rule 14.1 of the Takeover Code, except with the SIC's consent, where 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 30.0% or more of the voting rights of a company, such person will be required to make a mandatory general offer for all the shares not already owned or controlled by them.

As at the Latest Practicable Date, Vibrant and its concert parties do not own any Shares. Upon Completion, assuming completion of the Proposed Rights Issue and the exercise of all the Options by Vibrant, Vibrant will hold 2,209,944,750 Shares representing approximately 46.2% of the Options Minimum Enlarged Share Capital and 42.4% of the Options Maximum Enlarged Share Capital. Accordingly, Vibrant will be required under the Takeover Code to make a mandatory general offer for the Shares not already owned or controlled by Vibrant and its concert parties pursuant to Rule 14.1 of the Takeover Code, unless such obligation is waived by the SIC and the Proposed Whitewash Resolution is approved by the Independent Shareholders at the EGM.

As there is no intention to trigger a mandatory take-over obligation under the Takeover Code arising from the Proposed Subscriber Transactions, an application was made to the SIC for a waiver of the obligations of Vibrant to make a mandatory general offer for the Shares under Rule 14.1 of the Takeover Code as a result of the allotment and issue of the (a) Subscription Shares; and (b) Option Shares pursuant to the exercise of all Options granted to Vibrant.

5.2 Whitewash Waiver

The SIC had on 29 September 2023 granted the Whitewash Waiver subject to, among others, the satisfaction of the following conditions (collectively, the "**SIC Conditions**"):

- (a) a majority of holders of voting rights of the Company approving at a general meeting, before the issue of the Subscription Shares and the Proposed Grant of Options to Vibrant, the Proposed Whitewash Resolution by way of poll to waive their rights to receive a general offer from Vibrant;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;

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- (c) Vibrant, persons acting in concert with it as well as parties not independent of them, abstain from voting on the Proposed Whitewash Resolution;
- (d) Vibrant and persons acting in concert with it did not acquire or are not to acquire any shares of the Company or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares in the Company which have been disclosed in this Circular):
 - (i) during the period between the initial announcement of the Proposed Subscriber Transactions (the “**Initial Announcement**”) and the date shareholders’ approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the six (6) months prior to the Initial Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Judicial Managers in relation to the Proposed Subscriber Transactions;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in this Circular:
 - (i) details of the Proposed Subscriber Transactions;
 - (ii) the dilution effect to existing holders of voting rights upon Vibrant acquiring (A) the Subscription Shares; and (B) the Option Shares upon exercise of the Options;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of shares in the Company held by Vibrant and persons acting in concert with it as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be issued to Vibrant as a result of (A) subscribing for the Subscription Shares; and (B) the exercise of the Options;
 - (v) specific and prominent reference to the fact that the Independent Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from Vibrant at the highest price paid by Vibrant and its concert parties for the shares in the Company in the six (6) months preceding the offer; and
 - (vi) specific and prominent reference to the fact that the Independent Shareholders, by voting for the Proposed Whitewash Resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Options;
- (g) this Circular stating that the waiver granted by the SIC is subject to the SIC Conditions stated at sub-paragraphs (a) to (f) above;
- (h) Vibrant obtaining the SIC’s approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution;
- (i) to rely on the Proposed Whitewash Resolution, the approval of the Proposed Whitewash Resolution must be obtained within three (3) months of the date of receipt of the SIC’s grant and the acquisition of (A) the Subscription Shares; and (B) the Options by Vibrant must be completed within three (3) months of the date of the approval of the Proposed Whitewash Resolution. Further, the acquisition of the Option Shares upon exercise of the Options by Vibrant must be completed within five (5) years of the date of issue of the Options; and

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- (j) Vibrant will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Takeover Code.

As at the Latest Practicable Date, save for the conditions set out in sub-paragraphs (a) and (i) above, all of the other SIC Conditions above have been satisfied.

5.3 Potential Dilution

Based on the information available as at the Latest Practicable Date, the table below sets out the shareholding of the Independent Shareholders for the Enlarged Share Capital, the Rights Issue Minimum Enlarged Share Capital, the Rights Issue Maximum Enlarged Share Capital and the Options Maximum Enlarged Share Capital. For the avoidance of doubt, no other Shares issued are taken into consideration for the computation below:

| | Enlarged Share Capital | | Rights Issue Minimum Enlarged Share Capital | | Rights Issue Maximum Enlarged Share Capital | | Options Maximum Enlarged Share Capital | |
|--------------------------|------------------------|-------|---|-------|---|-------|--|-------|
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Vibrant | 1,104,972,375 | 35.3 | 1,104,972,375 | 33.3 | 1,104,972,375 | 29.6 | 2,209,944,750 | 42.4 |
| Independent Shareholders | 2,025,665,285 | 64.7 | 2,209,827,347 | 66.7 | 2,633,165,285 | 70.4 | 3,001,489,410 | 57.6 |
| Total | 3,130,637,660 | 100.0 | 3,314,799,722 | 100.0 | 3,738,137,660 | 100.0 | 5,211,434,160 | 100.0 |

Please refer to section 11 (*Indicative Shareholding Interests*) of this Circular and **Appendix A** (*Changes in Shareholding Interests*) to this Circular for further details on the effect on the shareholding structure pursuant to the transactions as contemplated in this Circular.

5.4 Proposed Whitewash Resolution

Independent Shareholders are requested to vote, by way of a poll, on the Proposed Whitewash Resolution set out as an Ordinary Resolution in the Notice of EGM, waiving their rights to receive a mandatory general offer from Vibrant for the remaining Shares not already owned or controlled by Vibrant or its concert parties.

5.5 Advice to Independent Shareholders

Independent Shareholders should note that:

- (a) **by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a general offer from Vibrant for the Shares at the highest price paid by Vibrant and its concert parties for the Shares in the six (6) months preceding the offer;**
- (b) **by voting in favour of the Proposed Whitewash Resolution, they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Subscription Shares and the Options; and**
- (c) **approval of the Proposed Whitewash Resolution is a condition precedent to Completion. Accordingly, in the event that the Proposed Whitewash Resolution is not passed by the Independent Shareholders, the Proposed Subscriber Transactions will not take place.**

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6. INDEPENDENT FINANCIAL ADVISER

6.1 Appointment of IFA

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser (the “**IFA**”) to advise the Judicial Managers and the Executive Director of the Company who are independent of the Proposed Subscriber Transactions on whether the Proposed Subscription and the Proposed Grant of Options which are, collectively the subjects of the Proposed Whitewash Resolution, are fair and reasonable.

Shareholders should consider carefully the recommendation of the Judicial Managers, the directors of the Company who are independent of the Proposed Subscriber Transactions and the opinion and advice of the IFA before deciding whether or not to vote in favour of Ordinary Resolutions 1 and 2 being the ordinary resolutions relating to the Proposed Subscription and the Proposed Grant of Options, and Ordinary Resolution 10 being the Proposed Whitewash Resolution, to be tabled at the EGM. The opinion and advice of the IFA is set out in the IFA Letter as set out in **Appendix D** (*IFA Letter*) to this Circular.

6.2 Opinion and Advice of IFA

Information relating to the advice of the IFA and the key factors it has taken into consideration have been extracted from paragraph 6 of the IFA Letter and are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter:

“Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Subscriptions. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration which supports the “fairness” of the Proposed Subscriber Transactions:

- (a) the Subscription Price and the 1st Exercise Price are the same as the pro forma NAV per Shares and therefore represents a price-to-NAV ratio of one (1) time while the 2nd Exercise Price represents a premium of approximately 9.94% to the pro forma NAV per Share and therefore represents a P/NAV ratio of 1.1 times;*
- (b) the P/NAV ratio of the Company implied by the Subscription Price and the Exercise Price are higher than the range of P/NAV ratios of the Comparable Companies;*
- (c) the implied value of the Company is within the range of the implied values of the Precedent Comparable Transactions of between S\$2.30 million and S\$60.71 million; and*
- (d) the loss per Share will turnaround to an earnings per Share and the net liabilities per Share will also turnaround to a NTA per Share upon the allotment and issue of the Subscription Shares and the Settlement Shares under the Proposed Debt Restructuring.*

We set out below a summary of the key factors we have taken into our consideration which supports the “reasonableness” of the Proposed Subscriber Transactions:

- (i) trading in the Shares on the SGX-ST has been suspended for more than three (3) years, and without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not be able to reduce its outstanding debt obligations to operate as a going concern or have a viable Resumption Proposal;*
- (ii) the Group would have losses after excluding material one-off gains and government grants;*

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- (iii) *the Company's auditors have highlighted material uncertainty related to going concern in respect of the Company's audited financial statements for the financial year ended 31 March 2023; and*
- (iv) *other considerations set out in paragraph 5.7 of this IFA Letter.*

Accordingly, after taking into account the above factors, we are of the opinion that, as of the date hereof, the Proposed Subscription and the Proposed Grant of Option which are the subjects of the Proposed Whitewash Resolution are fair and reasonable, and the Proposed Whitewash Resolution when considered in the context of the Proposed Subscription and the Proposed Grant of Option is not prejudicial to the interests of the Independent Shareholders. We therefore advise the Judicial Managers and the Executive director to recommend that Independent Shareholders vote FOR the Proposed Whitewash Resolution at the EGM."

The opinion and advice of the IFA is set out in the IFA Letter as set out in **Appendix D** (IFA Letter) to this Circular and Shareholders are advised to read the IFA Letter **in its entirety** carefully.

6.3 Consent from the IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter as set out in the **Appendix D** (IFA Letter) to this Circular and all references thereto and to the IFA Letter, in the form and context in which each appears in this Circular, and to act in such capacity in relation to this Circular.

7. THE PROPOSED RIGHTS ISSUE

7.1 Introduction to the Proposed Rights Issue

On 11 October 2023, the Company announced the intention to undertake a proposed renounceable non-underwritten rights issue of up to 607,500,000 Rights Shares at the Rights Issue Price of S\$0.00543 for each Rights Share, on the basis of two (2) Rights Share for every one (1) Existing Share held by the Entitled Shareholders as at the Record Date, with fractional entitlements to be disregarded.

The Proposed Rights Issue is intended to be undertaken after completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing.

7.2 Principal Terms of the Proposed Rights Issue and Rights Shares

| | |
|---------------------------------|--|
| Allotment ratio: | Two (2) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded. |
| Number of Rights Shares: | Up to 607,500,000 Rights Shares to be issued. Further details are set out in section 7.4 (<i>Issue Size</i>) of this Circular. |
| Rights Issue Price: | S\$0.00543 for each Rights Share, payable in full upon acceptance and/or application. |

The Rights Issue Price represents a discount of approximately:

- (a) 72.9% to the VWAP of S\$0.02 for each Share based on the trades done on 26 November 2019, being the last full Market Day when the Shares were traded prior to the Company's trading suspension on 28 November 2019; and

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- (b) 69.1% to the theoretical ex-rights price of S\$0.01759¹⁴ for each Share.

The Rights Issue Price and discount has been determined to be in line with the Subscription Price, the Option Issue Price and the issue price for the Settlement Shares to enable Existing Shareholders to participate in the recapitalisation of the Company (and consequently the New Listco pursuant to the completion of the Transfer Listing) at a similar price to the Subscribers and the Scheme Creditors. Please refer to section 2.5.2 (*Subscription Shares*) of this Circular for further details regarding the basis on which the Subscription Price was determined.

Status of Rights Shares:

The Rights Shares will, upon allotment and issue, shall be credited as fully-paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Rights Shares.

Eligibility of Shareholders to participate in the Proposed Rights Issue:

Please refer to section 7.7 (*Eligibility of Shareholders to Participate in the Proposed Rights Issue*) of this Circular.

Listing and quotation of the Rights Shares:

An application has been made to the SGX-ST for permission to deal in and for the listing and quotation of the Rights Shares on the Mainboard of the SGX-ST. An appropriate announcement will be made on the outcome of the application in due course.

Trading of the Rights Shares:

Upon the listing and quotation of the Rights Shares on the Mainboard of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of the Rights Shares (that is, less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the unit share market of the SGX-ST.

Trading of Rights:

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST can do so during the trading period for the “nil-paid” Rights.

Acceptance, excess application and payment:

Entitled Shareholders will be at liberty to accept (in full or in part) or decline their provisional allotments of the Rights Shares and are eligible to apply for Excess Rights Shares.

¹⁴ Such theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the allotment and issue of the (a) Subscription Shares and the Options pursuant to the Proposed Subscriber Transactions; (b) Settlement Shares pursuant to the Proposed Debt Restructuring; and (c) Rights Shares pursuant to the Proposed Rights Issue (on a Maximum Subscription Scenario), and is calculated based on the last traded price of S\$0.02 for each based on the trades done on 26 November 2019, being the last full Market Day when the Shares were traded prior to the Company's trading suspension on 28 November 2019, and the number of Shares of 3,738,137,660 Shares following the completion of the Proposed Rights Issue (but excludes any Option Shares).

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Acceptances of provisional allotment of Rights Shares and (if applicable) applications for Excess Rights Shares, under the Proposed Rights Issue may only be made:

- (a) in the case of Entitled Scripholders, on the PAL;
- (b) in the case of Entitled Depositors, on the ARE or by way of an Electronic Application through an ATM of a Participating Bank; and
- (c) in the case of persons purchasing provisional allotments of Rights Shares through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, on the ARS.

Provisional allotments which are not taken up for any reason shall be used to satisfy the applications for Excess Rights Shares or otherwise dealt with in such manner as the directors of the New Listco may, in their absolute discretion, deem fit for the benefit of the New Listco.

Excess Rights Shares will be allotted in such manner as the board may, in its absolute discretion, deem fit in the interests of the New Listco, subject to applicable laws, the Listing Manual and the Irrevocable Undertaking.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots and directors of the New Listco and Substantial Shareholders who have control or influence over the New Listco in connection with the day-to-day affairs of the New Listco or the terms of the Proposed Rights Issue, or have representation (direct or through a nominee) on the board, will rank last in priority for the rounding of odd lots and the allotment of Excess Rights Shares.

Please refer to the Offer Information Statement to be despatched to Entitled Shareholders in due course subject to, among others, the Proposed Rights Issue being approved by the Shareholders at the EGM, for further details on the acceptance, renunciation and/or sale, excess application and payment procedures and terms and conditions applicable thereto.

Irrevocable Undertaking:

Please refer to section 7.3 (*Irrevocable Undertaking in relation to the Proposed Rights Issue*) of this Circular.

Non-underwritten:

In view of the Irrevocable Undertaking, the savings in costs enjoyed as a result of not having to bear any underwriting fees, and there being no minimum amount that must be raised from the Proposed Rights Issue, the Proposed Rights Issue is to proceed on a non-underwritten basis.

The Proposed Rights Issue cannot be withdrawn after the commencement of ex-rights trading. As the New Listco Shares will only be allotted and issued by the New Listco upon the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing (which will be after the Record Date), there will be no cum-Rights trading or ex-Rights trading of the New Listco Shares.

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Use of CPF Funds:

CPFIS Members can only use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares.

Such CPFIS Members who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using their CPF Funds must have sufficient funds in their CPF Investment Accounts and will need to instruct their respective approved CPF Agent Banks with whom they hold their CPF Investment Accounts, to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions of the Offer Information Statement.

In the case of insufficient CPF Funds or stock limit, CPFIS Members may top-up cash into their CPF Investment Accounts before instructing their respective approved CPF Agent Banks to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf.

CPF Funds cannot, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market.

Use of SRS Funds:

SRS Investors can only use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares.

Such SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using their SRS monies will need to instruct their respective SRS Operators with whom they hold their SRS accounts, to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in the Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts could, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Operators before instructing their respective SRS Operators to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf.

SRS monies cannot, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market.

Fractional entitlements:

Fractional entitlements to the Rights Shares, will be disregarded in arriving at the Entitled Shareholders' entitlement and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for the Rights Shares, or to be disposed of, or otherwise dealt with in such manner as the directors of the New Listco may in their absolute discretion as deemed fit in the interests of the New Listco.

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The terms and conditions of the Proposed Rights Issue are subject to such changes as the directors of the New Listco may deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, among others, the Ordinary Resolutions relating to the Proposals and Special Resolution 1 being approved by the Shareholders at the EGM and the Proposed Transfer Listing Resolution being approved by the Shareholders at the Shareholders' Scheme Meeting.

7.3 Irrevocable Undertaking in relation to the Proposed Rights Issue

To show support for the Proposals and the Proposed Transfer Listing, and to demonstrate commitment to and confidence in the Company, the Irrevocable Undertaking also contains undertakings provided by the Undertaking Shareholder Entity in relation to the Proposed Rights Issue that it shall, among others, in accordance with the terms of the Proposed Rights Issue and in any case not later than the last time and date for acceptance of and/or excess application and payment for the Rights Shares under the Proposed Rights Issue (to be determined at the sole discretion of the Company or the New Listco as the case may be):

- (a) subscribe and pay for all of the Rights Shares which it is entitled to by virtue of its 70,788,639 Shares held, amounting to approximately S\$768,765; and
- (b) subscribe and pay for such number of additional Rights Shares (fractional entitlements to be disregarded) which have not been subscribed for by other Shareholders pursuant to their entitlements under the Proposed Rights Issue, amounting to approximately S\$231,235,

provided always that the total amount to be paid by the Undertaking Shareholder Entity for the Rights Shares described in sub-paragraphs (a) and (b) above shall be a total of S\$1,000,000.

For illustrative purposes only, based on the Rights Issue Price of S\$0.00543 for each Rights Share, the maximum number of Rights Shares and Excess Rights Shares (subject to availability) to be subscribed for by the Undertaking Shareholder Entity pursuant to the Irrevocable Undertaking are 141,577,278 Rights Shares and 42,584,784 Excess Rights Shares. Accordingly, the total number of Rights Shares to be subscribed by the Undertaking Shareholder Entity in the Minimum Subscription Scenario is 184,162,062 Rights Shares, representing in aggregate approximately 5.9% of the Enlarged Share Capital. The resultant shareholding of the Undertaking Shareholder Entity in the Minimum Subscription Scenario would therefore be 254,950,701 Shares representing 7.7% of the Rights Issue Minimum Enlarged Share Capital.

Based on the Rights Issue Price of S\$0.00543 for each Rights Share, assuming that all the Rights Shares are subscribed for by Entitled Shareholders, the number of Rights Shares to be subscribed for by the Undertaking Shareholder Entity pursuant to the Irrevocable Undertaking is 141,577,278 Rights Shares, representing in aggregate approximately 4.5% of the Enlarged Share Capital. The resultant shareholding of the Undertaking Shareholder Entity in the Maximum Subscription Scenario would therefore be 212,365,917 Shares representing 5.7% of the Rights Issue Maximum Enlarged Share Capital.

For further details on the Irrevocable Undertaking and the Undertaking Shareholder Entity, please refer to section 2.7 (*Irrevocable Undertaking*) of this Circular.

The Undertaking Shareholder Entity has additionally furnished a written confirmation from its financial institution that it has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking.

7.4 Issue Size

Following the completion of the Proposed Subscriber Transactions (and, for the avoidance of doubt, prior to the exercise of any Options) and the Proposed Debt Restructuring, the Enlarged Share Capital will comprise 3,130,637,660 Shares. The New Listco does not have any treasury shares and save for the Options to be issued pursuant to the Proposed Grant of Options, there are no outstanding warrants or convertible securities issued by the New Listco pursuant to which new Shares may be issued on exercise or conversion.

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For illustrative purposes only, assuming that:

- (a) (i) none of the Entitled Shareholders (excluding the Undertaking Shareholder Entity) subscribe for their *pro rata* entitlements of Rights Shares, and (ii) only the Undertaking Shareholder Entity subscribes for its *pro rata* entitlement of 141,577,278 Rights Shares and 42,584,784 Excess Rights Shares pursuant to the Irrevocable Undertaking, 184,162,062 Rights Shares will be allotted and issued under the Proposed Rights Issue, resulting in a total of S\$1,000,000 in proceeds raised from the Proposed Rights Issue (the “**Minimum Subscription Scenario**”); and
- (b) all of the Entitled Shareholders (including the Undertaking Shareholder Entity) subscribe for their *pro rata* entitlements of Rights Shares, 607,500,000 Rights Shares will be allotted and issued under the Proposed Rights Issue, resulting in a total of S\$3,298,725 in proceeds raised from the Proposed Rights Issue (the “**Maximum Subscription Scenario**”).

Depending on the level of subscription for the Rights Shares, the New Listco will, if necessary and upon approval of the SGX-ST, scale down a Shareholder’s application to subscribe for the Proposed Rights Issue to avoid placing the relevant Shareholder and parties acting in concert with it in the position of incurring a mandatory take-over bid obligation under the Takeover Code as a result of other Shareholders not taking up their Rights Shares entitlements fully.

For the avoidance of doubt, the Subscribers and the Scheme Creditors will not be entitled to participate in the Proposed Rights Issue and accordingly, none of the Subscribers or the Scheme Creditors will be issued any Rights Shares.

7.5 Conditions of the Proposed Rights Issue

Shareholders should note that the Proposed Rights Issue is subject to, among others, the following conditions:

- (a) the Inter-conditional Resolutions being approved by the Shareholders at the EGM to be convened;
- (b) the approval-in-principle of the SGX-ST for the resumption of trading of the Shares having been obtained and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue;
- (c) the approval-in-principle of the SGX-ST for the listing and quotation of the Rights Shares on the Mainboard of the SGX-ST having been obtained and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue; and
- (d) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, with the MAS.

As at the date of this Circular, the condition in sub-paragraph (b) has been satisfied by virtue of the AIP granted by the SGX-ST on 28 July 2023. Please note that the AIP is not an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Shares in the New Listco (including the Subscription Shares, the Options Shares and the Settlement Shares) and the New Listco, the Company and/or its subsidiaries, and is further subject to the Company satisfying the conditions set out in section 1.10 (*Application to the SGX-ST*) of this Circular.

An application has been made to the SGX-ST for permission to deal in and for the listing and quotation of the Rights Shares on the Mainboard of the SGX-ST. An appropriate announcement will be made on the outcome of the application in due course.

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7.6 Rationale and Use of Proceeds

7.6.1 Rationale for the Proposed Rights Issue

The Proposed Rights Issue will provide Existing Shareholders an opportunity to subscribe for Rights Shares at the same issue price of the Subscription Shares and Settlement Shares and therefore they will also be able to participate in the New Listco and the Group going forward and be able to reduce the dilutive effect of the Proposed Subscriber Transactions and Proposed Debt Restructuring.

The undertaking provided by the Undertaking Shareholder Entity is also an indication of commitment and confidence in the New Listco and the Group's business pursuant to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing.

Further, the proceeds raised from the Proposed Rights Issue will help strengthen the financial position of the New Listco and the Group by enlarging the New Listco and the Group's working capital base to further enhance the financial flexibility of the New Listco and the Group.

7.6.2 Use of Proceeds

The net proceeds arising from the allotment and issue of the Rights Shares, after deducting estimated expenses incurred in connection with the Proposed Rights Issue of approximately S\$150,000, will be approximately (a) S\$3,148,725 in the Maximum Subscription Scenario, and (b) S\$850,000 in the Minimum Subscription Scenario.

In both the Maximum Subscription Scenario and Minimum Subscription Scenario, 100.0% of the net proceeds from the Proposed Rights Issue are to be utilised for working capital purposes.

Pending the deployment of the net proceeds from the Proposed Rights Issue, the net proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the directors of the New Listco may, in their absolute discretion, deem fit in the interests of the New Listco and the Group.

The New Listco will make the necessary announcement(s) as to the use of the proceeds as and when such net proceeds are materially disbursed and whether such use is in accordance with the stated use. A status report will be provided on the use of net proceeds in the interim and full-year financial statements and annual report. Where the net proceeds have been used for working capital purposes, a breakdown will be provided with specific details on how the proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of the net proceeds, an announcement will be made with the reasons for such deviation.

7.7 Eligibility of Shareholders to Participate in the Proposed Rights Issue

7.7.1 Record Date

Conditional upon the Ordinary Resolution relating to the Proposed Rights Issue being approved at the EGM, the Register of Members and share transfer books of the New Listco will be closed at a time and date to be announced by the New Listco, being the Record Date for the Proposed Rights Issue, to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Proposed Rights Issue.

Please refer to the indicative timetable in relation to the Proposed Rights Issue as set out in the section entitled "Indicative Timetable" of this Circular, for further details on the expected timetable for the Proposed Rights Issue. In particular, it is expected that the Record Date will be a date prior to completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing, on the grounds that as set out in section 7.6.1 (*Rationale for the Proposed Rights Issue*) of this Circular, the rationale for the Proposed Rights Issue is for the Existing Shareholders to also have a right to subscribe to equity at the same issue price of the

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Subscription Shares and the Settlement Shares and be able to reduce the dilutive effect of the Proposed Subscriber Transactions and Proposed Debt Restructuring. Therefore, having a Record Date which is prior to allotment and issue of the Subscription Shares and Settlement Shares (and any Option Shares arising from the exercise of the Options) will ensure that the Rights Shares will only be available to the Existing Shareholders.

The Company and/or the New Listco will make further announcements as and when updates are to be made to the indicative timetable or regarding the exact dates and times of the events referenced in the indicative timetable.

7.7.2 Entitled Shareholders

Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and to receive the Offer Information Statement, together with the ARE or the PAL, as the case may be, and other accompanying documents, at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and the ARE may obtain them from CDP during the period from the date the Proposed Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PAL may obtain them from the Share Registrar during the period from the date the Proposed Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares under the Proposed Rights Issue on the basis of their shareholdings in the New Listco as at the Record Date. Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or (in the case of Entitled Depositors only) trade their provisional allotments of Rights Shares during the provisional allotment trading period prescribed by the SGX-ST and are eligible to apply for Excess Rights Shares.

All fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with the entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for Excess Rights Shares, or dealt with in such manner as the directors of the New Listco in their absolute discretion deem fit. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots and the directors of the New Listco and the Substantial Shareholders who have control or influence over the New Listco in connection with the day-to-day affairs of the New Listco or the terms of the Proposed Rights Issue, or have representation (direct or through a nominee) on the board, including the Undertaking Shareholder Entity, will rank last in priority for the rounding of odd lots and the allotment of Excess Rights Shares.

All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

The procedures for, and the terms and conditions applicable to, acceptances of the provisional allotments of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement to be despatched or, as the case may be, disseminated by, and in the ARE, the ARS and the PAL to be despatched to Entitled Shareholders in due course.

Entitled Scripholders should note that all notices and documents will be sent to their last registered Singapore mailing addresses with the Share Registrar. Entitled Scripholders are reminded that any request to the Share Registrar to update their records or to effect any change in address must reach the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, no later than three (3) Market Days before the Record Date.

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Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP well in advance of the Record Date so that their Securities Accounts may be credited by CDP with their Shares prior to the Record Date and their provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with their Shares on the 12th Market Day from the date of lodgement of their share certificates with CDP or such later date as CDP may determine.

Entitled Depositors should note that all notices and documents will be sent to their last registered Singapore mailing addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP in writing at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589 at least (3) Market Days before the Record Date.

7.7.3 CPFIS AND SRS

Shareholders who hold Shares under the CPFIS, the SRS or through a finance company and/or Depository Agent can only accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares through their respective approved CPF Agent Banks (in the case of CPFIS Members), their relevant SRS Operators (in the case of SRS Investors), or the respective finance companies and/or Depository Agents through which such Shareholders hold Shares.

For CPFIS Members, acceptances of Rights Shares and (if applicable) applications for Excess Rights Shares, can only be made using CPF Funds. In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF Agent Banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds may not be used to purchase provisional allotments of “nil-paid” Rights Shares directly from the market.

For SRS Investors, acceptances of Rights Shares and (if applicable) applications for Excess Rights Shares, can only be made using monies standing to the credit of their respective SRS accounts. SRS Investors who have insufficient funds in their SRS accounts could, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Operators before instructing their respective SRS Operators to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf. SRS monies may not be used to purchase provisional allotments of “nil-paid” Rights Shares directly from the market.

7.7.4 Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Proposed Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents, and the purchase, exercise of or subscription for the provisional allotments of Rights Shares and/or the Rights Shares by any persons who have registered addresses outside Singapore, or who are resident in, or citizens of countries other than Singapore, may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Proposed Rights Issue is only made in Singapore, and the Offer Information Statement and its accompanying documents will not be despatched or, as the case may be, disseminated to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights Issue. No provisional allotments of Rights Shares will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of Rights Shares or applications for Excess Rights Shares by Foreign Shareholders will be valid.

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The Offer Information Statement and its accompanying documents relating to the Proposed Rights Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore. Such persons who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore who wishes to take up his/her/its provisional allotment of Rights Shares and (if applicable), apply for Excess Rights Shares under the Proposed Rights Issue to satisfy himself/herself/itself as to the full observance of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes in such territories. The comments set out in this section are intended as a general guide only and any Foreign Shareholder who is in doubt as to his position should consult his professional advisers without delay.

The New Listco reserves the right to reject any acceptances of the provisional allotments of Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

The New Listco further reserves the right to treat as invalid any ARE, ARS or PAL or decline to register such application or purported application which (a) appears to the New Listco or its agents to have been executed in any jurisdiction outside Singapore or which the New Listco believes may violate any applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the New Listco to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation, warranty or confirmation.

Foreign Shareholders who wish to be eligible to participate in the Proposed Rights Issue may provide a Singapore address by notifying in writing, as the case may be (a) CDP at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589, or (b) the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, no later than three (3) Market Days before the Record Date.

7.7.5 Treatment of Un-allotted Rights of Foreign Shareholders

To the extent it is practicable to do so, the New Listco may, at its absolute discretion make arrangement for the Rights which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the Mainboard of the SGX-ST as soon as practicable after commencement of trading of the Rights on a "nil-paid" basis. Such sales may, however, only be effected if the New Listco, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto. The net proceeds of such sales (after deducting any applicable brokerage, commissions and expenses therefrom, including goods and services tax) will be aggregated and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register maintained by CDP as at the Record Date, and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the New Listco shall be entitled to retain or deal with such net proceeds as the directors of the New Listco may, in their absolute discretion, deem fit in the interests of the New Listco and no Foreign Shareholder shall have any claim whatsoever against the New Listco, CDP or the Share Registrar and their respective officers in connection therewith.

If such provisional allotments cannot be or are not sold on the Mainboard of SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the directors of the New Listco may, in their absolute discretion, deem fit in the interests of the New Listco and no Foreign Shareholder shall have any claim whatsoever against the New Listco, CDP or the Share Registrar and their respective officers in connection therewith.

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Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders. However, the New Listco reserves the right to make similar arrangements for the Rights which would otherwise have been allotted to certain Entitled Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights commence, where the beneficial holders of such Rights are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Proposed Rights Issue.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in those territories.

7.8 Financial Information and Review of Past Performance

Selected audited consolidated financial information of the Group for FY2021, FY2022 and FY2023, and the half-year interim financial information for HY2022 and HY2023 are set out in **Appendix E** (*Selected Consolidated Financial Information*) of this Circular. Such selected financial information include the Group’s income statement, statement of financial position statement of cash flow and the working capital position as well as a review thereof, and should be read together with the annual reports, the consolidated audited accounts and consolidated financial statements of the Group for the relevant periods and the related notes thereto, which are available on SGXNet (<https://www.sgx.com/securities/company-announcements>).

7.9 Adequacy of Working Capital

As at the Latest Practicable Date, taking into account:

- (a) the Group’s internal resources and operating cashflows;
- (b) the proceeds of S\$8,000,000 from the Proposed Subscription (which will be utilised for the partial settlement in cash of the principal amounts and interests under loans owing to UOB); and
- (c) the implementation and completion of the Proposed Debt Restructuring (including the allotment and issue of the Settlement Shares),

the Judicial Managers, together with the Executive Director, are of the opinion that that the New Listco and the Group will have sufficient resources to meet the New Listco and the Group’s obligations and continue to operate as a going concern. Notwithstanding the sufficiency of working capital following the Proposed Subscriber Transactions, the Judicial Managers, together with the Executive Director, are of the opinion that the Proposed Rights Issue will strengthen the financial position and capital base of the New Listco and the Group. The Proposed Rights Issue will also provide the Shareholders with an opportunity to participate in the New Listco and the Group going forward and be able to reduce the dilutive effect of the Proposed Subscriber Transactions and Proposed Debt Restructuring. For the reasons outlined in section 7.6.1 (*Rationale for the Proposed Rights Issue*) of this Circular, the Judicial Managers, together with the Executive Director, believe that the Proposed Rights Issue is in the interests of the New Listco and the Group.

Based on the reasonable opinion of the Judicial Managers and the Executive Director as at the Latest Practicable Date and in view of the Irrevocable Undertaking, there is no minimum amount which must be raised from the Proposed Rights Issue taking into consideration the intended use of the net proceeds.

7.10 Previous Equity Fundraising

Save as described in this Circular, neither the Company nor the New Listco has undertaken any equity fund raising in the past 12 months prior to the date of the rights issue announcement.

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7.11 Financial Effects of the Proposed Rights Issue

Please refer to section 12 (*Consolidated Financial Effects*) of this Circular for further details on the financial effects of, among others, the Proposed Rights Issue.

7.12 Offer Information Statement

An Offer Information Statement will be despatched to Entitled Shareholders subject to, among others, the approval of the Shareholders for the Proposed Rights Issue being obtained. Please refer to the Offer Information Statement for further details on the procedures for, and the terms and conditions applicable to, acceptances, renunciations and/or sales, excess applications and payments under the Proposed Rights Issue.

7.13 Notification under Section 309B of the SFA

The provisional allotments of Rights Shares and the Rights Shares are prescribed as capital market products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

8. THE PROPOSED TRANSFER LISTING

8.1 Background to the Proposed Transfer Listing

Pursuant to the Implementation Agreement, the Company and the New Listco has agreed on the terms for the Proposed Transfer Listing, and for such to be effected by way of the Company Restructuring through the Shareholders' Scheme under which:

- (a) all the Existing Shares will be transferred to the New Listco (i) fully paid; (ii) free from all encumbrances; and (iii) together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date; and
- (b) the New Listco will:
 - (i) allot and issue such number of New Listco Shares on the basis of one (1) New Listco Share for every one (1) Share held by the Existing Shareholders as at the Record Date;
 - (ii) on behalf of the Company¹⁵, allot and issue the Subscription Shares to the Subscribers¹⁶ and the Settlement Shares to the Scheme Creditors, all of which will (1) be duly authorised, validly issued, credited as fully paid; (2) be free from all encumbrances; (3) be together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or

¹⁵ For the avoidance of doubt, the allotment and issue of the Subscription Shares, the Options and the Settlement Shares are for the benefit of the Company pursuant to the transactions to be undertaken under the Resumption Proposal. Given the Company is undertaking the Proposed Transfer Listing for the reasons as set out in section 8.5 (*Rationale for and benefits of the Proposed Transfer Listing*) of this Circular, the Company and the New Listco have agreed in the Implementation Agreement that the New Listco will allot and issue these directly on behalf of the Company, to streamline the administrative procedures required. In relation thereto and for administrative documentation purposes, the Company and the New Listco had also entered into a loan agreement on 11 October 2023, where the New Listco has extended an unsecured loan facility (with repayment terms at the discretion of the Company) up to a maximum aggregate amount equal to S\$15,350,000 (being the total amount of (a) S\$8.00 million from the proceeds of the Subscription for the allotment and issue of the Subscription Shares, as used for the partial repayment of the principal amounts and interests under loans owing to UOB; and (b) S\$7.35 million, being the cost of the Settlement Shares allotted and issued by the Company to the Scheme Creditors, including UOB).

¹⁶ For the purposes of the Company Restructuring through the Shareholders' Scheme, one (1) less Subscription Share will be allotted and issued by the New Listco to Vibrant, as Vibrant holds one (1) New Listco Share as at the Latest Practicable Date and has undertaken in writing to waive its rights to receive one (1) Subscription Share out of its entitlement to the Subscription Shares.

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after the Record Date; (4) rank *pari passu* in all respects with one another as well as the existing issued New Listco Share as of the Effective Date; and (5) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date; and

- (iii) on behalf of the Company, grant the Options to the Subscribers, such Options to be subject to the terms and conditions of the Options as set out in the Subscription Agreement; and
- (c) the New Listco will assume all liabilities and obligations of the Company in connection with the Options to be granted by the Company to the Subscribers pursuant to the Proposed Grant of Options, and the New Listco Shares to be allotted and issued to the Subscribers and the Scheme Creditors pursuant to the Proposed Subscription and the Proposed Debt Restructuring respectively.

The Proposed Transfer Listing will be implemented through the Company Restructuring by way of the Shareholders' Scheme pursuant to Section 210 of the Companies Act and accordingly, is to be approved by a majority in number of Shareholders present and voting, either in person or by proxy, at the Shareholders' Scheme Meeting, such majority holding not less than three-fourths in value of the Shares held by the Shareholders present and voting either in person or by proxy at the Shareholders' Scheme Meeting, and by order of the Court, in compliance with the requirements under Section 210(3AB) of the Companies Act.

The terms of the Shareholders' Scheme are more particularly described in the Shareholders' Scheme Explanatory Document and the Shareholders' Scheme as set out in **Appendix G** (*Shareholders' Scheme Explanatory Statement*) and **Appendix H** (*Shareholders' Scheme*) to this Circular, respectively, and includes the effects of and the procedures for the implementation of the Shareholders' Scheme.

The Shareholders' Scheme is subject to and conditional upon the satisfaction or waiver (as the case may be) of the Shareholders' Scheme Conditions. Details of the Shareholders' Scheme Conditions are set out in paragraph 5 of the Shareholders' Scheme Explanatory Statement as set out in **Appendix G** (*Shareholders' Scheme Explanatory Statement*) to this Circular.

8.2 Effects of the Shareholders' Scheme and Listing of the New Listco

Upon completion of the Proposed Transfer Listing, the Company will become a wholly-owned subsidiary of the New Listco and relinquish its status as a listed company on the Mainboard of the SGX-ST. It is intended that following the Proposed Transfer Listing, the issued Shares in the capital of the New Listco will be listed and traded on the Mainboard of the SGX-ST.

Upon the Shareholders' Scheme becoming effective in accordance with its terms, the New Listco will own the entire issued and paid-up share capital of the Company and the New Listco will have an issued and paid-up capital of approximately S\$17,000,000 comprising 3,130,637,660 New Listco Shares and 1,473,296,500 Options.

The New Listco had made a new listing application to the SGX-ST on 6 December 2022 for the listing of and quotation for all of its Shares on the Mainboard of the SGX-ST. The in-principle approval of the SGX-ST was granted on 28 July 2023, subject to the Company satisfying the conditions set out in section 1.10 (*Application to the SGX-ST*) of this Circular. The in-principle approval of the SGX-ST is not an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Shares in the New Listco (including the Subscription Shares, the Options Shares and the Settlement Shares) and the New Listco, the Company and/or its subsidiaries

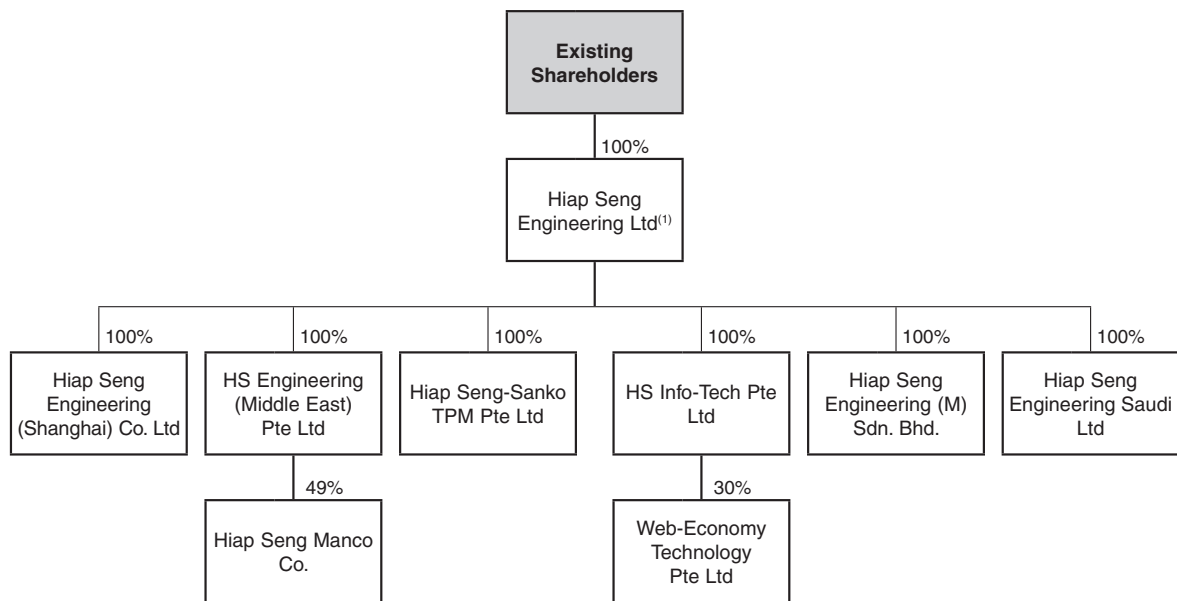
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8.3 Background on the Company

The Company is a public company limited by shares, whose Shares are traded on the Mainboard of the SGX-ST. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$36,178,290 comprising 303,750,000 ordinary shares. It does not have any treasury shares or subsidiary holdings, and does not have any outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into the shares of the Company.

The principal activities of the Group include being engaged as an engineering, procurement and construction contractor and a maintenance works contractor for the oil, gas and energy industrial sectors, including process plants and facilities, and storage terminals (the “**Existing Business**”).

A diagram illustrating the corporate structure of the Group before the Proposed Transfer Listing is as follows:



Notes:

- (1) Shareholding percentages above are computed based on the Existing Share Capital Shares, including nil treasury shares and subsidiary holdings as at the Latest Practicable Date.
- (2) For the avoidance of doubt, the Company no longer considers the following as subsidiaries as these entities are in various stages of liquidation as at the Latest Practicable Date: Asia Process Industries Pte Ltd (in voluntary liquidation), HS Compression & Process Pte Ltd (in compulsory liquidation) and Hiap Seng Engineering (Thailand) Co., Ltd (in voluntary liquidation).¹⁷

Please refer to section 8.10 (*Corporate Information of the Company*) of this Circular for the corporate information on the Company.

8.4 Background on the New Listco

The New Listco was incorporated in Singapore in 2022 and for the sole purpose of the Proposed Transfer Listing. As at the date of its incorporation, the New Listco had an issued and paid-up capital of approximately S\$1.00 comprising one (1) ordinary share which was held by Sim Choon Kiem (who is an independent third party). The New Listco was converted to a public company limited by shares on 18 September 2023.

¹⁷ By way of background, aside from HS Compression & Process Pte Ltd (in compulsory liquidation) (“HSCP”), the Group (including the Company) did not provide any corporate guarantees to these subsidiaries under liquidation, nor are there any amounts owing from these subsidiaries under liquidation to the Group (including the Company). In relation to HSCP, while there are no amounts owing to the Group or Company, the Company has a corporate guarantee in favour of UOB in respect of the obligations owed by HSCP to UOB under a loan. The exposure arising from this corporate guarantee will be settled pursuant to the terms of the UOB Restructuring Deed, and upon successful completion of the Proposed Debt Restructuring, will result in the immediate discharge, release and extinguishment of the balance amounts owing to UOB.

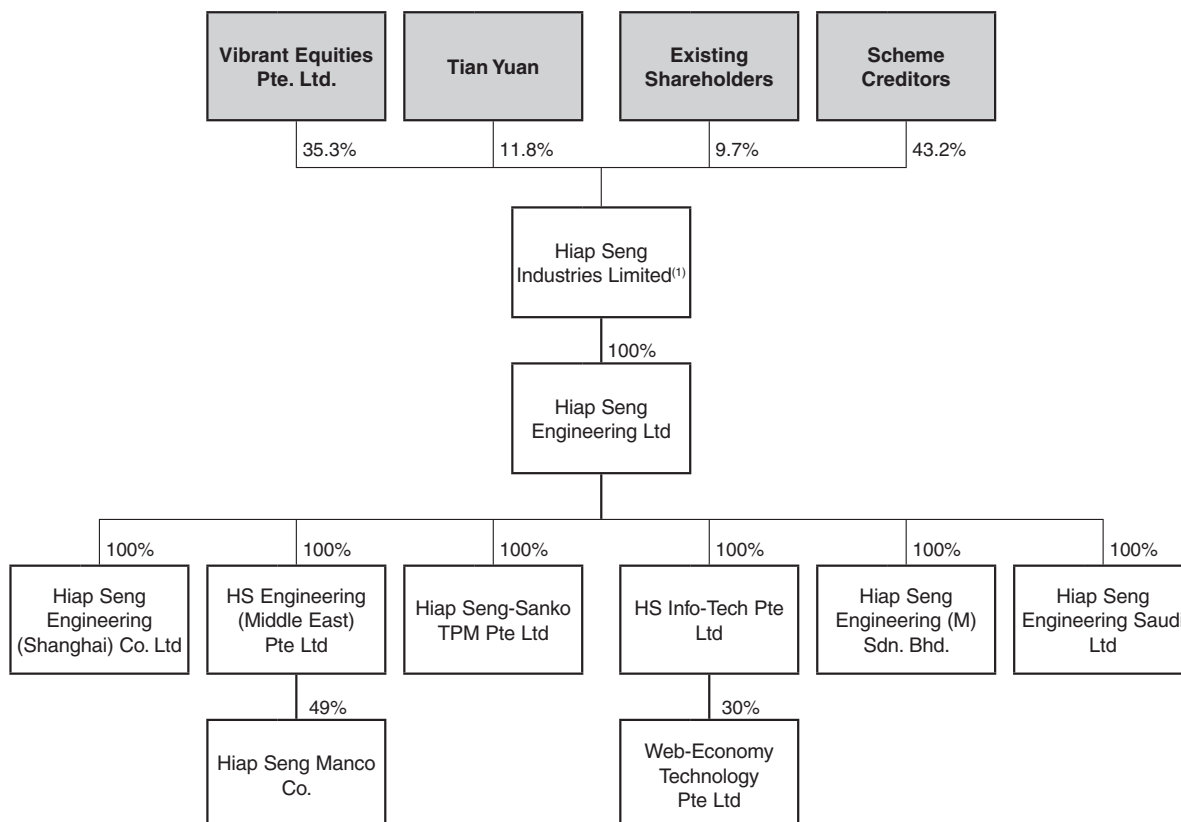
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Following the receipt of the AIP, the shareholding of the New Listco was transferred to Vibrant and the directorship was transferred to Mr. Khua Kian Hua (a 30.0% shareholder and director of Vibrant). As at the Latest Practicable Date, the New Listco does not have any treasury shares or subsidiary holdings, and does not have any outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into the shares of the New Listco.

Subject to the completion of the Shareholders' Scheme, the number of issued securities of the New Listco will be increased by the number of Existing Shares, the Subscription Shares, the Settlement Shares and the Options. Upon completion of the Shareholders' Scheme, the New Listco's principal business activities will be that of investment holding. The Company will become a wholly-owned operating subsidiary of the New Listco and continue to own and operate the existing business of the Group, being engaged as an engineering, procurement and construction contractor and a maintenance works contractor for the oil, gas and energy industrial sectors, including process plants and facilities, and storage terminals.

On the completion date of the Proposed Subscriber Transactions, Proposed Debt Restructuring and Proposed Transfer Listing, it is currently contemplated that in addition to Mr. Khua Kian Hua (as executive director and member of the nominating committee of the New Listco), Mr. Sebastian Tan (as independent chairman, chairman of the nominating committee, member of the audit committee and member of the remuneration committee of the New Listco), Mr. Max Tan (as executive director and chief executive officer of the New Listco), Mr. Pramotedham (as independent director, chairman of the audit committee and member of the remuneration committee of the New Listco), and Mr. David Ong (as independent director, chairman of the remuneration committee, member of the audit committee and member of the nominating committee of the New Listco) will be appointed as directors of the New Listco (the "**Directors**").

A diagram illustrating the corporate structure of the New Listco and the Group after the Proposed Transfer Listing is as follows:



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Notes:

- (1) Shareholding percentages above are computed based on the Enlarged Share Capital of the New Listco, being 3,130,637,660 Shares, including nil treasury shares and subsidiary holdings, taking into consideration the allotment and issue of (a) the Subscription Shares pursuant to the Proposed Subscriber Transactions; and (b) the Settlement Shares, but excluding any Option Shares or Rights Shares.
- (2) For the avoidance of doubt, the Company no longer considers the following as subsidiaries as these entities are in various stages of liquidation as at the Latest Practicable Date: Asia Process Industries Pte Ltd (in voluntary liquidation), HS Compression & Process Pte Ltd (in compulsory liquidation) and Hiap Seng Engineering (Thailand) Co., Ltd (in voluntary liquidation).

Please refer to section 8.11 (*Corporate Information of the New Listco*) of this Circular for the corporate information on the New Listco.

8.5 Rationale for and Benefits of the Proposed Transfer Listing

The Company Restructuring implemented through the Shareholders' Scheme for the Proposed Transfer Listing is a restructuring exercise undertaken by the Company and the New Listco to facilitate a migration of the shareholding interests of the Existing Shareholders from an interest in the shareholding and capital of the Company (whether existing or contingent) to an interest in the shareholding and capital of the New Listco.

It will enable the establishment of a corporate structure where:

- (a) the New Listco becomes (i) an investment holding company owning 100.0% of the issued and paid-up share capital of the Company; and (ii) the listed vehicle in place of the Company; and
- (b) the Company ceases its function as the listed vehicle within the Group and continues as the operational company carrying out its existing business.

The current structure is such that the listed entity, which is the Company, has operating businesses which exposes it directly to liabilities from its operating activities. This may put the stakeholders of the listed entity at risk to such direct liabilities and the Company is of the view that there is a need to separate the listed entity and the operational entity, to facilitate the Group to be more streamlined and the ringfencing of liabilities arising from the business operations and investment opportunities (whether existing or future).

Therefore, under the new structure, the Company can operate as a standalone entity owning and operating the existing business and/or exploring new business opportunities. This may also facilitate easier cooperation with other partners or investors to invest in the Company or allow for the partial or full divestment of interests in the Company. At present, any divestment of the business of the Company to monetise its assets must be made by way of a business and/or asset sale (instead of a share sale at the Company level), and potential purchasers may not be able to benefit from the reputation and track record of the business operated by the Company. Under the new structure, it would be possible for the New Listco to conduct a sale of shares in the operating entities and accordingly allow any potential purchasers to acquire both the business as well as the track record of such operating entities. In addition, the new structure would allow the New Listco the flexibility of raising capital in the future on a standalone basis in respect of either the existing business or such other businesses as it may acquire in the future.

8.6 Shareholders' Scheme Conditions

A summary of certain material Shareholders' Scheme Conditions is set out below for reference:

- (a) the approval of the Shareholders' Scheme by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Shareholders' Scheme Meeting, such majority holding not less than three-fourths in value of the Shares held by the Shareholders present and voting either in person or by proxy at the Shareholders' Scheme Meeting;
- (b) all Regulatory Approvals¹⁸ having been obtained and not withdrawn prior to the Record Date, on terms and conditions satisfactory to the Company; and

¹⁸ As defined in the Implementation Agreement.

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- (c) the grant of the Shareholders' Scheme Court Order by the Court and such Shareholders' Scheme Court Order having become final, and the registration of the Shareholders' Scheme Court Order with the ACRA pursuant to Section 210(5) of the Companies Act.

Shareholders should refer to paragraph 5 of the Shareholders' Scheme Explanatory Statement as set out in **Appendix G** (*Shareholders' Scheme Explanatory Statement*) to this Circular for further details on the Shareholders' Scheme Conditions.

8.7 Regulatory Approvals for the Shareholders' Scheme

8.7.1 Court Sanction

The Shareholders' Scheme is subject to the sanction of the Court, as referred to in section 8.6 (*Shareholders' Scheme Conditions*) of this Circular.

8.7.2 SGX-ST

The Company had applied to the SGX-ST and the SGX-ST had, by way of a letter dated 28 July 2023, advised that the transfer of listing status of the Company to the New Listco is not subject to the new listing and delisting requirements under Chapter 2 and Chapter 13 of the Listing Manual.

In addition, the Company had applied to the SGX-ST for, among others, the listing and quotation of all of the New Listco Shares pursuant to the completion of the Proposed Subscriber Transactions and the Proposed Debt Restructuring and assuming the full exercise of the Options, amounting to up to 4,603,934,160 New Listco Shares. The AIP which was subject to certain conditions (further details of which are set out in section 1.10 (*Application to the SGX-ST*) of this Circular) was obtained on 28 July 2023. The AIP is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Shares in the New Listco (including the Subscription Shares, the Options Shares and the Settlement Shares) and the New Listco, the Company and/or its subsidiaries.

8.7.3 MAS

Under Division 1 of Part XIII of the SFA, every offer of securities or securities-based derivatives contracts is considered a public offer for which a Singapore-law compliant prospectus is required to be registered, unless such offer is exempted from the prospectus requirements. Further to an application made by the Company in connection with the Proposed Transfer Listing, the MAS made the Prospectus Exemption Declaration by way of a letter dated 17 May 2023.

The Proposed Transfer Listing approved under the Prospectus Exemption Declaration is defined in the therein as the restructuring:

- (a) that is conducted under a compromise or arrangement for the Company:
- (i) which is approved by the General Division of the High Court under section 210(4) of the Companies Act;
 - (ii) for which, for the purpose of convening a meeting that is ordered by the General Division of the High Court under section 210(1) of the Companies Act:
 - (1) the Company had prepared and sent to each of its shareholders together with the notice of meeting, the circular relating to the compromise or arrangement that is required by the Listing Manual or the SGX-ST (or both) to be sent to the Shareholders;
 - (2) the Company had prepared, and sent or disseminated to each of its Shareholders, at any time before the date of the scheme meeting, any other document or information relating to the compromise or arrangement that is required by the Listing Manual or the SGX-ST (or both) to be sent or disseminated to the Shareholders;

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- (3) the circular mentioned in sub-paragraph (1) and (where required) the document or information mentioned in sub-paragraph (2) above had provided sufficient information to the Shareholders to enable the Shareholders to make an informed decision on whether or not to agree to the compromise or arrangement including the Specified Information¹⁹; and
- (b) under which:
- (i) all shares and share options in the Company will be transferred to the New Listco by all the Shareholders and holders of share options in the Company;
 - (ii) each Shareholder will be issued with a share in the New Listco in consideration for each of the Shareholder's Shares that are transferred to the New Listco;
 - (iii) each holder of a share option in the Company will be issued with a share option in the New Listco in consideration for each of the holder's share options in the Company that is transferred to the New Listco;
 - (iv) the shareholders of New Listco and the composition of their shareholding in New Listco immediately after the completion of the Proposed Transfer Listing will be the same as that of the Company immediately prior to the Proposed Transfer Listing; and
 - (v) the board of the New Listco will comprise of directors that were approved by the Shareholders at the scheme meeting.

This Circular contains the information required for the purposes of sub-paragraph (a)(ii) above, and the approval of the General Division of the High Court will be applied for once Shareholders' approval for the Shareholders' Scheme has been obtained at the Shareholders' Scheme Meeting.

In view of the proposed timeline for the Proposed Transfer Listing as set out in the section entitled "Indicative Timetable" of this Circular, the Company had re-applied to the MAS on 13 October 2023 for an updated Prospectus Exemption Declaration. An appropriate announcement will be made on the outcome of the re-application in due course.

8.7.4 Singapore Code on Take-overs and Mergers Not Applicable

As the Company Restructuring is a corporate restructuring implemented by way of a scheme of arrangement where there is no substantive change in the expected shareholding composition or shareholding interests of the Existing Shareholders, the Subscribers and the Scheme Creditors, the provisions of the Takeover Code are not applicable to the Company Restructuring.

8.8 **Delisting of the Company and the Listing of the New Listco in its place**

If the Shareholders' Scheme becomes effective in accordance with its terms, the Company will become a wholly-owned subsidiary of the New Listco following the completion of the Company Restructuring. Consequently, the Shares will be withdrawn from the SGX-ST and cease to be traded on the SGX-ST after the completion of the Proposed Transfer Listing. The Company may, following its withdrawal of the Existing Shares or delisting of the Company from the SGX-ST, be converted into a private company.

It is contemplated that the delisting of the Company from the Mainboard of the SGX-ST will take place shortly after the Effective Date.

It is also contemplated that the all of the Shares in the New Listco (including the Subscription Shares and the Settlement Shares) will be listed on the Mainboard of the SGX-ST on the same day as the delisting of the Company from the Mainboard of the SGX-ST.

¹⁹ "Specified Information" means (a) all of the information that is required to be provided to the Shareholders under the Listing Manual or the SGX-ST (or both); and (b) the terms of the compromise or arrangement, and details of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing.

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Please refer to the indicative timetable contained in the section entitled “Indicative Timetable” of this Circular for the indicative dates and times of the delisting of the Company from the Mainboard of the SGX-ST and the listing of the Shares of the New Listco on the Mainboard of the SGX-ST. Please note that the dates and times set out in the indicative timetable in relation to the delisting of the Company from the Mainboard of the SGX-ST and the listing of the Shares of the New Listco on the Mainboard of the SGX-ST are indicative only and may be subject to change.

Subject to the approval of the Shareholders’ Scheme at the Shareholders’ Scheme Meeting and the sanction of the Shareholders’ Scheme by the Court, further announcements in relation to the Record Date for the Shareholders’ Scheme and the delisting of the Company from the Mainboard of the SGX-ST and the listing of the Shares of the New Listco on the Mainboard of the SGX-ST will be made in due course by the Company and/or New Listco as and when appropriate.

8.9 No Cash Outlay

Shareholders should note that the Company will bear all cash outlay (including any stamp duties, CDP administrative fees or brokerage expenses) that is required and no cash outlay will be required from the Shareholders under the Shareholders’ Scheme.

8.10 Corporate Information of the Company

Directors and Executive Officers As at the Latest Practicable Date, the Directors are Mr. Frankie Tan, Mr. Richard Tan and Mr. Koh.

As at the Latest Practicable Date, the Executive Officers are Mr. Max Tan, Ms. Tan Biby Valarie, Mr. Tan Yew Kun, Mr. Tan Yaw Song and Mr. Tan Hak Jin.

Board Committees As at the Latest Practicable Date, the members of the Board committees of the Company are as follows:

Audit Committee

Mr. Koh Kim Wah – Member

Nominating Committee

Mr. Koh Kim Wah – Member

Mr. Frankie Tan Ah Lam – Member

Remuneration Committee

Mr. Koh Kim Wah – Chairman

Principal Activities of the Company The Company was incorporated in Singapore on 29 March 1971 and was listed on the Mainboard of the SGX-ST on 18 June 1999.

The Existing Business includes being engaged as an engineering, procurement and construction contractor and a maintenance works contractor for the oil, gas and energy industrial sectors, including process plants and facilities, and storage terminals.

On 15 September 2020, the Company and its subsidiary, HS Compression & Process Pte Ltd, were placed under judicial management. During the period of judicial management, all powers conferred and duties imposed on the Directors of the Company by the Companies Act, the IRDA and/or the Constitution must be exercised and performed by the Judicial Managers and not by the Directors. On 14 March 2022, HS Compression & Process Pte Ltd was placed under Compulsory Liquidation in March 2022.

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Share Capital

Number and Class of Shares

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$36,178,290 comprising 303,750,000 ordinary shares.

Issue of Shares

The Company has not issued any new Shares since 28 November 2006.

Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, or options in respect of Shares in the Company which carry voting rights affecting the issued Shares in the Company.

Treasury Shares and Subsidiary Holdings

As at the Latest Practicable Date, the Company does not have any treasury shares or subsidiary holdings.

Disclosure of Interests

The interests of Directors and the Substantial Shareholders of the Company in the Shares are set out in **Appendix A** (*Changes in Shareholding Interests*) to this Circular.

Holdings of Shares in the New Listco by the Company

As at the Latest Practicable Date, the Company does not own or control any Shares in the New Listco nor has the Company agreed to acquire any Shares in the New Listco.

Material Contracts

Save (a) as disclosed in this Circular; (b) for contracts entered into the ordinary course of business; and/or (c) as publicly announced on SGXNet, the Company has not entered into any material contracts during the two (2) years preceding the Latest Practicable Date.

Material Litigation

As at the Latest Practicable Date:

- (a) the Company is not engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company; and
- (b) the Judicial Managers and the Executive Director are not aware of any litigation, claim or proceeding pending or threatened against the Company or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company.

Taxation

The Judicial Managers and the Executive Director are of the view that the Shareholders' Scheme should have no significant adverse tax implications on the Company. Shareholders who are in doubt as to their respective tax implications arising from the Shareholders' Scheme should consult their own professional advisers.

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General Disclosure

Save as disclosed in this Circular (including section 1.11 (*Conditionality of Resolutions*) of this Circular), there are, as at the Latest Practicable Date, no agreements or arrangements made between any Director and any other person in connection with or which are conditional upon the outcome of the Shareholders' Scheme.

8.11 Corporate Information of the New Listco

Directors and Executive Officers

As at the Latest Practicable Date, the director of the New Listco is Mr. Khua Kian Hua, a shareholder and director of Vibrant.

Pursuant to the terms of the Subscription Agreement and as further described in section 9 (*Proposed Appointment of New Directors*) of this Circular, Vibrant has nominated Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong to be appointed as directors of the New Listco. Please refer to **Appendix K** (*Information on Proposed New Directors*) to this Circular for information on these Directors, including their roles in the New Listco.

Concurrent with Completion and with the appointment of the Proposed New Directors, existing members of the current Board being Mr. Frankie Tan, Mr. Richard Tan and Mr. Koh will resign.

As at the Latest Practicable Date, the proposed executive officers of the New Listco are Ms. Tan Biby Valarie, Mr. Tan Yew Kun, and Mr. Tan Hak Jin. Upon Completion, the New Listco will review and consider the retention and/or appointment of executive officers as appropriate and as required by the Group's business and operations. The New Listco will make the relevant announcements in compliance with the applicable rules of the Listing Manual.

Board Committees

As at the Latest Practicable Date, it is envisaged that the members of the Board committees of the New Listco are as follows:

Audit Committee

Mr. Pramotedham – Chairman
Mr. Sebastian Tan – Member
Mr. David Ong – Member

Nominating Committee

Mr. Sebastian Tan – Chairman
Mr. Khua Kian Hua – Member
Mr. David Ong – Member

Remuneration Committee

Mr. David Ong – Chairman
Mr. Sebastian Tan – Member
Mr. Pramotedham – Member

The terms of reference of the Audit Committee, Nominating Committee and Remuneration Committee of the New Listco shall be the same as those adopted by the respective board committees of the Company.

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Principal Activities of the New Listco

As at the Latest Practicable Date, the New Listco has not undertaken any business activities and has no assets or liabilities (other than for auditing, corporate secretarial and other administrative expenses incurred).

The principal business activity of the New Listco upon completion of the Shareholders' Scheme would be that of investment holding.

Share Capital

Number and Class of Shares

As at the Latest Practicable Date, the New Listco has only one (1) class of shares, being ordinary shares, and has an issued and paid-up share capital of approximately S\$1.00 comprising one (1) share.

Issue of Shares

Since 2 January 2022 (being the date of incorporation of the New Listco) to the Latest Practicable Date, other than the one (1) Share of the New Listco issued and currently held by Vibrant²⁰, the New Listco has not issued any Shares.

Immediately after the completion of the Shareholders' Scheme, the number of issued securities of the New Listco will be increased by the number of Existing Shares, the Subscription Shares, the Options and the Settlement Shares. Assuming that none of the Options are exercised on Completion, the share capital of the New Listco will comprise 3,130,637,660 New Listco Shares upon completion of the Shareholders' Scheme. Vibrant has agreed to take one (1) less Subscription Share issued pursuant to the Shareholders' Scheme as it currently owns one (1) Share in the New Listco.

Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, or options in respect of Shares in the New Listco which carry voting rights affecting the issued Shares in the New Listco.

Immediately after the completion of the Shareholders' Scheme and assuming that none of the Options are exercised on Completion, the New Listco will have 1,473,296,500 Options.

Treasury Shares and Subsidiary Holdings

As at the Latest Practicable Date, the New Listco does not have any treasury shares or subsidiary holdings.

Disclosure of Interests

As at the Latest Practicable Date, none of the Directors or the Substantial Shareholders of the Company has any direct or indirect interests in the New Listco.

Material Contracts

Save as disclosed in this Circular, the New Listco has not entered into any other material contract, agreement or arrangement with any third party since 2 January 2022 (being the date of incorporation of the New Listco) and the Judicial Managers and the Executive Director are not aware of any event which has occurred since such date to the Latest Practicable Date which may have a material adverse effect on the financial position of the New Listco.

²⁰ Originally held at incorporation by Sim Choon Kiem (who is an independent third party).

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Material Litigation

As at the Latest Practicable Date:

- (a) the New Listco is not engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the New Listco; and
- (b) the Judicial Managers and the Executive Director are not aware of any litigation, claim or proceeding pending or threatened against the New Listco or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the New Listco.

8.12 Constitution of the New Listco

The Constitution of the New Listco (the “**New Listco Constitution**”), which was adopted by Vibrant (in its capacity as sole shareholder) by way of a special resolution passed on 18 September 2023, complies with the relevant requirements of the Listing Manual for constitutions of listed issuers, including Appendix 2.2 of the Listing Manual.

In view of the numerous changes which would have to be made to the existing Constitution (which was adopted on 28 May 1999) due to changes to the Companies Act and the Listing Manual, the New Listco has adopted a new set of constitutive documents instead of adopting an amended version of the existing Constitution, noting that under Rule 730(2) of the Listing Manual, if an issuer amends its constitution, amendments must be made consistent with all the listing rules prevailing at the time of amendment. The Judicial Managers and the Executive Director confirms that the New Listco Constitution is consistent with the rules under the Listing Manual as at the Latest Practicable Date.

A summary of the material differences between the existing Constitution and the New Listco Constitution are set out in **Appendix J** (*Summary of Material Differences between the Constitution and the New Listco Constitution*) of this Circular. Please note that the list set out in **Appendix J** (*Summary of Material Differences between the Constitution and the New Listco Constitution*) of this Circular is not exhaustive and Shareholders are advised to refer to the full text of the New Listco Constitution set out in **Appendix I** (*New Listco Constitution*) to this Circular.

The New Listco Constitution will be subject to ratification by the Shareholders by way of Special Resolution 1 as set out in the Notice of EGM. Subject to Shareholders’ approval, the New Listco Constitution will bind the New Listco and its Shareholders, including the Existing Shareholders, immediately after the completion of the Company Restructuring and the Shareholders’ Scheme.

8.13 Shareholders’ Scheme Meeting

The Shareholders’ Scheme, which is proposed pursuant to Section 210 of the Companies Act, has to be approved by the Shareholders at a meeting convened at the direction of the Court. By order of the Court dated 27 October 2023²¹, the Shareholders’ Scheme Meeting was directed to be convened for the purpose of approving the Shareholders’ Scheme.

By proposing that the Proposed Transfer Listing be effected by way of the Company Restructuring through the Shareholders’ Scheme, the Company is providing the Shareholders the opportunity to determine at the Shareholders’ Scheme Meeting whether they consider the Proposed Transfer Listing (via the Company Restructuring through the Shareholders’ Scheme) to be in their best interests. When the Shareholders’ Scheme, with or without modification, is approved by the requisite number and share value of the Shareholders and by the Court, the Shareholders’ Scheme will be binding on the Company and all Shareholders, whether or not they were present, in person or by proxy, or voted at the Shareholders’ Scheme Meeting.

²¹ For further details on the order of the Court dated 27 October 2023, please refer to the Company’s announcement dated 27 October 2023.

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The Shareholders' Scheme must be approved by a majority in number of Shareholders, representing not less than three-fourths in value of the Shares held by the Shareholders, present and voting, either in person or by proxy, at the Shareholders' Scheme Meeting with respect to the Shareholders' Scheme.

The Notice of Shareholders' Scheme Meeting is set out on pages NS-1 to NS-4 of this Circular.

9. THE PROPOSED APPOINTMENT OF NEW DIRECTORS

9.1 Background and Rationale

Pursuant to the terms of the Subscription Agreement, Vibrant shall have the right to nominate such number of directors to be mutually agreed upon by the parties to the Subscription Agreement, taking into consideration the board size, to the board of the Company or the New Listco (as the case may be), and such director(s) to be a member of the remuneration, audit and/or nominating committee of the Company or the New Listco (as the case may be), provided that Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the CG Code).

Vibrant has nominated Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong to be appointed as directors of the New Listco. Accordingly, the Company will be seeking Shareholders' approval at the EGM for the Proposed Appointment of New Directors as the Shareholders will become shareholders of the New Listco following completion of the Proposed Transfer Listing.

Concurrent with Completion and with the appointment of the Proposed New Directors, existing members of the current Board being Mr. Frankie Tan, Mr. Richard Tan and Mr. Koh will resign.

9.2 Information on Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong

9.2.1 Mr. Sebastian Tan

Mr. Sebastian Tan has more than 41 years of experience in corporate advisory and general management.

He was the Managing Director and Finance Director of Boardroom Limited which he co-founded in May 2000 and was listed on the Mainboard of the SGX-ST in September 2000. Having retired from Boardroom Limited in March 2013, he continues to be an advisor. Prior to May 2000, he was with Ernst & Young Singapore and its affiliates since September 1973.

He is currently serving on the board of directors of various public and private companies, and charitable organisations in Singapore. He is an Independent Director of Food Empire Holdings Limited, IPC Corporation Ltd and Kingsmen Creatives Limited which are companies listed on the Mainboard of the SGX-ST, as well as Jumbo Group Limited and Wilton Resources Corporation Limited, which are companies listed on Catalist. He is also a Trustee of Kwan Im Thong Hood Cho Temple and a director of D S Lee Foundation and EtonHouse Community Fund Ltd.

Mr. Sebastian Tan is a qualified financial professional from the Association of Chartered Certified Accountants of the United Kingdom and was conferred the Public Medal (PBM) in 1993.

9.2.2 Mr. Khua Kian Hua

Mr. Khua Kian Hua began his career in 1994 as a junior auditor in Harry Tan and Partners. In 1995, he was posted to KPMG Taiwan as a Senior Auditor for two (2) years before returning to Singapore to join Jurong Shipyard Limited in various positions for two 2 years.

Mr. Khua Kian Hua is currently the General Manager for Vibrant Capital Pte. Ltd., the holding company for Vibrant Group Limited, overseeing the overall management of finance functions of the company, matters relating to the regulatory compliance and reporting, and oversee the company human resource matters. Mr. Khua Kian Hua is also currently the Treasurer of Singapore Metal and Machinery Association.

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Mr. Khua Kian Hua graduated from the University of the Pacific, United States of America in 1992 with a Bachelor of Science in Business Administration.

Mr. Khua Kian Hua is a 30.0% shareholder of Vibrant, one of the Subscribers.

9.2.3 Mr. Max Tan

Mr. Max Tan joined the Company as Manager – Special Projects on 2 January 2018. His area of responsibility includes managing compliance, business continuity, and sustainability and risk assessment matters for the Group. As part of the Company's management team, he is also responsible in overseeing the general operations of the Company and assists the Chief Executive Officer in the development of the Group's business strategies. Prior to joining the Company, he was a Lead Process Engineer at ExxonMobil, with notable achievements in implementation of initiatives and projects that achieved multi-million dollar increase in revenue and cost savings. Mr. Max Tan graduated from the University of Manchester, United Kingdom, with a Master of Engineering (Meng) 1st Class Honours degree in Chemical Engineering, with Industrial Experience.

Mr. Max Tan is the son of Mr. Richard Tan, the Executive Director, Chief Executive Officer and Substantial Shareholder of the Company as at the date of this Circular.

9.2.4 Mr. Piti Pramotedham

With more than 29 years of experience in the information technology industry, Mr. Pramotedham diverse portfolio includes being a Venture Partner at IncuVest Pte Ltd, where he evaluates promising start-ups for early-stage funding.

He is currently a director of Littlemore Innovation Labs Pte Ltd and serves as the chairman of its audit committee. He was formerly a board member (2015 to 2023) and the Chairman of the audit and risk committee (2019 to 2023) of Singapore LNG Corporation. Prior to that, he was the Executive Chairman, Group Chief Executive Officer and Co-Founder of Kronologi Asia Berhad, a holding company for several business entities across Southeast Asia that specialises in data storage, data backup and disaster recovery products and services. Prior to joining Kronologi Asia Berhad, he was an equity partner with Deloitte Southeast Asia. In Deloitte, he was the Lead Partner for the Governance, Risk Management and Compliance Practice where he served many customers in the Oil & Gas Industry.

Mr. Pramotedham graduated from National University of Singapore with a Bachelor of Engineering (Civil Engineering) in 1988.

9.2.5 Mr. David Ong

Mr. David Ong began his professional career in 1989 and held senior marketing positions in various international companies, including American Express, Visa International, Reed Elsevier and Publicis Groupe. He also started a marketing and business consultancy company, Planet Marketing Inc, in 1997.

Mr. David Ong is currently the Managing Director of RedDot Media Inc, a tourism media company he started in 1998. He also serves as Non-Executive Independent Director of two companies listed on the Mainboard of the SGX-ST, Ellipsiz Ltd and New Toyo International Holdings Ltd. Mr. David Ong was formerly a Member of Parliament of Singapore from 2011 to 2016, and was awarded the Public Service Medal and Public Service Star in 2005 and 2009 respectively.

Mr. David Ong graduated from the University of Oregon, with Bachelor of Science in Business Administration with double major in Marketing and Management.

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9.2.6 As at the Latest Practicable Date and save as disclosed above, Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong (a) does not hold any Shares; and (b) is not related to any of the Directors, Substantial Shareholders of the Company, or their respective Associates. There is also no connection (including business relationship) between Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong and the Group, the Directors or Substantial Shareholders of the Company, save as disclosed above.

9.3 Disclosure of Information pursuant to Rule 720(6) of the Listing Manual

Please refer to **Appendix K** (*Information on Proposed New Directors*) to this Circular for the disclosure of information relating to the Proposed Appointment of New Directors in accordance with Rule 720(6) read with Appendix 7.4.1 of the Listing Manual.

9.4 Independence of Mr. Sebastian Tan

Mr. Sebastian Tan, a Proposed New Director, is an advisor to Boardroom Corporate & Advisory Services Pte. Ltd., which has been, since 2007, and continues, as at the Latest Practicable Date, to be the Share Registrar of the Company.

The Judicial Managers and the Executive Director have assessed the independence of Mr. Sebastian Tan under the CG Code and is satisfied that the relationship described above will not interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Group, taking into account the following:

- (a) Mr. Sebastian Tan is neither a director, Substantial Shareholder, partner (with 5.0% or more stake) nor executive officer of Boardroom Corporate & Advisory Services Pte. Ltd., and his work is limited to providing advice to Boardroom Corporate & Advisory Services Pte. Ltd. on a corporate level in relation to certain planning, strategic and client relationship matters;
- (b) in relation to the services provided by Boardroom Corporate & Advisory Services Pte. Ltd. to the Company since 2007, Mr. Sebastian Tan has not been involved in the delivery of such services. In addition, Mr. Sebastian Tan has not provided any services to nor received payments from the Company; and
- (c) the aggregate fees paid by the Company to Boardroom Corporate & Advisory Services Pte. Ltd. for FY2021, FY2022 and FY2023 were S\$5,400, S\$3,400 and S\$2,400 respectively. This is below the threshold of S\$200,000 for payments which are deemed significant under the Practice Guidance 2022 on the CG Code.

Having considered the foregoing, the Judicial Managers and the Executive Director is of the view that the share registrar services provided by Boardroom Corporate & Advisory Services Pte. Ltd. to the Company as described above does not impinge on the independence of Mr. Sebastian Tan as a proposed independent director of the New Listco, as the professional relationship and business dealings between Mr. Sebastian Tan, Boardroom Corporate & Advisory Services Pte. Ltd., and the Group are not of a material nature that could interfere, or be reasonably perceived to interfere, with the exercise of Mr. Sebastian Tan's independent business judgement in the best interests of our Group or would compromise his independence as a Proposed New Director.

9.5 Opinion of the Judicial Managers and the Executive Director

The Judicial Managers and the Executive Director have reviewed the Proposed Appointment of New Directors and have considered, among others, the composition of the proposed board, the recommendations of the Subscribers, and the working experience, academic qualifications and competencies (including audit, financial management, risk management, engineering, corporate advisory and business marketing) of each of the candidates and believe that the diversity of experience will help bring varied and rich perspectives to organisational strategy and operations of the Group and will meet the requirements of the Group.

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Accordingly, the Judicial Managers and the Executive Director is satisfied that that Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong meet the stipulated requirements for directors of a listed entity on the SGX, have the requisite experience, expertise, knowledge and skills to contribute positively to the Group, and are suitable for appointment as executive director and independent directors of the New Listco (as the case may be). Therefore, the Judicial Managers and the Executive Director recommend the appointment of Mr. Sebastian Tan as independent chairman, Mr. Khua Kian Hua as executive director, Mr. Max Tan as executive director, Mr. Pramotedham as independent director and Mr. David Ong as independent director of the New Listco.

10. THE PROPOSED RATIFICATION OF THE NEW LISTCO CONSTITUTION

The New Listco Constitution, which was adopted pursuant to a shareholders' resolution approved by Vibrant by way of a special resolution passed on 18 September 2023 complies with the relevant requirements of the Listing Manual for constitutions of listed issuers.

The New Listco Constitution has been updated from the existing Constitution of the Company in order to take into account changes to the Companies Act and the Listing Manual for the purposes of clarity and good order. In view of the numerous changes which would have to be made to the existing Constitution of the Company (which was adopted on 28 May 1999) due to changes to the Companies Act and the Listing Manual, the New Listco had adopted a new constitution instead of adopting an amended version of the existing Constitution of the Company. Notwithstanding that the New Listco Constitution has been adopted and approved by Vibrant, it is proposed that the New Listco Constitution be ratified by Shareholders at the EGM.

A summary of the material differences between the existing Constitution of the Company and the New Listco Constitution are as set out in **Appendix J** (*Summary of Material Differences between the Constitution and the New Listco Constitution*) of this Circular. Shareholders should note that the list in **Appendix J** may not be exhaustive and should be read in conjunction with the New Listco Constitution which is set out in its entirety in **Appendix I** (*New Listco Constitution*) to this Circular.

The New Listco Constitution will bind the New Listco and its shareholders, including the Existing Shareholders, the Subscribers and the Scheme Creditors, immediately after the completion of the Company Restructuring.

11. INDICATIVE SHAREHOLDING INTERESTS

Please refer to **Appendix A** (*Changes in Shareholding Interests*) to this Circular for indicative shareholding interests of the Directors, Substantial Shareholders of the Company, the Subscribers, the Scheme Creditors and other Shareholders pursuant to the transactions as contemplated in this Circular.

Save as disclosed in this Circular, none of the Directors, the Substantial Shareholders of the Company or their respective Associates has any interest, direct or indirect, in the Proposals, other than through their respective directorships and/or shareholdings in the Company.

12. CONSOLIDATED FINANCIAL EFFECTS

12.1 Bases and Assumptions

For illustrative purposes only, the financial effects of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue have been prepared based on the audited financial statements of the Group for the financial year ended 31 March 2023. The financial effects have been prepared on the following assumptions:

- (a) the inter-conditional completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing;

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- (b) the Group raises gross proceeds of approximately S\$8.0 million from the exercise of all Options;
- (c) there is no change in the NTL or NTA, EPS and share capital of the Company and the New Listco, pursuant to the Shareholders' Scheme; and
- (d) the completion of the Proposed Rights Issue in the Minimum Subscription Scenario and in the Maximum Subscription Scenario will result in gross proceeds of S\$1.0 million and S\$3.3 million respectively.

Shareholders should also refer to the independent auditor's assurance report and the unaudited pro forma consolidated financial information for the financial year ended 31 March 2023 based on the audited financial statements of the Group for the financial year ended 31 March 2023, as set out in **Appendix F** (*Independent Auditor's Assurance Report and the Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 31 March 2023*) to this Circular.

12.2 Share Capital

As at the Latest Practicable Date, the share capital of the Company is approximately S\$36,178,290 and its issued share capital is 303,750,000 Shares.

| | Number of Shares |
|---|------------------|
| Prior to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽¹⁾ | 303,750,000 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽²⁾ | 3,130,637,660 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Minimum Subscription Scenario) ⁽³⁾ | 3,314,799,722 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Maximum Subscription Scenario) ⁽⁴⁾ | 3,738,137,660 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Maximum Subscription Scenario) and the full exercise of all the Options by the Subscribers ^{(4), (5)} | 5,211,434,160 |

Notes:

- (1) Based on the Existing Share Capital of 303,750,000 Shares, including nil treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Based on an additional 1,473,296,500 Subscription Shares and 1,353,591,160 Settlement Shares to be issued upon the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing, which are inter-conditional.
- (3) Based on an additional 184,162,062 Rights Shares to be issued in the Minimum Subscription Scenario.
- (4) Based on an additional 423,337,938 Rights Shares to be issued in the Maximum Subscription Scenario.
- (5) Based on an additional 1,473,296,500 Option Shares to be issued upon the full exercise of all Options by the Subscribers.

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12.3 EPS

Assuming that the following transactions were completed on 1 April 2022, the pro forma financial effects on the Group's EPS would be as follows:

| | Profit Attributable to owners of the Company (S\$'000) | Number of Shares ('000) | EPS (Singapore cents) |
|--|--|--------------------------------|-----------------------------|
| Prior to the completion of the Proposed Subscriber Transactions the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽¹⁾ | 5,625 | 303,750 | 1.85 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ^{(2), (3)} | 21,942 | 3,130,638 | 0.70 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Minimum Subscription Scenario) ^{(3), (4)} | 21,942 | 3,314,800 | 0.66 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Maximum Subscription Scenario) ^{(3), (5)} | 21,942 | 3,738,138 | 0.59 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Maximum Subscription Scenario) and the full exercise of all the Options by the Subscribers ^{(3), (5), (6)} | 21,942 | 5,211,434 | 0.42 |

Notes:

- (1) Based on the Existing Share Capital of 303,750,000 Shares, including nil treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Based on an additional 1,473,296,500 Subscription Shares and 1,353,591,160 Settlement Shares to be issued upon the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing, which are inter-conditional.
- (3) Profit includes S\$18.2 million from the extinguishment of remaining Scheme Debt and balance of amounts owing to UOB.
- (4) Based on an additional 184,162,062 Rights Shares to be issued in the Minimum Subscription Scenario.
- (5) Based on an additional 423,337,938 Rights Shares to be issued in the Maximum Subscription Scenario.
- (6) Based on an additional 1,473,296,500 Option Shares to be issued upon the full exercise of all Options by the Subscribers.

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12.4 (NTL) / NTA per Share

Assuming that the following transactions were completed on 31 March 2023, the pro forma financial effects on the Group's (NTL) / NTA per share would be as follows:

| | (NTL) / NTA (S\$'000) | Number of Shares (‘000) | (NTL) / NTA per Share (Singapore cents) |
|--|--------------------------|-------------------------------|--|
| Prior to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽¹⁾ | (17,352) | 303,750 | (5.71) |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ^{(2), (3)} | 16,296 | 3,130,638 | 0.52 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring the Proposed Transfer Listing and the Proposed Rights Issue (in the Minimum Subscription Scenario) ^{(3), (4)} | 17,146 | 3,314,800 | 0.52 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Maximum Subscription Scenario) ^{(3), (5)} | 19,446 | 3,738,138 | 0.52 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Maximum Subscription Scenario) and the full exercise of all the Options by the Subscribers ^{(3), (5), (6)} | 27,446 | 5,211,434 | 0.53 |

Notes:

- (1) Based on the Existing Share Capital of 303,750,000 Shares, including nil treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Based on an additional 1,473,296,500 Subscription Shares and 1,353,591,160 Settlement Shares to be issued upon the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing, which are inter-conditional.
- (3) Profit includes S\$18.7 million from the extinguishment of remaining Scheme Debt and balance of amounts owing to UOB.
- (4) Based on an additional 184,162,062 Rights Shares to be issued in the Minimum Subscription Scenario.
- (5) Based on an additional 423,337,938 Rights Shares to be issued in the Maximum Subscription Scenario.
- (6) Based on an additional 1,473,296,500 Option Shares to be issued upon the full exercise of all Options by the Subscribers.

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12.5 Gearing

Assuming that the following transactions were completed on 31 March 2023, the pro forma financial effects on the Group's gearing would be as follows:

| | Total Borrowings (S\$'000) | Equity attributable to Shareholders (S\$'000) | Gearing (times) |
|--|-------------------------------|--|-----------------|
| Prior to the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽¹⁾ | 14,696 | (17,352) | N.M |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽²⁾ | 0 | 16,296 | N.M |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Minimum Subscription Scenario) ^{(3), (6)} | 5,600 | 17,146 | 0.33 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Maximum Subscription Scenario) ^{(4), (6)} | 5,600 | 19,446 | 0.29 |
| Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Maximum Subscription Scenario) and the full exercise of all the Options by the Subscribers ^{(4), (5), (6)} | 5,600 | 27,446 | 0.20 |

Notes:

- (1) Based on the Existing Share Capital of 303,750,000 Shares, including nil treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Based on an additional 1,473,296,500 Subscription Shares and 1,353,591,160 Settlement Shares to be issued upon the completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing, which are inter-conditional.
- (3) Based on an additional 184,162,062 Rights Shares to be issued in the Minimum Subscription Scenario.
- (4) Based on an additional 423,337,938 Rights Shares to be issued in the Maximum Subscription Scenario.
- (5) Based on an additional 1,473,296,500 Option Shares to be issued upon the full exercise of all Options by the Subscribers.
- (6) Includes S\$5.6 million of newly obtained banking facilities for the purposes of fulfilling the remaining JTC Investment Criteria of S\$7.0 million.

13. RECOMMENDATIONS

As background, the Company has been placed under Judicial Management since 15 September 2020. The objectives of the Judicial Management Order are to achieve one or more of the following purposes:

- (a) survival of the Company, or the whole or part of its undertaking as a going concern;
- (b) the approval under Section 210 of the Companies Act or Section 71 of the IRDA of a compromise or arrangement between the Company and any such persons as mentioned in those sections; and/or
- (c) a more advantageous realisation of the Company's assets than on winding up.

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During this period when the Company is under Judicial Management, all powers conferred and duties imposed on the Directors of the Company by the Companies Act, the IRDA and/or the Constitution must be exercised and performed by the Judicial Managers and not by the Directors. Since then, the Judicial Managers have been managing the affairs and business of the Company. All Directors, with the exception of the Executive Director, have not been actively involved in the Company's day to day affairs since the Judicial Managers came on board. Furthermore, Mr. Frankie Tan resigned on 16 October 2020 from his position as executive director and the independent directors are non-functional as there has not been any board meetings, as all powers conferred and duties of the Directors have been exercised and performed by the Judicial Managers.

Notwithstanding, the Judicial Managers have been in consultation with the remaining Executive Director, Mr. Richard Tan, on certain operational matters and on the terms of the Proposals and the Proposed Transfer Listing during the deliberation and discussion stages. To that end, the Judicial Managers are providing the relevant recommendations for the Proposals and the Proposed Transfer Listing, together with the Executive Director (only in relation to the Ordinary Resolutions which he does not have to abstain from, Special Resolution 1 and the Proposed Transfer Listing Resolution).

Further, the Judicial Managers have also reviewed the financial statements of the Company, monitored the cash flow and managed the liquidity risk of the Company by maintaining sufficient cash to enable them to meet the normal operating commitments. Based on its continued managing of the affairs and business of the Company, the Judicial Managers are able to come to the conclusion that the Group is able to continue to operate as a going concern for at least the next 12 months following trading resumption and that the operating business remains viable and sustainable, premised on the following factors:

- (i) the successful implementation and completion of the Proposed Debt Restructuring through the Creditors' Scheme and the UOB Restructuring Deed, which will result in the immediate discharge, release and extinguishment of the Scheme Debt and balance amounts owing to UOB; and
- (ii) under the purview of the Judicial Managers, the management of the Group has taken the following steps and measures to sustain and improve the Group's operational performance and financial position: (1) continue to source for upcoming shutdown and maintenance contracts; (2) implementation of cost containment measures; (3) renewal of relationships with past customers and the provision of comprehensive scale of services to clients, including supporting their green initiatives; (4) shutting down and/or divestment of the Company's non-core investments to reduce overheads; and (5) exploration of available options in utilising any part of the premises/assets for value.

Further, based on the audited financial statements of the Group for FY2023, the auditors have similarly opined that the ability of the Group and the Company to continue as going concerns is subject to the completion of the restructuring exercise (as contemplated by the Proposals and the Proposed Transfer Listing set forth under this Circular) to be undertaken.

13.1 The Proposed Subscription

The Judicial Managers and the Executive Director, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscription, and all other relevant information set out in this Circular, are of the opinion that the Proposed Subscription is in the best interests of the Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 as set out in the Notice of EGM.

13.2 The Proposed Grant of Options

The Judicial Managers and the Executive Director, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Grant of Options, and all other relevant information set out in this Circular, are of the opinion that the Proposed Grant of Options is in the best interests of the Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 2 as set out in the Notice of EGM.

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13.3 The Proposed Issue of Settlement Shares

The Judicial Managers and the Executive Director, having considered, among others, the terms and conditions, rationale and financial effects of the Proposed Issue of Settlement Shares, and all other relevant information set out in this Circular, are of the opinion that the Proposed Issue of Settlement Shares is in the best interests of the Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 3 as set out in the Notice of EGM.

13.4 The Proposed Issue of Certain Settlement Shares to the Settlement Directors and Related Individuals

The Judicial Managers and the Executive Director (only in relation to the Ordinary Resolutions which he does not have to abstain from), having considered, among others, the terms and conditions, rationale and financial effects of the Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals, and all other relevant information set out in this Circular, are of the opinion that the each of the Ordinary Resolutions relating to the Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals is in the best interests of the Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolutions 4 to 7 as set out in the Notice of EGM.

13.5 The Proposed Transfer of Controlling Interest to Vibrant and the Potential Transfer of Controlling Interest to Tian Yuan

The Judicial Managers and the Executive Director, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscriber Transactions, and all other relevant information set out in this Circular, are of the opinion that the Proposed Transfer of Controlling Interest to Vibrant and the Potential Transfer of Controlling Interest to Tian Yuan are in the best interests of the Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolutions 8 and 9 respectively, as set out in the Notice of EGM.

13.6 The Proposed Whitewash Resolution

The Judicial Managers and the Executive Director, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscriber Transactions and the opinion and advice of the IFA as set out in the IFA Letter, are of the opinion that the Proposed Whitewash Resolution is in the best interests of the Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 10 as set out in the Notice of EGM.

13.7 The Proposed Rights Issue

The Judicial Managers and the Executive Director, having considered, among others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Rights Issue, and all other relevant information set out in this Circular, are of the opinion that the Proposed Rights Issue is in the best interests of the Shareholders, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 11 as set out in the Notice of EGM.

13.8 The Proposed Transfer Listing

The Judicial Managers and the Executive Director, having considered the rationale for and the terms of the Proposed Transfer Listing to be undertaken by way of the Company Restructuring through the Shareholders' Scheme, are of the opinion that the Shareholders' Scheme is in the interests of the Shareholders and that the terms of the Shareholders' Scheme is fair and reasonable.

Accordingly, the Judicial Managers recommend that Shareholders vote in favour of the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting.

Shareholders are advised to read this Circular, including the Shareholders' Scheme Explanatory Document and the Shareholders' Scheme as set out in **Appendix G** (*Shareholders' Scheme Explanatory Statement*) and **Appendix H** (*Shareholders' Scheme*) to this Circular, respectively, in its entirety.

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13.9 The Proposed Appointment of New Directors

The Judicial Managers and the Executive Director, having considered, among others, the rationale for the proposed appointment of Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong, and all other relevant information set out in this Circular (including the information required under Appendix 7.4.1 of the Listing Manual as set out in **Appendix K** (*Information on Proposed New Directors*) of this Circular), are of the opinion that the proposed appointment of Mr. Sebastian Tan, Mr. Khua Kian Hua, Mr. Max Tan, Mr. Pramotedham and Mr. David Ong as new directors of the New Listco as at Completion is in the best interests of the Shareholders and the New Listco, and accordingly recommend that Shareholders vote in favour of Ordinary Resolutions 12 to 16 respectively, as set out in the Notice of EGM.

13.10 The Proposed Ratification of the New Listco Constitution

The Judicial Managers and the Executive Director, having considered, among others, the rationale and benefits of the proposed ratification of the New Listco Constitution, are of the opinion that the proposed ratification of the New Listco Constitution is in the best interests of the Shareholders and the New Listco, and accordingly recommend that Shareholders vote in favour of Special Resolution 1, as set out in the Notice of EGM.

13.11 No Regard to Specific Objectives

Shareholders, in deciding whether to vote in favour of the Ordinary Resolutions and/or Special Resolution 1 relating to the Proposals at the EGM and the Proposed Transfer Listing Resolution at the Shareholders' Scheme Meeting, should read carefully the terms, rationale for and benefits of the Proposals and the Proposed Transfer Listing. In giving the above recommendations, the Judicial Managers have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Judicial Managers recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank, solicitor, accountant, tax adviser or other professional advisers.

14. EXTRAORDINARY GENERAL MEETING AND SHAREHOLDERS' SCHEME MEETING

The EGM, notice of which is set out on pages NE-1 to NE-8 of this Circular, will be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions and Special Resolution 1 relating to the Proposals set out in the Notice of EGM.

The Shareholders' Scheme Meeting, notice of which is set out on pages NS-1 to NS-4 of this Circular, will be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the EGM to be held in person at 2.30 p.m. on the same day (or its adjournment thereof)) for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Transfer Listing Resolution set out in the Notice of Shareholders' Scheme Meeting.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1 Questions

Submission of substantial and relevant questions in advance of the EGM and/or the Shareholders' Scheme Meeting. Shareholders may submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM and the Shareholders' Scheme Meeting to the Chairman of the relevant meeting, in advance of the EGM and the Shareholders' Scheme Meeting, in the following manner:

- (a) if submitted by post, to the Company's registered office at 28 Tuas Crescent Singapore 638719; or
- (b) if submitted electronically, via email to info@hiapseng.com,

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in each case, by **13 November 2023 (being seven (7) calendar days from the date of the Notice of EGM)**. When sending in questions by post or email, please also include the following details: (a) full name; (b) full NRIC/FIN/Passport/Company Registration number; (c) address, contact number and email address; and (d) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

Shareholders where applicable, appointed proxies can also ask live at the EGM and/or the Shareholders' Scheme Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the EGM and/or the Shareholders' Scheme Meeting by attending the EGM and/or the Shareholders' Scheme Meeting in person.

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its status as Shareholders.

The Company will endeavour to respond to substantial and relevant questions received on the Proposals and/or the Shareholders' Scheme no later than 72 hours prior to the closing date and time for the lodgement of the Proxy Forms for the EGM and the Shareholders' Scheme Meeting (via an announcement on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)), or at the EGM and/or the Shareholders' Scheme Meeting.

The Company will, within one (1) month after the date of the EGM and the Shareholders' Scheme Meeting, publish the minutes of the EGM and the Shareholders' Scheme Meeting on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com), and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM and the Shareholders' Scheme Meeting.

15.2 Proxy Forms

If a Shareholder is unable to attend the EGM and/or the Shareholders' Scheme Meeting and wishes to appoint a proxy(ies) to attend, speak and vote on his/her/its behalf, he/she/it should complete, sign and return the relevant Proxy Form in the following manner:

- (a) if submitted by post, lodged with the Company's registered office at 28 Tuas Crescent Singapore 638719; or
- (b) if submitted electronically, via email to info@hiapseng.com,

in each case, not later than 48 hours before the time appointed for the EGM and the Shareholders' Scheme Meeting, as relevant. Shareholders are strongly encouraged to submit completed relevant Proxy Forms electronically via email.

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can download a copy of the relevant Proxy Form from SGXNet (<https://www.sgx.com/securities/company-announcements>) and/or the website of the Company (www.hiapseng.com), and complete and sign the relevant 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.

If no specific direction as to voting is given, in respect of a resolution, the appointed proxy(ies) will vote or abstain from voting at his/her/their discretion. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney. Persons who have an interest in the approval of the resolution(s) must decline to accept their appointment as proxies unless the Shareholder concerned has specific instructions in his/her/its Proxy Form as to the manner in which his/her/its votes are to be cast in respect of such resolution.

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member,

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being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM and the Shareholders' Scheme Meeting (i.e. **2.30 p.m. (in the case of the EGM) and 3.00 p.m. (in the case of the Shareholders' Scheme Meeting) on 25 November 2023**), as certified by CDP to the Company.

EGM: CPFIS Members and SRS Investors (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by 2.30 p.m. on 17 November 2023), and such CPFIS Members and/or SRS Investors shall be precluded from attending the EGM.

Shareholders' Scheme Meeting:

- (a) CPFIS Members and SRS Investors who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, will have to submit their relevant requests through their respective CPF Agent Banks or SRS Operators so that CPF Agent Banks or SRS Operators may register with the Company.
- (b) CPF Agent Banks or SRS Operators acting on the request of CPFIS Members and SRS Investors who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, are required to submit in writing, a list of details of the following, in relation to the CPFIS Members and SRS Investors: (1) full name; (2) full NRIC/FIN/Passport/Company Registration number; (3) address, contact number and email address; and (4) the number of Shares held and manner to be voted. The list, signed by an authorised signatory of the CPF Agent Banks or SRS Operators, should reach the Company's registered office at 28 Tuas Crescent Singapore 638719, at least 48 hours before the time appointed for holding the Shareholders' Scheme Meeting (i.e. by 3.00 p.m. on 26 November 2023).

15.3 Documents

As part of the Company's ongoing sustainability efforts and as the Company has opted for electronic dissemination, printed copies of the Circular will not be despatched to the Shareholders. Instead:

- (a) electronic copies of the Circular is available for download from SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com). A Shareholder will need an internet browser and PDF reader to access and view the documents on these websites;
- (b) only printed copies of the Notice of EGM, the Notice of Shareholders' Scheme Meeting, the Proxy Forms for the EGM and the Shareholders' Scheme Meeting, and a request form (on how to request for a copy of this Circular) (the "**Request Form**") will be despatched to Shareholders; and
- (c) Shareholders who wish to request for a copy of the Circular to be sent to an address in Singapore by ordinary post or to a specified email address may do so by completing and returning the Request Form (which will be despatched to Shareholders and is also available on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)) in the following manner: (i) if submitted by post, to the Judicial Managers of Hiap Seng Engineering Ltd (Under Judicial Management) c/o 8 Wilkie Rd, #03-08 Wilkie Edge, Singapore 228095; or (ii) if submitted electronically, via email to info@hiapseng.com, in each case, by 21 November 2023 (being seven (7) days prior to the date of the EGM and the Shareholders' Scheme Meeting).

LETTER TO SHAREHOLDERS

16. RESPONSIBILITY STATEMENT

The Judicial Managers and the Executive Director collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Proposed Transfer Listing, the New Listco and the Group, and the Judicial Managers and the Executive Director are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Judicial Managers and the Executive Director have been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

17. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company located at 28 Tuas Crescent Singapore 638719 during normal business hours for three (3) months from the date of this Circular during normal business hours:

- (a) the Constitution and the New Listco Constitution;
- (b) the annual reports of the Company for FY2021, FY2022 and FY2023;
- (c) the IFA Letter;
- (d) the consent letter referred to in section 6.3 (*Consent from the IFA*) of this Circular; and
- (e) the scheme document in relation to the Creditors' Scheme.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to info@hiapseng.com to make an appointment in advance.

Yours faithfully
For and on behalf of

HIAP SENG ENGINEERING LTD (JUDICIAL MANAGERS APPOINTED)

Oon Su Sun and Lin Yueh Hung
Joint and Several Judicial Managers

Richard Tan Leau Kuee @ Tan Chow Kuee
Executive Director and Chief Executive Officer

APPENDIX A – CHANGES IN SHAREHOLDING INTERESTS

| | Prior to the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽¹⁾ | | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽²⁾ | | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Minimum Subscription Scenario) ⁽³⁾ | | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Maximum Subscription Scenario) ⁽⁴⁾ | | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Maximum Subscription Scenario) and the full exercise of all the Options by the Subscribers ⁽⁵⁾ | | | | | | |
|--|---|------------------|------|---|------------------|---------------|---|------------------|------|---|------------------|---------------|--|------------------|------|---------------|------|---------------|------|
| | Direct Interest | Deemed Interest | % | Direct Interest | Deemed Interest | % | Direct Interest | Deemed Interest | % | Direct Interest | Deemed Interest | % | Direct Interest | Deemed Interest | % | | | | |
| | Number of Shares | Number of Shares | % | Number of Shares | Number of Shares | % | Number of Shares | Number of Shares | % | Number of Shares | Number of Shares | % | Number of Shares | Number of Shares | % | | | | |
| OUTGOING DIRECTORS | | | | | | | | | | | | | | | | | | | |
| Frankie Tan Ah Lam ⁽⁶⁾ | 3,319,500 | 70,788,639 | 23.3 | 3,319,500 | 0.1 | 70,788,639 | 2.3 | 3,319,500 | 0.1 | 254,950,701 | 7.7 | 9,958,500 | 0.3 | 212,365,917 | 5.7 | 9,958,500 | 0.2 | 212,365,917 | 4.1 |
| Richard Tan Leau Kuee @ Tan Chow Kuee ⁽⁷⁾ | - | 70,788,639 | 23.3 | 4,757,810 | 0.2 | 70,788,639 | 2.3 | 4,757,810 | 0.1 | 254,950,701 | 7.7 | 4,757,810 | 0.1 | 212,365,917 | 5.7 | 4,757,810 | 0.1 | 212,365,917 | 4.1 |
| Koh Kim Wah ⁽⁸⁾ | - | 278,000 | 0.1 | 4,520,552 | 0.1 | 278,000 | 0.0 | 4,520,552 | 0.1 | 278,000 | 0.0 | 4,520,552 | 0.1 | 278,000 | 0.0 | 4,520,552 | 0.1 | 278,000 | 0.0 |
| SUBSTANTIAL SHAREHOLDERS (OTHER THAN DIRECTORS) | | | | | | | | | | | | | | | | | | | |
| Tan Kuay Hoe Holdings Pte Ltd | 70,788,639 | - | - | 70,788,639 | 2.3 | - | - | 254,950,701 | 7.7 | - | - | 212,365,917 | 5.7 | - | - | 212,365,917 | 4.1 | - | - |
| Cheng Bok Poh @ Chng Bok Poh ⁽⁹⁾ | 29,938,375 | 7,086,440 | 2.3 | 29,938,375 | 1.0 | 7,086,440 | 0.2 | 29,938,375 | 0.9 | 7,086,440 | 0.2 | 89,815,125 | 2.4 | 21,259,320 | 0.6 | 89,815,125 | 1.7 | 21,259,320 | 0.4 |
| Goo Bulk Bing @ Goh Guik Bing ⁽¹⁰⁾ | 7,086,440 | 29,938,375 | 9.9 | 7,086,440 | 0.2 | 29,938,375 | 1.0 | 7,086,440 | 0.2 | 29,938,375 | 0.9 | 21,259,320 | 0.6 | 89,815,125 | 2.4 | 21,259,320 | 0.4 | 89,815,125 | 1.7 |
| OTHERS SUBSTANTIAL SHAREHOLDERS | | | | | | | | | | | | | | | | | | | |
| Subscriber - Vibrant Equities Pte. Ltd. | - | - | - | 1,104,972,375 | 35.3 | - | - | 1,104,972,375 | 33.3 | - | - | 1,104,972,375 | 29.6 | - | - | 2,209,944,750 | 42.4 | - | - |
| Vibrant Group Limited ⁽¹¹⁾ | - | - | - | - | - | 1,104,972,375 | 35.3 | - | - | 1,104,972,375 | 33.3 | - | - | 1,104,972,375 | 29.6 | - | - | 1,104,972,375 | 42.4 |
| Vibrant Capital Pte. Ltd. ⁽¹²⁾ | - | - | - | - | - | 1,104,972,375 | 35.3 | - | - | 1,104,972,375 | 33.3 | - | - | 1,104,972,375 | 29.6 | - | - | 1,104,972,375 | 42.4 |
| Khua Kian Keong ⁽¹³⁾ | - | - | - | - | - | 1,104,972,375 | 35.3 | - | - | 1,104,972,375 | 33.3 | - | - | 1,104,972,375 | 29.6 | - | - | 1,104,972,375 | 42.4 |
| Khua Kian Ann, Vincent ⁽¹⁴⁾ | - | - | - | - | - | 1,104,972,375 | 35.3 | - | - | 1,104,972,375 | 33.3 | - | - | 1,104,972,375 | 29.6 | - | - | 1,104,972,375 | 42.4 |
| Subscriber - Tian Yuan | - | - | - | 368,324,125 | 11.8 | - | - | 368,324,125 | 11.1 | - | - | 368,324,125 | 9.9 | - | - | 736,648,250 | 14.1 | - | - |
| United Overseas Bank Limited | - | - | - | 329,857,012 | 10.5 | - | - | 329,857,012 | 10.0 | - | - | 329,857,012 | 8.8 | - | - | 329,857,012 | 6.3 | - | - |
| Asia Process Industries Pte Ltd ⁽¹⁵⁾ | - | - | - | 228,951,992 | 7.3 | - | - | 228,951,992 | 6.9 | - | - | 228,951,992 | 6.1 | - | - | 228,951,992 | 4.4 | - | - |
| OTHERS | | | | | | | | | | | | | | | | | | | |
| Other non-public | 278,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

APPENDIX A – CHANGES IN SHAREHOLDING INTERESTS

| | Prior to the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽¹⁾ | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing ⁽²⁾ | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Rights Issue (in the Minimum Subscription Scenario) ⁽³⁾ | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue (in the Maximum Subscription Scenario) ⁽⁴⁾ | | Upon completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue (in the Maximum Subscription Scenario) and the full exercise of all the Options by the Subscribers ⁽⁵⁾ | | | |
|-------------------------------|---|-----------------|---|-----------------|--|-----------------|---|-----------------|--|-----------------|-------------------------|--------------|
| | Direct Interest | Deemed Interest | Direct Interest | Deemed Interest | Direct Interest | Deemed Interest | Direct Interest | Deemed Interest | Direct Interest | Deemed Interest | | |
| | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % | | |
| PROPOSED NEW DIRECTORS | | | | | | | | | | | | |
| Sebastian Tan Cher Liang | - | - | - | - | - | - | - | - | - | - | | |
| Khua Kian Hua ⁽⁶⁾ | - | - | - | 1,104,972,375 | 35.3 | 1,104,972,375 | 33.3 | 1,104,972,375 | 29.6 | 2,209,944,750 | 42.4 | |
| Tan Phuay Hung, Max | - | - | - | - | - | - | - | - | - | - | - | |
| Piji Pramodham | - | - | - | - | - | - | - | - | - | - | - | |
| David Ong Kim Huat | - | - | - | - | - | - | - | - | - | - | - | |
| | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Non-public | 111,410,954 | 36.7 | 2,036,863,314 | 65.1 | 2,291,814,015 | 69.1 | 2,249,229,231 | 60.2 | 3,281,207,822 | 63.0 | | |
| Public | 192,339,046 | 63.3 | 1,093,774,346 | 34.9 | 1,022,985,707 | 30.9 | 1,488,908,429 | 39.8 | 1,930,226,338 | 37.0 | | |
| TOTAL | 303,750,000 | 100.0 | 3,130,637,660 | 100.0 | 3,314,799,722 | 100.0 | | | 3,738,137,660 | 100.0 | 5,211,434,160 | 100.0 |

Notes:

- (1) Based on the Existing Share Capital of 303,750,000 Shares, including nil treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Based on the Enlarged Share Capital of 3,130,637,660 Shares, including nil treasury shares and subsidiary holdings, taking into consideration the allotment and issue of the (a) Subscription Shares; and (b) Settlement Shares.
- (3) Based on the 3,314,799,722 Shares in the issued and paid-up share capital of the Company, including nil treasury shares and subsidiary holdings, taking into consideration the allotment and issue of the (a) Subscription Shares; (b) Settlement Shares; and (c) Rights Shares (in the Minimum Subscription Scenario).
- (4) Based on 3,738,137,660 Shares in the issued and paid-up share capital of the Company, including nil treasury shares and subsidiary holdings, taking into consideration the allotment and issue of the (a) Subscription Shares; (b) Settlement Shares; and (c) Rights Shares (in the Maximum Subscription Scenario).
- (5) Based on 5,211,434,160 Shares in the issued and paid-up share capital of the Company, including nil treasury shares and subsidiary holdings, taking into consideration the allotment and issue of the (a) Subscription Shares; (b) Settlement Shares; (c) Rights Shares (in the Maximum Subscription Scenario); and (d) Option Shares (based on the full exercise of all the Options by the Subscribers).
- (6) Mr. Frankie Tan Ah Lam is deemed to have an interest in the shares held by Tan Kuay Hoe Holdings Pte Ltd by virtue of Section 7 of the Companies Act.
- (7) Mr. Richard Tan Leau Kuee @ Tan Chow Kuee is deemed to have an interest in the Shares held by Tan Kuay Hoe Holdings Pte Ltd by virtue of Section 7 of the Companies Act.

APPENDIX A – CHANGES IN SHAREHOLDING INTERESTS

- (8) Mr. Koh Kim Wah is deemed to have an interest in the Shares held by his spouse, Mdm. Lee Hoon Hua.
- (9) Mr. Cheng Buck Poh @ Chng Bok Poh is deemed to have an interest in the Shares held by his spouse, Mdm. Goo Guik Bing @ Goh Guik Bing.
- (10) Mdm. Goo Guik Bing @ Goh Guik Bing is deemed to have an interest in the Shares held by her spouse, Mr. Cheng Buck Poh @ Chng Bok Poh.
- (11) Vibrant Group Limited is deemed to have an interest in the Shares held by Vibrant by virtue of Section 7 of the Companies Act (Vibrant Group Limited holding more than 20% of the voting shares in Vibrant).
- (12) Vibrant Capital Pte. Ltd. is deemed to have an interest in the Shares held by Vibrant by virtue of Section 7 of the Companies Act (Vibrant Capital Pte. Ltd. holding more than 20% of the voting shares in Vibrant Group Limited).
- (13) Mr. Khua Kian Keong is deemed to have an interest in the Shares held by Vibrant by virtue of Section 7 of the Companies Act (Mr. Khua Kian Keong holding more than 20% of the voting shares in Vibrant Capital Pte. Ltd.).
- (14) Mr. Khua Kian Ann, Vincent is deemed to have an interest in the Shares held by Vibrant by virtue of Section 7 of the Companies Act (Mr. Khua Kian Ann, Vincent holding more than 20% of the voting shares in Vibrant).
- (15) Asia Process Industries Pte Ltd was placed under voluntary liquidation on 5 September 2020, is one of the Scheme Creditors under the Creditors' Scheme and will be allotted and issued 228,951,992 Settlement Shares under the Creditors' Scheme. As Asia Process Industries Pte Ltd is currently in liquidation, the Company does not consider it a subsidiary and therefore will not treat its shareholdings as subsidiary holdings.
- (16) As described in section 9.1 of the Circular and subject to Shareholders' approval being obtained for the Inter-conditional Resolutions, the Proposed New Directors will be appointed to the board of the New Listco with effect from completion of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring and the Proposed Transfer Listing, with one (1) of the incoming directors being Mr. Khua Kian Hua, who is a 30.0% shareholder of Vibrant. Mr. Khua Kian Hua is deemed to have an interest in the shares held by Vibrant by virtue of Section 7 of the Companies Act.

APPENDIX B – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS

4. ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF OPTIONS

4.1. The Exercise Price and the number of Options held by the Option Holder shall from time to time be adjusted by the Directors, which adjustment shall be certified by the Auditors (as defined in the Subscription Agreement). The Exercise Price and the number of Options held by the Option Holder shall be subject to Conditions 4.3 to 4.12 from time to time and be adjusted as provided in these Conditions in all or any of the following cases, such adjustments to prevent dilution or enlargement of the benefits attributable to the unexercised Options:

4.1.1. an issue by the Company²² of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

4.1.2. a Capital Distribution (as defined herein) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

4.1.3. an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or

4.1.4. any share split, consolidation, reclassification or sub-division of the Shares.

4.2. Subject to these Conditions (and in particular Condition 4.3), the Exercise Price and the number of Options held by the Option Holder shall from time to time be adjusted in accordance with the following provisions (but if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Conditions 4.1.1 to 4.1.4 or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Directors shall determine):

4.2.1. If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Exercise Price and the number of Options held by the Option Holder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B} \times P$$

$$\text{Adjusted number of Options} = \frac{A + B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

²² For the purposes of this Appendix B and in accordance with the terms and conditions of the Options under the Subscription Agreement as amended, modified and supplemented by the Supplemental Agreements, references to the "Company" shall mean the New Listco (on the basis that the Options are to be allotted and issued by the New Listco pursuant to the completion of, among others, the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing). For further details, please refer to section 8 (*The Proposed Transfer Listing*) of this Circular.

APPENDIX B – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS

P = existing Exercise Price; and

W = existing number of Options held.

Such foregoing adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 4, “**record date**” in relation to the relevant transaction means the date as at the close of business on which Shareholders must be registered as such to participate therein.

4.2.2. If and whenever:

- (a) the Company shall make a Capital Distribution (as defined herein) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (b) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights,

then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

and in respect of each case referred to in Condition 4.2.2(b) above, the number of Options held by the Option Holder shall be adjusted in the following manner:

$$\text{Adjusted number of Options} = \frac{C}{C - D} \times W$$

where:

C = the average of the Last Dealt Prices on the five Market Days immediately before the date on which the Capital Distribution (as defined herein), or any offer or invitation referred to in Condition 4.2.2(b) above, as the case may be, is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution (as defined herein) or, as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 4.2.2(b) above, the value of the rights attributable to one Share (as defined herein), or (ii) in the case of any other transaction falling within Condition 4.2.2, the fair market value, as determined by an Approved Bank (as defined in the Subscription Agreement) (with the concurrence of the Auditors (as defined in the Subscription Agreement)), of that portion of the Capital Distribution (as defined herein) or of the nil paid rights attributable to one (1) Share;

P = as in P above; and

W = as in W above.

For the purpose of definition (i) of “D” above the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

APPENDIX B – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS

where:

- C = as in C above;
- E = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights;
- F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights; and
- 1 = one.

For the purpose of Conditions 4.1.2 and 4.2.2(a) above, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 4.2.1) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 4.2.2(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to Condition 4.2.2(b) above.

For the purposes of this Condition 4, “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

- 4.2.3 If and whenever the Company makes any allotment to its Shareholders as provided in Condition 4.2.1 above and also makes any offer or invitation to its Shareholders as provided in Condition 4.2.2(b) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Options held by the Option Holder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(G \times C) + (H \times E)}{(G + H + B) \times C} \times P$$

$$\text{Adjusted number of Options} = \frac{(G + H + B) \times C}{(G \times C) + (H \times E)} \times W$$

where:

- B = as in B above;
- C = as in C above;
- E = as in E above;
- G = the aggregate number of issued and fully paid-up Shares on the record date;
- H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;
- P = as in P above; and

APPENDIX B – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS

W = as in W above.

Such foregoing adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions. For the purposes of this paragraph, “**closing date**” shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

- 4.2.4. If and whenever share split, consolidation, reclassification or sub-division of the Shares occurs, the Exercise Price and the number of Options held by the Option Holder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{Q}{R} \times P$$

and the number of Options shall be adjusted in the following manner:

$$\text{Adjusted number of Options} = \frac{R}{Q} \times W$$

where:

Q = the aggregate number of issued and fully paid-up Shares immediately before share split, consolidation, reclassification or sub-division;

R = the total Shares outstanding post share split, consolidation, reclassification or sub-division;

P = as in P above; and

W = as in W above,

such adjustments will be effective from the close of the Market Day immediately preceding the date on which the share split, consolidation, reclassification or sub-division becomes effective.

- 4.3. Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Options held by the Option Holder will be required in respect of:

- 4.1.1. the Rights Issue as described in the Agreement;
- 4.1.2. an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for shares to officers, including directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option scheme approved by the Shareholders in general meeting;
- 4.1.3. an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
- 4.1.4. any issue by the Company of Shares pursuant to the exercise of any of the Options and any other Options or any other warrants or the conversion of any convertible securities previously issued by the Company;
- 4.1.5. any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in general meeting subsequent to the issue of Options, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury;

APPENDIX B – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS

- 4.1.6. any issue by the Company of securities convertible into Shares or rights, options, warrants or other rights to acquire or subscribe for or purchase Shares (other than arising from or by way of rights, bonus or other capitalisation issues) and the issue of Shares arising from the conversion or exercise of such securities or rights, issued subsequent to the Grant of Options, whether by itself or together with any other issue, pursuant to such issue being approved by the Shareholders in general meeting; and
- 4.1.7. any other corporate action that may directly or indirectly result in the issue of additional new Shares, provided that such corporate action has been approved by the Shareholders in general meeting.
- 4.4. If any offer or invitation for Shares is made otherwise than by the Company to the Shareholders, then the Company shall so far as it is able to procure that at the same time an offer or invitation is made to the Option Holder as if its rights to subscribe for new Shares have been exercised the day immediately preceding the date on which as at the close of business Shareholders must be registered in order to participate in such offer or invitation on the basis then applicable.
- 4.5. Any adjustment to the Exercise Price will be rounded downwards to the nearest 0.001 cent. No adjustments to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 4.2 above by the Auditors (as defined in the Subscription Agreement). No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than 0.001 cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 4.6. Any adjustment to the number of Options held by the Option Holder will be rounded downwards to the nearest whole Option. No adjustment to the number of Options held by the Option Holder shall be made unless (i) it has been certified to be in accordance with Condition 4.2 above by the Auditors (as defined in the Subscription Agreement) and (ii) approval-in-principle has been received from the SGX-ST for the listing of and quotation for such additional Shares as may be issued on the exercise of such Options. If for any reason an event giving rise to an adjustment (the **"First Adjustment"**) made to the Exercise Price or the number of Options held by the Option Holder pursuant to these Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Options held by the Option Holder shall be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as the Directors may consider appropriate.
- 4.7. Whenever there is an adjustment as herein provided, the Company shall give notice to the Option Holder that the Exercise Price and/or the number of Options held by the Option Holder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Options in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Options and the effective date of such adjustment and shall at all times thereafter so long as any of the Options remain exercisable make available for inspection at the office of the Company:
- 4.7.1. a signed copy of the certificate of the Auditors (as defined in the Subscription Agreement) certifying the adjustment to the Exercise Price and/or the number of Options; and
- 4.7.2. a certificate signed by a Director setting forth particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Options in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Options and the effective date of such adjustment,

and shall, on request and at the expense of the Option Holder, send a copy thereof to the Option Holder.

APPENDIX B – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE OPTIONS

- 4.8. If the Directors, the Option Holder, the Auditors (as defined in the Subscription Agreement) and the Approved Bank (as defined in the Subscription Agreement) (where required) are unable to agree upon any adjustment required under these provisions, the Parties shall refer the adjustment to the decision of another Approved Bank (as defined in the Subscription Agreement) acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- 4.9. Any new Options which may be issued by the Company under this Condition 4 shall be issued, subject to and with the benefit of these Conditions.
- 4.10. In giving any certificate or making any adjustment hereunder, the Auditors (as defined in the Subscription Agreement) and the Approved Bank (as defined in the Subscription Agreement) (where required) shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decisions shall be conclusive and binding on the Company, the Option Holder and all other persons having an interest in the Options.
- 4.11. Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Options held by the Option Holder other than in accordance with the provisions of this Condition 4 shall be subject to the approval of the SGX-ST and agreed to by the Company, the Option Holder, the Auditors (as defined in the Subscription Agreement) and the Approved Bank (as defined in the Subscription Agreement) (where required).
- 4.12. Nothing shall prevent or restrict the buy-back of any classes of Shares pursuant to applicable law and the requirements of the SGX-ST. No approval or consent of the Option Holder shall be required for such buyback of any classes of Shares, and there shall be no adjustments to the Exercise Price and number of Options by reason of such buy-back of any classes of Shares.

APPENDIX C – DETAILS OF SCHEME CREDITORS

| Description | Amount of Approved Scheme Claims (\$\$) | Amount of cash distribution (\$\$) | Number of Settlement Shares to be issued | Value of Settlement Shares to be issued (\$\$) | % of total number of Settlement Shares to be issued | % of Enlarged Share Capital | % of Rights Issue Minimum Enlarged Share Capital | % of Rights Issue Maximum Enlarged Share Capital | % of Options Maximum Enlarged Share Capital |
|--|---|------------------------------------|--|--|---|-----------------------------|--|--|---|
| Bank | | | | | | | | | |
| - UOB | 6,330,000.00 | 609,225.70 | 329,857,012 | 1,791,123.58 | 24.4% | 10.5% | 10.0% | 8.8% | 6.3% |
| Other Creditors | | | | | | | | | |
| Directors and related individuals | | | | | | | | | |
| - Mr. Richard Tan ⁽¹⁾ | 91,303.01 | 8,787.38 | 4,757,810 | 25,834.91 | 0.4% | 0.2% | 0.1% | 0.1% | 0.1% |
| - Mr. Koh | 86,750.00 | 8,349.18 | 4,520,552 | 24,546.60 | 0.3% | 0.1% | 0.1% | 0.1% | 0.1% |
| - Mr. Tan Yaw Song ⁽²⁾ | 11,090.89 | 1,067.43 | 577,947 | 3,138.25 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| - Mr. Tan Yew Kun ⁽²⁾ | 522.78 | 50.31 | 27,242 | 147.92 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other Employees | 56,905.36 | 5,476.81 | 2,965,343 | 16,101.81 | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% |
| Trade Creditors | 19,399,022.63 | 1,867,043.16 | 1,010,885,147 | 5,489,106.35 | 74.7% | 32.3% | 30.5% | 27.0% | 19.4% |
| Total | 25,975,594.67 | 2,499,999.97⁽³⁾ | 1,353,591,053⁽⁴⁾ | 7,349,999.42 | 100.0% | 43.2% | 40.8% | 36.1% | 26.0% |

Notes:

- (1) Mr. Richard Tan is both a Director and an employee of the Company. For the purposes of this Appendix C (*Details of Scheme Creditors*), his Approved Scheme Claims are categorised under "Directors and related individuals".
- (2) Mr. Tan Yaw Song and Mr. Tan Yew Kun are employees of the Company and are also brothers of Mr. Frankie Tan and Mr. Richard Tan who are Directors. For the purposes of this Appendix C (*Details of Scheme Creditors*), the Approved Scheme Claims of Mr. Tan Yaw Song and Mr. Tan Yew Kun are categorised under "Directors and related individuals".
- (3) The difference in the total cash distribution set out in this table and the total amount of cash proposed to be distributed under the Proposed Debt Restructuring is due to rounding differences which will not be distributed to individual Scheme Creditors. Shareholders should also note that there may be a difference between the cash proposed to be distributed and the actual cash distributed to Scheme Creditors due to the further adjudication of claims by the Scheme Managers arising from outstanding debts owing and credit notes issued by certain Scheme Creditors.
- (4) The difference in the total number of Settlement Shares set out in this table and the total number of Settlement Shares proposed to be issued under the Proposed Debt Restructuring is due to fractional entitlements of individual Scheme Creditors which shall be disregarded. Shareholders should also note that there may be a difference between the number of Settlement Shares proposed to be issued and the actual number of Settlement Shares issued to Scheme Creditors, due to the further adjudication of claims by the Scheme Managers arising from outstanding debts owing and credit notes issued by certain Scheme Creditors.

APPENDIX C – DETAILS OF SCHEME CREDITORS

| Amount of Approved Scheme Debts | | |
|--|--------------------------|---|
| Breakdown of Scheme Debts | Before Creditors' Scheme | Upon Completion of Creditors' Scheme ⁽¹⁾ |
| Amounts owing to UOB | S\$6,330,000.00 | S\$0 |
| Directors' fees, Director and related individuals' salaries and related expenses | S\$189,666.68 | S\$0 |
| Employees' salaries and related expenses | S\$56,905.36 | S\$0 |
| Trade payables (pre-Judicial Management) | S\$19,399,022.63 | S\$0 |
| Total | S\$25,975,594.67 | S\$0 |

Note:

- (1) Each Scheme Creditor's Approved Scheme Claim shall be irrevocably and forever released, discharged and extinguished upon the later completion of the following:
- (a) the pro rata distribution of a sum of S\$2,500,000 in cash to the Scheme Creditors to the extent of each Scheme Creditor's Approved Scheme Claim; and
 - (b) the allotment and issue of up to a maximum of 1,353,591,160 Settlement Shares at S\$0.00543 per Settlement Share with an aggregate value of up to S\$7,350,000, to the Scheme Creditors.



6 November 2023

**HIAP SENG ENGINEERING LTD
(UNDER JUDICIAL MANAGEMENT)**

28 Tuas Crescent
Singapore 638719

Attention: The Judicial Managers (as defined below) and the Executive Director (as defined below)

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE JUDICIAL MANAGERS AND THE EXECUTIVE DIRECTOR OF HIAP SENG ENGINEERING LTD (THE "COMPANY") IN RESPECT OF THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE PROPOSED ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "SUBSCRIPTION SHARES") AND THE PROPOSED GRANT OF OPTIONS BY THE COMPANY TO VIBRANT EQUITIES PTE. LTD., AT THE ISSUE PRICE OF S\$0.00543 (THE "SUBSCRIPTION PRICE") FOR EACH SUBSCRIPTION SHARE AND THE EXERCISE PRICE OF S\$0.00543 (THE "1st EXERCISE PRICE") OR S\$0.00597 (THE "2nd EXERCISE PRICE", AND TOGETHER WITH THE 1st EXERCISE PRICE, THE "EXERCISE PRICE"), FOR EACH NEW ORDINARY SHARE (THE "OPTION SHARE") TO BE ISSUED PURSUANT TO THE EXERCISE OF THE OPTIONS DEPENDING ON THE DATE OF EXERCISING THE OPTIONS

For the purpose of this letter (this "IFA Letter"), capitalised terms not otherwise defined shall have the meaning given to them in the circular to shareholders of the Company ("Shareholders") dated 6 November 2023 (the "Circular").

1. INTRODUCTION

On 7 January 2022, the joint and several judicial managers of the Company (the "**Judicial Managers**") announced, for and on behalf of the Company, that the Judicial Managers had entered into a conditional subscription agreement dated 7 January 2022, as amended, modified and supplemented by the supplemental agreement dated 25 March 2022, the second supplemental agreement dated 15 August 2022 and the third supplemental agreement dated 31 May 2023 (the "**Subscription Agreement**") with (a) Hiap Seng Industries Pte. Ltd. (the "**New Listco**", then known as Hiap Seng Investment Pte. Ltd.); and



(b) Vibrant Equities Pte. Ltd. (“**Vibrant**”) and Mr. Tian Yuan (collectively, the “**Subscribers**”) in relating to the following:

- (a) the subscription by the Subscribers of the Subscription Shares amounting to S\$8,000,000 (the “**Subscription Amount**”), on the terms and conditions of the Subscription Agreement (the “**Proposed Subscription**”); and
- (b) the subscription by the Subscribers of unlisted and freely transferable share options (the “**Options**”), with each Option carrying the right to subscribe for one (1) Option Share, on the terms and conditions of the Subscription Agreement (the “**Proposed Grant of Options**”, together with the Proposed Subscription, the “**Proposed Subscriber Transactions**”).

The exercise period of the Options shall be the period commencing on and including the date of issue of the Options and expiring on the second (2nd) anniversary of the date of issue of the Options (“**Exercise Period**”).

The Exercise Price of each Option shall be as follows:

- (i) the 1st Exercise Price of S\$0.00543 for each Option Share if the Options are exercised during the period commencing on and including the date of issue of the Options up to the first (1st) anniversary of the date of issue of the Options (the “**First Exercise Period**”); or
- (ii) The 2nd Exercise Price of S\$0.00597 (representing a premium of approximately 9.94% to the 1st Exercise Price) for each Option Share if the Options are exercised during the period commencing on or after the first (1st) anniversary of the date of issue of the Options up to the expiry of the Options on the second (2nd) anniversary of the date of issue of the Options (the “**Second Exercise Period**”).

Assuming that all the Options are validly exercised during the First Exercise Period, the aggregate gross proceeds from the allotment and issue of Option Shares will be S\$8,000,000 (the “**Option Amount**”). Assuming that all the Options are validly exercised during the Second Exercise Period, the aggregate gross proceeds from the allotment and issue of Option Shares will be approximately S\$8.80 million.

Further details of the supplemental agreements (collectively, the “**Supplemental Agreements**”) to the Subscription Agreement are as follows:

- (A) supplemental agreement dated 25 March 2022 to extend certain dates relating to the Proposed Subscriber Transactions and delete all references to expiry of the Options after the first (1st) anniversary of the date of issue of the Options. For avoidance of



doubts, the Options will still expire on the second (2nd) anniversary of the date of issue of the Options;

- (B) supplemental agreement dated 15 August 2022 for parties to acknowledge the Proposed Transfer Listing (as defined below), the timeline for the Company to fulfil or obtain the written approval from JTC Corporation on extension of deadline for fulfilment of the JTC Investment Criteria (as defined in paragraph 5.2.2 of this IFA Letter) in respect of the Group's properties in Tuas Crescent, Singapore and to extend the longstop date for the fulfilment of the conditions for the completion of the Proposed Subscriber Transactions (the "**Longstop Date**") to 31 May 2023;
- (C) supplemental agreement dated 31 May 2023 to extend the Longstop Date to 30 November 2023 and remove the requirement for the holder of the Options (the "**Option Holder**") to approve any adjustment to be made by the Directors on the 1st Exercise Price and the number of Options and that such adjustments only need to be certified by the auditors for the time being of the Company; and
- (D) supplemental agreement dated 6 October 2023 to extend the Longstop Date to 2 March 2024 (or such other date as may be mutually agreed between the parties to the Subscription Agreement).

On 7 January 2022, the following corporate actions were also announced:

- (i) a debt restructuring exercise (including a scheme of arrangement) (the "**Proposed Debt Restructuring**") to restructure the debts and liabilities owing by the Company to United Overseas Bank Limited ("**UOB**") and its other unsecured creditors as at 15 September 2020 (the "**Scheme Debt**"), via partial settlement in cash and partial settlement through the allotment and issue of new ordinary shares in the capital of the Company (the "**Settlement Shares**") to UOB and such other creditors; and
- (ii) a rights issue of new ordinary shares in the capital of the Company (the "**Rights Shares**") at the issue price of S\$0.00543 per Right Share (which is the same as the Subscription Price) to raise up to approximately S\$3.30 million gross proceeds for the Company (the "**Proposed Rights Issue**").

In the same announcement, it was disclosed that the Company also intends to undertake the proposed transfer of the listing status of the Company to the New Listco by way of a scheme of arrangement pursuant to which Shareholders (and the Subscribers) will be issued new ordinary shares in the New Listco in consideration of the Company becoming a wholly-owned subsidiary of the New Listco (the "**Proposed Transfer Listing**"). Accordingly, the Company's existing shares ("**Shares**"), the Rights Shares, the Settlement Shares, the Subscription Shares, the Options, the Option Shares referred herein will also mean the



corresponding shares, new ordinary shares and/or options in the capital of the New Listco if the Proposed Transfer Listing takes place.

As disclosed in section 3 of the Circular, at the meeting convened on 18 August 2022 with the Company's creditors (including UOB) which hold claims against the Company (excluding excluded creditors as further described under the relevant scheme document) (the "**Scheme Creditors**"), a majority in number representing three-fourths in value of the Scheme Creditors present and voting approved the scheme of arrangement in relation to the Proposed Debt Restructuring (the "**Creditors' Scheme**").

Accordingly, the Company is convening the extraordinary general meeting ("**EGM**") to seek Shareholders' approval for among others, the Proposed Subscription, the Proposed Grant of Options, the Proposed Transfer of Controlling Interest to Vibrant, the Proposed Whitewash Resolution, the Proposed Rights Issue, the proposed allotment and issue of the Settlement Shares and the Proposed Transfer Listing.

1.1 THE PROPOSED WHITEWASH RESOLUTION

Pursuant to Rule 14.1 of the Singapore Code on Take-overs and Mergers (the "**Takeover Code**"), except with the consent from Securities Industry Council of Singapore (the "**SIC**"), 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 30.0% or more of the voting rights of a public company; or (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of a public company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights of a public company, such person will be required to make a mandatory general offer for all the shares not already owned or controlled by them.

As at 31 October 2023, being the latest practicable date ("**Latest Practicable Date**") prior to the issue of the Circular, Vibrant and its concert parties do not own any Shares.

Upon completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription, Vibrant may hold 29.56% interest in the then enlarged share capital of the Company of 3,738,137,660 Shares (the "**Post Rights Maximum Enlarged Share Capital**", comprising the existing share capital of 303,750,000 Shares as at the Latest Practicable Date (the "**Existing Share Capital**"), up to 607,500,000 Rights Shares (assuming that the Rights Issue will be fully subscribed), up to 1,353,591,160 Settlement Shares and the 1,473,296,500 Subscription Shares). In the event that the Rights Issue is not fully subscribed and the minimum number of Rights Shares (184,162,062 Rights Shares) is allotted and issued, Vibrant may hold 33.33% of the then enlarged share capital of the Company (the "**Post Rights Minimum Enlarged Share Capital**") upon completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription.



As set out above, Vibrant may increase its interest in the share capital of Company to more than 30% of the enlarged share capital of the Company upon completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription (the “**Post Rights Enlarged Share Capital**”).

Vibrant will also be granted Options which can be exercised during a two (2)-year Exercise Period. In the event that the Subscribers fully exercise the Options during the Exercise Period, Vibrant’s shareholding in the Company may increase from the 29.56% and 33.33% upon the completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription to between 42.41% and 46.15% of the enlarged share capital of the Company (the “**Post Rights and Options Enlarged Share Capital**”), depending on the subscription rate of the Proposed Rights Issue. Please refer to paragraph 4.2 of this IFA Letter for the various scenarios of Vibrant’s interest in the share capital of the Company.

Accordingly, if Vibrant (a) increases its interest in the share capital of Company to more than 30% of the enlarged share capital of the Company upon completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription; (b) increases its interest in the share capital of Company to more than 30% of the enlarged share capital of the Company upon the full exercise of the Options from less than 30% upon the completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription; or (c) increases its interest in the share capital of the Company by more than 1% within six (6)-month period arising from the exercise of the Options during the Exercise Period, Vibrant will incur an obligation to make a mandatory general offer for the Shares not already owned or controlled by Vibrant and its concert parties upon the allotment and issue of the Subscription Shares and/or the Option Shares, as the case may be, pursuant to Rule 14.1 of the Takeover Code, unless (a) such obligation is waived by the SIC; and (b) the Proposed Whitewash Resolution (as defined below) is approved by Shareholders other than (i) the Subscribers, (ii) parties acting in concert with the Subscribers, and (iii) parties not independent of the persons mentioned in (i) and (ii) (the “**Independent Shareholders**”) at an EGM.

As there is no intention to trigger a mandatory take-over obligation under the Takeover Code arising from the Proposed Subscriber Transactions, an application was made to the SIC for a waiver of the obligation of Vibrant and its concert parties to make a mandatory general offer for the Shares under Rule 14.1 of the Takeover Code as a result of the allotment and issue of (a) Subscription Shares and (b) Option Shares pursuant to the exercise of all Options granted to Vibrant (the “**Whitewash Waiver**”).

The SIC had on 29 September 2023 granted the Whitewash Waiver subject to the satisfaction certain conditions including, *inter alia*, (i) a majority of holders of voting rights of the Company approving at a general meeting, before the issue of the Subscription Shares and the Proposed Grant of Options to Vibrant, by way of a poll, the ordinary resolution to



unconditionally and irrevocably waive their rights under Rule 14 of the Takeover Code to receive a mandatory general offer from Vibrant as a result of acquiring (a) the Subscription Shares and (b) the Option Shares upon exercise of the Options (assuming the exercise of all Options by Vibrant) to Vibrant (the “**Proposed Whitewash Resolution**”); and (ii) the Company appoints an independent financial adviser (“**IFA**”) to advise the Independent Shareholders on the Proposed Whitewash Resolution.

Shareholders should note that the Proposed Whitewash Resolution is inter-conditional with certain resolutions to be passed at the EGM, including but not limited to the Proposed Subscription, the Proposed Grant of Options, the proposed allotment and issue of the Settlement Shares and the Proposed Transfer Listing. Please refer to section 1.12 of the Circular for details of the conditionality of the resolutions to be passed at the EGM.

1.2 THE IFA OPINION

As set out in section 13 of the Circular, the Judicial Managers and Mr. Richard Tan Leau Kuee @ Tan Chow Kuee, being the executive director of the Company (the “**Executive Director**”) who are all independent of the Proposed Whitewash Resolution as well as the resolutions which are inter-conditional with the Proposed Whitewash Resolution, are making recommendations to the Independent Shareholders in relation to the Proposed Whitewash Resolution. Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed as the IFA to advise the Judicial Managers and the Executive Director on whether the terms of the Proposed Subscription and the Proposed Grant of Option, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the recommendation to be made by the Judicial Managers and the Executive Director to the Independent Shareholders in relation to the Proposed Whitewash Resolution.

1.3 THIS LETTER

This IFA Letter, which is prepared pursuant to the Takeover Code, sets out our evaluation of, and our opinion to, the Proposed Subscriber Transactions and the Proposed Whitewash Resolution, and forms part of the Circular.

2. TERMS OF REFERENCE

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, nor were we involved in the deliberations leading up to the decisions by the Judicial Managers to undertake the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution. Accordingly, we do not, by this IFA Letter, express, evaluate, comment and/or warrant the merits (whether strategic, commercial or otherwise) and/or risks of the Proposed Subscription, the Proposed Grant of Options and the Proposed



Whitewash Resolution. We are also not addressing the relative merits of the Proposed Subscription and the Proposed Grant of Options, as compared to any alternative transaction of the Company and its subsidiaries (the “**Group**”) or that otherwise may become available to the Group in the future. We have not been instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Subscription and the Proposed Grant of Options.

We are also not expressing any view herein as to the prices at which the Shares may trade after the completion of the Proposed Subscriber Transactions (“**Completion**”) and the resumption of trading of the Shares, if approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) following Completion.

In the course of our evaluation and for the purpose of providing our opinion in respect of the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, we have had discussions with the Judicial Managers and have examined information provided by the Judicial Managers and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgment on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

We have not made any independent evaluation and appraisal on the assets and liabilities of the Company and/or the Group, and we have not been furnished with any such evaluation and appraisal. We have also not been provided with any financial projections or forecasts in respect of the Company or the Group. We are not required to express and we do not express any view herein on the growth prospects, financial position, earnings potential and sufficiency of working capital of the Company or the Group, whether with or without the Proposed Subscription and the Proposed Grant of Options.

We have relied upon the assurance of the Judicial Managers and the Executive Director that the Judicial Managers and the Executive Director collectively and individually accept full responsibility for the accuracy of the information given in the Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposals (as defined in the Circular), the Proposed Transfer Listing, the New Listco and the Group, and the Judicial Managers and the Executive Director are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Judicial Managers and the Executive Director have been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in the Circular in its proper form and context.



In relation to this IFA Letter, the Judicial Managers and the Executive Director have confirmed that the facts stated, with respect to the Group, the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

Our opinion is for the use and benefit of the Judicial Managers and the Executive Director in their deliberation of the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, and the recommendation made by the Judicial Managers and the Executive Director shall remain the responsibility of the Judicial Managers and the Executive Director.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion, in relation to the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, should be considered in the context of the entirety of this IFA Letter and the Circular.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors, the Judicial Managers nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, without the prior written consent



of Xandar Capital in each specific case, except for the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, at any time and in any manner.

We recommend that the Judicial Managers and the Executive Director advise the Independent Shareholders to read these pages carefully.

3. THE PROPOSED SUBSCRIBER TRANSACTIONS

Details of the Proposed Subscriber Transactions are set out in section 2 of the Circular. We summarise as follows:

3.1 BACKGROUND AND RATIONALE FOR THE PROPOSED SUBSCRIBER TRANSACTIONS

The background and the rationale for the Proposed Subscriber Transactions are set out in sections 2.2 and 2.3 of the Circular. We summarise as follows:

- (a) the Shares of the Company have been suspended from trading since 28 November 2019;
- (b) the Judicial Managers have been appointed since September 2020, to manage the affairs, business and property of the Company in order to achieve, amongst others, the survival of the Company;
- (c) the Company is of the view that the investment through the Proposed Subscriber Transactions will reduce its outstanding principal amount and interests under loan owing to UOB and the Proposed Grant Options will allow it to have further access to funds for working capital;
- (d) the Company will be able to operate as a going concern and have a viable proposal for the resumption of trading of its Shares on the SGX-ST (the “**Resumption Proposal**”) after taking into consideration the Proposed Subscription, the Proposed Grant of Options and the Proposed Debt Restructuring; and
- (e) without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not be able to partially settle the Scheme Debt to operate as a going concern or have a viable Resumption Proposal.

Pursuant to the considerations above, the Company is of the view that the investment by the Subscribers through the Proposed Subscriber Transactions is beneficial to the Company and the Group as the Proposed Subscriber Transactions, if entered into, will allow for certainty of funding resulting in the Company being able to partially settle its outstanding debt



obligations, which is vital for the continuity of the Group as it will allow the Group to continue as a going concern, and upon the exercise of the Options, the Company will also have further access to funds for working capital.

3.2 THE SUBSCRIPTION AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL AGREEMENTS)

Principal terms of the Subscription Agreement are set out in section 2.4 of the Circular.

The Subscription Agreement was entered into on 7 January 2022 and amended by the Supplemental Agreements. We extract the information relevant to our evaluation of the Proposed Subscription and the Proposed Grant of Options as follows:

3.2.1 The Subscription Amount and the Option Amount

The breakdown of the total amounts under the Proposed Subscription and the Proposed Grant of Options is as follows:

| Subscribers | Subscription Amount ⁽¹⁾ | Option Amount ⁽²⁾ | Total |
|--------------------|---|-------------------------------------|----------------------|
| Vibrant | S\$6,000,000 | S\$6,000,000 | S\$12,000,000 |
| Mr. Tian Yuan | S\$2,000,000 | S\$2,000,000 | S\$4,000,000 |
| TOTAL | S\$8,000,000 | S\$8,000,000 | S\$16,000,000 |

Notes:

- (1) Including the earnest monies of S\$200,000 and the additional deposit of S\$500,000 which have been paid as at the Latest Practicable Date.
- (2) This assumes that the Options are fully exercised during the First Exercise Period. In the event that the Options are exercised in the Second Exercise Period, the Company will receive a sum of S\$8.8 million, made up of S\$6,596,685 from Vibrant and S\$2,198,895 from Mr. Tian Yuan as the Exercise Price of the Options during the Second Exercise Period will be higher at the 2nd Exercise Price of S\$0.00597 for each Option Share as compared to the 1st Exercise Price of S\$0.00543 for each Option Share during the First Exercise Period.

The earnest monies of S\$200,000 is non-refundable while the deposit of S\$500,000 will be refunded to the Subscribers if the Proposed Subscriber Transactions do not complete in accordance with the Subscription Agreement by the Longstop Date, through no fault of the Subscribers.

The Company will receive the balance Subscription Amount upon the allotment and issue of the Subscription Shares and will receive the Option Amount upon the allotment and issue of the Option Shares pursuant to the exercise of the Options.



3.2.2 The Subscription Price, the 1st Exercise Price and the 2nd Exercise Price

- (a) The Subscription Price is S\$0.00543 for each Subscription Share and can be found in section 2.5.2 of the Circular.
- (b) The Options have two (2) Exercise Prices depending on when the Options are exercised as set out in in section 2.6.2 of the Circular.

If the Options are exercised during the First Exercise Period, the Subscribers shall pay the 1st Exercise Price of S\$0.00543, which is the same as the Subscription Price, for each Option Share.

If the Options are exercised during the Second Exercise Period, the Subscribers shall pay the 2nd Exercise Price of S\$0.00597 which represents a premium of approximately 9.94% to the 1st Exercise Price.

The Subscription Price does not have any adjustment clause while the Exercise Price is subject to certain anti-dilution adjustments under circumstances provided for in the Subscription Agreement as set out in section 2.6.2 of the Circular.

3.2.3 The Subscription Shares

The details of the Subscription Shares are set out in section 2.5.2 of the Circular.

Based on the Subscription Amount and the Subscription Price, the Company will be allotting and issuing up to 1,473,296,500 Subscription Shares to the Subscribers, fractional entitlements to be disregarded, in the following proportions:

| Subscribers | Number of Subscription Shares |
|--------------------|--------------------------------------|
| Vibrant | 1,104,972,375 |
| Mr. Tian Yuan | 368,324,125 |
| TOTAL | 1,473,296,500 |

The Subscription Shares, when allotted and issued to the Subscribers, shall be credited as fully-paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Subscription Shares.



3.2.4 The Options and the Option Shares

The details of the Options and the Option Shares are set out in section 2.6.2 of the Circular.

Each of the Subscribers will be granted such number of Options (as determined by dividing the principal Option Amount by the 1st Exercise Price), fractional entitlements to be disregarded, at a nominal consideration of S\$1.00, in the following proportions on the date of Completion (the “**Completion Date**” ⁽¹⁾):

| Subscribers | Number of Options |
|--------------------|--------------------------|
| Vibrant | 1,104,972,375 |
| Mr. Tian Yuan | 368,324,125 |
| TOTAL | 1,473,296,500 |

Note:

- (1) For avoidance of doubts, Completion Date refers to the date where the Subscription Shares and the Options are allotted and issued to the Subscribers and does not include the date of allotment and issue of Option Shares.

The Options will not be listed or quoted on any stock exchange and shall be freely transferable in accordance with the terms and conditions of the Options.

Each Option entitles the Option Holder to subscribe for one (1) Option Share at the 1st Exercise Price (or the 2nd Exercise Price) during the Exercise Period, being the period commencing on and including the date of issue of the Options and expiring on the second (2nd) anniversary of the date of issue of the Options.

Similar to the Exercise Price, the number of Options is subject to certain anti-dilution adjustments under circumstances provided for in the Subscription Agreement as set out in section 2.6.2 of the Circular.

The Option Shares to be issued pursuant to the exercise of the Options, when allotted and issued to the Subscribers, shall be credited as fully-paid Shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Option Shares.



3.2.5 Conditions precedent

The conditions precedent are set out in section 2.4.4 of the Circular. We extract the following in *italics* below:

- (d) *the approval of JTC Corporation (“JTC”) to a consultation letter to be submitted by the Company confirming with JTC, amongst others, that it has no objection to the change of control of the Company pursuant to the Proposed Subscriber Transactions and the Proposed Transfer Listing;*
- (e) *the in-principle approval of SGX-ST being obtained for the listing and quotation of the Subscription Shares and the Option Shares;*
- (f) *the submission of a Resumption Proposal and receipt of a no-objection letter from the SGX-ST indicating that has no objection to the Resumption Proposal and/or the Proposed Transfer Listing;*
- (g) *the grant by the SIC (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of the Subscribers to make a mandatory general offer under Rule 14 of the Takeover Code for the Shares not held by the Subscribers following the issue of the Subscription Shares pursuant to the Subscription under the Subscription Agreement and the Option Shares pursuant to the exercise of the Options under the Subscription Agreement, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscribers (the “Whitewash Waiver”); and (ii) the Independent Shareholders approving at an EGM the proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from the Subscribers in connection with the issue of the Subscription Shares and the Option Shares;*
- (h) *Shareholders’ approval being obtained at an EGM to be duly convened for, inter alia, the Proposed Subscriber Transactions, the allotment and issue of the Subscription Shares and the Option Shares (pursuant to the exercise of the Options), the transfer of controlling interest to Vibrant, the Proposed Whitewash Resolution, the Proposed Debt Restructuring (specifically the allotment and issue of the Settlement Shares), the Proposed Transfer Listing and the Proposed Rights Issue;*
- (i) *in relation to the leases for the Tuas Properties, the fulfilment of the JTC Investment Criteria, or the Company obtaining the written approval from JTC for the extension of the deadline for the fulfilment of the JTC Investment Criteria to the date falling one (1) year from the Completion Date (or such other date as may be mutually agreed between the Parties to the Subscription Agreement);*



- (k) *the nomination by Vibrant of such number of directors, taking into consideration the Board size, to the Board of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), and such director(s) to be a member of the remuneration, audit and/or nominating committee of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the Code of Corporate Governance 2018 of Singapore (the “CG Code”));*
- (l) *the nomination by Vibrant of the chief executive officer and deputy chief executive officer of the Company (if the Proposed Transfer Listing is not completed) or the New Listco (if the Proposed Transfer Listing is completed), provided that the Company or the New Listco (as the case may be) shall always be in compliance with the relevant laws and regulations (including the Listing Manual and the CG Code); and*

As at the Latest Practicable Date, save for the conditions set out in sections 2.4.4(h) and (i) of the Circular and the conditions set out in section 2.4.4(m) which is to be fulfilled on completion, all other conditions to the Proposed Subscriber Transactions have been fulfilled.

3.2.6 Inter-conditionality

Completion of the Proposed Subscriber Transactions shall be inter-conditional with the completion of the allotment and issue of the Settlement Shares pursuant to the Proposed Debt Restructuring and the Proposed Transfer Listing (or if the Proposed Transfer Listing is not completed, the resumption of the trading of the Shares on the Mainboard of the SGX-ST). Failing which, the Completion will not proceed unless otherwise mutually agreed by the parties to the Subscription Agreement.

3.2.7 Longstop Date

The Longstop Date for the Proposed Subscriber Transactions is 2 March 2024 (or such other date as may be mutually agreed between the parties to the Subscription Agreement).

3.2.8 Undertakings

As disclosed in section 2.4.7 of the Circular, the Company has undertaken (and for and on behalf of the New Listco) to the Subscribers that, it will, among others:

- (a) *utilise all of the proceeds from the Proposed Subscription for the partial settlement in cash of the principal amounts and interests under loans owing to UOB;*



- (b) *in the event that the Subscribers exercise the Options, utilise such proceeds to fund the working capital needs of the Company;*
- (c) *not utilise any cash amounts from the Company's bank account whereby the monies thereunder have been ringfenced for specific uses by the Judicial Managers, save for any payments in relation to (i) cash settlement amounts under the Creditors' Scheme; and (ii) professional fees and transaction expenses incurred in connection with the judicial management of the Company, the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Proposed Rights Issue and all ancillary transactions in connection thereto;*
- (d) *undertake the Proposed Rights Issue;*
- (e) *utilise the proceeds from the Proposed Rights Issue to fund the working capital needs of the Company;*

3.3 BASIS OF THE SUBSCRIPTION PRICE, THE 1st EXERCISE PRICE AND THE 2nd EXERCISE PRICE

The Subscription Price and the 1st Exercise Price are the same at S\$0.00543 for each Subscription Share and each Option Share, as the case may be.

The Subscription Price and the 1st Exercise Price represents a discount of approximately 72.9% to the volume weighted average price ("VWAP") of S\$0.02 per Share for trades done on 26 November 2019, being the last full market day preceding the trading suspension on 28 November 2019.

We extract the following basis relating to the Subscription Price from section 2.5.2 of the Circular:

The issue price was mutually agreed between the Company and the Subscribers on a willing-buyer, willing-seller basis, taking into consideration a pro forma pre-money valuation of S\$1.65 million attributable to Existing Shareholders and the 303,750,000 Existing Shares of the Company, resulting in a pre-money valuation of S\$0.00543 for each Share and the proposed issue price of the Subscription Shares.

The pre-money valuation of S\$1.65 million was calculated by the Judicial Managers (as part of the restructuring exercise undertaken by the Group) with reference to:

- (a) *the pre-money valuation of the Company of S\$9.0 million calculated on a net asset value basis and attributable to the pre-Judicial Management creditors of the Company (being Settlement Shares of an aggregate value of approximately S\$7.35 million is to be allotted and issued to the Scheme Creditors) and the Existing*



Shareholders (being the balance of the value attributable to Existing Shareholders of S\$1.65 million), based on a pro forma balance sheet for Company for the financial year ended 30 June 2021, adjusted for the financial effects of the Creditors' Scheme (including the distribution of S\$2,500,000 in cash to the Scheme Creditors in satisfaction of a portion of the Scheme Debt). This comprises:

- (i) S\$5.2 million of current assets;*
 - (ii) S\$12.9 million of non-current assets, of which S\$8.4 million is ascribed to the Tuas Properties (the value of which would be zero without any proposed investment into the Company due to failure to fulfil the JTC Investment Criteria); and*
 - (iii) S\$9.1 million of liabilities (consisting of remaining amounts of a loan from UOB (of S\$8.0 million which is to be repaid by the proceeds from the Proposed Subscription) and post-Judicial Management trade payables of S\$1.1 million incurred and to be paid in the ordinary course of business (which amounted to approximately a month of working capital when such amount was computed for the basis of the pre-money valuation)); and*
- (b) out of the S\$9.0 million attributable to the pre-Judicial Management creditors of the Company and Existing Shareholders, Settlement Shares of an aggregate value of S\$7.35 million is to be allotted and issued to the Scheme Creditors. This was determined by the Judicial Managers and agreed to by the Scheme Creditors at the Creditors' Scheme meeting held on 18 August 2022. The significant portion of the Company's value allocated to the Scheme Creditors was to persuade the Scheme Creditors with Approved Scheme Claims to convert their debts into equity and vote in favour of the Creditors' Scheme, which was a crucial step in fulfilling of the condition precedent to the Proposed Subscriber Transactions as set out in section 2.4.4(c) of this Circular.*

The 2nd Exercise Price of S\$0.00597 represents a premium of 9.94% to the Subscription Price and the 1st Exercise Price. We extract the following basis relating to the 2nd Exercise Price from section 2.6.4 of the Circular:

The Second Exercise Price of S\$0.00597 per Option Share for Options exercised during the Second Exercise Period represents a discount of approximately 70.2% to the VWAP of S\$0.02 for each Share based on the trades done on 26 November 2019, being the last full Market Day when the Shares were traded prior to the Company's trading suspension on 28 November 2019. The premium of approximately 10.0% to the First Exercise Price for Options exercised during the Second Exercise Period was mutually agreed between the Company, the New Listco and the Subscribers on a willing-buyer, willing-seller basis taking into consideration the First Exercise Price and the length of the Exercise Period.



3.4 THE SUBSCRIPTION SHARES AND THE OPTION SHARES

The Subscription Shares represent in aggregate approximately 485.04% of the Existing Share Capital.

We summarise the interest represented by the Subscription Shares and the Option Shares held by the Subscribers in the share capital of the Company upon the allotment and issue of such shares as follows:

| Subscribers | Number of Subscription Shares | Number of Option Shares ⁽¹⁾ | Total | After completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription | | Upon allotment of the Option Shares, in full |
|---------------|-------------------------------|--|----------------------|--|--|--|
| | | | | As a % of Post Rights Maximum Enlarged Share Capital | As a % of Post Rights Minimum Enlarged Share Capital | As a % of Post Rights and Options Enlarged Share Capital |
| Vibrant | 1,104,972,375 | 1,104,972,375 | 2,209,944,750 | 29.56% | 33.33% | 42.41-46.15% |
| Mr. Tian Yuan | 368,324,125 | 368,324,125 | 736,648,250 | 9.85% | 11.11% | 14.14-15.38% |
| TOTAL | 1,473,296,500 | 1,473,296,500 | 2,946,593,000 | 39.41% | 44.44% | 56.55-61.53% |

Note:

(1) Assuming that the Options are not transferred to other parties.

3.5 INTENDED USE OF PROCEEDS

The use of proceeds from the Proposed Subscriber Transactions are set out in sections 2.5.4 and 2.6.5 of the Circular.

We note that all the proceeds from the Proposed Subscription will be utilised for the partial settlement in cash of the principal amounts and interests under loans owing to UOB, and the proceeds from the exercise of the Options shall be used fully for general working capital of the Company.



4. THE PROPOSED WHITEWASH RESOLUTION

4.1 ABOUT VIBRANT

We extract the following information relating to Vibrant from section 2.1 of the Circular:

As at the Latest Practicable Date, Vibrant is an investment holding company incorporated in Singapore on 24 October 2007 and held by Vibrant Group Limited (40.0%), Mr. Khua Kian Hua (30.0%) and Mr. Khua Kian Ann, Vincent (30.0%). The directors of Vibrant are Mr. Khua Kian Keong and Mr. Khua Kian Hua. Mr. Khua Kian Keong, Mr. Khua Kian Hua and Mr. Khua Kian Ann, Vincent are brothers. Since incorporation, Vibrant has been a dormant investment holding company, does not hold any other investments and therefore, has no conflicts with the business of the Group. The Proposed Subscription is for investment purposes only.

Vibrant Group Limited is an integrated service provider in logistics, real estate and financial services headquartered in Singapore and listed on the Mainboard of the SGX-ST. Mr. Khua Kian Hua and Mr. Khua Kian Ann, Vincent do not own shares in Vibrant Group Limited and Mr. Khua Kian Keong is a director and majority shareholder of Vibrant Group Limited.

To the best of the Company's knowledge, the Subscribers are unrelated to each other and do not have any business relationships with each other.

As at the Latest Practicable Date, none of Subscribers, their directors or their shareholders (where applicable) (a) holds any Shares; or (b) is not related to any of the Directors, Substantial Shareholders of the Company, or their respective Associates. There is also no connection (including business relationship) between any of the Subscribers, directors or their shareholders (where applicable) and the Directors or Substantial Shareholders of the Company.

Vibrant has also confirmed with the Company that it and its ultimate beneficial shareholders (where applicable) do not fall within the categories of persons set out in Rules 804 or 812(1) of the Listing Manual.

4.2 SHAREHOLDING OF VIBRANT AND ITS CONCERT PARTIES BEFORE AND AFTER THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES AND THE OPTION SHARES

As set out in sections 5.1 and 11 of, and Appendix A to, the Circular, the allotment and issue of the Subscription Shares and the allotment and issue of the Option Shares upon the exercise of the Options may result in Vibrant and its concert parties incurring an obligation to make a mandatory general offer for the Shares not already owned or controlled by Vibrant and its concert parties pursuant to Rule 14.1 of the Takeover Code, unless such obligation

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is waived by the SIC and the Proposed Whitewash Resolution is approved by the Independent Shareholders at the EGM.

We set out the interest of Vibrant in the share capital of the Company as follows:

| | After completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription | | | Upon allotment of the Option Shares ⁽¹⁾ | |
|--|--|---|--|---|---|
| | As at the Latest Practicable Date | Assuming the Rights Shares are fully subscribed by all Shareholders | Assuming the Rights Shares are only subscribed by the undertaking Shareholder ⁽²⁾ | Assuming the Rights Shares are fully subscribed by all Shareholders and the Options are fully exercised | Assuming the Rights Shares are only subscribed by the undertaking Shareholder and the Options are fully exercised |
| Number of Shares held by Vibrant | NIL | 1,104,972,375 | | 2,209,944,750 | |
| As a % of the share capital of the Company | NIL | 29.56 | 33.33 | 42.41 ⁽³⁾ | 46.15 ⁽⁴⁾ |
| Number of issued Shares applied to calculate percentage interest in the share capital of the Company | 303,750,000 | 3,738,137,660 | 3,314,799,722 | 5,211,434,160 | 4,788,096,222 |

Notes:

- (1) Assuming that the Options are not transferred to other parties.
- (2) Undertaking Shareholder refers to Tan Kuay Hoe Holdings Pte Ltd, an existing substantial Shareholder, which has undertaken to (a) subscribe and pay for all of the Rights Shares which it is entitled to, by virtue of its 70,788, 639 Shares in the Company as at the Latest Practicable Date; and (b) subject to availability, subscribe and pay for such number of additional Rights Shares which have not been subscribed for by other Shareholders pursuant to their entitlements under the Proposed Rights Issue, provided always that the amount to be paid by Tan Kuay Hoe Holdings Pte Ltd for the Rights Shares described shall be a total of S\$1,000,000.
- (3) In the event that none of the Options to be granted to Mr. Tian Yuan is exercised, the resultant percentage shareholding of Vibrant, if Vibrant exercises all of its Options in full, will be 45.63%, still below the 50% required to gain statutory control of the Company.

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- (4) In the event that none of the Options to be granted to Mr. Tian Yuan is exercised, the resultant percentage shareholding of Vibrant, if Vibrant exercises all of its Options in full, will be slightly above 50.00%. In such event, Vibrant will gain statutory control of the Company.

4.3 SHAREHOLDING OF OTHER SHAREHOLDERS (INCLUDING PUBLIC SHAREHOLDERS) BEFORE AND AFTER THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES AND THE OPTION SHARES

| | After completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription | | | Upon allotment of the Option Shares ⁽¹⁾ | |
|---|--|---|--|---|---|
| | As at the Latest Practicable Date | Assuming the Rights Shares are fully subscribed by all Shareholders | Assuming the Rights Shares are only subscribed by the undertaking Shareholder ⁽²⁾ | Assuming the Rights Shares are fully subscribed by all Shareholders and the Options are fully exercised | Assuming the Rights Shares are only subscribed by the undertaking Shareholder and the Options are fully exercised |
| Number of Shares held by existing Shareholders who are non-public Shareholders ⁽³⁾ | 111,410,954 | 344,116,413 | 305,456,567 | 344,116,413 | 305,456,567 |
| As a % of the share capital of the Company | 36.68 | 9.21 ⁽⁵⁾ | 9.21 ⁽⁵⁾ | 6.60 ⁽⁵⁾ | 6.38 ⁽⁵⁾ |
| Number of Shares held by existing Shareholders who are public Shareholders | 192,339,046 | 577,017,138 | 192,339,046 | 577,017,138 | 192,339,046 |
| As a % of the share capital of the Company | 63.32 | 15.44 ⁽⁵⁾ | 5.80 ⁽⁵⁾ | 11.07 ⁽⁵⁾ | 4.02 ⁽⁵⁾ |
| Number of Shares held by other Scheme Creditors ⁽⁴⁾ | NIL | | 1,343,707,609 ⁽⁴⁾ | | |
| As a % of the share capital of the Company | NIL | 35.95 ⁽⁵⁾ | 40.54 ⁽⁵⁾ | 25.78 ⁽⁵⁾ | 28.06 ⁽⁵⁾ |

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| | After completion of the Proposed Rights Issue, the Proposed Debt Restructuring and the Proposed Subscription | | | Upon allotment of the Option Shares ⁽¹⁾ | |
|--|--|---|--|---|---|
| | As at the Latest Practicable Date | Assuming the Rights Shares are fully subscribed by all Shareholders | Assuming the Rights Shares are only subscribed by the undertaking Shareholder ⁽²⁾ | Assuming the Rights Shares are fully subscribed by all Shareholders and the Options are fully exercised | Assuming the Rights Shares are only subscribed by the undertaking Shareholder and the Options are fully exercised |
| Number of Shares held by Mr. Tian Yuan | NIL | 368,324,125 | | 736,648,250 | |
| As a % of the share capital of the Company | NIL | 9.85 ⁽⁵⁾ | 11.11 ⁽⁵⁾ | 14.14 ⁽⁵⁾ | 15.38 ⁽⁵⁾ |
| Number of issued Shares applied to calculate percentage interest in the share capital of the Company | 303,750,000 | 3,738,137,660 | 3,314,799,722 | 5,211,434,160 | 4,788,096,222 |

Notes:

- (1) Assuming that the Options are not transferred to other parties.
- (2) Undertaking Shareholder refers to Tan Kuay Hoe Holdings Pte Ltd, an existing substantial Shareholder, which has undertaken to (a) subscribe and pay for all of the Rights Shares which it is entitled to, by virtue of its 70,788,639 Shares in the Company as at the Latest Practicable Date; and (b) subject to availability, subscribe and pay for such number of additional Rights Shares which have not been subscribed for by other Shareholders pursuant to their entitlements under the Proposed Rights Issue, provided always that the amount to be paid by Tan Kuay Hoe Holdings Pte Ltd for the Rights Shares described shall be a total of S\$1,000,000.
- (3) Some of the existing Directors and their related individuals, namely (a) Mr. Richard Tan; (b) Mr. Koh; (c) Mr. Tan Yaw Song; and (d) Mr. Tan Yew Kun, will be allotted and issued Settlement Shares, and the Settlement Shares of these existing Directors and the related individuals are reflected in this row.
- (4) Exclude the Settlement Shares to be allotted and issued to the existing Directors and their related individuals as set out in note (3) above. The number of Settlement Shares has not taken into account fractional entitlements which will not be allocated to individual Scheme Creditors.
- (5) The percentages, when aggregate with the percentage shareholding of Vibrant, do not add up to 100% due to rounding of the percentages to two decimal places.



4.4 CONDITIONS OF THE WHITEWASH WAIVER

The SIC had on 29 September 2023 granted the Whitewash Waiver subject to the satisfaction certain conditions including, *inter alia*, (i) a majority of holders of voting rights of the Company approving at a general meeting, before the issue of the Subscription Shares and the Proposed Grant of Options to Vibrant, by way of a poll, the Proposed Whitewash Resolution; and (ii) the Company appoints an IFA to advise the Independent Shareholders on the Proposed Whitewash Resolution.

Further details of the conditions of the Whitewash Waiver are set out in section 5.2 of the Circular.

4.5 PROPOSED WHITEWASH RESOLUTION SUBJECT TO APPROVAL BY MAJORITY OF THE INDEPENDENT SHAREHOLDERS

The Proposed Whitewash Resolution is subject to the approval of majority of the Independent Shareholders, which shall be carried out by way of poll, as an ordinary resolution in the EGM.

Independent Shareholders should note that:

- (a) **by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a general offer from Vibrant for the Shares at the highest price paid by Vibrant and its concert parties for the Shares in the six (6) months preceding the offer;**
- (b) **by voting in favour of the Proposed Whitewash Resolution, they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Subscription Shares and the Options; and**
- (c) **approval of the Proposed Whitewash Resolution is a condition precedent to Completion. Accordingly, in the event that the Proposed Whitewash Resolution is not passed by the Independent Shareholders, the Proposed Subscriber Transactions will not take place.**



5. EVALUATION OF THE PROPOSED SUBSCRIBER TRANSACTIONS

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Subscription and the Proposed Grant of Options:

- (a) the rationale for the Proposed Subscriber Transactions;
- (b) the Subscription Price, the 1st Exercise Price and the 2nd Exercise Price as compared to the pro forma net asset value (“NAV”) per Share;
- (c) the historical financial performance of the Group;
- (d) the valuation ratio of the Company as compared against its comparable companies;
- (e) the terms of the Proposed Subscriber Transactions as compared to recent similar transactions undertaken by other companies listed on the SGX-ST;
- (f) the pro forma financial effects of the Proposed Subscriber Transactions; and
- (g) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

5.1 THE RATIONALE FOR THE PROPOSED SUBSCRIBER TRANSACTIONS

The rationale for the Proposed Subscriber Transactions is set out in section 2.3 of the Circular and summarised in paragraph 3.1 of this IFA Letter.

We have reviewed the rationale for the Proposed Subscriber Transactions and wish to highlight the following points in support of the Proposed Subscriber Transactions:

- (a) trading in the Shares on the SGX-ST has been suspended for more than three (3) years since November 2019;
- (b) the Proposed Subscriber Transactions form part of the Proposals (as defined in the Circular) to be undertaken by the Company to have a viable Resumption Proposal; and
- (c) without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not be able to partially settle the outstanding Scheme Debt to operate as a going concern or have a viable Resumption Proposal.



The Judicial Managers have worked closely with the Group to source for potential investors. Save for the Proposed Subscriber Transactions, there has been no other formal proposal received, in which definitive agreements had been entered into by the Company. Accordingly, the Proposed Subscriber Transactions and the Proposed Debt Restructuring represent the only viable option available to the Company.

5.2 THE SUBSCRIPTION PRICE, THE 1st EXERCISE PRICE AND THE 2nd EXERCISE PRICE AS COMPARED TO THE NAV PER SHARE

Given that the trading of the Shares has been suspended for more than three (3) years and there is no market price for the Shares, the NAV of the Group will be important in our evaluation of the Subscription Price, the 1st Exercise Price and the 2nd Exercise Price.

The NAV of the Group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the Group. As the Group does not have any intangible assets, its net tangible assets (“NTA”) is the same as its NAV.

The NAV of a group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the group. The NAV approach may provide an estimate of the value of the Group assuming the hypothetical sale of all their assets over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group, and the balance proceeds, if any, be distributed to all shareholders. Therefore, the NAV is perceived as providing support for the value of the Shares.

5.2.1 The latest audited NAV of the Group

We summarise the latest audited full year financial results of the Group for the financial year ended 31 March (“FY”) 2023 as follows:

| S\$'000 | Audited 31 March 2023 |
|--|----------------------------------|
| Current assets | 27,008 |
| Current liabilities | (49,276) |
| Net current liabilities | (22,268) |
| Non-current assets | 5,064 |
| Non-current liabilities | (148) |
| Net liabilities attributable to Shareholders | (17,352) |

As set out above, the Group had net liabilities position as at 31 March 2023.



We note that the Subscribers entered into the term sheet in relation to the Proposed Subscriber Transactions in December 2021 and the Subscription Agreement in January 2022. As at 9 December 2021 and 7 January 2022, the then latest publicly available results of the Group were for the three months ended 30 June 2020 and the Group had net liabilities attributable to the equity holders of the Company amounting to approximately S\$11.19 million as at 30 June 2020. The Group's net liabilities attributable to the equity holders of the Company deteriorated to approximately S\$15.56 million as at 31 March 2022 and further deteriorated to approximately S\$17.35 million as at 31 March 2023.

Given that the Group had net liabilities position, it would not be meaningful to compare the Subscription Price, the 1st Exercise Price and the 2nd Exercise Price with the net liabilities per Share.

Nevertheless, we note from section 12 of the Circular that the Group may recognised a profit arising from the extinguishment of remaining debts not paid by cash and the allotment and issue of the Settlement Shares under the Proposed Debt Restructuring of approximately S\$18.7 million. The extinguishment of such debts will help to reduce the net liabilities position of the Group. Based on the Group's net liabilities of approximately S\$17.35 million as at 31 March 2023, the Group may have a positive NAV of approximately S\$1.35 million with the gain from extinguishing such debt. Based on the Existing Share Capital of 303,750,000 Shares, the NAV per Share (based on the Group's NAV as at 31 March 2023 and the gain from the extinguishment of the aforesaid debt) will be S\$0.00444 per Share.

The Subscription Price and the 1st Exercise Price represents a price-to-NAV ("**P/NAV**") ratio of approximately 1.22 times while the 2nd Exercise Price represents a P/NAV ratio of 1.34 times to this potential NAV after extinguishment of remaining debts not paid by cash and the allotment and issue of the Settlement Shares under the Proposed Debt Restructuring.

Shareholders should note that the Proposed Debt Restructuring is inter-conditional with the Proposed Subscriber Transactions and the gain from the extinguishment of the remaining debts not paid by cash will not realise and the allotment and issue of the Settlement Shares will not proceed without the Proposed Subscriber Transactions. Accordingly, the above NAV are for illustrative purposes and will not be applied in the comparable analysis set out in paragraph 5.4 of this IFA Letter.

5.2.2 The pro forma NAV of the Group prior to Completion

As disclosed in section 1.10 of the Circular, the Company is undertaking the Proposed Subscriber Transactions with the Proposed Debt Restructuring to strengthen the financial position of the Group, raise sufficient working capital to operate as a going concern and have a viable proposal for its Resumption Proposal. Resolutions relating to the Proposed Subscriber Transactions and the Proposed Debt Restructuring are inter-conditional.

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Based on the disclosure in section 2.5.2 of the Circular, the Subscription Price was determined based on a pro forma pre-money valuation of S\$1.65 million attributable to the existing Shareholders which was obtained as follows:

| S\$'000 | Pro forma NAV after the Proposed Debt Restructuring |
|---|--|
| Current assets | 5,200 |
| Current liabilities | (9,100) |
| Net current liabilities | (3,900) |
| Non-current assets | 12,900 ⁽¹⁾ |
| Non-current liabilities | - |
| Net assets attributable to Shareholders (including Scheme Creditors) | 9,000 |

Note:

- (1) This include S\$8.4 million ascribed to the three properties leased by the Company from JTC Corporation (the “**Tuas Properties**”), the value of the Tuas Properties would be zero if the Company fails to fulfil a prerequisite amount of investment on plant and machinery for the Tuas Properties in order to obtain further extensions from JTC Corporation on the various leases of the Tuas Properties for approximately 15 to 16 years until August 2038 (the “**JTC Investment Criteria**”).

The S\$9.00 million pro forma NAV set out in the table above has taken into account up to 1,353,591,160 Settlement Shares with an aggregate value of not more than S\$7.35 million to be allotted and issued to the Scheme Creditors to convert their debts into equity under the Proposed Debt Restructuring (including the Creditors’ Scheme). Accordingly, after deducting the S\$7.35 million attributable to the Scheme Creditors from the pro forma NAV of S\$9,000,000, the balance S\$1.65 million will be the pro forma NAV attributable to the Shareholders holding the Existing Share Capital of 303,750,000 Shares which translate to a pro forma NAV per Share of S\$0.00543.

The Subscription Price and the 1st Exercise Price will be the same as the pro forma NAV per Share while the 2nd Exercise Price represents a premium of approximately 9.94% to the pro forma NAV per Share.

The Subscription Price and the 1st Exercise Price represents a P/NAV ratio of one (1.0) time while the 2nd Exercise Price represents a P/NAV ratio of 1.1 times to the pro forma NAV per Share.



Notwithstanding the foregoing, Shareholders should note that analyses based on the pro forma NAV of the Group is for illustration purposes only as the Proposed Subscriber Transactions and the Proposed Debt Restructuring are to be undertaken together as part of the inter-conditional resolutions. Therefore, should any of the resolutions relating to the Proposed Subscriber Transactions and the Proposed Debt Restructuring not be approved at the EGM, the Group’s NAV will remain negative.

5.2.3 Material uncertainty related to going concern highlighted by the Company’s auditors

The Company’s auditors, PricewaterhouseCoopers LLP, has included a “Material Uncertainty Related to Going Concern” matter in respect of the Company’s audited financial statements for FY2023. We extract in italics as follows:

We draw attention to Note 2.1 in the financial statements which indicates that the Group’s and Company’s current liabilities exceeded their current assets by \$22,268,000 and \$22,467,000 (2022: \$21,588,000 and \$21,109,000) respectively as at 31 March 2023. In addition, the Group’s and the Company’s total liabilities exceeded their total assets by \$17,352,000 and \$17,520,000 (2022: \$15,561,000 and \$15,187,000) respectively. It is further indicated that the Company was placed under judicial management since 15 September 2020. The ability of the Group and the Company to continue as going concerns is subject to the completion of the Restructuring Exercise as disclosed in Note 2.1 which is currently ongoing. These conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns. Our opinion is not modified in respect of this matter.

5.3 THE FINANCIAL PERFORMANCE OF THE GROUP

We set out the financial performance of the Group for FY2021, FY2022 and FY2023 as follows:

| S\$’000 | Audited FY2021 | Restated FY2022 | Audited FY2023 |
|--|-------------------|--------------------|-------------------|
| Revenue | 29,392 | 26,753 | 18,601 |
| Gross (loss)/profit | (2,055) | 5,855 | 3,076 |
| Other income | 1,190 | 1,239 | 1,401 |
| Other (loss)/gains – net | 4,097 | 5,275 | (1,134) |
| (Loss)/Profit before tax | (5,802) | 5,712 | (2,550) |
| (Loss)/Profit after tax from continuing operations | (5,237) | 5,625 | (2,550) |
| Loss from discontinued operations | (126) | - | - |

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| S\$'000 | Audited FY2021 | Restated FY2022 | Audited FY2023 |
|---|-------------------|--------------------|-------------------|
| (Loss)/Profit attributable to equity holders of the Company | (5,017) | 5,781 | (2,550) |

We summarise our observations as follows:

- (a) The Group's revenue decreased from approximately S\$29.39 million in FY2021 to approximately S\$26.75 million in FY2022 and further decreased to approximately S\$18.60 million in FY2023. The Company attributed the decrease in the Group's revenue from FY2021 to FY2022 to the scaling down of activities for subsidiaries in Thailand and United Arab Emirates and the decrease in the Group's revenue from FY2022 to FY2023 to the decrease in shutdown maintenance activities which only generated revenue of approximately S\$2,000 in FY2023 as compared to approximately S\$8.05 million in FY2022.
- (b) Despite the decrease in revenue from FY2021 to FY2022, the Group turnaround its financial performance from a gross loss of approximately S\$2.06 million in FY2021 to gross profits of approximately S\$5.86 million and approximately S\$3.08 million in FY2022 and FY2023 respectively. The Company attributed the improvement to the Group novating or terminating contracts which were deemed not profitable after the Company was placed under judicial management.
- (c) In FY2021 and FY2022, the Group recorded other gains – net of approximately S\$4.10 million and approximately S\$5.21 million respectively. These other gains – net arose mainly from net gain on disposal of property, plant and equipment of approximately S\$4.39 million in FY2021 and approximately S\$4.63 million in FY2022. The Group had other losses – net of approximately S\$1.00 million in FY2023 due mainly to currency exchange loss in FY2023.
- (d) The Group also had other income of approximately S\$1.19 million, S\$1.24 million and S\$1.40 million in FY2021, FY2022 and FY2023 respectively due mainly to income from the sub-lease of the Group's leasehold land and building and rental of equipment. The lower other income in FY2023 was due to lower sub-lease of leasehold land and building and rental of equipment in FY2023.
- (e) The Group's operating expenses comprised mainly administrative expenses and finance expenses, and collectively amounted to approximately S\$9.05 million, S\$6.65 million and S\$5.90 million in FY2021, FY2022 and FY2023 respectively. The Company attributed the decrease to the reduced activities in the Group with the disposal of subsidiaries and novation and/or termination of non-profitable contracts as mentioned above.

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- (f) As the Group's operating expenses were higher than its gross profit, the Group had net loss attributable to equity holders of the Company of approximately S\$5.02 million and S\$2.55 million in FY2021 and FY2023 respectively while the Group registered net profit attributable to equity holders of the Company of approximately S\$5.78 million after taking into account other gains and other income in FY2022.

5.3.1 Adjustments to the profit attributable to equity holders of the Company

As mentioned in the previous paragraph, the Group had other gains – net and had government grants in FY2021, FY2022 and FY2023. We set out the other gains – net and government grants for FY2021, FY2022 and FY2023 as follows:

| S\$'000 | FY2021 | FY2022 | FY2023 |
|---|---------------|---------------|---------------|
| Gain on disposal of subsidiary – net | 204 | 586 | - |
| Net gain on disposal of property, plant and equipment | 4,495 | 4,633 | 50 |
| Government grants | 2,020 | 1,764 | 560 |
| Total | <u>6,719</u> | <u>6,983</u> | <u>610</u> |

The net (loss)/profit attributable to equity holders of the Company after excluding such gains and government grants would have been as follows:

| S\$'000 | FY2021 | FY2022 | FY2023 |
|---|---------------|---------------|---------------|
| (Loss)/Profit attributable to equity holders of the Company | (11,736) | (1,202) | (3,160) |

In addition, the Group had professional fees relating to the judicial management of the Company. Such expenses amounted to approximately S\$1.22 million, S\$1.82 million and S\$1.59 million for FY2021, FY2022 and FY2023. The Group would report a slight profit of approximately S\$614,000 for FY2022 but would still report losses for FY2021 and FY2023 after excluding such judicial management related expenses.

5.3.2 Price-to-earnings (“P/E”) ratio

Given that the Group registered net loss for FY2023, there is no P/E ratio for comparison purposes.



5.3.3 Earnings before interest, tax, depreciation and amortisation (“EBITDA”) and enterprise value (“EV”)-to-EBITDA (“EV/EBITDA”) ratio

Given that the Group will have a loss after excluding the material gains and government grants for the latest available 12 months results as set out in paragraph 5.3.1 of this IFA Letter, the EV/EBITDA ratio may be a relevant valuation statistic for the Group.

We calculate the EBITDA of the Group as follows:

| S\$'000 | FY2021 | FY2022 | FY2023 |
|--|---------------|---------------|---------------|
| (Loss)/Profit before tax | (5,802) | 5,712 | (2,550) |
| Add: Depreciation | 4,612 | 2,320 | 1,791 |
| Add: Interest expense | 1,265 | 875 | 497 |
| Less: Interest income | (2) | (3) | (111) |
| Group’s EBITDA | 73 | 8,904 | (373) |
| Group’s adjusted EBITDA (after excluding the material gains and government grants set out in paragraph 5.3.1 of this IFA Letter) | (6,646) | 1,921 | (983) |

As set out above, the Group had negative EBITDA for the latest financial year. Accordingly, there is also no EV/EBITDA ratio for comparison purposes.

As mentioned in earlier paragraphs, the Group incurred judicial management related expenses of approximately S\$1.59 million for FY2023. Had the Group not incurred such expenses, the Group may have EBITDA of approximately S\$601,000 for FY2023.

5.4 COMPARISON OF THE VALUATION RATIO OF THE COMPANY AGAINST THOSE OF COMPARABLE COMPANIES

As set out in the paragraph above, the earnings valuation ratios of the Company, namely P/E ratio and EV/EBITDA ratio, are negative. Accordingly, we compare the asset valuation ratio of the Company, being the P/NAV ratio, as implied by the aggregate of the Subscription Amount and the Option Amount, and the aggregate shareholding percentage of the Subscribers upon the completion of the Proposed Subscriber Transactions against the valuation ratios of listed companies whose businesses are comparable to the existing ongoing business of the Group (the “**Comparable Companies**”), which is an engineering, procurement and construction contractor and a maintenance works contractor for the oil, gas and energy industrial sectors, including process plants and facilities, and storage terminals.



We wish to highlight that the list of Comparable Companies is not exhaustive and none of the Comparable Companies is identical to the Group in terms of business activities, scale of operations, geographical markets, asset base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in the accounting policies adopted by companies from various countries. Our analysis has not adjusted for such differences. In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

We set out in the table below the list of Comparable Companies, together with a brief description of their business activities:

| Comparable Companies | Business Activities |
|--|---|
| Hai Leck Holdings Ltd (“ Hai Leck ”) | Hai Leck provides scaffolding and corrosion prevention and insulation services to the oil and natural gas and petrochemical industries. |
| Mun Siong Engineering Ltd (“ Mun Siong ”) | Mun Siong is an integrated mechanical engineering and electrical and instrumentation service provider for the process industries. The company's services include pre-fabrication and installation of piping works, valves, erection of steel structures, installation of fixed equipment and platforms, and installation of transformers, switchgears, lightings. |
| PEC Ltd (“ PEC ”) | PEC offers engineering services to the oil and natural gas production, petrochemical, pharmaceutical, and oil and chemical terminal industries. The company offers engineering, procurement, construction and/or construction management, and maintenance services. |
| Sanli Environmental Limited (“ Sanli ”) | Sanli operates as an environmental engineering company. The company provides designing, supply, installation, and maintenance of mechanical and electrical equipment, as well as instrumentation and control systems in waste water treatment plants, water reclamation systems, and pumping stations. Sanli serves customers in Singapore. |

Source: Bloomberg L.P. and the respective website of the Comparable Companies.

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We set out in the table below the valuation ratios of the Comparable Companies as at the Latest Practicable Date:

| Comparable Companies | Market Capitalisation ⁽¹⁾ (S\$'million) | P/NAV ratio (times) |
|----------------------|---|------------------------|
| Hai Leck | 88.2 | 0.8 |
| Mun Siong | 20.9 | 0.4 |
| PEC | 134.5 | 0.6 |
| Sanli | 26.6 | 0.9 |
| Maximum | | 0.9 |
| Minimum | | 0.4 |
| Mean | | 0.7 |
| Median | | 0.7 |
| The Company | 1.7 ⁽³⁾ | 1.0 ⁽³⁾ |

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

Notes:

- (1) Based on last traded prices of the respective counters as at the Latest Practicable Date.
- (2) Based on latest available 12 months or full year revenue/profits attributable to equity holders as announced by the respective Comparable Companies.
- (3) Please refer to paragraph 5.2.2 of this IFA Letter for the pre-money valuation of the Company and our calculation of the Company's P/NAV ratio based on the Subscription Price and the 1st Exercise Price.

For illustrative purpose only and as set out in the above table, the P/NAV ratio implied by the Subscription Price and the 1st Exercise Price of 1.0 times and the P/NAV ratio implied by the 2nd Exercise Price of 1.1 times are higher than the range of P/NAV ratios of the Comparable Companies.

5.5 THE VALUATION OF THE COMPANY UNDER THE PROPOSED SUBSCRIBER TRANSACTIONS AS COMPARED TO RECENT SIMILAR TRANSACTIONS UNDERTAKEN BY OTHER COMPANIES LISTED ON THE SGX-ST

In assessing the Subscription Price, the 1st Exercise Price and the 2nd Exercise Price, we have also considered similar recent transactions undertaken by other companies listed on the SGX-ST (the "Precedent Comparable Transactions") which had their shares

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suspended from trading and had sought whitewash resolutions in relation to allotment and issue of new ordinary shares for cash as part of their resumption of trading proposals.

We wish to highlight that the Precedent Comparable Transactions are not exhaustive. Further, Shareholders should note that circumstances leading to the Precedent Comparable Transactions are unlikely to be identical to the Company's. As such, any comparisons made with respect to the Precedent Comparable Transactions merely serve an illustrative purpose only.

The information presented herein relating to the Precedent Comparable Transactions has been compiled from publicly available information. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We set out the key information of the Precedent Comparable Transactions as follows:

| Name of listed company | Date of circular | Circumstances | Basis of issue price | Implied value of the listed company on enlarged basis |
|-------------------------------|------------------|---|---|---|
| Serrano Limited | 9 May 2018 | Trading in its shares on the SGX-ST Catalist had been halted on 13 June 2017 and subsequently suspended, since 16 June 2017 As at 31 December 2017, the company had unaudited consolidated net liabilities of S\$117,524,498 | Equivalent to the approximate volume-weighted average price of the Shares based on trades done from 26 January 2017 up to 31 January 2021, being the date of the investment agreement | S\$11.60 million (based on the gross proceeds of S\$8 million and the investors' shareholding of 68.94% post investment) This implies that the value attribute |
| TT International Limited | 20 October 2020 | Trading in its shares on the SGX-ST Mainboard had been voluntary suspended on 4 August 2017 As at 31 December 2019, the company had unaudited consolidated net liabilities of S\$259.70 million | A discount of approximately 28.6% to the last transacted price per share prior to the trading suspension | S\$60.71 million (based on the gross proceeds of S\$48 million and the investor's shareholding of 79.1% post investment) |
| Hoe Leong Corporation Limited | 1 June 2021 | Trading in its shares on the SGX-ST Mainboard had been suspended on 2 September 2019 As at 30 June 2020, the company had adjusted NAV of S\$9.2 million | A discount of approximately 12.5% to the VWAP for trades done on the last full market day when the shares were traded prior to the trading suspension | S\$16.39 million (based on the gross proceeds of S\$12 million and the investor's shareholding of 54.92% post investment) |

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| Name of listed company | Date of circular | Circumstances | Basis of issue price | Implied value of the listed company on enlarged basis |
|------------------------------------|------------------|--|---|--|
| Viking Offshore and Marine Limited | 15 June 2021 | Trading in its shares on the SGX-ST Catalist had been suspended on 14 June 2019 As at 31 March 2021, the company had net liabilities of S\$22.1 million | A discount of approximately 98% to the VWAP for trades done on the last full market day when the shares were traded prior to the trading suspension | S\$2.3 million (based on the gross proceeds of S\$2 million and the investors shareholding of 87% post placement) |
| Sen Yue Holding Limited | 6 July 2022 | Trading in its shares on the SGX-ST Catalist had been halted on 28 April 2020 and subsequently suspended, since 4 May 2020 As at 30 September 2020, the company had audited consolidated NAV of S\$7,918,000 After taking into account impairment loss of approximately S\$4.7 million and professional fees of approximately S\$2.8 million, its adjusted consolidated NAV amounted to approximately S\$418,000 | A discount of 82.0% to the VWAP of S\$0.022 per Share for trades done on the SGX-ST for the full market day on 27 April 2020 | S\$12.95 million (based on the gross proceeds of S\$9.02 million and the subscribers' shareholding of 69.6% post investment) |
| No Signboard Holdings Ltd. | 8 November 2022 | Trading in its shares on the SGX-ST Catalist had been suspended on 24 January 2022 As at 30 September 2021, the company had audited net liabilities of approximately S\$2.4 million | A discount of 98.9% to the VWAP of S\$0.031 per share for trades done on the SGX-ST for the full market day on 24 January 2022 | S\$6.0 million (based on the gross proceeds of S\$5.0 million and the investor's shareholding of 83.0% post investment) |

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| Name of listed company | Date of circular | Circumstances | Basis of issue price | Implied value of the listed company on enlarged basis |
|------------------------|------------------|---|--|---|
| The Company | 6 November 2023 | Trading in its shares on the SGX-ST Mainboard had been suspended on 28 November 2019 As at 31 March 2023, the Company had unaudited net liabilities of approximately S\$16.9 million | The Subscription Price and 1 st Exercise Price represent a discount of 72.9% to the VWAP of S\$0.02 per Share for trades done on the SGX-ST for the full market day on 26 November 2019 while the 2 nd Exercise Price represents a discount of 70.2% to the same VWAP. | S\$20.3 million (based on the gross proceeds of S\$8.0 million and the Subscribers' shareholding of 39.41% post allotment and issue of Subscription Shares) The value will increase to S\$28.3 million if based on the Subscribers' shareholding of 56.54% post allotment and issue of Subscription Shares and Option Shares |

Source: The circulars published by the companies.

As set out in the table above, the implied values of the Company on an enlarged basis are within the range of the implied values of the Precedent Comparable Transactions of between S\$2.30 million and S\$60.71 million.

5.6 THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIBER TRANSACTIONS AND THE PROPOSED DEBT RESTRUCTURING

As set out in the Circular, resolutions relating to the Proposed Subscriber Transactions and the Proposed Debt Restructuring are inter-conditional. Accordingly, the financial effects of the Proposed Subscriber Transactions on the Group found in section 12 of the Circular are presented assuming the completion of both the Proposed Subscriber Transactions and the Proposed Debt Restructuring.

We note that the loss per Share will turnaround from approximately 0.84 Singapore cents before the Proposed Subscriber Transactions and the Proposed Debt Restructuring to an earnings per Share of approximately 0.50 Singapore cents after the Proposed Subscriber Transactions and the Proposed Debt Restructuring (but prior to exercise of any options and the Proposed Rights Issue) due to the gain recognised from the Proposed Debt Restructuring which is inter-conditional with the Proposed Subscriber Transactions.

In addition, the net liabilities per Share will improve from a net liabilities of approximately 5.71 Singapore cents before the Proposed Subscriber Transactions and the Proposed Debt Restructuring to a positive NTA per Share approximately 0.52 Singapore cents after the Proposed Subscriber Transactions and the Proposed Debt Restructuring (but prior to exercise of any options and the Proposed Rights Issue) as the Company's financial position



will be strengthened with the settlement of the outstanding Scheme Debt upon the completion of the Proposed Subscriber Transactions and Proposed Debt Restructuring.

The completion of the Proposed Subscriber Transactions and the Proposed Debt Restructuring would have substantially settled all the outstanding Scheme Debt of the Group.

5.7 OTHER CONSIDERATIONS

In determining whether the terms of the Proposed Subscription and the Proposed Grant of Options are fair and reasonable, we have also considered the following:

5.7.1 No trading of Shares since 28 November 2019

The trading in the Shares on the SGX-ST Mainboard has been suspended for more than three (3) years. It is not meaningful to compare the Subscription Price and the Exercise Price against the pre-suspension historical market price of the Shares.

5.7.2 Resumption of trading

The trading in the Shares on the SGX-ST Mainboard has been suspended for more than three (3) years.

As set out in section 2.3 of the Circular and paragraph 5.1 of this IFA Letter, without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Company will not be able to turnaround its net liabilities position, have sufficient working capital to operate as a going concern or have a viable proposal for the resumption of trading.

The Company had submitted a resumption proposal setting out *inter alia* the Proposed Subscriber Transactions, the Proposed Debt Restructuring to the SGX-ST to apply for the lifting of the trading suspension of the Shares. On 28 July 2023, the SGX-ST confirmed that it has no objection to the Company's request to resume trading subject to (1) compliance with the listing requirements; (2) completion of the Proposed Subscriber Transactions; (3) completion of the Proposed Issue of Settlement Shares; and (4) completion of the Proposed Transfer Listing.

5.7.3 Abstention from voting

Vibrant and its concert parties do not hold any Shares as at the Latest Practicable Date.

5.7.4 Dilution to existing public Shareholders

We calculate that an aggregate of 192,039,046 Shares representing 63.32% interest in the capital of the Company held by the existing public Shareholders as at the Latest Practicable



Date, will be diluted to 4.02% of the Post Rights and Options Enlarged Share Capital. Despite the significant dilution, the Shares held by the Shareholders will improve from a net liabilities to a positive NTA upon the completion of the Proposed Subscriber Transactions and the Proposed Debt Restructuring, which are inter-conditional upon each other.

5.7.5 Inter-conditional of resolutions

Shareholders should note that the resolutions relating to the Proposed Subscriber Transactions are part of the Inter-conditional Resolutions, and therefore if any of the Inter-conditional Resolutions is not approved, none of the Inter-conditional Resolutions will be passed; and

5.7.6 Implications of the approval of the Proposed Whitewash Resolution

The allotment and issue of the Subscription Shares and Option Shares will allow Vibrant and its concert parties to collectively hold more than 30% but less than 50% of the Post Rights and Options Enlarged Share Capital of the Company. This will allow for Vibrant and its concert parties to significantly influence any corporate actions of the Company with such shareholding. Vibrant and its concert parties will also likely to have veto power in relation to any Shareholder's action or approval requiring a majority vote except in situations where Vibrant and its concert parties are required by rules or authorities to abstain from voting.

Such concentration of ownership may also have the effect of delaying, preventing or deterring a change of control of the Company which may not benefit the Shareholders.

5.7.7 Undertaking from Tan Kuay Hoe Holdings Pte Ltd

Tan Kuay Hoe Holdings Pte Ltd (the family investment vehicle of Mr. Frankie Tan, the Non-Executive Chairman of the Company, and Mr. Richard Tan, the Executive Director and Chief Executive Officer of the Company) which holds an interest in 70,788,639 Shares, representing approximately 23.3% of the Existing Share Capital, had on 14 December 2022, provided a deed of undertaking, as amended, modified and supplemented by supplemental deeds of undertaking dated 20 June 2023 and 6 October 2023 pursuant to which it has irrevocably undertaken to the Company and the New Listco, among others, *inter alia*, that it shall cast, or where applicable, procure the casting of all votes in respect of all voting rights attached to its 70,788,639 Shares in favour of the resolutions in respect of the Proposed Subscription, the Proposed Grant of Options, the Proposed Issue of Settlement Shares, the Proposed Transfer of Controlling Interest to Vibrant, the Potential Transfer of Controlling Interest to Tian Yuan, the Proposed Whitewash Resolution, the Proposed Rights Issue, the Proposed Appointment of the New Directors, the Proposed Transfer Listing and any other matter necessary or proposed to be implemented together with the Proposed Subscriber Transactions and such other corporate actions as required to be undertaken by the Company and the New Listco, proposed to be passed at the EGM and the Shareholders' scheme



meeting, save in the event that it is required to abstain from voting for any of the aforementioned resolutions under applicable laws and regulations.

6. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Subscriptions. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration which supports the “fairness” of the Proposed Subscriber Transactions:

- (a) the Subscription Price and the 1st Exercise Price are the same as the pro forma NAV per Share and therefore represents a price-to-NAV ratio of one (1) time while the 2nd Exercise Price represents a premium of approximately 9.94% to the pro forma NAV per Share and therefore represents a P/NAV ratio of 1.1 times;
- (b) the P/NAV ratio of the Company implied by the Subscription Price and the Exercise Price are higher than the range of P/NAV ratios of the Comparable Companies;
- (c) the implied value of the Company is within the range of the implied values of the Precedent Comparable Transactions of between S\$2.30 million and S\$60.71 million; and
- (d) the loss per Share will turnaround to an earnings per Share and the net liabilities per Share will also turnaround to a NTA per Share upon the allotment and issue of the Subscription Shares and the Settlement Shares under the Proposed Debt Restructuring.

We set out below a summary of the key factors we have taken into our consideration which supports the “reasonableness” of the Proposed Subscriber Transactions:

- (i) trading in the Shares on the SGX-ST has been suspended for more than three (3) years, and without the Proposed Subscriber Transactions and the Proposed Debt Restructuring, the Group will not be able to reduce its outstanding debt obligations to operate as a going concern or have a viable Resumption Proposal;
- (ii) the Group would have losses after excluding material one-off gains and government grants;

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- (iii) the Company's auditors have highlighted material uncertainty related to going concern in respect of the Company's audited financial statements for the financial year ended 31 March 2023; and
- (iv) other considerations set out in paragraph 5.7 of this IFA Letter.

Accordingly, after taking into account the above factors, we are of the opinion that, as of the date hereof, the Proposed Subscription and the Proposed Grant of Option which are the subjects of the Proposed Whitewash Resolution are fair and reasonable, and the Proposed Whitewash Resolution when considered in the context of the Proposed Subscription and the Proposed Grant of Option is not prejudicial to the interests of the Independent Shareholders. We therefore advise the Judicial Managers and the Executive Director to recommend that Independent Shareholders vote FOR the Proposed Whitewash Resolution at the EGM.

This IFA Letter, which is prepared pursuant to the Takeover Code, is addressed to the Judicial Managers and the Executive Director for their benefit, in connection with and for the purpose of their consideration of the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution and the recommendation made by them to the Independent Shareholders, shall remain the responsibility of the Judicial Managers and the Executive Director.

Neither the Company, the Directors, the Judicial Managers nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, at any time and in any manner without the prior written consent of Xandar Capital in each specific case, except for the Proposed Subscription, the Proposed Grant of Options and the Proposed Whitewash Resolution, at any time and in any manner.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)
Address 地址 3 Shenton Way #24-02 Shenton House Singapore 068805 珊顿道 3 号, 珊顿大厦 24-02, 新加坡邮区 068805
Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3936 Website 网址 <http://www.xandarcapital.com>

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial years ended 31 March 2023, 31 March 2022 and 31 March 2021:

| | 2023 \$'000 | 2022 \$'000 (Restated) | 2021 \$'000 |
|--|----------------|------------------------------|----------------|
| Continuing operations | | | |
| Revenue | 18,601 | 26,753 | 29,392 |
| Cost of services rendered | (15,525) | (20,898) | (31,447) |
| Gross profit / (loss) | 3,076 | 5,855 | (2,055) |
| Other income | 1,401 | 1,239 | 1,190 |
| Other (losses) / gains - net | | | |
| - Write back for impairment of financial assets and contract assets | (133) | 65 | (243) |
| - Others | (1,001) | 5,210 | 4,340 |
| Expenses | | | |
| - Administrative | (5,404) | (5,770) | (7,788) |
| - Finance | (497) | (875) | (1,265) |
| Share of profit / (loss) of associated companies | 8 | (12) | 19 |
| (Loss) / profit before income tax | (2,550) | 5,712 | (5,802) |
| Income tax expense | – | (87) | 565 |
| Total (loss) / profit from continuing operations | (2,550) | 5,625 | (5,237) |
| Discontinued operations | | | |
| Loss from discontinued operations | – | – | (126) |
| Total (loss) / profit | (2,550) | 5,625 | (5,363) |
| Other comprehensive income: | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Currency translation differences arising from consolidation | 665 | 573 | 523 |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Currency translation differences arising from consolidation | – | (8) | (22) |
| Financial assets, at FVOCI | | | |
| - Fair value losses – equity investments | 94 | 113 | (12) |
| Other comprehensive income / (loss), net of tax | 759 | 678 | 489 |
| Total comprehensive income | (1,791) | 6,303 | (4,874) |
| (Loss) / profit attributable to: | | | |
| Equity holders of the Company | (2,550) | 5,781 | (5,017) |
| Non-controlling interests | – | (156) | (346) |
| | (2,550) | 5,625 | (5,363) |
| Total comprehensive (loss) / income attributable to: | | | |
| Equity holders of the Company | (1,791) | 6,467 | (4,506) |
| Non-controlling interests | – | (164) | (368) |
| | (1,791) | 6,303 | (4,874) |

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

FY2022 v FY2021 review:

The Group recorded revenue of S\$26.8 million in FY2022, a decrease of S\$2.6 million from S\$29.4 million in FY2021, mainly attributable to the scaling down of activities for subsidiaries in Thailand and UAE.

Despite the lower revenue, the Group recorded a gross profit of S\$5.9 million in FY2022 compared to a gross loss of S\$2.1 million in FY2021.

The increase in other gains-net of S\$1.2 million from S\$4.1 million in FY2021 to S\$5.3 million in FY2022 was mainly due to a higher disposal gain of subsidiaries of S\$0.6 million in FY2022 and a write back of an impairment of financial assets in FY2022 versus an impairment charge of S\$0.2 million on financial assets made in FY2021.

The administrative costs reduced to S\$5.8 million from S\$7.8 million in FY2021 mainly due to the scaling down of activities for the Group's Thailand subsidiary, the compression and process business segment and the UAE branch.

Finance cost during the year had decreased by S\$0.4 million as a result of partial repayment of loans made by the Company during the financial period, which was partly financed by the sales proceeds of disposal of the fixed assets from the Group's Thailand subsidiary.

As a result of the above factors, the Group's profit attributable to shareholder increased from a loss of S\$5.0 million in FY2021 to a profit of S\$5.8 million in FY2022.

FY2023 vs FY2022 review:

The revenue for FY2023 was lower by S\$8.2 million from S\$26.8 million in FY2022 to S\$18.6 million, mainly due to the lower volume of shutdown activities carried out in FY2023. The decrease was offset with higher volume of maintenance services carried out in FY2023 which resulted in a lower gross profit margin reported for FY2023 of 16.5%.

The significant drop of S\$6.4 million in other (losses)/gains for FY2023 compared to prior period was largely due to the absence of one off gain on disposal of property of S\$4.5 million, gain on disposal of subsidiaries of S\$0.6 million and recognition of an impairment loss on property, plant and equipment of S\$0.4 million in FY2023.

The administrative expenses of S\$5.8 million in FY2022 were offset with a government grant of S\$1.8 million. Excluding the government grant, administrative expenses for FY2022 would have totalled S\$7.6 million, compared to S\$5.4 million in FY2023. The drop in administration expenses in FY2023 was largely due to the disposal of subsidiaries in prior year and continued cost cutting measures undertaken by the Company during the current financial year.

The finance costs decreased by S\$0.4 million in FY2023 as a result of the set off of the loan made by the bank in March 2022.

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023, 31 March 2022 and 31 March 2021:

| | 31 March 2023 S\$'000 | 31 March 2022 S\$'000 (Restated) | 31 March 2021 S\$'000 (Restated) |
|---|-----------------------------|---|---|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 18,744 | 15,120 | 14,126 |
| Trade and other receivables | 7,518 | 9,644 | 7,168 |
| Contract assets | – | 964 | 3,747 |
| Other current assets | 746 | 868 | 1,087 |
| | <u>27,008</u> | <u>26,596</u> | <u>26,128</u> |
| Assets of disposal group classified as held-for-sale | – | – | 6,295 |
| | 27,008 | 26,596 | 32,423 |
| Non-current assets | | | |
| Investments in associated companies | 270 | 262 | 274 |
| Property, plant and equipment | 3,887 | 4,952 | 6,995 |
| Financial assets, at FVOCI | 907 | 813 | 700 |
| Club memberships | – | – | – |
| | <u>5,064</u> | <u>6,027</u> | <u>7,969</u> |
| Total assets | 32,072 | 32,623 | 40,392 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 33,711 | 33,026 | 31,719 |
| Provision for onerous contracts | – | – | 114 |
| Contract liabilities | 7 | 113 | 107 |
| Current income tax liabilities | – | – | 376 |
| Borrowings | 14,696 | 14,281 | 26,901 |
| Lease liabilities | 862 | 764 | 789 |
| | <u>49,276</u> | <u>48,184</u> | <u>60,006</u> |
| Liabilities of disposal group classified as held-for-sale | – | – | 4,171 |
| | 49,276 | 48,184 | 64,177 |
| Non-current liability | | | |
| Lease liabilities | 148 | – | 821 |
| Deferred income tax liabilities | – | – | – |
| | <u>148</u> | <u>–</u> | <u>821</u> |
| Total liabilities | 49,424 | 48,184 | 64,998 |
| NET LIABILITIES | (17,352) | (15,561) | (24,606) |
| EQUITY | | | |
| Capital and reserves attributable to equity holders of the Company | | | |
| Share capital | 36,178 | 36,178 | 36,178 |
| Other reserves | 1,565 | 806 | 17 |
| Accumulated losses | (55,095) | (52,545) | (58,326) |
| | <u>(17,352)</u> | <u>(15,561)</u> | <u>(22,131)</u> |
| Non-controlling interests | – | – | (2,475) |
| Total equity | (17,352) | (15,561) | (24,606) |

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

FY2022 v FY2021 review:

Excluding an entity which was classified as held for sale as at 31 March 2021, and subsequently disposed of in FY2022, the Group's current assets increased to S\$26.6 million as at 31 March 2022 from S\$26.1 million, largely from the improvement in cash position and trade & other receivables balance.

Excluding an entity which was classified as held for sale as at 31 March 2021, and subsequently disposed of in FY2022, the Group's current liabilities decreased from S\$60.0 million to S\$48.2 million, mainly from the repayment of bank borrowings of approximately S\$10.4 million, which was partly financed by the sales proceeds from the disposal of the Company's property arising from mortgage sales

FY2023 v FY2022 review:

The Group's trade and other receivables decreased by S\$2.1 million from S\$9.6 million as at 31 March 2022 to S\$7.5 million as at 31 March 2023, mainly due to faster collection in the current year. The Group's cash and cash equivalents increased from S\$15.1 million as at 31 March 2022 to S\$18.7 million as at 31 March 2023.

Non-current assets reduced by S\$1.0 million, mainly from the impairment of the property, plant and equipment of S\$0.4 million and depreciation charge of S\$1.8 million during the financial year. This was offset by an increase due to the recognition of right of use assets of S\$1.1 million due to further lease extension of the Company's premise. This also led to a corresponding increase in lease liabilities.

The Group's trade and other payables increased by S\$0.7 million to S\$33.7 million as at 31 March 2023 mainly from the provision of the professional fees in relation to the cost and expenses of the judicial management and restructuring exercise undertaken by the Company.

The borrowings increased to S\$14.7 million from S\$14.3 million due to the accrued interest expenses.

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial years ended 31 March 2023, 31 March 2022 and 31 March 2021:

| | 2023 S\$'000 | 2022 S\$'000 (Restated) | 2021 S\$'000 |
|--|-----------------|-------------------------------|-----------------|
| Cash flows from operating activities | | | |
| Total (loss) / profit | (2,550) | 5,625 | (5,363) |
| Adjustments for: | | | |
| - Income tax expense / (credit) | – | 87 | (565) |
| - Allowance for / (write back of) for impairment of financial assets and contract assets | 133 | (65) | 243 |
| - Impairment of property, plant and equipment | – | – | – |
| - Depreciation of property, plant and equipment | 1,791 | 2,320 | 4,612 |
| - Loss on lease modification | – | – | 147 |
| - Net gain on disposal of property, plant and equipment | (50) | (4,633) | (4,390) |
| - Club membership written off | – | – | – |
| - Property, plant and equipment written off | 378 | 72 | 13 |
| - Net gain on disposal of club membership | – | – | (35) |
| - Net gain on disposal of subsidiaries | – | (586) | (204) |
| - Unrealised currency translation losses | 683 | 630 | 559 |
| - Interest expense | 497 | 875 | 1,265 |
| - Interest income | (111) | (3) | (2) |
| - Dividend income | – | – | (35) |
| - Share of loss / (profit) of associated companies | (8) | 12 | (19) |
| | 763 | 4,334 | (3,774) |
| Change in working capital, net of effects from disposals of subsidiaries: | | | |
| - Contract assets | 964 | 2,783 | 5,842 |
| - Trade and other receivables | 1,993 | (2,315) | 11,537 |
| - Other current assets | 122 | 116 | 2,034 |
| - Contract liabilities | (106) | 255 | (3,347) |
| - Trade and other payables and provisions | 684 | 3,130 | (7,727) |
| Cash generated from operations | 4,420 | 8,303 | 4,565 |
| Income tax paid | – | (460) | – |
| Net cash provided by / (used in) operating activities | 4,420 | 7,843 | 4,565 |
| Cash flows from investing activities | | | |
| Proceeds from disposal of property, plant and equipment | 55 | 4,759 | 13,877 |
| Purchases of property, plant and equipment | (58) | (48) | (292) |
| Proceeds from disposal of club membership | – | – | 288 |
| Interest received | 111 | 3 | 2 |
| Disposal of subsidiaries, net of cash disposed | – | (680) | (26) |
| Net cash provided by / (used in) investing activities | 108 | 4,034 | 13,849 |
| Cash flows from financing activities | | | |
| Interest paid | (16) | (66) | (251) |
| Net repayment of bank financing (trust receipts) | – | (872) | (795) |
| Proceeds from bank borrowings | – | – | – |
| Repayment of bank borrowings | – | (9,551) | (370) |
| Repayment of principal portion of lease liabilities | (843) | (1,260) | (1,440) |
| Net cash used in financing activities | (859) | (11,749) | (2,856) |
| Cash and cash equivalents | | | |
| Net increase / (decrease) in cash and cash equivalents | 3,669 | 128 | 15,558 |
| Beginning of financial year | 15,120 | 15,049 | (391) |
| Effects of currency translation on cash and cash equivalents | (45) | (57) | (118) |
| End of financial year | 18,744 | 15,120 | 15,049 |

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

FY2021 review:

The Group reported a net increase in cash and cash equivalents of S\$15.6 million mainly due to net cash generated from operating activities of S\$4.6 million and cash for investing activities of S\$13.8 million mainly from the disposal of a property held by the Group's Thailand subsidiary. These were set off against the net cash used in financing activities of S\$2.8 million.

FY2022 review:

The Group recorded a net increase in cash of S\$0.1 million, mainly due to improvement in net cash generated from operating and investing activities of S\$7.8 million and S\$4.0 million respectively, which was offset with the cash outflow in financing activities of S\$11.7 million.

FY2023 review:

Despite a net loss of S\$2.6 million, the Group recorded a net increase in cash position of S\$3.7 million arising from the positive cashflow from operating activities of S\$4.4 million and investing activities of S\$0.1 million, which was offset with the cash outflow in financing activities of S\$0.9 million.

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 30 September 2022

| | 6 months ended 30 September 2022 \$'000 | 6 months ended 30 September 2021 \$'000 |
|--|---|---|
| Revenue | 9,028 | 13,029 |
| Cost of services rendered | (7,630) | (11,111) |
| Gross profit | 1,398 | 1,918 |
| Gross profit margin | 15.5% | 14.7% |
| Other income | 413 | 740 |
| Other gains-net | 240 | 191 |
| Expenses | | |
| - Administrative | (2,419) | (1,870) |
| - Finance | (238) | (428) |
| Loss / (profit) before income tax | (606) | 551 |
| Income tax expense | – | (34) |
| Total (loss) / profit for the year | (606) | 517 |
| Other comprehensive income: | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Currency translation differences arising from consolidation | 359 | 439 |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Currency translation differences arising from consolidation | – | (3) |
| Other comprehensive (loss) / income, net of tax | 359 | 436 |
| Total comprehensive (loss)/ income | (247) | 953 |
| Profit / (loss) attributable to: | | |
| Equity holders of the Company | (606) | 632 |
| Non-controlling interests | – | (115) |
| | (606) | 517 |
| Total comprehensive (loss) income attributable to: | | |
| Equity holders of the Company | (247) | 1,071 |
| Non-controlling interests | – | (118) |
| | (247) | 953 |

HY2023 v HY2022 review:

The revenue for HY2023 was lower by S\$4 million from S\$13.0 million in HY2022 to S\$9.0 million in HY2023, mainly due to slight decrease in business activities for the Company and the project in UAE branch nearing completion. Despite the lower revenue in HY2023, the Group generated a higher gross profit margin compared to HY2022 due to cost cutting measures undertaken.

The other income reduced from S\$0.7 million to S\$0.4 million in HY2023 mainly due to lower income generated from the rental of the premises.

The administrative expenses was higher by S\$0.5 million in HY2023 from S\$1.9 million in HY2022 mainly due the recognition of the government grant of S\$1.7 million in HY2022 which was set off against the administrative expenses. Excluding this grant, the administrative cost would have been S\$3.5 million in HY2022.

The finance costs decreased to S\$0.2 million in HY2023 as a result of partial repayment of loan made by the Company during HY2022.

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

| | 30 September 2022 Unaudited S\$'000 | 31 March 2022 Audited S\$'000 |
|--|--|--|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 15,694 | 15,120 |
| Trade and other receivables | 11,184 | 10,306 |
| Contract assets | – | 964 |
| Other current assets | 832 | 868 |
| | 27,710 | 27,258 |
| Non-current assets | | |
| Investments in associated companies | 262 | 262 |
| Property, plant and equipment | 5,130 | 4,952 |
| Financial assets, at FVOCI | 813 | 813 |
| | 6,205 | 6,027 |
| Total assets | 33,915 | 33,285 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 32,528 | 32,628 |
| Contract liabilities | 103 | 113 |
| Borrowings | 14,602 | 14,281 |
| Lease liabilities | 583 | 764 |
| | 47,816 | 47,786 |
| Non-current liabilities | | |
| Lease liabilities | 847 | – |
| | 847 | – |
| Total liabilities | 48,663 | 47,786 |
| NET LIABILITIES | (14,748) | (14,501) |
| EQUITY | | |
| Capital and reserves attributable to the Company's equity holders | | |
| Share capital | 36,178 | 36,178 |
| Other reserves | 1,165 | 806 |
| Accumulated losses | (52,091) | (51,485) |
| TOTAL EQUITY | (14,748) | (14,501) |

HY2023 v HY2022 review:

Non-current assets increased by S\$0.2 million mainly from the recognition of right of use assets of S\$1.1 million due to further lease extension for the property at Tuas Crescent by Jurong Town Corporation, which was offset with the depreciation charge of S\$0.9 million during the period. There was also a corresponding increase in the lease liabilities due to the lease extension.

APPENDIX E – SELECTED CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For financial period ended 30 September 2022

| | Unaudited | |
|--|---|---|
| | 6 months ended 30 September 2022 | 6 months ended 30 September 2021 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | |
| Total (loss) / profit | (606) | 517 |
| Adjustments for: | | |
| Income tax expense | – | 34 |
| Depreciation of property, plant equipment | 899 | 1,187 |
| Net gain on disposal of property, plant and equipment | (2) | (123) |
| Net gain on disposal of a subsidiary | – | (24) |
| Property, plant and equipment written off | – | 2 |
| Impairment of other receivables and trade receivables | – | 21 |
| Unrealised currency translation losses | 380 | 496 |
| Interest expense | 238 | 428 |
| Interest income | (1) | (3) |
| | 908 | 2,535 |
| Change in working capital | | |
| Contract assets | 964 | 1,879 |
| Trade and other receivables | (878) | (729) |
| Other current assets | 36 | 295 |
| Contract liabilities | (10) | 28 |
| Trade and other payables | (101) | 532 |
| Cash generated from operations | 919 | 4,540 |
| Income tax paid | – | (390) |
| Net cash provided by operating activities | 919 | 4,150 |
| Cash flows from investing activities: | | |
| Proceeds from disposal of property, plant and equipment | 2 | 146 |
| Purchases of property, plant and equipment | (10) | (24) |
| Disposal of a subsidiary, net of cash disposed | – | 15 |
| Interest received | 1 | 3 |
| Net cash (used in) / provided by investing activities | (7) | 140 |
| Cash flows from financing activities | | |
| Interest paid | (11) | (30) |
| Repayment of bank borrowings | – | (75) |
| Repayment of lease liabilities | (415) | (699) |
| Net cash used in by financing activities | (426) | (804) |
| Cash and cash equivalent | | |
| Net increase in cash and cash equivalents | 486 | 3,486 |
| Effect of currency translation on cash and cash equivalents | 88 | (47) |
| Beginning of the financial period | 15,120 | 15,049 |
| End of the financial period | 15,694 | 18,488 |

HY2023 v HY2022 review:

The Group recorded a net increase in cash of S\$0.5 million, mainly due to improvement in net cash generated from operating activities of S\$0.9 million, which was offset with the cash outflow in investing and financing activities, cumulatively amounting to S\$0.4 million.

APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023



Foo Kon Tan LLP • 1 Raffles Place #04-61/62 One Raffles Place, Tower 2 • Singapore 048616
T +65 6336 3355 F +65 6337 2197 E ftk@fookontan.com www.fookontan.com

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

5 September 2023

Ms Oon Su Sun/ Mr. Lin Yueh Hung (Joint and Several Judicial Managers)
Hiap Seng Engineering Limited (Under Judicial Management)
Singapore 638719

Report on the Compilation of Unaudited Pro Forma Financial Information

The shares of Hiap Seng Engineering Limited (the “Company”) are currently suspended from trading on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 28 November 2019 at the request of the Company.

On 15 September 2020, the Company and its subsidiary, HS Compression & Process Pte Ltd (“HSCP”) (collectively, the “Group”) were placed under judicial management. During this period, all powers conferred, and duties imposed on the directors of the Company by the Insolvency, Restructuring and Dissolution Act 2018 or the Companies Act 1967 or by the constitution of the Company, are exercised and performed by the appointed Joint and Several Judicial Managers (“JMs”).

As set out in Note 2.1 to the Company’s FY 2023 Annual Report, the Group has outstanding borrowings amounting to \$14,696,000 owing to the principal lender. The Company also had other outstanding amounts due to unsecured creditors prior to 15 September 2020 amounting to approximately \$19,646,000. The borrowings owing to the principal lender after utilising the proceeds from the investments by a group of investors (the “Investors”) for the partial settlement, and unsecured claims from creditors (collectively, the “Creditors”) prior to 15 September 2020 would be restructured via a Scheme of Arrangement (the “Scheme”).

On 7 January 2022, the Company entered into a Conditional Subscription Agreement (“CSA”) with the Investors in which they will subscribe for S\$8 million ordinary shares (the “Proposed Acquisition”) and up to S\$8 million in unlisted and freely transferrable share options (“Option Shares”) in the Company (the “Proposed Transaction”).

On 18 August 2022, the Company entered into a restructuring deed with the principal lender and the Investors (the “Restructuring Deed”), which prescribed how the Company’s liabilities due to the principal lender will be discharged. Upon successful completion of the Proposed Transaction, the Company will utilise the proceeds from the Investors for the partial settlement of the principal amounts and interests under the loans owing to the principal lender prior to 15 September 2020. The remaining amount of the principal lender of approximately S\$6,696,000 will be restructured together with the other unsecured creditors who had filed proof of debts via a Scheme which was sanctioned by the High Court of Singapore on 29 August 2022 (collectively, the “Scheme Debt”).

Under the Scheme, the Scheme Debt will be partially settled by way of a cash distribution and issuance of settlement shares and the remaining Scheme Debt shall be irrevocably and forever released, discharged; and extinguished upon the successful completion of the Proposed Transaction.

Chartered Accountants of Singapore

Foo Kon Tan LLP (UEN: T10LL0002B) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act 2005.



APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023



Report on the Compilation of Unaudited Pro Forma Financial Information (Cont'd)

On 29 August 2022, the High Court of Singapore granted the extension of the judicial management order until 8 March 2023 to allow the Company to complete the Proposed Transaction with the Investors. On 7 March 2023, the Company announced that the High Court of Singapore has granted a further extension of the judicial management order to 4 September 2023.

On 31 May 2023, the Company announced that the Investors have agreed to amend and supplement the CSA to reflect the extension of the longstop date to 30 November 2023 and to remove the requirement for approval of the option holder to be obtained for any adjustment made by the directors from time to time to the exercise price and the number of options.

On 28 July 2023, the Company announced that the JMs have made an application to the Court for an order that the judicial management period be extended for a further 180 days, until 2 March 2024 and the hearing date has been fixed on 4 September 2023.

On 16 August 2023, the Company released its annual report for financial year ended 31 March 2023 on SGXNet.

The objective of the assurance engagement is to assist the appointed JMs of the Company in its application to SGX-ST for the resumption of trading of the Company's shares on the Mainboard of SGX-ST, to review the unaudited pro-forma financial statement (i.e. consisting of the unaudited consolidated statement of financial position, unaudited consolidated statement of comprehensive income and unaudited consolidated statement of cashflows) prepared by the management (in consultation with the JMs).

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of the Group prepared by the management (in consultation with the JMs). The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 31 March 2023, the unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the financial year ended 31 March 2023.

The applicable criteria on the basis of which management has compiled the unaudited pro forma financial information are described in Notes 2, 3 and 4 set out in the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 March 2023 as attached in Appendix 1.

The unaudited pro forma financial information has been compiled by the management to illustrate the impact of the significant events (the "Significant Events") set out in Notes 2, 3 and 4 in the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 March 2023 as attached in Appendix 1:

- (i) the unaudited pro forma financial position of the Group as at 31 March 2023 as if the Significant Events had taken place on 31 March 2023; and
- (ii) the unaudited pro forma financial performance and unaudited pro form cash flows of the Group for the financial year ended 31 March 2023 as if the Significant Events had taken place during the financial period from 1 April 2022 to 31 March 2023.

As part of this process, information about the Group's financial position, financial performance and cash flows have been extracted by management from the audited financial results for the financial year ended 31 March 2023 which was released in the SGX-NET dated 16 August 2023.

APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023



Report on the Compilation of Unaudited Pro Forma Financial Information (Cont'd)

Management's responsibility for the unaudited pro forma financial information

The unaudited pro forma financial information on the basis set out in Notes 2, 3 and 4 respectively in the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 March 2023 as attached in Appendix 1 was prepared by the management (in consultation with the JMs).

Our independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Singapore Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibilities

Our responsibility is to express an opinion on the unaudited pro forma financial information which has been compiled, in all material respects, by the management based on the applicable criteria as set out in Notes 2, 3 and 4 respectively in the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 March 2023 as attached in Appendix 1.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditors plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the unaudited pro forma financial information based on the applicable criteria as described in Notes 2, 3 and 4 respectively in the Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 March 2023 as attached in Appendix 1.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Circular is solely to illustrate the impact of the significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at the respective dates would have been as presented.

APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023



Report on the Compilation of Unaudited Pro Forma Financial Information (Cont'd)

Auditors' responsibilities (Cont'd)

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditors' judgement, having regard to the auditors' understanding on the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

Material Uncertainty Related to Going Concern

The consolidated financial statements of the Company for the financial year ended 31 March 2023 were audited by PricewaterhouseCoopers LLP (the "Statutory Auditors") in accordance with Singapore Standards on Auditing. On 16 August 2023, the Statutory Auditors had issued an unmodified opinion with a Material Uncertainty Related to Going Concern matter in the audit report on the audited consolidated financial statements of the Company for the financial year ended 31 March 2023.

The material uncertainty of the Group's and the Company's ability to continue as a going concern, is subject to the completion of the Proposed Subscriber Transactions, Proposed Debt Restructuring and the Proposed Transfer Listing (collectively known as the "Proposed Transactions") which is currently ongoing.

Opinion

The unaudited pro forma financial information was compiled based on FY2023 audited accounts which the Statutory Auditors has issued an unmodified audit opinion with a Material Uncertainty Related to Going Concern matter as described in the preceding paragraph above.

In our opinion, (a) the unaudited pro forma financial information has been compiled: (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements for the financial year ended 31 March 2023, which are in accordance with Singapore Financial Reporting Standards (International) ; (ii) on the basis of the applicable criteria as set out in Note 2,3 and 4 respectively in the Appendix 1; and (b) each material adjustment made to the information used in the preparation of the unaudited pro forma financial information is appropriate for the purpose of preparing such unaudited pro forma financial information.

**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR ENDED 31 MARCH 2023**



Report on the Compilation of Unaudited Pro Forma Financial Information (Cont'd)

Restriction on distribution and use

This report is made solely to you as a body and for inclusion in the Circular in connection with the proposed resumption of trading of the Company's ordinary shares on the Mainboard of SGX-ST.

FooKonTanLLP
Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore

05 SEP 2023

Appendix 1: Unaudited Pro Forma Consolidated Financial Information for the Financial Year ended 31 March 2023

**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**HIAP SENG ENGINEERING LTD. (UNDER JUDICIAL MANAGEMENT)
AND ITS SUBSIDIARIES**

**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**



APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information

THE COMPILATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF HIAP SENG ENGINEERING LTD. (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Unaudited Pro Forma Consolidated Financial Information of Hiap Seng Engineering Ltd. (Under Judicial Management) (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) has been prepared for inclusion in the Company’s application for lifting of the trading suspension under Chapter 13 of the Listing Manual of The Singapore Exchange Securities Trading Limited.

The unaudited pro forma consolidated financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand (S\$’000), except when otherwise stated.

The Unaudited Pro Forma Consolidated Financial Information of the Group consists of:

- (a) the unaudited pro forma consolidated statement of financial position as at 31 March 2023;
- (b) the unaudited pro forma consolidated statement of profit or loss for the financial year ended 31 March 2023;
- (c) the unaudited pro forma consolidated statement of cash flows for the financial year ended 31 March 2023; and
- (d) related notes

(Collectively, the “**Unaudited Pro Forma Consolidated Financial Information**”) as set out on pages 4 to 12, have been prepared by management of the Company (in consultation with the Judicial Managers) in accordance with the Singapore Financial Reporting Standards (International). In the preparation of the Unaudited Pro Forma Consolidated Financial Information, the management has applied the same accounting policies and methods of computation as presented in the audited financial statements of the Group for the financial year ended 31 March 2023.

The audited consolidated financial statements for the reporting year ended 31 March 2023 were audited by PricewaterhouseCoopers LLP in accordance with Singapore Standards on Auditing. On the audited financial statements for the reporting year ended 31 March 2023, the auditor issued an unmodified opinion with a material uncertainty¹ related to going concern in relation to the Group’s and the Company’s ability to continue as a going concern, which is subject to the completion of the Proposed Subscriber Transactions, Proposed Debt Restructuring and the Proposed Transfer Listing (collectively known as the “**Proposed Transactions**”) which is currently ongoing.

The Unaudited Pro Forma Consolidated Financial Information of the Group has been prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments on audited financial information of the Group for the year ended 31 March 2023, as if the Significant Events as set out in Note 2 and 3 of this report had taken place on or before 31 March 2023. The impact of the Significant Events on:

- (a) the statement of financial position of the Group as at 31 March 2023;
- (b) the statement of profit or loss of the Group for the financial year ended 31 March 2023; and
- (c) the statement of cash flows of the Group for the financial year ended 31 March 2023

are illustrated on pages 4 to 7 of this report.

¹ In relation to a material uncertainty related to going concern: The Group’s and Company’s current liabilities exceeded their current assets by \$22,268,000 and \$22,467,000 respectively as at 31 March 2023. In addition, the Group and the Company total liabilities exceeded their total assets by \$17,352,000 and \$17,520,000 respectively. It is further indicated that the Company was placed under judicial management since 15 September 2020. The ability of the Group and the Company to continue as going concerns is subject to the completion of the restructuring exercise which is currently ongoing.



APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information

The Significant Events are:-

- (i) Completion of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing assuming that various relating resolutions are approved by shareholders during the intended extraordinary general meeting and upon the approval of the resumption trading proposal by SGX-ST; payment of professional fees of S\$5.0 million (excluding disbursements and GST), payment of S\$1.3 million for repayment of input tax and payment of pre-Judicial Management (“JM”) employees benefit.

Please refer to Note 2 of this report.

- (ii) Completion of Proposed Rights Issue of S\$1.0 million for amount undertaken by shareholder, new banking facilities of S\$5.6 million obtained for the fulfillment of the investment criteria in the JTC Corporation (“JTC”) properties, and fulfillment of said investment. These events are expected to occur in the next 1 to 2 years after the Significant Events disclosed in item (i) above.

Please refer to Note 3 of this report.

- (iii) Remaining rights shares issued on a fully-subscribed basis and the full exercise of the S\$8.0 million of Options by the Subscribers. Should these occur, these are expected to occur in the next 1 to 2 years after the Significant Events disclosed in item (i) above.

Please refer to Note 4 of this report.

The objective of the Unaudited Pro Forma Consolidated Financial Information is to illustrate what financial position, financial performance and cash flows of the Group would have been had the Significant Events occurred on or before 31 March 2023.

This report is prepared solely for the Judicial Managers and Executive Director of the Company for the purpose of evaluating the prospect of the Company operating as a going-concern and for submission of the Company’s resumption trading proposal to the Singapore Exchange Securities Trading Limited.



**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

| | AUDITED | | Note 2 Adjustments | | | | | PROFORMA | | | Note 3 Adjustments | | PROFORMA | | Note 4 Adjustments | | PROFORMA | |
|---|------------------------|--|--|---|---|--|--|---------------------------------------|---|--|--|---------------------------------------|---|---|---------------------------------------|--|----------|---------------|
| | 2(a) HSEL FY2023 | 2(a) Transfer Existing Shareholding of HSEL to New Listco | 2(b) Issuance of Subscription Shares to Subscribers (\$38.0m) | 2(c) Distribution of cash (\$52.0m) and issuance of Settlement Shares (\$37.4m) to Scheme Creditors | 2(c) Repayment to JOB consisting of Subscription sum (\$56.0m) and Cash sum (\$51.8m) | 2(e) Extinguishment of remaining Scheme debt and balance owing to JOB | 2(f) Payment of professional fees excluding GST and disbursements (\$55.0m), payment of input tax (\$1.3m) and Pre-JM employees benefit (\$0.4m) | New Listco Group (after Note 2) | 3(a) Rights Shares issued for amount undertaken by shareholder (\$51.0m) | 3(b) Obtain new banking facilities for fulfilment of investment criteria for JTC properties (\$55.0m) | 3(c) Fulfilment of investment criteria (\$57.0m) for JTC properties and extension of JTC lease | New Listco Group (after Note 3) | 4(a) Remaining Rights Shares issued on a fully subscribed basis (\$52.3m) | 4(b) Exercise of all Options exercised by investor within 1 year (\$58.0m) | New Listco Group (after Note 4) | | | |
| ASSETS | | | | | | | | | | | | | | | | | | |
| Non-current assets | 3,887 | 3,887 | | | | | | | | | | | | | | | | 25,185 |
| Property, plant and equipment | 18,744 | 18,744 | 7,300 | (2,500) | (9,750) | (6,681) | 7,113 | 850 | 5,600 | (7,000) | 6,563 | 2,300 | 8,000 | 16,863 | | | | 270 |
| Investment in associate | 8,264 | 8,264 | | | | | 8,264 | | | | 8,264 | | | 8,264 | | | | 907 |
| Financial assets | 27,008 | 27,008 | 7,300 | (2,500) | (9,750) | (6,681) | 15,377 | 850 | 5,600 | (7,000) | 14,827 | 2,300 | 8,000 | 25,127 | | | | 907 |
| Total non-current assets | 5,064 | 5,064 | | | | | 5,064 | | | | 21,298 | | | | 25,352 | | | 25,352 |
| Current assets | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | | | | | | | | | | | | | | | | | | |
| Trade and other receivables | | | | | | | | | | | | | | | | | | |
| Total current assets | | | | | | | | | | | | | | | | | | |
| Total assets | 32,072 | 32,072 | 7,300 | (2,500) | (9,750) | (6,681) | 20,441 | 850 | 5,600 | 14,298 | 41,189 | 2,300 | 8,000 | 51,489 | | | | |
| LIABILITIES | | | | | | | | | | | | | | | | | | |
| Non-current liabilities | | | | | | | | | | | | | | | | | | |
| Borrowings | 148 | 148 | | | | | 148 | | 5,600 | 13,842 | 5,600 | | | 13,990 | | | | 5,600 |
| Lease liabilities | 148 | 148 | | | | | 148 | | 5,600 | 13,842 | 13,990 | | | 19,550 | | | | 13,990 |
| Total non-current liabilities | 296 | 296 | | | | | 296 | | 11,200 | 27,684 | 19,590 | | | 33,540 | | | | 19,590 |
| Current liabilities | | | | | | | | | | | | | | | | | | |
| Trade and other payables | 33,711 | 33,711 | (700) | (7,450) | (16,121) | (6,312) | 3,128 | 862 | 862 | 456 | 3,128 | | | 3,128 | | | | 3,128 |
| Lease liabilities | 862 | 862 | | | | | 862 | | | | 1,318 | | | 1,318 | | | | 1,318 |
| Borrowings | 14,696 | 14,696 | | | | | | | | | | | | | | | | |
| Contract liabilities | 7 | 7 | | | | | 7 | | | | 7 | | | 7 | | | | 7 |
| Total current liabilities | 49,276 | 49,276 | (700) | (9,850) | (16,667) | (6,312) | 3,997 | 862 | 862 | 456 | 4,453 | 2,300 | 8,000 | 19,550 | | | | 4,453 |
| Net current (liabilities) / assets | (22,266) | (22,266) | 8,000 | 7,350 | (16,667) | (369) | 11,380 | 850 | 5,600 | (7,456) | 10,374 | 2,300 | 8,000 | 20,674 | | | | 20,674 |
| Total liabilities | 49,424 | 49,424 | (700) | (9,850) | (18,667) | (6,312) | 4,145 | 850 | 5,600 | 14,298 | 24,043 | 2,300 | 8,000 | 44,617 | | | | 24,043 |
| Net (liabilities) / assets | (17,352) | (17,352) | 8,000 | 7,350 | (18,667) | (369) | 16,296 | 850 | 5,600 | 6,842 | 17,146 | 2,300 | 8,000 | 27,446 | | | | 27,446 |
| EQUITY | | | | | | | | | | | | | | | | | | |
| Share capital | 36,178 | 36,178 | 8,000 | 7,350 | (16,667) | (369) | 17,000 | 850 | 5,600 | (7,456) | 17,850 | 2,300 | 8,000 | 28,150 | | | | 28,150 |
| Other reserve | 1,965 | 1,965 | | | | | 1,965 | | | | 1,965 | | | 1,965 | | | | 1,965 |
| Capital reserve | 34,528 | 34,528 | | | | | 34,528 | | | | 34,528 | | | 34,528 | | | | 34,528 |
| Accumulated losses | (52,545) | (52,545) | | | | | (52,545) | | | | (52,545) | | | (52,545) | | | | (52,545) |
| Current year's profit | (2,550) | (2,550) | | | | | (2,550) | | | | (2,550) | | | (2,550) | | | | (2,550) |
| Total equity | (17,352) | (17,352) | 8,000 | 7,350 | (16,667) | (369) | 16,296 | 850 | 5,600 | 6,842 | 17,146 | 2,300 | 8,000 | 27,446 | | | | 27,446 |



**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

| | AUDITED | | Note 2 adjustments | | | | | Note 3 adjustments | | | Note 4 Adjustments | | PROFORMA | | |
|---|-------------|--|--|--|--|---|---|--|--------------------------------|--|--|---|--------------------------------|--|--|
| | HSEL FY2023 | Proforma New Lisco FY23 (w existing shareholder) | 2(a) Transfer Existing Shareholding of HSEL to New Lisco | 2(b) Issuance of Shares to Subscribers (\$S8.0m) | 2(c) Distribution of cash (\$S2.5m) and settlement of Shares (\$S7.4m) to Scheme Creditors | 2(d) Repayment to LOB consisting of Subscription sum (\$S8.0m) and Cash sum (\$S1.8m) | 2(e) Extinguishment of remaining Scheme Debt and balance owing to LOB | 2(f) Payment of professional fees excluding GST and disbursements (\$S3.0m) . payment of input tax (\$S1.3m) and Pre-JM and employees benefit (\$0.4m) | New Lisco Group (after Note 2) | 3(a) Rights Shares issued for amount undertaken by shareholder (\$S1.0m) | 3(b) Obtain new banking facilities for fulfillment of investment criteria for JTC properties (\$S5.6m) | 3(c) Fulfillment of investment criteria for (\$S7.0m) for JTC properties and extension of JTC lease | New Lisco Group (after Note 3) | 4(a) Remaining Shares issued on a fully subscribed basis (\$S2.3m) | 4(b) Exercise of all Options exercised by investor within 1 year (\$S8.0m) |
| Revenue | 18,601 | 18,601 | | | | | | | 18,601 | | | 18,601 | | | 18,601 |
| Cost of services rendered | (15,525) | (15,525) | | | | | | (15,525) | | | | (15,525) | | | (15,525) |
| Gross profit | 3,076 | 3,076 | | | | | | 3,076 | | | | 3,076 | | | 3,076 |
| Other income | 1,401 | 1,401 | | | | | | 1,401 | | | | 1,401 | | | 1,401 |
| Other gains / (losses) - net | (133) | (133) | | | | | 18,667 | | | | | 18,534 | | | 18,534 |
| - Write back of debts (include waiver) | 50 | 50 | | | | | | 50 | | | | 50 | | | 50 |
| - Net gain on disposal of property, plant and equipment | (1,051) | (1,051) | | | | | | (1,051) | | | | (1,051) | | | (1,051) |
| - Others | (1,134) | (1,134) | | | | | 18,667 | | | | | 17,533 | | | 17,533 |
| Expenses | (5,404) | (5,404) | | | | | | (369) | | | | (5,773) | | | (5,773) |
| - Administrative | (497) | (497) | | | | | | (497) | | | | (497) | | | (497) |
| - Finance | (5,901) | (5,901) | | | | | | (369) | | | | (6,270) | | | (6,270) |
| Share of profit of associated companies | 8 | 8 | | | | | | 8 | | | | 8 | | | 8 |
| Income tax expense | (2,550) | (2,550) | | | | | | (369) | | | | (369) | | | (369) |
| (Loss)/ profit after income tax | (2,550) | (2,550) | | | | | 18,667 | (369) | | | | 15,748 | | | 15,748 |
| Non controlling interest | - | - | | | | | | | | | | | | | - |
| (Loss) / profit after tax attributable to shareholders | (2,550) | (2,550) | | | | | 18,667 | (369) | | | | 15,748 | | | 15,748 |
| Other comprehensive profit: | | | | | | | | 665 | | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | | | | | | | | | |
| - Currency translation differences arising from consolidation | | | | | | | | 665 | | | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | | | | | | | | | | | | |
| - Financial assets, at FVOCI | | | | | | | | 94 | | | | | | | |
| - Fair value losses – equity investments | | | | | | | | 759 | | | | | | | |
| Other comprehensive (loss), net of tax | | | | | | | | (1,791) | | | | | | | |
| Total comprehensive loss | (1,791) | (1,791) | | | | | 18,667 | (369) | | | | 15,748 | | | 15,748 |
| Profit attributable to: | | | | | | | | | | | | | | | |
| - Equity holders of the Company | (2,550) | (2,550) | | | | | 18,667 | (369) | | | | 15,748 | | | 15,748 |
| - Non-controlling interests | - | - | | | | | | (369) | | | | (369) | | | (369) |
| | (2,550) | (2,550) | | | | | 18,667 | (369) | | | | 15,748 | | | 15,748 |



**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

| | AUDITED | | PRO FORMA | | | | | | PRO FORMA | | | | | | |
|---|-------------|---|--|--|---|---|--|---------------------------------|--|---|--|---------------------------------|---|--|---------------------------------|
| | HSEL FY2023 | 2(a) Transfer Existing Shareholding of HSEL to New Listco | 2(b) Issuance of Shares to Subscribers (\$S8.0m) | 2(c) Distribution of cash (\$S2.5m) and settlement of Shares (\$S7.4m) to Scheme Creditors | 2(d) Repayment to LOB consisting of Subscription sum (\$S8.0m) and Cash sum (\$S1.8m) | 2(e) Extinguishment of remaining Scheme Debt and balance owing to LOB | 2(f) Payment of professional fees excluding GST and disbursements (\$S5.0m), payment of input tax (\$S1.3m) and Pre-JM employee benefit (\$0.4m) | New Listco Group (after Note 2) | 3(a) Rights Shares issued for amount undertaken by shareholder (\$S1.0m) | 3(b) Obtain new banking facilities for fulfilment of investment criteria for JTC properties (\$S5.6m) | 3(c) Fulfilment of investment criteria (\$S7.0m) for JTC properties and extension of JTC lease | New Listco Group (after Note 3) | 4(a) Remaining Rights Shares issued on a fully subscribed basis (\$S2.3m) | 4(b) Exercise of all Options exercised by Investor within 1 year (\$S8.0m) | New Listco Group (after Note 4) |
| Cash flows from operating activities | | | | | | | | | | | | | | | |
| Total (loss)/ profit before income tax | (2,550) | (2,550) | - | - | - | 18,667 | (369) | 15,748 | - | - | - | 15,748 | - | - | 15,748 |
| Adjustments for: | | | | | | | | | | | | | | | |
| - (Write back)/ impairment of financial assets and contract assets | 133 | 133 | | | | | | 133 | | | | 133 | | | 133 |
| - Depreciation of fixed assets | 1,791 | 1,791 | | | | | | 1,791 | | | | 1,791 | | | 1,791 |
| - Net gain on disposal of property, plant and equipment | (50) | (50) | | | | | | (50) | | | | (50) | | | (50) |
| - Property, plant and equipment written off | 378 | 378 | | | | | | 378 | | | | 378 | | | 378 |
| - Net gain from extinguishment of Scheme Debt and amounts owing to LOB | | | | | | (18,667) | | (18,667) | | | | (18,667) | | | (18,667) |
| - Unrealised currency translation (gains)/losses | 683 | 683 | | | | | | 683 | | | | 683 | | | 683 |
| - Interest expense | 497 | 497 | | | | | | 497 | | | | 497 | | | 497 |
| - Interest income | (111) | (111) | | | | | | (111) | | | | (111) | | | (111) |
| - Share of loss/(profit) of associated companies | (8) | (8) | | | | | | (8) | | | | (8) | | | (8) |
| | 763 | 763 | | | | | (369) | 394 | | | | 394 | | | 394 |
| Change in working capital, net of effects from acquisition of subsidiary: | | | | | | | | | | | | | | | |
| - Contract assets | 964 | 964 | | | | | | 964 | | | | 964 | | | 964 |
| - Trade and other receivables | 1,993 | 1,993 | | | | | | 1,993 | | | | 1,993 | | | 1,993 |
| - Other current assets | 122 | 122 | | | | | | 122 | | | | 122 | | | 122 |
| - Contract liabilities | (106) | (106) | | | | | | (106) | | | | (106) | | | (106) |
| - Trade and other payables and provision for onerous contracts | 684 | 684 | | | | | (6,312) | (7,519) | | | | (7,519) | | | (7,519) |
| Cash used in operations | 4,420 | 4,420 | | | | | (6,681) | (4,152) | | | | (4,152) | | | (4,152) |
| Income tax paid | | | | | | | | | | | | | | | |
| Net cash provided by / (used in) operating activities | 4,420 | 4,420 | | | | | (6,681) | (4,152) | | | | (4,152) | | | (4,152) |



**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

| | AUDITED | | Note 2 adjustments | | | | | Note 3 adjustments | | | Note 4 Adjustments | | PROFORMA | | |
|--|---------------|--|---|---|--|--|---|---------------------------------|---|--|---|---------------------------------|----------|--|---|
| | HSEL FY2022 | 2(a) Transfer Existing Shareholding of HSEL to New Listco | 2(b) Issuance of Shares to Subscribers (\$88.0m) | 2(c) Distribution of cash (\$82.5m) and settlement of Scheme Creditors (\$87.4m) to Shares | 2(d) Repayment to UOB consisting of Subscription sum (\$88.0m) and Cash sum (\$81.8m) | 2(e) Extinguishment of remaining Scheme Debt and balance owing to UOB | 2(f) Payment of professional fees excluding GST and disbursements (\$55.0m) . payment of input tax (\$31.3m) and Pre-IM employees benefit (\$0.4m) | New Listco Group (after Note 2) | 3(a) Rights Shares issued for amount undertaken by shareholder (\$81.0m) | 3(b) Obtain new banking facilities for fulfilment of investment criteria for JTC properties (\$55.6m) | 3(c) Fulfilment of investment criteria (\$87.0m) for JTC properties and extension of JTC lease | New Listco Group (after Note 3) | | 4(a) Remaining Rights Shares issued on a fully subscribed basis (\$82.3m) | 4(b) Exercise of all Options exercised by Investor within 1 Year (\$88.0m) |
| Cash flows from investing activities | | | | | | | | | | | | | | | |
| Proceeds from disposal of property, plant and equipment | 55 | 55 | | | | | | | | | | | | | 55 |
| Purchases of property, plant and equipment | (58) | (58) | | | | | | | | | | | | | (7,058) |
| Interest received | 111 | 111 | | | | | | | | | | | | | 111 |
| Net cash provided by / (used in) investing activities | 108 | 108 | | | | | | | | | | | | | (6,892) |
| Cash flows from financing activities | | | | | | | | | | | | | | | |
| Interest paid | (16) | (16) | | | | | | | | | | | | | (16) |
| Proceeds from bank borrowings | | | | | | | | | | | | | | | 5,600 |
| Repayment of bank borrowings | | | | | | | | | | | | | | | (10,359) |
| Repayment of principal portion of lease liabilities | (843) | (843) | | | | | | | | | | | | | (843) |
| Proceeds from issuance of share capital / rights issue | | | 7,300 | | | | | | | | | | | | 8,150 |
| Net cash (used in)/provided by financing activities | (859) | (859) | 7,300 | (609) | (9,750) | | | | | | | | | | 2,532 |
| Net increase/(decrease) in cash and cash equivalents | 3,669 | 3,669 | 7,300 | (2,500) | (9,750) | | | | | | | | | | (8,512) |
| Beginning of financial year | 15,120 | 15,120 | | | | | | | | | | | | | 15,120 |
| Effects of currency translation on cash and cash equivalents | (45) | (45) | | | | | | | | | | | | | (45) |
| End of financial year | 18,744 | 18,744 | 7,300 | (2,500) | (9,750) | | | | | | | | | | 6,563 |
| | | | | | | | | | | | | | | | 8,000 |
| | | | | | | | | | | | | | | | 12,832 |



APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

1. Corporation information

Hiap Seng Engineering Ltd (Under Judicial Management) (the “**Company**” or “**HSEL**”) was incorporated in the Republic of Singapore on 29 March 1971. The Company was successfully admitted to the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 18 June 1999.

The principal activities of the Company consist of the provision of building construction, engineering, procurement, construction and plant maintenance services for oil and gas and energy sectors and, provision of process and industrial plant engineering and consultancy services.

The unaudited pro forma combined financial information for the reporting year ended 31 March 2023 were approved and authorised for issue by the Judicial Managers (the “**JMs**”) and the Executive Director on 31 August 2023.

2. Significant events following the extraordinary general meeting to approve all the relevant resolutions and upon trading resumption

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed in the Resumption Proposal submitted to SGX-ST by the Company on 6 December 2022.

Save for the significant events described below (the “**Significant Events**”), the Judicial Managers and Executive Director, as at the date of this report, are not aware of any significant acquisition or disposals of assets and any significant changes (actual or contemplated) to the capital structure of the Company subsequent to 31 March 2023 and prior to the Extraordinary General Meeting.

The Company will be seeking the Shareholders’ approval on the Proposed Subscriber Transactions, the Proposed Debt Restructuring, the Proposed Transfer Listing and the Proposed Rights Issue. The Completion of the matters contemplated is subject to the approval of the trading resumption proposal by SGX-ST. It is assumed the shareholders’ approval is successfully obtained.

Due to the intention for the Proposed Transfer Listing to be completed, though it is the obligation of the Company to allot and issue the Subscription Shares, Options and Settlement Shares, it is assumed that the Company has managed to obtain SGX-ST’s approval for the Subscription Shares, Options and Settlement Shares to be directly issued by the New Listco, together with the issue of New Listco Shares to the Existing Shareholders (in exchange for their Existing Shares). On this basis, the proposed sequence of the various Significant Events is reflected within Note 2, namely Note 2a) to Note 2c).

With SGX-ST’s in-principle approval for the above matter obtained and assuming the shareholders’ approval on the transactions is successfully obtained, the following events shall occur:-

a) **Transfer of all existing securities in the Company to Hiap Seng Investment Pte Ltd (“New Listco”)**

The current share capital of the Company comprises 303,750,000 issued ordinary shares, amounting to S\$36.2 million (“**Existing Shares**”).

The New Listco will first acquire all Existing Shares held by the existing shareholders in a one to one swap. The transfer of the Existing Shares from the Company to the New Listco will be at the conversion price of S\$0.00543 per share, amounting to a total of S\$1.7 million. Upon the transfer of the Existing Shares to the New Listco, the difference between the existing share capital of the Company and the new share capital of the New Listco, amounting to \$34.5 million, is reclassified from share capital to capital reserve.



**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR
THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

b) Issuance of new ordinary shares in the capital of the New Listco to Subscribers

Pursuant to the conditional subscription agreement entered by the Company with the Subscribers, upon receipt of the Subscription Sum of S\$8.0 million from the Subscribers, the New Listco will issue 1,473,296,500 Subscription Shares in favour of the Subscribers, at the issue price of S\$0.00543 per Subscription Share. There was also earnest monies and deposits of S\$0.7 million which was received by the Company previously.

Accordingly, the decrease of trade payables of S\$0.7 million, increase in cash of S\$7.3 million, and corresponding increase in the shareholding base of S\$8.0 million is reflected in the pro forma financial information.

c) Distribution of cash and issuance of Settlement Shares in the New Listco

The Significant Events in 2c), 2d) and 2e) is assumed to occur at the same time upon completion of Proposed Debt Restructuring.

Pursuant to the terms of the Scheme, settlement of Scheme Debt is by way of (i) pro rata distribution of S\$2.5 million in cash to Scheme Creditors (including the amount owing to UOB), and (ii) conversion of the Scheme Debt on a pari-passu basis to be converted to Settlement Shares issued by the New Listco at the conversion price of \$0.00543 per Settlement Share, up to a maximum of 1,353,591,160 Settlement Shares with an aggregate value of not more than S\$7.4 million. It is assumed that the entirety of the issued Settlement Shares are taken up by the Scheme Creditors.

The settlement to the Scheme Creditors as a whole is as follows:

| Settlement of Scheme Debt (S\$'000) | Scheme Creditors excluding UOB | UOB | Total |
|--|---|--------------|--------------|
| Cash distribution | 1,891 | 609 | 2,500 |
| Issuance of Settlement Shares | 5,559 | 1,791 | 7,350 |
| | 7,450 | 2,400 | 9,850 |
| Number of Settlement Shares to be issued (‘000) | 1,023,757 | 329,834 | 1,353,591 |

Accordingly, the following are applied to the pro forma financial information:

- Decrease in cash of S\$2.5 million;
- Increase in the shareholding base of S\$7.4 million, with corresponding decrease in -
- Scheme debt (for Scheme Creditors excluding UOB) of S\$7.5 million; and
- Borrowings (amounts due to UOB) of S\$2.4 million

d) Partial repayment of principal amounts and interests under loans owing to UOB

Pursuant to the Restructuring Deed entered between the Company, Subscribers and UOB, S\$9.8 million is to be paid as partial repayment of principal amounts and interests under loans owing to UOB, consisting of (i) subscription sum received from the Subscribers of S\$8.0 million; and (ii) an additional cash sum of S\$1.8 million from the Company’s cash resources.



**APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND
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THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

e) Extinguishment of remaining Scheme Debt and balance of principal amounts and interests under loans owing to UOB

Taking into account the Significant Events as described in 2c) and 2d), the settlement of Scheme Debt and principal amounts and interests under loans owing to UOB is tabled below:

| (\$'000) | Scheme Creditors excluding UOB | UOB | Total |
|--|--------------------------------|--------------|---------------|
| Outstanding as at date of report | | | |
| • <i>Classified under Trade and other payables</i> | | | |
| - Scheme debt | 20,618 | - | 20,618 |
| - Secured portion of debt | | 2,953 | 2,953 |
| • <i>Classified under Borrowings</i> | | | |
| - Scheme debt | - | 6,330 | 6,330 |
| - Secured portion of debt | | 8,366 | 8,366 |
| | 20,618 | 17,649 | 38,267 |
| <u>Less: Partial settlement through</u> | | | |
| a) Scheme of Arrangement (Note 2c)) | | | |
| - Cash distribution | (1,891) | (609) | (2,500) |
| - Issuance of Settlement Shares | (5,559) | (1,791) | (7,350) |
| | (7,450) | (2,400) | (9,850) |
| b) Partial cash payment (Note 2d)) | | | |
| - Subscription monies from Subscribers | - | (8,000) | (8,000) |
| - Additional cash sum | - | (1,750) | (1,750) |
| | - | (9,750) | (9,750) |
| Balance to be extinguished | 13,168 | 5,499 | 18,667 |
| <i>Classified under:</i> | | | |
| - <i>Trade and other payables</i> | 13,168 | 2,953 | 16,121 |
| - <i>Borrowings</i> | - | 2,546 | 2,546 |
| | 13,168 | 5,499 | 18,667 |

Pursuant to the terms of the Scheme and the Restructuring Deed, the remaining balance of Scheme Debt and amounts owing to UOB of S\$13.2 million and S\$5.5 million respectively, will be extinguished upon completion of the Proposed Debt Restructuring.

Accordingly, the extinguishment of debt will result in a non-cash gain of S\$18.7 million in the Group's profit or loss.

f) Payment of professional fees of S\$5.0 million (excluding disbursements and GST), payment of S\$1.3 million for repayment of input tax and S\$0.4 million for the pre-JM employees benefit

Professional fees

A sum of S\$5.0 million (excluding disbursements and GST) has been set aside for professional fees and transactional costs, in relation to the (i) day to day management of the Company by the JMs together with its solicitors since 15 September 2020, and (ii) scope of work that the various professionals have undertaken in order to complete the Proposed Transactions. These fees are expected to be paid out to the various professionals upon completion. At 31 March 2023, S\$4.6 million out of the S\$5.0 million has been billed and accrued.

The reduction in cash of S\$5.0 million, decrease of S\$4.6 million in trade and other payables (for professional fees previously billed and accrued) and increase of S\$0.4 million in expenses incurred (for professional fees not yet billed) has been applied to the pro forma financial information.



APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

- f) **Payment of professional fees of S\$5.0 million (excluding disbursements and GST) and payment of S\$1.3 million for repayment of input tax and S\$0.4 million for the pre-JM employees benefit (continued)**

Repayment of input tax

Under the terms of the Scheme, the Scheme Creditors will receive approximately 38% recovery in cash and Settlement Shares, in settlement of the entire Scheme Debt. The Company’s stance is that no repayment of the input tax previously claimed by the Company for debts owing for a period of more than 12 months is required as the entire debt is compromised under the Scheme. The Company will be writing to IRAS. Pending discussions with IRAS, the Company has accrued for the entire sum as at 31 March 2023. Based on the assumption that there is a repayment, cash will reduce by S\$1.3 million along with a corresponding decrease of S\$1.3 million in trade and other payables.

Pre-JM employees benefit

These refer to the Proof of Debts filed by employees in relation to the claim of their employment benefits prior to the judicial management of the Company, which is payable under the section 203(2) of Insolvency, Restructuring and Dissolution Act 2018.

3. **Significant events upon the completion of Proposed Rights Issue of S\$1.0 million to the undertaking shareholder, the exercise of the S\$8 million of Options by the Subscribers and the fulfillment of the investment criteria in the JTC properties.**

- a) **Completion of Proposed Rights Issue**

Upon successful completion of the events described in Paragraph 2, the Group will be undertaking a rights issue exercise to raise up \$3.3 million. An Existing Shareholder has undertaken to subscribe for S\$1.0 million of Rights Shares (“Undertaking Shareholder Entity”). In this scenario, it is assumed only the Undertaking Shareholder Entity subscribes for the Rights Shares and that professional fees incurred in undertaking this exercise would approximate S\$150,000.

Upon completion of the Proposed Rights Issue, the Undertaking Shareholder would be allotted and issued an additional 184,162,062 ordinary shares in the capital of the New Listco at the issue price of S\$0.00543 per share.

Accordingly, there will be a net increase in cash of S\$0.9 million and a corresponding increase in shareholding base of S\$0.9 million.

- b) **Obtain new banking facilities for fulfilment of remaining investment criteria of S\$7.0 million in the JTC properties**

Pursuant to the agreement entered between the Company and JTC, the Company is required to fulfill the remaining investment criteria of S\$7.0 million in relation to the leases for the JTC Properties within one year from the completion of the Proposed Transactions, expected to be by 31 May 2024.

The Company expects to obtain new banking facilities of S\$5.6 million for fulfillment of the remaining investment criteria. On this basis, there will be an increase of cash of S\$5.6 million and a corresponding increase in borrowings of S\$5.6 million.

- c) **Fulfillment of the remaining investment criteria of S\$7.0 million in the JTC properties and extension of JTC lease**

With the fulfillment of the remaining investment criteria of S\$7.0 million in relation to the leases for the JTC Properties, the lease for the JTC properties will be extended till year 2038. With the extension of the leases, there will be recognition of the right of use (“ROU”) assets and lease liabilities at the inception of the lease, in accordance with Singapore Financial Reporting Standards (International) 16 Leases.



APPENDIX F – INDEPENDENT AUDITOR’S ASSURANCE REPORT AND THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT) AND ITS SUBSIDIARIES NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Significant events upon the completion of Proposed Rights Issue of S\$1.0 million to the undertaking shareholder, the exercise of the S\$8 million of Options by the Subscribers and the fulfillment of the investment criteria in the JTC properties. (Cont'd)

- c) Fulfillment of the remaining investment criteria of S\$7.0 million in the JTC properties and extension of JTC lease (Cont'd)

With the fulfillment of the investment criteria, there will be a reduction in cash of S\$7.0 million. Taking into account the recognition of ROU assets and lease liabilities, there will be an overall increase in property, plant and equipment of S\$21.3 million, increase of S\$0.5 million and S\$13.8 million of lease liabilities classified under current liabilities and non-current liabilities respectively. These are all reflected in the pro forma financial information.

4. Significant events assuming the remaining Existing Shareholders subscribe to the Rights Shares of S\$2.3 million and the exercise of the S\$8 million of Options by the Subscribers.

- a) Completion of Proposed Rights Issue

Further to Significant Event 3a), this scenario assumes the remaining Existing Shareholders (excluding the Undertaking Shareholder Entity) subscribe to the Rights Shares of S\$2.3 million, and the professional fees has already been accounted in Significant Event 3a).

The remaining Existing Shareholders would be allotted and issued an additional 423,337,938 ordinary shares in the capital of the New Listco at the issue price of S\$0.00543 per share. Together with Significant Event 3a), the total Rights Shares issued will be 607,000,000 in the capital of the New Listco.

Accordingly, there will be a net increase in cash of S\$2.3 million and a corresponding increase in shareholding base of S\$2.3 million.

- b) Exercise of the S\$8.0 million of Options by the Investor within 1 year from the Completion Date

Assuming the Subscribers exercises all of their Options within 1 year from the date of completion, the New Listco would issue 1,473,296,500 Option Shares in the capital of the New Listco in favour of the Subscribers at the option price of S\$0.00543 per share.

The Unaudited Pro Forma Consolidated Financial Information, because of their nature, is not necessarily indicative of the results of the operations, cash flows or the related effects on the financial position that would have been attained had the Significant Events actually occurred earlier.

Save as disclosed in these notes, management of the Company (in consultation with the Judicial Managers), for the purposes of preparing this set of Unaudited Pro Forma Consolidated Financial Information, have not considered the effect of other events.



APPENDIX G – SHAREHOLDERS’ SCHEME EXPLANATORY STATEMENT

(IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

RESTRUCTURING EXERCISE BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT

1. INTRODUCTION

1.1 Announcement

As announced on 17 October 2023, the Company has applied to the Court to implement a scheme of arrangement under section 210 of the Companies Act involving the Shares. The Shareholders’ Scheme comprises mainly as follows:

- (a) all the Existing Shares will be transferred to the New Listco (i) fully paid; (ii) free from all encumbrances; and (iii) together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date;
- (b) the New Listco will:
 - (i) allot and issue such number of new New Listco Shares on the basis of one (1) new New Listco Share for every one (1) Share held by the Existing Shareholders as at the Record Date;
 - (ii) on behalf of the Company²³, allot and issue the Subscription Shares to the Subscribers²⁴ and the Settlement Shares to the Scheme Creditors, all of which will (1) be duly authorised, validly issued, credited as fully paid; (2) be free from all encumbrances; (3) be together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date; (4) rank pari passu in all respects with one another as well as the existing issued New Listco Share as of the Effective Date; and (5) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date; and
 - (iii) on behalf of the Company, grant the Options to the Subscribers, such Options to be subject to the terms and conditions of the Options as set out in the Subscription Agreement; and
- (c) the New Listco will assume all liabilities and obligations of the Company in connection with the options to be granted by the Company to the Subscribers pursuant to the Proposed Grant of Options, and the New Listco Shares to be allotted and issued to the Subscribers and the Scheme Creditors pursuant to the Proposed Subscription and the Proposed Debt Restructuring respectively.

²³ For the avoidance of doubt, the allotment and issue of the Subscription Shares, the Options and the Settlement Shares are for the benefit of the Company pursuant to the transactions to be undertaken under the Resumption Proposal. Given the Company is undertaking the Proposed Transfer Listing for the reasons as set out in section 8.5 (*Rationale for and benefits of the Proposed Transfer Listing*) of the Circular, the Company and the New Listco have agreed in the Implementation Agreement that the New Listco will allot and issue these directly on behalf of the Company, to streamline the administrative procedures required. In relation thereto and for administrative documentation purposes, the Company and the New Listco had also entered into a loan agreement on 11 October 2023, where the New Listco has extended an unsecured loan facility (with repayment terms at the discretion of the Company) up to a maximum aggregate amount equal to S\$15,350,000 (being the total amount of (a) S\$8.00 million from the proceeds of the Subscription for the allotment and issue of the Subscription Shares, as used for the partial repayment of the principal amounts and interests under loans owing to UOB; and (b) S\$7.35 million, being the cost of the Settlement Shares allotted and issued by the Company to the Scheme Creditors, including UOB).

²⁴ For the purposes of the Company Restructuring through the Shareholders’ Scheme, one (1) less Subscription Share will be allotted and issued by the New Listco to Vibrant, as Vibrant holds one (1) New Listco Share as at the Latest Practicable Date and has provided an undertaking to the Company and the New Listco to waive its rights to receive one (1) Subscription Share out of its entitlement to the Subscription Shares.

APPENDIX G – SHAREHOLDERS’ SCHEME EXPLANATORY STATEMENT (IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

1.2 Explanatory Statement

The purpose of this Shareholders’ Scheme Explanatory Statement is to provide Shareholders with information on the Shareholders’ Scheme and to explain the rationale for and effect of the Shareholders’ Scheme. It should be read in conjunction with the full text of the circular to Shareholders dated 6 November 2023 (the “**Circular**”), including the Shareholders’ Scheme set out in **Appendix H** (*Shareholders’ Scheme*) to the Circular. Capitalised terms used in this Shareholders’ Scheme Explanatory Statement which are not defined herein or in the Shareholders’ Scheme, shall bear the same meanings as ascribed to them in the definitions section of the Circular, as set out from pages 3 to 16 of the Circular.

2. GENERAL

2.1 What is a Scheme of Arrangement?

Under Singapore law, a scheme of arrangement of the kind proposed here is a compromise or arrangement provided for under Section 210 of the Companies Act to take effect between a company and its members or creditors. The arrangement becomes legally binding on **all of the members** or creditors to whom it is intended to apply if a majority in number and representing three-fourths in value of the members or creditors, present and voting, either in person or by proxy, vote in favour of it at the meeting convened with the permission of the Court and if the Court subsequently approves it.

2.2 What are Shareholders required to do?

The Shareholders’ Scheme Meeting will be held in person. If you are a Shareholder, you are entitled to vote either in person or via the appointment of a proxy (in accordance with paragraph 15 of this Explanatory Statement) at the Shareholders’ Scheme Meeting for the purpose of considering, and if thought fit, passing with or without modifications, the resolution of the Shareholders to approve the Shareholders’ Scheme. The Shareholders’ Scheme Meeting will be held on 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the extraordinary general meeting of the Company to be held in person at 2.30 p.m. on the same day and at the same place (or its adjournment thereof)) at Conference Room, 28 Tues Crescent, Singapore 638719, notice of which is set out on pages NS-1 to NS-4 of the Circular.

3. RATIONALE

The Company Restructuring to be implemented through the Shareholders’ Scheme for the Proposed Transfer Listing is a restructuring exercise undertaken by the Company and the New Listco to facilitate a migration of the shareholding interests of the Existing Shareholders from an interest in the shareholding and capital of the Company (whether existing or contingent) to an interest in the shareholding and capital of the New Listco.

It will enable the establishment of a corporate structure where:

- (a) the New Listco becomes (i) an investment holding company owning 100.0% of the issued and paid-up share capital of the Company; and (ii) the listed vehicle in place of the Company; and
- (b) the Company ceases its function as the listed vehicle within the Group and continues as the operational company carrying out its existing business.

The current structure is such that the listed entity, which is the Company, has operating businesses which exposes it directly to liabilities from its operating activities. This may put the stakeholders of the listed entity at risk to such direct liabilities and the Company is of the view that there is a need to separate the listed entity and the operational entity, to facilitate the Group to be more streamlined and the ringfencing of liabilities arising from the business operations and investment opportunities (whether existing or future).

APPENDIX G – SHAREHOLDERS’ SCHEME EXPLANATORY STATEMENT

(IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

Therefore, under the new structure, the Company can operate as a standalone entity owning and operating the existing business and/or exploring business opportunities. This may also facilitate easier cooperation with other partners or investors to invest in the Company or allow for the partial or full divestment of interests in the Company. At present, any divestment of the business of the Company to monetise its assets must be made by way of a business and/or asset sale (instead of a share sale at the Company level), and potential purchasers may not be able to benefit from the reputation and track record of the business operated by the Company. Under the new structure, it would be possible for the New Listco to conduct a sale of shares in the operating entities and accordingly allow any potential purchasers to acquire both the business as well as the track record of such operating entities. In addition, the new structure would allow the New Listco the flexibility of raising capital in the future on a standalone basis in respect of either the existing business or such other businesses as it may acquire in the future.

4. THE SHAREHOLDERS’ SCHEME

4.1 Scheme

The Shareholders’ Scheme is proposed to all Existing Shareholders.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 303,750,000 Shares (with nil treasury shares). It does not have any treasury shares or subsidiary holdings, and does not have any outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into the shares of the Company.

As at the Latest Practicable Date, the New Listco does not hold, directly or indirectly, any Shares.

The Shareholders’ Scheme will involve, among others:

- (a) the transfer of all the Shares held by the Existing Shareholders as at the Record Date to the New Listco, such Shares to be transferred (a) fully paid; (b) free from all encumbrances; and (c) together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date;
- (b) the New Listco will:
 - (i) allot and issue such number of New Listco Shares on the basis of one (1) new New Listco Share for every one (1) Share held by the Existing Shareholders as at the Record Date;
 - (ii) on behalf of the Company, allot and issue the Subscription Shares to the Subscribers and the Settlement Shares to the Scheme Creditors, all of which will (1) be duly authorised, validly issued, credited as fully paid; (2) be free from all encumbrances; (3) be together with all rights, benefits and entitlements attaching thereto as of the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date; (4) rank pari passu in all respects with one another as well as the existing issued New Listco Share as of the Effective Date; and (5) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date; and
 - (iii) on behalf of the Company, grant the Options to the Subscribers, such Options to be subject to the terms and conditions of the Options as set out in the Subscription Agreement; and

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- (c) the New Listco will assume all liabilities and obligations of the Company in connection with the Options to be granted by the Company to the Subscribers pursuant to the Proposed Grant of Options, and the New Listco Shares to be allotted and issued to the Subscribers and the Scheme Creditors pursuant to the Proposed Subscription and the Proposed Debt Restructuring respectively.

The Shareholders’ Scheme is subject to, among others, the approval of a majority in number of the Existing Shareholders holding not less than three-fourths in value of the Shares who are present and voting by proxy at the Shareholders’ Scheme Meeting, and the Shareholders’ Scheme has to be sanctioned by the Court, upon which the Shareholders’ Scheme will be binding on the Company and all Shareholders, whether or not they were present, in person or by proxy, or voted at the Shareholders’ Scheme Meeting. Thereafter, the Shareholders’ Scheme Court Order will be lodged with ACRA and the Shareholders’ Scheme will take effect on and from the date of lodgement or such earlier date as the Court may determine and as may be specified in the Shareholders’ Scheme Court Order.

Subject to the Shareholders’ Scheme being effective, all profit or loss attributable to the Company with effect from the Effective Date shall accrue to the New Listco and its subsidiaries (being, the Group), including for the avoidance of doubt, all expenses incurred by the Company and the New Listco in connection with the Shareholders’ Scheme.

4.2 New Listco Shares

The New Listco Shares to be allotted and issued to the Existing Shareholders, the Subscribers and the Scheme Creditors as the Shareholders’ Scheme Consideration shall:

- (a) be duly authorised, validly issued, credited as fully paid;
- (b) be free from all Encumbrances;
- (c) be together with all rights, benefits and entitlements attaching thereto as at the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date;
- (d) rank *pari passu* in all respects with one another as well as the existing issued New Listco Share as of the Effective Date; and
- (e) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date.

4.3 SGX-ST’s listing and quotation notice for the New Listco Shares

An application was made by the Company to the SGX-ST for, among others, the listing of, and quotation for, the existing New Listco Share and all of the New Listco Shares to be allotted and issued (including the New Listco Shares to be allotted and issued to the Existing Shareholders, the Subscription Shares and the New Listco Shares to be issued upon the exercise of the Options to the Subscribers, and the Settlement Shares to the Scheme Creditors), amounting to up to 4,603,934,160 New Listco Shares. Approval-in- principle was obtained on 28 July 2023 subject to, among others, the following conditions:

- (a) Shareholders’ approval for the Proposed Subscription, the Proposed Grant of Options and the Proposed Issue of Settlement Shares;
- (b) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of proceeds from the proposed placement of shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company announcements on use of proceeds and in the annual report; and

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- (c) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual.

The AIP is not to be taken as an indication of the merits of the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring, the Proposed Transfer Listing, the Shares in the New Listco (including the Subscription Shares, the Options Shares and the Settlement Shares) and the New Listco, the Company and/or its subsidiaries.

The New Listco shall, not later than 10 calendar days after the Effective Date:

- (i) allot and issue to the Existing Shareholders the New Listco Shares, on the basis of one (1) New Listco Share for every one (1) Existing Share held by each Existing Shareholder;
- (ii) allot and issue to the Subscribers²⁵ and the Scheme Creditors one (1) New Listco Share for every Subscription Share and Settlement Share which the Subscribers and the Scheme Creditors are entitled to (under the CSA or the Creditors’ Scheme, as the case may be); and
- (iii) grant the Subscribers one (1) Option in the New Listco for every Option which the Subscribers are entitled to under the CSA.

4.4 Withdrawal of the Existing Shares or delisting of the Company from the SGX-ST

The Company is currently listed on the Mainboard of the SGX-ST. If the Shareholders’ Scheme becomes effective in accordance with its terms, the Company will become a wholly-owned subsidiary of the New Listco following the completion of the Company Restructuring. Consequently, the Existing Shares will be withdrawn from the SGX-ST and cease to be traded on the SGX-ST after the completion of the Proposed Transfer Listing. The Company may, following its withdrawal of the Existing Shares or delisting of the Company from the SGX-ST, be converted into a private company.

5. CONDITIONS PRECEDENT

5.1 Conditions Precedent

The Shareholders’ Scheme is conditional upon the satisfaction of the following conditions precedent:

- (a) the approval of the Shareholders’ Scheme by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Shareholders’ Scheme Meeting, such majority holding not less than three-fourths in value of the Shares held by the Shareholders present and voting either in person or by proxy at the Shareholders’ Scheme Meeting;
- (b) the approval of the shareholder of the New Listco for the transactions as contemplated under the Implementation Agreement, including but not limited to the allotment and issue of the New Listco Shares to the Shareholders pursuant to the Company Restructuring and the Shareholders’ Scheme;
- (c) the grant of the Shareholders’ Scheme Court Order by the Court and such Shareholders’ Scheme Court Order having become final, and the registration of the Shareholders’ Scheme Court Order with ACRA pursuant to Section 210(5) of the Companies Act;

²⁵ Save in respect of Vibrant, which has given an undertaking in writing to the Company and the New Listco to, among others, waive its rights to receive one (1) Subscription Share out of its total entitlement to the Subscription Shares, given that it currently already holds one (1) New Listco Share which was transferred to it for the purposes of the Shareholders’ Scheme.

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- (d) all Regulatory Approvals²⁶ having been obtained and not withdrawn prior to the Record Date, on terms and conditions satisfactory to the Company;
- (e) the listing and quotation notice from the SGX-ST having been obtained for the listing of, and quotation for, the existing New Listco Share and all of the new New Listco Shares to be allotted and issued (including the new New Listco Shares to the Existing Shareholders, the Subscription Shares and the new New Listco Shares to be issued upon exercise of the Options to the Subscribers and the Settlement Shares to the Scheme Creditors) on the Mainboard of the SGX-ST, and not withdrawn prior to the Record Date;
- (f) all consents, waivers and approvals which are necessary or required to be obtained by the Company from any third parties in connection with the Shareholders’ Scheme, the Company Restructuring or the Proposed Transfer Listing having been obtained or completed on terms and conditions satisfactory to the Company and the same not having been withdrawn prior to the Effective Date;
- (g) the adoption by the New Listco of a new constitution in a form to be agreed between the New Listco and the Company;
- (h) between the date of the Implementation Agreement and the Record Date, no Prescribed Occurrence²⁷ in relation to the Company or the New Listco (as the case may be) occurs other than as already publicly disclosed on or prior to the date of the Implementation Agreement and as required or contemplated by the Implementation Agreement, the Resumption Proposal, the Shareholders’ Scheme, the Company Restructuring or the Proposed Transfer Listing;
- (i) the Company’s warranties being true and accurate, as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date; and
- (j) the New Listco’s warranties being true and accurate, as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date.

As at the Latest Practicable Date, the conditions set out sub-paragraphs (b), (d) and (e) have been complied with.

5.2 Non-fulfilment of the Conditions

Shareholders should note that if any one or more of the conditions precedent set out in paragraph 5.1 are not satisfied or waived (as the case may be), the Shareholders’ Scheme will not become effective and binding. In particular, the Shareholders’ Scheme will only become effective if all of the conditions precedent set out in paragraph 5.1 have been satisfied or waived (as the case may be) and a copy of the Shareholders’ Scheme Court Order has been lodged with ACRA.

²⁶ As defined in the Implementation Agreement.

²⁷ “Prescribed Occurrence” means, in relation to the Company or the New Listco (as the case may be), any of the following: (a) an injunction or other order issued against the Company or the New Listco by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Shareholders’ Scheme or the Company Restructuring or any part thereof by the Company or the New Listco; (b) the Company or the New Listco resolving that it be wound up or the making of an order by a Court of competent jurisdiction for the winding up of the Company or the New Listco; (c) the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Company or the New Listco; (d) the Company or the New Listco being in material breach of any provisions of this Agreement; (e) if the Company or the New Listco or any of their respective directors is or will be the subject of any investigation and/or proceeding by a Governmental Agency; or (f) any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

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5.3 Right to Terminate

Shareholders should note that pursuant to the terms of the Implementation Agreement, the Implementation Agreement may be terminated at any time on or prior to the Record Date as follows:

- (a) by either the Company or the New Listco, if any court of competent jurisdiction or Governmental Agency has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Shareholders’ Scheme, the Company Restructuring, the Proposed Transfer Listing or any part thereof, or has refused to do anything necessary to permit the Shareholders’ Scheme, the Company Restructuring, the Proposed Transfer Listing or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (b) by either:
 - (i) the Company, if the New Listco is in material breach of any provision of the Implementation Agreement or a Prescribed Occurrence has occurred in relation to the New Listco;
 - (ii) the New Listco, if the Company is in material breach of any provision of the Implementation Agreement or a Prescribed Occurrence has occurred in relation to the Company,

in each case provided that either the Company or the New Listco (as the case may be) has given written notice to the other party of its intention to terminate the Implementation Agreement. In this circumstance, the Implementation Agreement shall be terminated on the date falling five (5) business days after the date of such notice of termination.

- (c) by either the Company or the New Listco, if (i) the resolutions submitted to the Shareholders’ Scheme Meeting are not approved by the requisite majority of the Shareholders; (ii) the approval of the shareholder of the New Listco for the transactions as contemplated under the Implementation Agreement is not obtained; or (iii) the listing and quotation notice is not obtained from the SGX-ST.

Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall, save for certain clauses thereunder, *ipso facto* terminate if any of the conditions as set out in paragraph 5.1 of this Shareholders’ Scheme Explanatory Statement has not been satisfied (or, where applicable, has not been waived) by the Cut-off Date²⁸.

6. REGULATORY APPROVALS

6.1 Court Sanction

The Shareholders’ Scheme is subject to the sanction of the Court, as referred to in paragraph 5.1(c) of this Shareholders’ Scheme Explanatory Statement.

6.2 SGX-ST

Pursuant to the Company’s application to the SGX-ST, the SGX-ST had, by way of a letter dated 28 July 2023, advised that the transfer of listing status of the Company to the New Listco is not subject to the new listing and delisting requirements under Chapter 2 and Chapter 13 of the Listing Manual.

²⁸ “Cut-off Date” means the date falling on 2 March 2024 or such other date as may be agreed in writing between the Company and the New Listco.

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The Company had also applied to the SGX-ST for, among others, the listing and quotation of all of the New Listco Shares pursuant to the completion of the Proposed Subscriber Transactions and the Proposed Debt Restructuring and assuming the full exercise of the Options, amounting to up to 4,603,934,160 New Listco Shares, and had obtained the AIP on 28 July 2023, subject to the conditions stated in paragraph 4.3 of this Shareholders’ Scheme Explanatory Statement.

6.3 MAS

Under Division 1 of Part XIII of the SFA, every offer of securities or securities-based derivatives contracts is considered a public offer for which a Singapore-law compliant prospectus is required to be registered, unless such offer is exempted from the prospectus requirements. Further to an application made by the Company in connection with the Proposed Transfer Listing, the MAS made the Prospectus Exemption Declaration by way of a letter dated 17 May 2023.

The Proposed Transfer Listing approved under the Prospectus Exemption Declaration is defined in the therein as the restructuring:

- (a) that is conducted under a compromise or arrangement for the Company:
 - (i) which is approved by the General Division of the High Court under section 210(4) of the Companies Act;
 - (ii) for which, for the purpose of convening a meeting that is ordered by the General Division of the High Court under section 210(1) of the Companies Act:
 - (1) the Company had prepared and sent to each of its shareholders together with the notice of meeting, the circular relating to the compromise or arrangement that is required by the Listing Manual or the SGX-ST (or both) to be sent to the Shareholders;
 - (2) the Company had prepared, and sent or disseminated to each of its Shareholders, at any time before the date of the scheme meeting, any other document or information relating to the compromise or arrangement that is required by the Listing Manual or the SGX-ST (or both) to be sent or disseminated to the Shareholders;
 - (3) the circular mentioned in sub-paragraph (1) and (where required) the document or information mentioned in sub-paragraph (2) above had provided sufficient information to the Shareholders to enable the Shareholders to make an informed decision on whether or not to agree to the compromise or arrangement including the Specified Information²⁹; and
- (b) under which:
 - (i) all shares and share options in the Company will be transferred to the New Listco by all the Shareholders and holders of share options in the Company;
 - (ii) each Shareholder will be issued with a share in the New Listco in consideration for each of the Shareholder’s Shares that are transferred to the New Listco;

²⁹ “Specified Information” means (a) all of the information that is required to be provided to the Shareholders under the Listing Manual or the SGX-ST (or both); and (b) the terms of the compromise or arrangement, and details of the Proposed Subscriber Transactions, the Proposed Debt Restructuring and the Proposed Transfer Listing.

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- (iii) each holder of a share option in the Company will be issued with a share option in the New Listco in consideration for each of the holder’s share options in the Company that is transferred to the New Listco;
- (iv) the shareholders of New Listco and the composition of their shareholding in New Listco immediately after the completion of the Proposed Transfer Listing will be the same as that of the Company immediately prior to the Proposed Transfer Listing; and
- (v) the board of the New Listco will comprise of directors that were approved by the Shareholders at the scheme meeting.

In view of the proposed timeline for the Proposed Transfer Listing as set out in the section entitled “Indicative Timetable” of this Circular, the Company had re-applied to the MAS on 13 October 2023 for an updated Prospectus Exemption Declaration. An appropriate announcement will be made on the outcome of the re-application in due course.

6.4 Singapore Code on Take-overs and Mergers Not Applicable

As the Company Restructuring is a corporate restructuring implemented by way of a scheme of arrangement where there is no substantive change in the expected shareholding composition or shareholding interests of the Existing Shareholders, the Subscribers and the Scheme Creditors, the provisions of the Code are not applicable to the Company Restructuring.

7. FINANCIAL EFFECTS OF THE SHAREHOLDERS’ SCHEME

The Company Restructuring implemented by way of the Shareholders’ Scheme is purely an internal restructuring exercise undertaken by the Company and the New Listco.

In this regard, there are no changes in the net tangible assets, earnings per Share and share capital of the Company and the New Listco pursuant to the Shareholders’ Scheme, save for estimated legal expenses of approximately S\$180,000, excluding goods and services tax and disbursements, to be incurred in relation to the Shareholders’ Scheme.

8. MEETING

8.1 Shareholders’ Scheme Meeting

The Shareholders’ Scheme is to be effected pursuant to Section 210 of the Companies Act. By an order of the Court dated 27 October 2023, the Shareholders’ Scheme Meeting was directed to be convened for the purpose of considering and if deemed fit, approving the Shareholders’ Scheme.

The Shareholders’ Scheme must be approved by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Shareholders’ Scheme Meeting and holding not less than three-fourths in value of the Shares held by such Shareholders.

When the Shareholders’ Scheme becomes effective, it will be binding upon all the Shareholders, regardless of whether they support or reject the Shareholders’ Scheme or whether or not they were present in person or by proxy or voted at the Shareholders’ Scheme Meeting.

8.2 Notice of Shareholders’ Scheme Meeting

The Notice of Shareholders’ Scheme Meeting is set out on pages NS-1 to NS-4 of the Circular. Shareholders are requested to take note of the date and time of the Shareholders’ Scheme Meeting, being 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the extraordinary general meeting of the Company to be held in person at 2.30 p.m. on the same day and at the same place (or its adjournment thereof)) at Conference Room, 28 Tues Crescent, Singapore 638719.

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9. IMPLEMENTATION OF THE SHAREHOLDERS’ SCHEME

9.1 Application to the Court for Sanction

Upon the Shareholders’ Scheme being approved by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Shareholders’ Scheme Meeting, holding at least three-fourths in value of the Shares, the Company will apply to Court for its sanction of the Shareholders’ Scheme.

9.2 Procedure for the Company Restructuring and the Proposed Transfer Listing

If the Court sanctions the Shareholders’ Scheme, the Company and the New Listco will take necessary steps to render the Shareholders’ Scheme effective and the following will be implemented for purpose of the Company Restructuring and the Proposed Transfer Listing:

- (a) the Existing Shares held by the Existing Shareholders will be transferred to the New Listco and for each Share transferred, as follows:
 - (i) in the case of the Existing Shareholders which are Depositors, the Company shall instruct CDP, for and on behalf of the Existing Shareholders, to debit, not later than five (5) Market Days after the Effective Date, all the Shares standing to the credit of the Securities Account of the New Listco; and
 - (ii) in the case of the Existing Shareholders which are not Depositors, the Company shall authorise any person to execute or effect on behalf of all such Existing Shareholders, an instrument or instruction of transfer of all the Shares held by such Existing Shareholders, and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Existing Shareholders;
- (b) on and as from the Effective Date, all existing share certificates relating to the Shares held or owned by the Existing Shareholders will be cancelled and cease to be valid for any purpose whatsoever whether or not they are returned to the Company for cancellation;
- (c) the Existing Shareholders which are not Depositors shall be required to forward their existing share certificates relating to their Shares to the Share Registrar at 1 HarbourFront Avenue, Keppel Bay Tower #14-07, Singapore 098632;
- (d) the New Listco shall, not later than 10 calendar days after the Effective Date, allot and issue to the Existing Shareholders the New Listco Shares, on the basis of one (1) New Listco Share for every one (1) Existing Share held by each Existing Shareholder, in the following manner:
 - (i) in the case of the Existing Shareholders which are Depositors, the New Listco Shares shall be issued to CDP for the benefit and to the credit of its Securities Account; and
 - (ii) in the case of the Existing Shareholders which are not Depositors, the New Listco Shares shall be issued to the relevant Existing Shareholders;
- (e) further, on behalf of the Company, the New Listco will:
 - (i) allot and issue to the Subscribers³⁰ and the Scheme Creditors one (1) New Listco Share for every Subscription Share and Settlement Share which the Subscribers and the Scheme Creditors are entitled to under the Subscription Agreement or the Creditors’ Scheme (as the case may be), in the following manner:

³⁰ Save in respect of Vibrant, which has given an undertaking in writing to the Company and the New Listco to, among others, waive its rights to receive one (1) Subscription Share out of its total entitlement to the Subscription Shares, given that it currently already holds one (1) New Listco Share which was transferred to it for the purposes of the Shareholders’ Scheme.

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- (A) in the case of the Subscribers and the Scheme Creditors which are Depositors, the New Listco Shares shall be issued to CDP for the benefit and to the credit of its Securities Account; and
 - (B) in the case of the Subscribers and the Scheme Creditors which are not Depositors, the New Listco Shares shall be issued to the relevant Subscriber and Scheme Creditor.
- (ii) grant to the Subscribers one (1) Option in the New Listco for every option which the Subscribers are entitled to under the Subscription Agreement;
- (f) the New Listco Shares to be allotted and issued to the Existing Shareholders, the Subscribers and the Scheme Creditors shall:
 - (i) be duly authorised, validly issued, credited as fully paid;
 - (ii) be free from all Encumbrances;
 - (iii) be together with all rights, benefits and entitlements attaching thereto as at the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date;
 - (iv) rank *pari passu* in all respects with one another as well as the existing issued New Listco Share as of the Effective Date; and
 - (v) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date;
- (g) the Options to be granted to the Subscribers shall be granted on and subject to the terms and conditions of the Options as set out in the Subscription Agreement;
- (h) the New Listco will assume all liabilities and obligations of the Company in connection with the Options to be granted by the Company to the Subscribers pursuant to the Proposed Grant of Options, and the New Listco Shares to be allotted and issued to the Subscribers and the Scheme Creditors pursuant to the Proposed Subscription and the Proposed Debt Restructuring respectively;
- (i) the New Listco shall cause share certificates for the New Listco Shares allotted and issued pursuant to the Shareholders’ Scheme to be sent no later than 10 calendar days after the Effective Date to:
 - (i) the Existing Shareholders, the Subscribers and the Scheme Creditors which are Depositors, by sending the same to CDP. CDP shall send to such Shareholders, by ordinary post to the address as maintained with CDP and at the risk of such Shareholders, a statement showing the number of the New Listco Shares credited to their respective Securities Accounts;
 - (ii) the Existing Shareholders, the Subscribers and the Scheme Creditors which are not Depositors, by sending, at the risk of such Shareholders, the same by ordinary post addressed to such Shareholders at their respective addresses in the Register of Members on the Record Date or, in the case of joint Shareholders, to the address of the first named Shareholder, and neither the New Listco nor the Company shall be liable for any loss in transmission; and

The despatch of the share certificates to each Existing Shareholder, Subscriber and Scheme Creditor in accordance with the above shall discharge the New Listco from any liability in respect of the delivery of the said certificates; and

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- (j) all mandates or other instructions given by any Existing Shareholder, Subscriber or Scheme Creditor relating to the payment of dividends by the Company or relating to notices or other communication in force on the Record Date shall, unless and until revoked, be deemed as on and from the Effective Date to be valid and effective instructions to the New Listco in relation to his/her/its corresponding holding of the New Listco Shares.

10. CLOSURE OF BOOKS

10.1 Notice of Record Date

Subject to the approval of the Shareholders’ Scheme at the Shareholders’ Scheme Meeting, and the sanction of the Shareholders’ Scheme by the Court, notice of the Record Date will be given in due course for the purpose of determining the entitlements of the Shareholders under the Shareholders’ Scheme. The Record Date is tentatively scheduled on 16 January 2024 at 5.00 p.m..

10.2 Effect of Books Closure

No transfer of the Shares where the certificates relating thereto are not deposited with CDP may be effected after the Record Date.

10.3 Trading in Shares on the SGX-ST

The Shareholders’ Scheme is tentatively scheduled to become effective on or about 17 January 2024. Subject to the Shareholders’ Scheme becoming effective, the Existing Shares are expected to be withdrawn and the Company to be delisted from the SGX-ST after the Shareholders’ Scheme has become effective, tentatively on 31 January 2024. Trading in the Shares of the Company has been suspended since 28 November 2019.

Shareholders (not being Depositors) whose names are registered in the Register of Members on the Record Date will be entitled under the Shareholders’ Scheme in accordance with the number of Shares registered in their names.

Shareholders (being Depositors) whose Securities Accounts with CDP are credited with Shares as at the Record Date will be entitled under the Shareholders’ Scheme in accordance with the number of Shares standing to the credit of their Securities Account.

The New Listco Shares are tentatively scheduled to be listed and quoted on the Mainboard of the SGX-ST on 31 January 2024 and trading in the New Listco Shares on the Mainboard of the SGX-ST is tentatively scheduled to commence from 9.00 a.m. on 31 January 2024.

Please refer to future announcements by the Company for the actual dates of these events.

11. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Shareholders’ Scheme becoming effective, the following settlement and registration procedures will apply:

(a) Existing Shareholders whose Shares are deposited with the CDP

Entitlements to the New Listco Shares will be determined on the basis of the Existing Shareholders (being Depositors) and the number of Shares standing to the credit of their Securities Account at 5.00 p.m. on the Record Date.

Shareholders (being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are credited to their Securities Account by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit from each relevant Securities Account the number of Shares standing to the credit of the Securities Account of the relevant Existing Shareholder (being a Depositor) based on the number of Shares standing to the credit of his Securities Account as at the Record Date.

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(b) Existing Shareholders whose Shares are not deposited with the CDP

Entitlements to the New Listco Shares will be determined on the basis of the Shareholders (not being Depositors) and their holdings of Shares appearing in the Register of Members on the Record Date, which is expected to be at 5.00 p.m. on 16 January 2024.

Shareholders (not being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are registered in their names with the Share Registrar by the Record Date.

From the Effective Date, each existing share certificate representing a former holding of Shares by Existing Shareholders (not being Depositors) will cease to be evidence of title to the Shares represented thereby. Within 10 calendar days of the Effective Date, the New Listco shall allot and issue to each Existing Shareholder the relevant number of the New Listco Shares based on his holding of the Shares as at the Record Date.

(c) Subscribers and Scheme Creditors

The entitlements of the Subscribers and the Scheme Creditors to the New Listco Shares have been or will be determined under the Subscription Agreement and the Creditors’ Scheme respectively.

Within 10 calendar days of the Effective Date, the New Listco shall allot and issue to each Subscriber and Scheme Creditor the relevant number of New Listco Shares based on his/her/its entitlements (as the case may be).

Further, the Subscribers will be granted one (1) Option in the New Listco for every option which the Subscribers are entitled to under the Subscription Agreement, with each Option carrying the right to subscribe for one (1) New Listco Share at the relevant exercise price of such Option.

12. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

The indicative shareholding interests of the Directors and the Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date and pursuant to the transactions contemplated in the Circular, are set out in section 11 (*Indicative Shareholding Interests*) of the Circular.

The effect of the Shareholders’ Scheme on the interests of the Directors and the Substantial Shareholders of the Company does not differ from that of the other Shareholders except that, after the Shareholders’ Scheme becomes effective and binding, the New Listco will in aggregate, hold 100.0% of the issued and paid-up share capital of the Company.

13. ELECTRONIC DESPATCH OF CIRCULAR

As part of the Company’s ongoing sustainability efforts and as the Company has opted for electronic dissemination, printed copies of the Circular (which includes this Shareholders’ Scheme Explanatory Statement and the Shareholders’ Scheme) will not be despatched to the Shareholders. Instead:

- (a) electronic copies of the Circular (which includes this Shareholders’ Scheme Explanatory Statement and the Shareholders’ Scheme) is available for download from SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com). A Shareholder will need an internet browser and PDF reader to access and view the documents on these websites;

APPENDIX G – SHAREHOLDERS’ SCHEME EXPLANATORY STATEMENT (IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

- (b) only printed copies of the Notice of EGM, the Notice of Shareholders’ Scheme Meeting, the Proxy Forms for the EGM and the Shareholders’ Scheme Meeting, and a request form (on how to request for a copy of this Circular) (the “**Request Form**”) will be despatched to Shareholders; and
- (c) Shareholders who wish to request for a copy of the Circular (which includes this Shareholders’ Scheme Explanatory Statement and the Shareholders’ Scheme) to be sent to an address in Singapore by ordinary post or to a specified email address may do so by completing and returning the Request Form (which will be despatched to Shareholders and is also available on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)) in the following manner: (i) if submitted by post, to the Judicial Managers of Hiap Seng Engineering Ltd (Under Judicial Management) c/o 8 Wilkie Rd, #03-08 Wilkie Edge, Singapore 228095; or (ii) if submitted electronically, via email to info@hiapseng.com, in each case, by 21 November 2023 (being seven (7) days prior to the date of the EGM and the Shareholders’ Scheme Meeting).

14. OVERSEAS SHAREHOLDERS

14.1 Overseas Shareholders

The applicability of the Shareholders’ Scheme to Shareholders whose addresses are outside of Singapore (as shown in the Register of Members of the Company or, as the case may be, in the records of The Central Depository (Pte) Limited) (collectively, the “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

The Circular (including this Shareholders’ Scheme Explanatory Statement and the Shareholders’ Scheme) will not be sent to any Overseas Shareholders due to the potential restrictions on sending such documents into the relevant overseas jurisdictions. For the avoidance of doubt, the Shareholders’ Scheme is proposed to all Shareholders and applies to all Shareholders, including those Shareholders to whom the Circular has not been and will not be sent.

14.2 Notice

The Company reserves the right to notify any matter to any or all Overseas Shareholders by announcement on SGXNET, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure of any Shareholder to receive or see such announcement or advertisement.

Notwithstanding that such Overseas Shareholder may not receive the notice of the Shareholders’ Scheme Meeting, they shall be bound by the Shareholders’ Scheme if the Shareholders’ Scheme becomes effective.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1 Appointment of Proxy

Shareholders who are unable to attend the Shareholders’ Scheme Meeting are requested to sign and return the Proxy Form for the Shareholders’ Scheme Meeting attached to the Circular in accordance with the instructions printed thereon as soon as possible and, in any event, be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company’s registered office at 28 Tuas Crescent Singapore 638719; or
- (b) if submitted electronically, via email to info@hiapseng.com,

in each case, not later than 48 hours before the time appointed for the Shareholders’ Scheme Meeting.

APPENDIX G – SHAREHOLDERS’ SCHEME EXPLANATORY STATEMENT

(IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

A Shareholder who wishes to submit an instrument appointing a proxy by post or via email can download a copy of the Proxy Form for the Shareholders’ Scheme Meeting from SGXNet (<https://www.sgx.com/securities/company-announcements>) or the website of the Company (www.hiapseng.com), and complete and sign the Proxy Form for the Shareholders’ Scheme Meeting, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

The completion and return of the instrument appointing a proxy does not preclude a member from attending, speaking and voting at the Shareholders’ Scheme Meeting. Any appointment of a proxy shall be deemed to be revoked if a member attends the Shareholders’ Scheme Meeting in person and, in such event, the Company reserves the right to refuse to admit any person appointed under the instrument of the proxy, to the Shareholders’ Scheme Meeting.

15.2 When Depositor is regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the Shareholders’ Scheme Meeting and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the Shareholders’ Scheme Meeting, as certified by CDP to the Company.

15.3 Submission of substantial and relevant questions in advance of the Shareholders’ Scheme Meeting

Shareholders can submit substantial and relevant questions related to the resolution to be tabled for approval at the Shareholders’ Scheme Meeting to the Chairman of the Shareholders’ Scheme Meeting, in advance of the Shareholders’ Scheme Meeting, in the following manner:

- (a) if submitted by post, to the Company’s registered office at 28 Tuas Crescent Singapore 638719;
- (b) if submitted electronically, via email to info@hiapseng.com;

in each case by **13 November 2023 (being seven (7) calendar days from the date of the Notice of the Shareholders’ Scheme Meeting)**. When sending in questions by post or email, please also include the following details: (a) full name; (b) full NRIC/FIN/Passport/Company Registration number; (c) address, contact number and email address; and (d) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

Shareholders where applicable, appointed proxies can also ask live at the Shareholders’ Scheme Meeting substantial and relevant questions related to the resolution to be tabled for approval at the Shareholders’ Scheme Meeting by attending the Shareholders’ Scheme Meeting in person.

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its status as Shareholders.

The Company will endeavour to respond to substantial and relevant questions received on the Shareholders’ Scheme no later than 72 hours prior to the closing date and time for the lodgement of the Proxy Forms for the Shareholders’ Scheme Meeting (via an announcement on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)), or at the Shareholders’ Scheme Meeting.

The Company will, within one (1) month after the date of the Shareholders’ Scheme Meeting, publish the minutes of the Shareholders’ Scheme Meeting on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com), and the minutes will include the responses to the substantial and relevant questions which are addressed during the Shareholders’ Scheme Meeting.

APPENDIX G – SHAREHOLDERS’ SCHEME EXPLANATORY STATEMENT

(IN COMPLIANCE WITH SECTION 211 OF THE COMPANIES ACT)

16. INFORMATION RELATING TO CPFIS MEMBERS / SRS INVESTORS

CPFIS Members and SRS Investors:

- (a) CPFIS Members and SRS Investors who (i) wish to attend the Shareholders’ Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders’ Scheme Meeting as proxy, will have to submit their relevant requests through their respective CPF Agent Banks or SRS Operators so that CPF Agent Banks or SRS Operators may register with the Company.
- (b) CPF Agent Banks or SRS Operators acting on the request of CPFIS Members and SRS Investors who (i) wish to attend the Shareholders’ Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders’ Scheme Meeting as proxy, are required to submit in writing, a list of details of the following, in relation to the CPFIS Members and SRS Investors: (1) full name; (2) full NRIC/FIN/Passport/Company Registration number; (3) address, contact number and email address; and (4) the number of Shares held and manner to be voted. The list, signed by an authorised signatory of the CPF Agent Banks or SRS Operators, should reach the Company’s registered office at 28 Tuas Crescent Singapore 638719, at least 48 hours before the time appointed for holding the Shareholders’ Scheme Meeting (i.e. by 3.00 p.m. on 26 November 2023).

17. RECOMMENDATION OF THE JUDICIAL MANAGERS AND THE EXECUTIVE DIRECTOR

17.1 Background

As background, the Company has been placed under Judicial Management since 15 September 2020. During this period when the Company is under Judicial Management, all powers conferred and duties imposed on the Directors of the Company by the Companies Act, the IRDA and/or the Constitution must be exercised and performed by the Judicial Managers and not by the Directors. Since then, the Judicial Managers have been managing the affairs and business of the Company. Notwithstanding, the Judicial Managers have been in consultation with the remaining Executive Director, Mr. Richard Tan, on certain operational matters and on the terms of the Proposals and the Proposed Transfer Listing during the deliberation and discussion stages.

To that end, the Judicial Managers and the Executive Director are providing the recommendation for the Shareholders’ Scheme.

17.2 Recommendation

The Judicial Managers and the Executive Director, having considered the rationale for and the terms of the Proposed Transfer Listing to be undertaken by way of the Company Restructuring through the Shareholders’ Scheme, are of the opinion that the Shareholders’ Scheme is in the interests of the Shareholders and that the terms of the Shareholders’ Scheme is fair and reasonable.

Accordingly, the Judicial Managers and the Executive Director recommend that Shareholders vote in favour of the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders’ Scheme Meeting.

18. GENERAL INFORMATION

Your attention is drawn to the further relevant information, including the Directors’ interests in the Shares, set out in the Appendices to the Circular. This Shareholders’ Scheme Explanatory Statement should be read in conjunction with, and is qualified by, the full text of the Circular, including the Shareholders’ Scheme set out in **Appendix H (Shareholders’ Scheme)** to the Circular.

APPENDIX H – SHAREHOLDERS’ SCHEME

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OA /2023)

1967

In the Matter of Section 210 of the Companies Act 1967

And

In the Matter of Hiap Seng Engineering Ltd
(Under Judicial Management)
(Company Registration No. 197100300Z)

SCHEME OF ARRANGEMENT

Under Section 210 of the Companies Act 1967

Between

**Hiap Seng Engineering Ltd
(Under Judicial Management)**

And

its Shareholders (as defined herein)

And

Hiap Seng Industries Limited

APPENDIX H – SHAREHOLDERS’ SCHEME

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APPENDIX H – SHAREHOLDERS’ SCHEME

PRELIMINARY

In this Shareholders’ Scheme (as defined below), the following definitions shall apply throughout unless the context otherwise requires or otherwise states:

| | | |
|--------------------------|---|--|
| “ACRA” | : | The Accounting and Corporate Regulatory Authority of Singapore |
| “Approved Scheme Claims” | : | The claims of the Scheme Creditors against the Company that have been determined and admitted in accordance with the Creditors’ Scheme, for the purpose of the Creditors’ Scheme and for distributions to be made under the Creditors’ Scheme |
| “Board” | : | The board of Directors of the Company as at the Latest Practicable Date |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Circular” | : | The circular to Shareholders dated 6 November 2023 |
| “Companies Act” | : | Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time |
| “Company” | : | Hiap Seng Engineering Ltd (Under Judicial Management) |
| “Company Restructuring” | : | The restructuring of the Company to be undertaken pursuant to the Shareholders’ Scheme, as further described in section 1.7 of the Circular |
| “Completion” | : | Completion of the Proposed Subscription and the Proposed Grant of Options pursuant to the CSA |
| “Court” | : | The General Division of the High Court of the Republic of Singapore or, where applicable on appeal, the Appellate Division of the High Court of the Republic of Singapore |
| “Creditors’ Scheme” | : | The scheme of arrangement for the Scheme Creditors as proposed by the Company and as sanctioned by the Court on 29 August 2022, including and incorporating all such amendments, additions and variations thereto as may be required, approved or sanctioned by the Court, in relation to the Proposed Debt Restructuring |
| “CSA” | : | The conditional subscription agreement entered into on 7 January 2022 amongst the Company, the New Listco and the Subscribers, as may be amended, modified or supplemented from time to time and any document which is supplemental hereto (including the supplemental agreements dated 25 March 2022, 15 August 2022, 31 May 2023 and 6 October 2023) |

APPENDIX H – SHAREHOLDERS’ SCHEME

- “Effective Date”** : The date on which the Shareholders’ Scheme becomes effective in accordance with its terms upon the lodgement of the Shareholders’ Scheme Court Order with ACRA, and which date shall, in any event, be no later than 2 March 2024 or such other date as may be agreed in writing between the Company and the New Listco
- “Encumbrances”** : Any claim, charge, mortgage, security, pledge, lien, option, restriction, equity, power of sale, hypothecation or third party rights or interests, retention of title, right of pre-emption, right of first refusal or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
- “Existing Shareholders”** : The Shareholders as at the Latest Practicable Date
- “Existing Shares”** : The Shares held by the Existing Shareholders, being 303,750,000 Shares at the Latest Practicable Date
- “Implementation Agreement”** : The implementation agreement dated 11 October 2023, entered into by the Company with the New Listco in relation to the Proposed Transfer Listing
- “Latest Practicable Date”** : 31 October 2023, being the latest practicable date prior to the issue of this Shareholders’ Scheme which forms part of the Circular
- “Listing Manual”** : The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
- “Market Day”** : A day on which the SGX-ST is open for securities trading
- “New Listco”** : Hiap Seng Industries Limited, being the new company incorporated for the purposes of the Proposed Transfer Listing
- “New Listco Shares”** : Ordinary shares in the capital of the New Listco
- “Notice of Shareholders’ Scheme Meeting”** : The notice of Shareholders’ Scheme Meeting which is on pages NS-1 to NS-4 of the Circular
- “Options”** : The 1,473,296,500 unlisted and transferable share options to be granted to the Subscribers, with each Option carrying the right to subscribe for one (1) new Share at the relevant exercise price of such Option
- “Option Shares”** : New Shares to be allotted and issued by the New Listco credited as fully paid upon the exercise of the Options, including, where the context admits, such new Shares arising from the exercise of the additional options as may be required or permitted to be issued in accordance with the provisions of the CSA

APPENDIX H – SHAREHOLDERS’ SCHEME

- “Potential Transfer of Controlling Interest of Tian Yuan”** : The potential transfer of controlling interest in the Company (and consequently the New Listco pursuant to the Proposed Transfer Listing) to Tian Yuan arising from the allotment and issue to Tian Yuan of the (a) Subscription Shares; and (b) Option Shares pursuant to the exercise of all Options by Tian Yuan
- “Proposed Appointment of New Directors”** : The proposed appointment of the Proposed New Directors to board of the New Listco with effect from Completion
- “Proposed Debt Restructuring”** : The debt restructuring exercise (including the Creditors’ Scheme) undertaken to restructure the debts and liabilities owing by the Group to UOB and other unsecured trade creditors, directors and employees of the Company, via partial settlement in cash and partial settlement through the allotment and issue of new Shares
- “Proposed Grant of Options”** : The proposed grant of 1,473,296,500 unlisted and transferable Options to the Subscribers, with each Option carrying the right to subscribe for one (1) Option Share
- “Proposed Issue of Settlement Shares”** : The proposed allotment and issue of up to 1,353,591,160 Settlement Shares to the Scheme Creditors with Approved Scheme Claims in accordance with the Creditors’ Scheme
- “Proposed New Directors”** : Mr. Sebastian Tan Cher Liang, Mr. Khua Kian Hua, Mr. Tan Phuay Hung, Max, Mr. Pramotedham and Mr. David Ong Kim Huat, being the five (5) new directors proposed to be appointed to the board of directors of the New Listco upon Completion
- “Proposed Subscription”** : The proposed subscription by the Subscribers for 1,473,296,500 Subscription Shares at the Subscription Price of S\$0.00543 for each Subscription Share, for the aggregate cash consideration to be paid by the Subscribers of S\$8,000,000
- “Proposed Transfer Listing”** : The transfer of listing status by the Company to the New Listco
- “Proposed Transfer of Controlling Interest to Vibrant”** : The proposed transfer of controlling interest in the Company (and consequently the New Listco pursuant to the Proposed Transfer Listing) to Vibrant arising from the allotment and issue to Vibrant of the (a) Subscription Shares; and (b) Option Shares pursuant to the exercise of all Options by Vibrant

APPENDIX H – SHAREHOLDERS’ SCHEME

- “Proposed Whitewash Resolution”** : The proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from Vibrant in connection with the allotment and issue of the (a) Subscription Shares; and (b) Option Shares pursuant to the exercise of all Options by Vibrant, as set out in the notice of extraordinary general meeting set out on pages NE-1 to NE-8 of the Circular
- “Proxy Form”** : The proxy form for the Shareholders’ Scheme Meeting as enclosed to the Notice of Shareholders’ Scheme Meeting and set out on pages PS-1 to PS-2 of the Circular
- “Record Date”** : The time and date to be determined at and on which, the Register of Members and share transfer books of the Company will be closed to determine the entitlements of Shareholders in respect of the Shareholders’ Scheme
- “Register of Members”** : Register of members of the Company
- “Scheme Creditors”** : Creditors which hold claims against the Company, including UOB but excluding excluded creditors as further described under the scheme document for the Creditors’ Scheme
- “Securities Account”** : A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent
- “Settlement Shares”** : New Shares to be allotted and issued by the New Listco to the Scheme Creditors with Approved Scheme Claims in accordance with the Creditors’ Scheme
- “SFA”** : Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
- “SGXNet”** : A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Shareholders”** : The registered holders of Shares, 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 those Shares

APPENDIX H – SHAREHOLDERS’ SCHEME

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| “Shareholders’ Scheme” | : | This scheme of arrangement dated 6 November 2023 (or as amended, modified or supplemented from time to time in accordance with Clause 4.2 of this Shareholders’ Scheme), proposed in accordance with Section 210 of the Companies Act for the approval of the Shareholders, in relation to the Proposed Transfer Listing, to be read alongside the accompanying explanatory statement as set out in Appendix G (<i>Shareholders’ Scheme Explanatory Statement</i>) to the Circular |
| “Shareholders” | : | The registered holders of Shares, 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 those Shares |
| “Shareholders’ Scheme Conditions” | : | The conditions precedent to the Shareholders’ Scheme, as set out in paragraph 5 of the explanatory statement to the Shareholders’ Scheme Explanatory Statement as set out in Appendix G (<i>Shareholders’ Scheme Explanatory Statement</i>) to the Circular |
| “Shareholders’ Scheme Court Order” | : | The order of the Court sanctioning the Shareholders’ Scheme under Section 210 of the Companies Act |
| “Shareholders’ Scheme Explanatory Statement” | : | The explanatory statement of the Shareholders’ Scheme required by Section 211 of the Companies Act dated 6 November 2023 set out in Appendix G (<i>Shareholders’ Scheme Explanatory Statement</i>) to the Circular |
| “Share Registrar” | : | Boardroom Corporate & Advisory Services Pte. Ltd., the registered office of which is at 1 HarbourFront Avenue, Keppel Bay Tower #14-07, Singapore 098632 |
| “Shares” | : | Ordinary shares in the capital of the Company or the New Listco to be interpreted as the case may be |
| “Subscribers” | : | Vibrant and Tian Yuan, collectively |
| “Subscription Shares” | : | New Shares to be allotted and issued by the New Listco at the issue price of S\$0.00543 per Subscription Share pursuant to the Proposed Subscription |
| “UOB” | : | United Overseas Bank Limited |
| “Vibrant” | : | Vibrant Equities Pte. Ltd. |

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 4 and Section 5 of the Companies Act.

APPENDIX H – SHAREHOLDERS’ SCHEME

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

Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.

Any reference in this Shareholders’ Scheme 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 Shareholders’ Scheme 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.

The headings in this Shareholders’ Scheme are inserted for convenience only and shall be ignored in construing this Shareholders’ Scheme.

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

APPENDIX H – SHAREHOLDERS’ SCHEME

RECITALS

- (A) The Company was incorporated in Singapore on 29 March 1971 and is a public company limited by shares, whose Shares are listed on the Mainboard of the SGX-ST on 18 June 1999. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$36,178,290, comprising 303,750,000 Shares and the Company does not have any treasury shares or subsidiary holdings.
- (B) As at the Latest Practicable Date, the Company has no outstanding instruments convertible into, rights to subscribe for, or options in respect of Shares in the Company which carry voting rights affecting the issued Shares in the Company.
- (C) The New Listco was incorporated on 2 January 2022 in Singapore for the purposes of the Shareholders’ Scheme. The New Listco was converted into a public company on 18 September 2023. As at the Latest Practicable Date, the issued and paid-up share capital of the New Listco is approximately S\$1.00 comprising one (1) ordinary share. As at the Latest Practicable Date, it does not have any treasury shares or subsidiary holdings, and does not have any outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into the shares of the New Listco. The New Listco has been dormant since the date of its incorporation and has no assets or liabilities (other than for auditing, corporate secretarial and other administrative expenses incurred).
- (D) The primary purpose of this Shareholder’s Scheme is the acquisition by the New Listco of all the Existing Shares in order to restructure the Company as a wholly-owned subsidiary of the New Listco. Completion of the Shareholders’ Scheme will effect a series of interlinked and inter-conditional corporate actions including the following:
- (i) the Proposed Subscription;
 - (ii) the Proposed Grant of Options;
 - (iii) the Proposed Issue of Settlement Shares;
 - (iv) the Proposed Transfer of Controlling Interest of Vibrant;
 - (v) the Potential Transfer of Controlling Interest to Tian Yuan;
 - (vi) the Proposed Whitewash Resolution; and
 - (vii) the Proposed Appointment of New Directors.
- (E) For the avoidance of doubt, this Shareholders’ Scheme is **not** a debt restructuring scheme. Accordingly, there is no intention to write-off any debt of the Company in connection with this Shareholders’ Scheme.
- (F) The New Listco has agreed, if requested by the Court, to do all things and take all steps as are necessary to ensure the fulfilment of its obligations under the Implementation Agreement and the Shareholders’ Scheme.

1. CONDITIONS PRECEDENT AND EFFECTIVENESS OF THE SCHEME

- 1.1 The Shareholders’ Scheme is conditional and shall take effect upon each of the Shareholders’ Scheme Conditions being satisfied or, where applicable, waived on or before the Latest Practicable Date.

APPENDIX H – SHAREHOLDERS’ SCHEME

1.2 Unless this Shareholders’ Scheme becomes effective and binding in accordance with its terms as aforesaid on or before the Latest Practicable Date, this Shareholders’ Scheme shall lapse.

1.3 In the event this Shareholders’ Scheme does not become effective and binding in accordance with its terms for any reason, the costs and expenses incurred by the Company in connection with this Shareholders’ Scheme will be borne by the Company.

2. PROPOSED RESTRUCTURING AND TRANSFER OF LISTING STATUS

2.1 Transfer of the Shares held by the Existing Shareholders to the New Listco

2.1.1 On or around the Effective Date, all the Existing Shares held by the Existing Shareholders as at the Record Date will be transferred to the New Listco:

- (a) fully paid;
- (b) free from all Encumbrances; and
- (c) together with all rights, benefits and entitlements attaching thereto as at the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date.

2.1.2 For the purposes of giving effect to the transfer of the Shares provided for in Clause 2.1.1 of this Shareholders’ Scheme:

- (a) the Existing Shares held by the Existing Shareholders will be transferred to the New Listco and for each Share transferred, as follows:
 - (i) in the case of the Existing Shareholders which are Depositors, the Company shall instruct CDP, for and on behalf of the Existing Shareholders, to debit, not later than five (5) Market Days after the Effective Date, all the Shares standing to the credit of the Securities Account of the New Listco; and
 - (ii) in the case of the Existing Shareholders which are not Depositors, the Company shall authorise any person to execute or effect on behalf of all such Existing Shareholders, an instrument or instruction of transfer of all the Shares held by such Existing Shareholders, and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Existing Shareholders;
- (b) on and as from the Effective Date, all existing share certificates relating to the Shares held or owned by the Existing Shareholders will be cancelled and cease to be valid for any purpose whatsoever whether or not they are returned to the Company for cancellation; and
- (c) the Existing Shareholders which are not Depositors shall be required to forward their existing share certificates relating to their Shares to the Share Registrar at 1 HarbourFront Avenue, Keppel Bay Tower #14-07, Singapore 098632.

2.1.2 For the avoidance of doubt, the Company will bear any cash outlay (including any stamp duties, CDP administrative fees or brokerage expenses) that is required and no cash outlay will be required from Shareholders under the Shareholders’ Scheme.

APPENDIX H – SHAREHOLDERS’ SCHEME

2.2 Allotment and Issue of New Listco Shares

2.2.1 In consideration for the transfer of the Existing Shares to the New Listco, the New Listco shall, not later than 10 calendar days after the Effective Date, allot and issue to the Existing Shareholders such number of New Listco Shares, on the basis of one (1) New Listco Share for every one (1) Existing Share held by the Existing Shareholders as at the Record Date, in the following manner:

- (a) in the case of the Existing Shareholders which are Depositors, the New Listco Shares shall be issued to CDP for the benefit and to the credit of its Securities Account; and
- (b) in the case of the Existing Shareholders which are not Depositors, the New Listco Shares shall be issued to the relevant Existing Shareholders.

2.2.2 Further, the New Listco will:

- (a) on behalf of the Company²³, allot and issue to the Subscribers²⁴ and the Scheme Creditors one (1) New Listco Share for every Subscription Share and Settlement Share which the Subscribers and the Scheme Creditors are entitled to (under the CSA or the Creditors’ Scheme, as the case may be), in the following manner:
 - (i) in the case of the Subscribers and the Scheme Creditors which are Depositors, the New Listco Shares shall be issued to CDP for the benefit and to the credit of its Securities Account; and
 - (ii) in the case of the Subscribers and the Scheme Creditors which are not Depositors, the New Listco Shares shall be issued to the relevant Subscriber and Scheme Creditor;
- (b) on behalf of the Company, grant to the Subscribers one (1) Option in the New Listco for every Option which the Subscribers are entitled to under the CSA; and
- (c) assume all liabilities and obligations of the Company in connection with the Options to be granted by the Company to the Subscribers pursuant to the Proposed Grant of Options, and the New Listco Shares to be allotted and issued to the Subscribers and Scheme Creditors pursuant to the Proposed Subscription and the Proposed Debt Restructuring respectively.

2.2.3 The New Listco Shares to be allotted and issued to the Existing Shareholders, the Subscribers and the Scheme Creditors shall:

- (a) be duly authorised, validly issued, credited as fully paid;
- (b) be free from all Encumbrances;

²³ For the avoidance of doubt, the allotment and issue of the Subscription Shares, the Options and the Settlement Shares are for the benefit of the Company pursuant to the transactions to be undertaken under the proposal for the resumption of trading submitted to the SGX-ST on 6 December 2022. The proposal took into consideration, among others, the Proposed Subscription, the Proposed Grant of Options, the Proposed Debt Restructuring and the Proposed Transfer Listing, for the resumption of trading of the Company’s shares (and consequent to the Proposed Transfer Listing, the trading of the New Listco’s shares) on the Mainboard of the SGX-ST. The Company and the New Listco have agreed in the Implementation Agreement that the New Listco will allot and issue the aforementioned shares directly on behalf of the Company, to streamline the administrative procedures required. In relation thereto and for administrative documentation purposes, the Company and the New Listco had also entered into a loan agreement on 11 October 2023, where the New Listco has extended an unsecured loan facility (with repayment terms at the discretion of the Company) up to a maximum aggregate amount equal to S\$15,350,000 (being the total amount of (a) S\$8.00 million from the proceeds of the Subscription for the allotment and issue of the Subscription Shares, as used for the partial repayment of the principal amounts and interests under loans owing to UOB; and (b) S\$7.35 million, being the cost of the Settlement Shares allotted and issued by the Company to the Scheme Creditors, including UOB).

²⁴ Save in respect of Vibrant, which has given an undertaking in writing to the Company and the New Listco to, among others, waive its rights to receive one (1) Subscription Share out of its total entitlement to the Subscription Shares, given that it currently already holds one (1) New Listco Share which was transferred to it for the purposes of this Shareholders’ Scheme.

APPENDIX H – SHAREHOLDERS’ SCHEME

- (c) be together with all rights, benefits and entitlements attaching thereto as at the Record Date, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Record Date;
 - (d) rank *pari passu* in all respects with one another as well as the existing issued New Listco Share as of the Effective Date; and
 - (e) have the same rights, benefits and entitlements attaching thereto as the one (1) existing issued New Listco Share as of the Effective Date.
- 2.2.4 The Options to be granted to the Subscribers shall be granted on and subject to the terms and conditions of the Options as set out in the CSA.
- 2.2.5 The New Listco shall cause share certificates for the New Listco Shares allotted and issued pursuant to the Shareholders’ Scheme to be sent no later than 10 calendar days after the Effective Date to:
- (a) the Existing Shareholders, the Subscribers and the Scheme Creditors which are Depositors, by sending the same to CDP. CDP shall send to such Shareholders, by ordinary post to the address as maintained with CDP and at the risk of such Shareholders, a statement showing the number of New Listco Shares credited to their respective Securities Accounts;
 - (b) the Existing Shareholders, the Subscribers and the Scheme Creditors which are not Depositors, by sending, at the risk of such Shareholders, the same by ordinary post addressed to such Shareholders at their respective addresses in the Register of Members on the Record Date or, in the case of joint Shareholders, to the address of the first named Shareholder, and neither the New Listco nor the Company shall be liable for any loss in transmission.
- 2.2.6 The despatch of the share certificates to each Existing Shareholder, Subscriber and Scheme Creditor in accordance with the above shall discharge the New Listco from any liability in respect of the delivery of the said certificates.
- 2.2.7 All mandates or other instructions given by any Existing Shareholder, Subscriber or Scheme Creditor relating to the payment of dividends by the Company or relating to notices or other communication in force on the Record Date shall, unless and until revoked, be deemed as on and from the Effective Date to be valid and effective instructions to the New Listco in relation to his/her/its corresponding holding of the New Listco Shares.

2.3 Transfer of Listing Status

- 2.3.1 If the Shareholders’ Scheme becomes effective in accordance with its terms, the Company will become a wholly-owned subsidiary of the New Listco following the completion of the Company Restructuring. Consequently, the Shares will be withdrawn from the SGX-ST and cease to be traded on the SGX-ST after the completion of the Proposed Transfer Listing. The Company may, following its withdrawal of the Shares or delisting of the Company from the SGX-ST, be converted into a private company.
- 2.3.2 It is contemplated that the delisting of the Company from the Mainboard of the SGX-ST will take place shortly after the Effective Date. It is also contemplated that all of the Shares in the New Listco (including the Subscription Shares and the Settlement Shares) will be listed on the Mainboard of the SGX-ST on the same day as the delisting of the Company from the Mainboard of the SGX-ST.

APPENDIX H – SHAREHOLDERS’ SCHEME

2.3.3 Following the Proposed Transfer Listing, the Company will relinquish its status as a listed company on the Mainboard of the SGX-ST and the issued Shares in the capital of the New Listco will be listed and traded on the Mainboard of the SGX-ST.

3. NOTICES

3.1 Any notice or communication to the Company or the New Listco under this Shareholders’ Scheme may be served by posting it by prepaid registered post or by email to the address of the Company or the New Listco (as the case may be) set out below:

(a) In the case of the Company:

Address : 28 Tuas Crescent
Singapore 638719

Email : info@hiapseng.com

(b) In the case of the New Listco:

Address : 28 Tuas Crescent
Singapore 638719

Email : info@hiapseng.com

Any notice or communication given in accordance with the terms of this Shareholders’ Scheme shall be deemed to have been received by the Company or the New Listco, upon actual receipt thereof. Any notice to the Company or the New Listco not in compliance with this Clause 3.2 shall be deemed of no effect for all purposes of the Shareholders’ Scheme, save as otherwise permitted by the Company or the New Listco (as the case may be) in their absolute discretion.

4. CONFLICT, INCONSISTENCY AND MODIFICATIONS TO THE SCHEME

4.1 In the case of a conflict or inconsistency between the terms of this Shareholders’ Scheme and the terms of the Shareholders’ Scheme Explanatory Statement, the terms of this Shareholders’ Scheme shall prevail.

4.2 The Company and the New Listco may jointly consent, for and on behalf of all concerned, to any modification of, or amendments to, this Shareholders’ Scheme or to any condition which the Court may think fit to approve or impose.

5. SEVERABILITY

5.1 If any provision in this Shareholders’ Scheme shall be, or at any time shall become invalid, illegal or unenforceable in any respect under any law, such invalidity, illegality or unenforceability shall not in any way affect or impair any other provisions of this Shareholders’ Scheme but this Shareholders’ Scheme shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

To the extent it is not possible to delete or modify the provision in whole or in part, under Clause 5.1, then such provision or part of it shall, to the extent that it is invalid, illegal or unenforceable, be deemed not to form part of this Shareholders’ Scheme and the validity, legality and enforceability of the remainder of this Shareholders’ Scheme shall, subject to any deletion or modification under Clause 5.1, not be affected.

APPENDIX H – SHAREHOLDERS’ SCHEME

6. PROPER LAW AND JURISDICTION

- 6.1 This Shareholders’ Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore.
- 6.2 The Company, the New Listco and the Existing Shareholders hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Republic of Singapore.

7. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001 OF SINGAPORE

A person who is not a party to this Shareholders’ Scheme has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term or provision of this Shareholders’ Scheme.

APPENDIX I – NEW LISTCO CONSTITUTION

THE CONSTITUTION

THE COMPANIES ACT 1967 OF SINGAPORE

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

HIAP SENG INDUSTRIES LIMITED

INTERPRETATION

1. In this Constitution, if not inconsistent with the subject or context, the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof: Interpretation

WORDS

MEANINGS

| | |
|-------------------|--|
| “Act” | The Companies Act 1967 of Singapore or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act or other act concerning companies and affecting the Company. |
| “Chairman” | The chairman of the Directors or the chairman of the General Meeting as the case may be. |
| “Company” | The abovenamed Company by whatever name from time to time called. |
| “Constitution” | This Constitution or other regulations of the Company for the time being in force. |
| “Director” | Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an alternate Director. |
| “Directors” | The Directors for the time being of the Company or such number of them as having authority to act for the Company. |
| “dividend” | Includes bonus. |
| “General Meeting” | A general meeting of the Company. |
| “market day” | A day on which the Singapore Exchange Securities Trading Limited is open for trading in securities. |

APPENDIX I – NEW LISTCO CONSTITUTION

| | |
|--|--|
| “Member” | Any registered holder of shares of the Company for the time being , save that references in this Constitution to “Member” shall, where the Act requires, exclude the Company where it is a Member by reason of its holding of its shares as treasury shares. |
| “month” | Calendar month. |
| “Office” | The registered office of the Company for the time being. |
| “Ordinary Resolution” | A resolution shall be an ordinary resolution when it has been passed by a majority of more than half of such members as, being entitled to so, vote in person or, where proxies are allowed, by proxy present at a general meeting of which not less than 14 days’ written notice specifying the intention to propose the resolution as an ordinary resolution has been duly given. |
| “paid-up” | Includes credited as paid-up. |
| “registered address” or “address” | In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution. |
| “Seal” | The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal. |
| “Secretary” | The Secretary or Secretaries for the time being of the Company as appointed under this Constitution and shall include any person entitled to perform the duties of the Secretary temporarily. |
| “Special Resolution” | Has the meaning ascribed to it in the Act. |
| “Writing” and “Written” | Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever. |
| “year” | Calendar year. |
| “S\$” | The lawful currency of Singapore. |

APPENDIX I – NEW LISTCO CONSTITUTION

The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act 2001 of Singapore.

The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

References in this Constitution to “holder(s)” of shares or a class of shares shall:

- (a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in this Constitution or where the term “registered holders” or “registered holder” is used in this Constitution;
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (c) except where otherwise expressly provided in this Constitution, exclude the Company in relation to shares held by it as treasury shares,

and “holding” and “held” shall be construed accordingly.

References in this Constitution to “Regulation” shall mean the regulations set forth in his Constitution.

Words denoting the singular number only shall include the plural and *vice versa*.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any words or expressions used in the Act and the Interpretation Act 1965 of Singapore shall, if not inconsistent with the subject or context, bear the same meanings in this Constitution.

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

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.

The headnotes and marginal notes are inserted for convenience of reference only and shall not affect the construction of this Constitution.

NAME

2. The name of the Company is “**HIAP SENG INDUSTRIES LIMITED**”. Name

REGISTERED OFFICE

3. The Office of the Company will be situated in the Republic of Singapore. Office

APPENDIX I – NEW LISTCO CONSTITUTION

BUSINESS

4. Subject to the provisions of the Act, any other written law, or this Constitution, any branch or kind of business is expressly or by implication authorised to be undertaken by the Company and may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.
- Business

LIABILITY OF MEMBERS

5. The liability of the Members is limited.
- Liability of Members

SHARES

6. The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.
- Power to repurchase shares
7. Subject to the Act and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Regulation 53, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors provided always that:
- Issue of shares
- (a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Regulation 53(1) with such adaptations as are necessary shall apply; and
 - (b) any other issue of shares, the aggregate of which would exceed the limits referred to in Regulation 53(2), shall be subject to the approval of the Company in General Meeting.
8. (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.
- Issue of shares for which no consideration is payable to the Company and preference shares
- (2) The Company may issue shares for which no consideration is payable to the Company.

APPENDIX I – NEW LISTCO CONSTITUTION

- (3) Preference shares may be issued subject to such limitation thereof as may be prescribed by any securities exchange upon which the shares of the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.
- (4) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.
- (5) The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.
9. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Treasury Shares
10. (1) If at any time the share capital of the Company is divided into different classes of shares, subject to the provisions of the Act, the variation or abrogation of the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, only be made with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class and to every such Special Resolution the provisions of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and any holder of shares of the class present in person or by proxy may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the General Meeting shall be as valid and effectual as a Special Resolution carried at the General Meeting. Variation of rights
- (2) The provisions in Article 10(1) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any alteration of the rights attached to preference shares or any class thereof.
- (3) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto

APPENDIX I – NEW LISTCO CONSTITUTION

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| 11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as is in force at the time of such issue, be deemed to be varied by the issue of further shares ranking equally therewith. | Issue of further shares with special rights |
| 12. The Company may pay commission or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. | Power to pay commission and brokerage |
| 13. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital (except treasury shares) as is for the time being paid-up and may charge the same to capital as part of the cost of the construction or provision. | Power to charge interest on capital |
| 14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share. | Exclusion of equities |
| 15. Except as herein provided no person shall exercise any rights or privileges of a Member until he is registered in the Register of Members or (as the case may be) the Depository Register as a Member and shall have paid all calls and other moneys due for the time being on every share held by him. | Exercise of Member's rights |
| 16. When two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions following: (a) The Company shall not be bound to register more than three persons as the holders of any share except in the case of executors or administrators (or trustees) of the estate of a deceased Member. (b) For the purposes of a quorum joint-holders of any share shall be treated as one Member. (c) Only one certificate shall be issued in respect of any share. (d) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company. Any notice served on any one of the joint-holders shall be deemed to have been duly served on all of them. (e) The joint-holders of any share shall be liable severally as well as jointly in respect of calls and any other payments which ought to be made in respect of such share. | Joint holders |

APPENDIX I – NEW LISTCO CONSTITUTION

- (f) Any one of the joint-holders of any share may give effectual receipts for any dividend, return of capital or other sum of money payable to such joint-holders in respect of such share.
- (g) On the death of any one of the joint-holders of any share the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they think necessary to call for.
- (h) If more than one of such joint-holders are present in person or proxy at any General Meeting only that one of the joint-holders or his attorney or proxy, whose name stands first in the Register of Members or (as the case may be) the Depository Register amongst those so present in person or proxy shall be entitled to vote in respect of any of the shares so held.

SHARE CERTIFICATES

- 17. Every certificate shall be issued in accordance with the requirements of the Act and under the Seal or signed in the manner set out in the Act. No certificate shall be issued representing shares of more than one class. Certificates
- 18. Every person whose name is entered as a Member in the Register of Members shall be entitled within 10 market days (or such other period as may be approved by any securities exchange upon which the shares of the Company may be listed) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer or on a transmission of shares to one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. If a Member shall require several certificates each for a part of the shares so allotted or transferred or included in the transmission or if a Member transfers part only of the shares comprised in a certificate or requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the Member shall pay prior to the issue of the certificates or certificate a fee not exceeding S\$2 for each such new certificate as the Directors may determine. Entitlement to certificates
- 19. Subject to the provisions of the Act, if any certificate shall be defaced, worn out, destroyed, lost or stolen, a new certificate may be issued in lieu thereof on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any securities exchange upon which the shares of the Company may be listed or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such new certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss. New certificates may be issued

TRANSFER OF SHARES

- 20. Subject to the provisions of this Constitution, all transfers of shares shall be effected by written instrument of transfer in the form as approved by the Singapore Exchange Securities Trading Limited (or any securities exchange upon which the shares of the Company may be listed) or in any other form acceptable to the Directors. Form of transfer of shares

APPENDIX I – NEW LISTCO CONSTITUTION

21. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the share concerned until the name of the transferee is entered in the Register of Members in respect thereof. Execution of transfer of shares
22. No shares shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs. Person under disability
23. There shall be no restriction on the transfer of fully paid-up shares (except as required by law, the listing rules of any securities exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any securities exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve. Directors' power to decline to register
24. If the Directors refuse to register a transfer of any share, they shall within 10 market days after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of refusal as required by the Act. Notice of refusal
25. The Directors may decline to register any instrument of transfer unless: Terms of registration of transfers
- (a) such fee not exceeding S\$2 as the Directors may from time to time require, is paid to the Company in respect thereof;
 - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one class of shares.
- All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same except in the case of fraud.
26. The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine provided always that such registration shall not be suspended for more than 30 days in any year. The Company shall give prior notice of such closure as may be required to any securities exchange upon which the shares of the Company may be listed, stating the period and the purpose or purposes of such closure. Suspension of registration

APPENDIX I – NEW LISTCO CONSTITUTION

27. Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Renunciation of allotment

TRANSMISSION OF SHARES

28. (1) In the case of the death of a Member whose name is entered in the Register of Members, the survivor or survivors where the deceased was a joint-holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (2) In the case of the death of a Member who is a Depositor, the survivor or survivors where the deceased was a joint-holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased Member, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (3) Nothing in this Regulation shall release the estate of a deceased holder from any liability in respect of any share solely or jointly held by him.
29. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or transfer the share to some other person, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by a Member.
30. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing in a form approved by the Directors signed by him stating that he so elects. If he shall elect to transfer the share to another person he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer signed by the person from whom the title by transmission is derived.
31. A person becoming entitled to a share by transmission shall be entitled to receive and give a discharge for the same dividends and be entitled to the other advantages to which he would be entitled if he were the Member in respect of the share, except that he shall not, before being registered as a Member in the Register of Members or before his name shall have been entered in the Depository Register in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to General Meetings.

Survivor, executors or administrators entitled to shares of a deceased Member

Transmission of shares

Requirements regarding transmission of shares

Rights of persons entitled to a share by transmission

APPENDIX I – NEW LISTCO CONSTITUTION

32. The Directors may at any time give notice requiring any person entitled to a share by transmission to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days the Directors may thereafter withhold payment of all dividends, or other moneys payable in respect of the share until the requirements of the notice have been complied with. Person entitled may be required to register or transfer share
33. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2 as the Directors may from time to time require or prescribe. Fee for registration of probate, etc

CALLS ON SHARES

34. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. Amounts and periods
35. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments. When made
36. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight per cent (8%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. Interest on overdue calls
37. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. On allotment
38. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment. Directors may differentiate between holders
39. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceed the amount of the call then made upon the shares concerned, the Company may pay interest at such rate not exceeding eight per cent (8%) per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits. Payment in advance of calls

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40. The Directors may apply all dividends which may be declared in respect of any shares in payment of any calls made or instalments payable and which may remain unpaid in respect of the same shares. Lien on dividends to pay call

LIEN AND FORFEITURE

41. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amount as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. Company's lien
42. For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit but no sale shall be made until such time as the moneys owing to the Company are presently payable and until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default shall have been served in such manner as the Directors shall think fit on such Member or the person (if any) entitled to effect a transmission of the shares and who shall have produced to the Company satisfactory evidence of such capacity and default in payment shall have been made by him or them for 14 days after such notice. Provided always that if a Member shall have died or become mentally disordered and incapable of managing himself or his affairs or bankrupt and no person shall have given to the Company satisfactory proof of his right to effect a transmission of the shares held by such Member the Directors may exercise such power of sale without serving any such notice. Notice to pay the amount due, and sale on non-compliance therewith
43. Upon any sale being made by the Directors of any shares to satisfy the lien of the Company thereon the proceeds shall be applied first in the payment of the costs of such sale, next in satisfaction of the debt, obligation, engagement or liability of the Member to the Company and the residue (if any) shall be paid to the Member whose shares have been forfeited or as he shall direct or to his executors, administrators or assigns. Application of sale proceeds
44. A statutory declaration in writing that the declarant is a Director and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, reallocated or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share. Title to shares forfeited or surrendered or sold to satisfy a lien

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| 45. In the event of a forfeiture of shares or a sale of shares to satisfy the Company's lien thereon the Member or other person who prior to such forfeiture or sale was entitled thereto shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited or sold. | Certificate of shares to be delivered to the Company |
| 46. If a Member fails to pay any call or any part thereof on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. | If call or instalment not paid, notice may be given |
| 47. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. | Form of notice |
| 48. If the requirements of such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter before all payments required by the notice have been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. | If notice not complied with shares may be forfeited |
| 49. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such person as aforesaid. | Sale of shares forfeited |
| 50. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at eight per cent (8%) per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part. | Rights and liabilities of Members whose shares have been forfeited or surrendered |
| 51. The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified. | Forfeiture applies to non-payment of call due at fixed time |

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ALTERATION OF CAPITAL

52. To the extent permitted by existing laws and regulations which the Company may be subject, without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special, limited or conditional rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution or, if required by the Act, by Special Resolution determine (or, in the absence of any such determination, but subject to the Act, as the Directors may determine) and subject to the provisions of the Act, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed. Rights and privileges of new shares
53. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Singapore Exchange Securities Trading Limited, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as far as the circumstances admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may dispose of any such new shares which by reason of the proportion borne by them to the shares held by holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Regulation. Issue of new shares to Members
- (2) Notwithstanding Regulation 53(1) but subject to Regulation 8(3), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:
- (a) issue shares of the Company whether by way of rights, bonus or otherwise and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force, provided that:
- (i) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited;

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- (ii) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and this Constitution; and
 - (iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
- 54. Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Act and this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise. New shares otherwise subject to provisions of the Act and this Constitution
- 55. (1) The Company may by Ordinary Resolution:
 - (a) consolidate and divide all or any of its shares;
 - (b) subdivide its shares or any of them (subject nevertheless to the provisions of the Act and this Constitution) provided always that in such sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) cancel shares which at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of shares so cancelled in accordance with the Act; and
 - (d) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.

(2) The Company may by Special Resolution, subject to and in accordance with the Act and other applicable laws, convert one class of shares into another class of shares.
- 56. The Company may by Special Resolution reduce its share capital, or any other undistributable reserve in any manner and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. Power to reduce capital

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CONVERSION OF SHARES INTO STOCK

57. The Company may by Ordinary Resolution convert any paid-up shares into stock, and may from time to time by like resolution re-convert any stock into paid-up shares of any denomination. Conversion of shares into stock and re-conversion
58. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum. Transfer of stock
59. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Rights of stockholders
60. The provisions of this Constitution which are applicable to paid-up shares shall, so far as circumstances will admit, apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”. Shares/stock

GENERAL MEETINGS

61. (1) Save as otherwise permitted under the Act and as otherwise permitted by the listing rules of the Singapore Exchange Securities Trading Limited for so long as the shares in the Company are listed on the Singapore Exchange Securities Trading Limited, an Annual General Meeting shall be held within four months after the immediate preceding financial year, at such time and place as may be determined by the Directors. Unless prohibited by law and so long as the shares in the Company are listed on the Singapore Exchange Securities Trading Limited, all General Meetings shall be held in Singapore (if required by the listing rules of the Singapore Exchange Securities Trading Limited) at such location as may be determined by the Board, unless such requirement is waived by the Singapore Exchange Securities Trading Limited. Annual General Meeting
- (2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 61A. Subject always to the Act, applicable laws and listing rules of the Singapore Exchange Securities Trading Limited, the Members may participate at a general meeting by electronic means, including but not limited to electronic communication, video conferencing, tele-conferencing or such other electronic means whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and Members (or their proxy or, in the case of a corporation, their respective corporate representatives) so participating shall be counted in the quorum for the meeting. Unless otherwise is determined by the Board, the “place” of such meeting (when it is convened, held and/or conducted by electronic means) shall be deemed to be the Company’s place of business in Singapore. Meetings via electronic means

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62. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by such requisition or, in default, may be convened by such requisitionists, in accordance with the provisions of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

Calling
Extraordinary
General Meetings

NOTICE OF GENERAL MEETINGS

63. (1) Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by at least 21 days' notice in writing and any Annual General Meeting and any other Extraordinary General Meeting by at least 14 days' notice in writing. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in the manner hereinafter mentioned to such persons as are under the provisions herein contained and the Act entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:
- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
 - (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.

Notice of General
Meetings

Provided also that the accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.

At least 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any securities exchange upon which the shares of the Company may be listed.

- (2) Notice of every General Meeting shall be given to:
- (a) every Member;
 - (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the General Meeting; and
 - (c) the Auditor for the time being of the Company.

64. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member.

Contents of notice

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- (2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (3) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

65. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say: Routine business

- (a) declaring dividends;
- (b) considering and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;
- (c) appointing or re-appointing the Auditor and fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed; and
- (d) appointing or re-appointing Directors in place of those retiring by rotation or otherwise and fixing the remuneration of the Directors.

All other business to be transacted at any General Meeting shall be deemed to be special business.

66. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. Special business

PROCEEDINGS AT GENERAL MEETINGS

67. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two Members present in person or by proxy shall form a quorum. Provided that (a) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum; and (b) joint holders of any share shall be treated as one Member. Quorum

68. If within half an hour from the time appointed for the General Meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be deemed to be a quorum. Adjournment
if quorum not
present

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69. The Chairman, if any, of the Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any General Meeting he be not present within 15 minutes after the time appointed for holding the meeting or be unwilling to act, the Members present shall choose some Director to be Chairman of the meeting or, if no Director be present or if all the Directors present decline to take the chair, one of their number present to be Chairman. Chairman
70. The Chairman may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for 30 days or more or sine die, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting. Adjournment
71. (1) If required by the listing rules of any securities exchange upon which the shares of the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such securities exchange). Mandatory polling
- (2) Subject to Regulation 71(1), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded:
- (a) by the Chairman; or
 - (b) by not less than five Members present in person or by proxy and entitled to vote thereat; or
 - (c) by any Member or Members present in person or by proxy and representing not less than five per cent (5%) of the total voting rights of all the Members having the right to vote at the General Meeting; or
 - (d) by a Member or Members present in person or by proxy, holding shares conferring a right to vote at the General Meeting, being shares on which an aggregate sum has been paid-up equal to not less than five per cent (5%) of the total sum paid-up on all the shares conferring that right.

A demand for a poll made pursuant to this Regulation 71(2) shall not prevent the continuance of the General Meeting for the transaction of any business, other than the question on which the poll has been demanded. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

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| 72. | Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the General Meeting. The Chairman may (and, if required by the listing rules of any securities exchange upon which the shares of the Company may be listed or if so requested by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. | Taking a poll |
| 73. | If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. | Votes counted in error |
| 74. | In the case of an equality of votes, whether on a poll or on a show of hands, the Chairman of the meeting at which the poll or show of hands takes place shall be entitled to a casting vote. | Chairman's casting vote |
| 75. | A poll on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the General Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. | Time for taking a poll |
| 76. | After the Chairman of any meeting shall have declared the General Meeting to be over and shall have left the chair no business or question shall under any pretext whatsoever be brought forward or discussed. | End of General Meeting |

VOTES OF MEMBERS

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| 77. | (1) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Regulation 9, each Member entitled to vote may vote in person or by proxy. Every Member who is present in person or by proxy shall: (a) on a poll, have one vote for every share which he holds or represents; and (b) on a show of hands, have one vote, provided that: (i) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and (ii) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands. | Voting rights of Members |
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For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

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- (2) Save as otherwise provided in the Act:
- (a) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
 - (b) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, 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 form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (3) In any case where a Member is a Depositor, the Company shall be entitled and bound:
- (a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
 - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (4) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

78. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation would exercise if it were an individual Member and such corporation shall for the purpose of this Constitution (but subject to the Act) be deemed to be present in person at any such General Meeting if a person so authorised is present thereat.

Corporations
acting by
representatives

79. Where there are joint holders of any share any one of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy as if he were solely entitled thereto and if more than one of such joint holders be so present at any General Meeting that one of such persons so present whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.

Voting rights of
joint holders

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80. Subject to the provisions of this Constitution every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy and to be reckoned in a quorum in respect of any share or shares upon which all calls due have been paid. Rights to vote
81. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive. Objections
82. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Votes on a poll
83. (1) An instrument appointing a proxy shall be in writing and: Execution of proxies
- (a) in the case of an individual shall be:
 - (i) signed by the appointor or his attorney if the instrument of proxy is delivered personally or sent by post; or
 - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
 - (b) in the case of a corporation shall be:
 - (i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post; or
 - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of Regulations 83(1)(a)(ii) and 83(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor (which shall, for purposes of this paragraph include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Regulation 85, failing which the instrument may be treated as invalid.

- (2) The Directors may, in their absolute discretion:
- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
 - (b) designate the procedure for authenticating an instrument appointing a proxy,

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as contemplated in Regulations 83(1)(a)(ii) and 83(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 83(1)(a)(i) and/or (as the case may be) Regulation 83(1)(b)(i) shall apply.

84. A proxy need not be a Member. Proxy need not be a member
85. (1) An instrument appointing a proxy or the power of attorney or other authority, if any: Deposit of proxies
- (a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,
- and in either case not less than 72 hours before the time appointed for the holding of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.
- (2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 85(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 85(1)(a) shall apply.
86. An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting. Rights of proxies
87. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve. An instrument appointing a proxy shall, unless the contrary is stated therein be valid as well for any adjournment of the General Meeting as for the General Meeting to which it relates and need not be witnessed. Form of proxies
88. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. Intervening death or mental disorder of principal not to revoke proxy

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DIRECTORS

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| 89. | The number of Directors all of whom shall be natural persons shall not be less than one. | Appointment and number of Directors |
| 90. | A Director need not be a Member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in General Meeting but he shall be entitled to attend and speak at General Meetings. | Share qualification |
| 91. | The general remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be divided among them in such proportions and manner as the Directors may agree or failing agreement, equally. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting. | Remuneration of Directors |
| 92. | <p>(1) Each Director shall in addition to any other remuneration be entitled to be recouped all travelling hotel and other expenses properly incurred by him for the purpose of attending meetings of the Directors or of any committee or any General Meeting or otherwise in the course of the Company's business.</p> <p>(2) The Directors may grant special remuneration to any of their number who holds any executive office, who serves on any committee of the Directors, or who being called upon shall be willing to render any special or extra services to the Company or to go or reside abroad in connection with the conduct of any of the affairs of the Company outside the ordinary duties of a Director. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary, or, except in the case of a non-executive director, by a percentage of profits, or by any or all of those modes, as the Directors may determine.</p> <p>(3) The Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits, to contribute to any scheme or fund or to pay premiums.</p> <p>(4) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or a percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or a percentage of turnover.</p> | Expenses and extra remuneration |
| 93. | The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who for the time being is holding or has held any salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. | Pensions |

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94. Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement or transaction with the Company either as vendor, purchaser or otherwise nor shall such contract, arrangement or transaction or any contract, arrangement or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract, arrangement or transaction by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be.
- Power of Directors to hold office or profit and to contract with Company
- A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
95. (1) A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.
- Holding of office in other companies
- (2) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.
96. The Directors may from time to time appoint one or more of their body to be managing director or chief executive officer of the Company (or such person or persons holding equivalent position(s)) and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Where an appointment is for a fixed term such term shall not exceed five years.
- Appointment of Chief Executive Officer
97. A Chief Executive Officer (or person holding an equivalent position) who is a Director shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors.
- Chief Executive Officer to be subject to retirement by rotation

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98. The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to this Constitution be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover. Remuneration of Chief Executive Officer
99. A managing director (or person holding an equivalent position) shall at all times be subject to the control of the Directors. Powers of Chief Executive Officer

ALTERNATE DIRECTORS

100. (1) A Director may appoint any person (other than another Director) approved by the majority of his co-Directors to be his alternate Director in the Company, provided that any fee paid by the company to the alternate shall be deducted from that director's remuneration, and may at any time remove any such alternate Director so appointed from office. Alternate Director
- (2) An alternate Director shall (subject to his giving to the Company an address in Singapore) be entitled to receive notices of all meetings of the Directors and to attend and vote as a Director at such meetings at which the Director appointing him is not personally present and generally to perform all functions of his appointor as a Director in his absence.
- (3) An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director otherwise than by retiring and being re-elected at the same meeting.
- (4) All appointments and removals of alternate Directors shall be effected in writing under the hand of the Director making or terminating such appointment left at the Office.
- (5) No Director may act as an alternate Director of the Company. A person shall not act as alternate Director to more than one Director at the same time.
- (6) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct.

GENERAL POWERS OF DIRECTORS

101. The business and the affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Act or this Constitution required to be exercised by the Company in General Meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by Members in a General Meeting. The general powers given by this Regulation shall not be limited or restricted by any special authority or power given to the Directors by any other Regulation. General powers of Directors to manage Company's business

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102. The Directors may from time to time by power of attorney under the Seal (or signed in the manner set out in the Act) appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.
103. The Directors may establish any local boards or agencies for managing any affairs of the Company, either in Singapore or elsewhere and may appoint any persons to be members of such local boards or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to subdelegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit and the Directors may remove any person so appointed, and may annul or vary any such delegation but no person acting in good faith and without notice of any such annulment or variation shall be affected thereby.
104. The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Act cause to be kept a Branch Register, or Branch Registers, of Members and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit in respect of the keeping of any such Register.
105. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

Power to appoint attorneys

Power to establish local boards, etc

Power to keep a Branch register

Signature of cheque and bills

BORROWING POWERS

106. The Directors may exercise all the powers of the Company to borrow or raise money from time to time for the purpose of the Company or secure the payment of such sums, debt, liability or obligation of the Company as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the undertaking, property, uncalled capital or assets of the Company or by the issue of debentures (whether at par or at discount or premium) or otherwise as they may think fit.

Directors' borrowing powers

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MEETINGS AND PROCEEDINGS OF DIRECTORS

107. (1) The Directors may meet together either in person or by Meetings of telephone, radio, conference television or similar Directors communication equipment or any other form of audio, audio-visual, electronic or instantaneous communication by which all persons participating in the meeting are able to hear and be heard by all other participants, for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit and a quorum for such teleconference meetings shall be the same as the quorum required of a Directors' meeting provided under this Constitution. A resolution passed by such a conference shall, notwithstanding that the Directors are not present together at one place at the time of conference, be deemed to have been passed at a meeting of the Directors held on the day and at the time at which the conference was held and shall be deemed to have been held at the Office of the Company, unless otherwise agreed, and all Directors participating at that meeting shall be deemed for all purposes of this Constitution to be present at that meeting.
- (2) Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote except when only two Directors are present and form a quorum, the Chairman at which only such a quorum is present, or only two Directors are competent to vote on the question, in which case the Chairman shall not have a second or casting vote.
108. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors but it shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Singapore.
109. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three (3). A meeting of the Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors.
110. A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.
111. The continuing Directors may act notwithstanding any vacancies but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with this Constitution the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings but not for any other purpose (except in an emergency). If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.

Meetings of
Directors

Notice of meeting

Quorum

Effect of interest
of Director on
quorum

Proceedings in
case of vacancies

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| 112. The Directors may from time to time elect a Chairman and if desired a Deputy Chairman and determine the period for which he is or they are to hold office. The Deputy Chairman will perform the duties of the Chairman during the Chairman's absence for any reason. The Chairman and in his absence the Deputy Chairman shall preside as Chairman at meetings of the Directors but if no such Chairman or Deputy Chairman be elected or if at any meeting the Chairman and the Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. | Chairman and Deputy Chairman of Directors |
| 113. A resolution in writing signed by a majority of the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more of the Directors. The expressions "in writing" and "signed" include approval by any such Director by telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. | Resolutions in writing |
| 114. The Directors may delegate any of their powers to committees consisting of such member or members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee. | Power to appoint committees |
| 115. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of this Constitution regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Regulation. | Proceedings at committee meeting |
| 116. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote. | Validity of acts of Directors in spite of some formal defect |

ROTATION OF DIRECTORS

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| 117. Subject to this Constitution and to the provisions of the Act, at each Annual General Meeting one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one, shall retire from office and a Director at an Annual General Meeting shall retain office until the close of the meeting, whether adjourned or not. | Retirement of Directors by rotation |
| 118. The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last re-election or appointment, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. | Selection of Directors to retire |

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119. The Company at the General Meeting at which a Director retires under any provision of this Constitution may by Ordinary Resolution fill up the vacated office, by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:
- Filling vacated office
- (a) at such General Meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
 - (b) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
 - (c) such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.
120. No person other than a Director retiring at the General Meeting shall unless recommended by the Directors for election be eligible for appointment as a Director at any General Meeting and at least 11 clear days before the day appointed for the General Meeting there shall have been left at the Office notice in writing signed by some Member duly qualified to attend and vote at the General Meeting for which such notice is given of his intention to propose such person for election and also notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office. Provided that in the case of a person recommended by the Directors for election nine clear days' notice only shall be necessary and notice of each and every candidate for election shall be served on all Members at least seven clear days prior to the General Meeting at which the election is to take place.
- Notice of intention to appoint Director
121. In accordance with the provisions of the Act, the Company may by Ordinary Resolution of which special notice has been given remove any Director before the expiration of his period of office, notwithstanding any provision of this Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company in General Meeting may appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.
- Vacation of office of Directors
122. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
- Power to fill casual vacancies and to appoint additional Director

VACATION OF OFFICE OF DIRECTORS

123. The office of a Director shall be vacated in any one of the following events, namely:
- Vacation of office of Directors
- (a) if he shall become prohibited by law from acting as a Director;

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- (b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the Board);
- (c) if he becomes bankrupt or suspends payment of his debts or makes any arrangement or composition with his creditors generally;
- (d) if he becomes of unsound mind, mentally disordered or incapable of managing himself or his affairs;
- (e) if he resigns his office by notice in writing to the Company;
- (f) if he or any alternate appointed by him shall absent himself from the meetings of the Directors during a period of two calendar months without special leave of absence from the Directors; or
- (g) if he be removed from office by a resolution of the Company in General Meeting.

SECRETARY

124. The Secretary or Secretaries shall and a Deputy or Assistant Secretary or Secretaries may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act. Secretary

SEAL

125. (1) Subject to Regulation 125(5), the Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf or pursuant to Section 41B and Section 41C of the Act. Seal
- (2) Every instrument to which the Seal shall be affixed shall be signed autographically (or by facsimile or other electronic means to the extent permitted by law) by two Directors, or by one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be affixed by some method or system of mechanical or electronic signature or other method approved by the Directors pursuant to Section 41B and Section 41C of the Act.
- (3) The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors.
- (4) The Company may have a duplicate Common Seal as referred to in the Act which shall be a facsimile of the Common Seal with the addition on its face of the words "Share Seal".

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- (5) Pursuant to Section 41A of the Act, the Company may have a common seal but need not have one. Where any written law or rule of law requires any document to be under or executed under the common seal of a company, or provides for certain consequences if it is not, a document satisfies that written law or rule of law if the document is signed in the manner set out in Section 41B of the Act.

AUTHENTICATION OF DOCUMENTS

126. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents, accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents, accounts or financial statements are elsewhere than at the Office, the local manager and other officer of the Company having custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Any authentication or certification made pursuant to this Regulation may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors. Power to authenticate documents
127. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of Directors which is certified as such in accordance with the provisions of the last preceding Regulation shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors. Certified copies of resolutions of the Directors

MINUTES AND BOOKS

128. The Directors shall cause minutes to be kept in books to be provided for the purpose: Minutes
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
 - (c) of all resolutions and proceedings at all General Meetings and of any class of Members, of the Directors and of committees of Directors.
129. Any register, index, minute book, accounting record, minute or other book required by this Constitution or by the Act to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and facilitating the discovery of any falsifications. Form of registers, etc

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FINANCIAL STATEMENTS

130. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of Directors to keep proper accounting records the Act and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited. Directors to keep proper accounting records
131. Subject to the provisions of the Act, the books of accounts shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company. Location and inspection
132. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such financial statements, balance sheets, reports, statements and other documents as may be necessary. Whenever so required, the interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Act). Presentation of financial statements
133. A copy of the financial statements and, if required, the balance sheet (including every document required by the Act to be attached thereto), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than 14 days before the date of the General Meeting be sent to every Member and to every other person who is entitled to receive notices of General Meetings from the Company under the provisions of the Act or of this Constitution, provided that: Copies of financial statements
- (a) these documents may be sent less than 14 days before the date of the General Meeting if all persons entitled to receive notices of General Meetings from the Company so agree; and
- (b) this Regulation shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

AUDITOR

134. An Auditor shall be appointed and his duties regulated in accordance with the provisions of the Act and the listing rules of the Singapore Exchange Securities Trading Limited. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act and the listing rules of the Singapore Exchange Securities Trading Limited. Appointment of Auditor
135. Subject to the provisions of the Act all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. Validity of acts of Auditor in spite of some formal defect

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136. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any Member is entitled to receive and to be heard at any General Meeting on any part of the business of the General Meeting which concerns him as Auditor.
- Auditor's right to receive notices of and attend General Meetings

DIVIDENDS

137. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
- Declaration of ordinary dividend
138. The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company.
- Interim dividend
139. No dividend shall be paid otherwise than out of profits.
- Dividend only out of profits
140. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:
- Application and apportionment of dividends
- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.

141. Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit.
- Scrip Dividend Scheme
142. The Directors may retain any dividends or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.
- Dividend may be retained
143. Any General Meeting declaring a dividend may direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. No valuation, adjustment or arrangement so made shall be questioned by any Member.
- Payment of dividend in specie

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144. Any dividend, interest or other moneys payable in cash on or in respect of shares may be paid by cheque, draft, warrant or cashiers' order sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or (as the case may be) the Depository Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque, draft, warrant or Post Office order shall be payable to the order of the person to whom it is sent. Payment by post
145. Every such cheque, draft, warrant or Post Office order shall be sent at the risk of the person entitled to the money represented thereby, and the Company shall not be responsible for the loss of any cheque, draft, warrant or Post Office order which shall be sent by post duly addressed to the person for whom it is intended. Company not responsible for loss
146. No unpaid dividend shall bear interest against the Company. No interest
147. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. No dividend before registration
148. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member or which any person under that Regulation is entitled to transfer, until such person shall become a Member in respect thereof or shall duly transfer the same. Power to retain dividends pending transmission
149. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable. Unclaimed dividends
150. A payment by the Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment. Payment to Depository good discharge

RESERVES

151. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide. Power to carry profit to reserve

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CAPITALISATION OF PROFITS AND RESERVES

152. (1) The Directors may, with the sanction of an Ordinary Resolution of the Company, including any Ordinary Resolution passed pursuant to Regulation 53(2) (but subject to Regulation 8(3)):
- Power to capitalise profits
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 53(2)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares; and/or
- (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 53(2)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid-up to and amongst them as bonus shares in the proportion aforesaid.
- (2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Regulation 152(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

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- (3) In addition and without prejudice to the powers provided for by Regulations 152(1) and 152(2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:
- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or
 - (b) be held by or for the benefit of non-executive Directors as part of their remuneration under Regulation 91 and/or Regulation 92(2) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

NOTICES

153. (1) Any notice or document (including a share certificate) may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter or wrapper addressed to such Member at his registered address entered in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Service of notices
- (2) Without prejudice to the provisions of Regulation 153(1), but subject otherwise to the Act, the listing rules of the Singapore Exchange Securities Trading Limited and any regulations made thereunder relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements, circular or report) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a Member may be given, sent or served using electronic communications:
- (a) to the current address of that person; or
 - (b) by making it available on a website prescribed by the Company from time to time,
- in accordance with the provisions of this Constitution, the Act, the listing rules of the Singapore Exchange Securities Trading Limited and/or any other applicable regulations or procedures.
- (3) For the purposes of Regulation 153(2), a Member shall be implied to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.

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- (4) Notwithstanding Regulation 153(3), the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.
- (5) For the purposes of Regulation 153(2), where there is express consent from a Member, the Company may send notices or documents by way of electronic communications.
- (6) Notwithstanding Regulations 153(2), 153(3), 153(4) and 153(5), the Company shall send to the Members physical copies of such notices or documents as may be specified by law or the listing rules of the Singapore Exchange Securities Trading Limited (and where applicable, any other securities exchange upon which the shares in the Company are listed). Where required by the listing rules of the Singapore Exchange Securities Trading Limited, the Company shall inform the Members as soon as practicable of how to request a physical copy of such notice or document and provide a physical copy of such notice or document upon such a request, when the Company uses electronic communications to send a notice or document to its Members.
- (7) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to Regulation 153(2)(b), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:
- (a) by sending such separate notice to the Member personally or through the post pursuant to Regulation 153(1);
 - (b) by sending such separate notice to the Member using electronic communications to his current address pursuant to Regulation 153(2)(a);
 - (c) by advertisement in the daily press; and/or
 - (d) by way of announcement on the Singapore Exchange Securities Trading Limited (and where applicable, any other securities exchange upon which the shares in the Company are listed).
154. All notices with respect to any shares to which persons are jointly entitled shall be given to whichever of such persons is named first on the Register of Members or (as the case may be) the Depository Register and notice so given shall be sufficient notice to all the holders of such shares.
155. A Member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices or documents shall not be entitled to receive any notice or document from the Company.

Service of notices
in respect of joint
holders

Service of notices
on Members
abroad

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156. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Member or given, sent or served by electronic communications in pursuance of this Constitution shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company have notice of the same) be deemed to have been duly served in respect of any share registered in the name of such Member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder.
- Service of notices after death etc. on a Member
157. (1) Any notice or other document if sent by post and whether by airmail or not shall be deemed to have been served at the time the envelope or wrapper containing the same is posted, and in proving such service by post it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.
- When notices deemed served
- (2) Where a notice or document is given, sent or served by electronic communications:
- (a) to the current address of a person pursuant to Regulation 153(2) (a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act, the listing rules of the Singapore Exchange Securities Trading Limited and/or any other applicable regulations or procedures; and
- (b) by making it available on a website pursuant to Regulation 153(2) (b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act, the listing rules of the Singapore Exchange Securities Trading Limited and/or any other applicable regulations or procedures.
158. When a given number of days’ notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by this Constitution or by the Act, be not counted in such number of days or period.
- Day of service not counted

APPENDIX I – NEW LISTCO CONSTITUTION

WINDING UP

159. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (including any shares in any other company received by the liquidator as consideration for the sale of the whole or part of the Company's assets and whether they shall consist of property of the same kind or not) and any such division may be otherwise than in accordance with the existing rights of the Members and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability. This Regulation is without prejudice to the rights of persons whose shares are issued on special terms. If any division is resolved on otherwise than in accordance with the existing rights of the Members, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Act.
- Winding up

INDEMNITY

160. Subject to the provisions of and so far as may be permitted by the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto.
- Indemnity of Directors and officers

Notwithstanding the foregoing, the Company shall not indemnify any Director, Auditor, Secretary or other officer of the Company against any liability which by law would otherwise attach to them in respect of any negligence, wilful default, breach of duty or breach of trust of which they may be guilty in relation to the Company.

SECRECY

161. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members to communicate to the public save as may be authorised by law or required by the listing rules of any securities exchange upon which the shares of the Company may be listed.
- Secrecy

PERSONAL DATA

162. (1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:
- Personal data of members
- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);

APPENDIX I – NEW LISTCO CONSTITUTION

- (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
 - (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;
 - (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
 - (g) implementation and administration of, and compliance with, any provision of this Constitution;
 - (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (i) purposes which are reasonably related to any of the above purpose.
- (2) Any Member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in Regulations 162(1)(f) and 162(1)(h).

APPENDIX J – SUMMARY OF MATERIAL DIFFERENCES BETWEEN THE CONSTITUTION AND THE NEW LISTCO CONSTITUTION

The following is a summary of the principal provisions of the New Listco Constitution which are considered significantly different from the equivalent provisions in the existing Constitution, or which have been included in the New Listco Constitution as new provisions. Shareholders should note that the list below may not be exhaustive and should be read in conjunction with the New Listco Constitution which is set out in its entirety in **Appendix I** (*New Listco Constitution*) to this Circular.

The New Listco Constitution will bind the New Listco and its shareholders, including the Existing Shareholders, the Subscribers and the Scheme Creditors, immediately after the completion of the Company Restructuring.

Changes due to the Companies Act

The following Regulations are proposed to be revised or inserted as new provisions such that these provisions would be consistent with the Companies Act, as amended pursuant to the Amendment Acts. In line with Section 35 of the Companies Act, all references to “Article” or “Articles” in the existing Constitution have been amended to “Regulation” or “Regulations” in the New Listco Constitution. Therefore, Regulations referred to in the following summary pertain to relevant provisions of the New Listco Constitution and Articles refer to provisions in the existing Constitution, unless otherwise stated:

- (a) **(Article 1 of the existing Constitution)**. The Fourth Schedule of the Companies Act containing Table A has been repealed by the 2014 Amendment Act (as defined below). Accordingly, the existing Article 1, which makes reference to the Fourth Schedule of the Companies Act, has been removed from the New Listco Constitution.
- (b) **Regulation 1 (Article 2 of the existing Constitution)**. Regulation 1, which is the interpretation section of the New Listco Constitution, includes the following new and/or updated provisions:
 - (i) new definition of “Constitution” to refer, among others, to the constitution or other regulations of the New Listco for the time being in force. This aligns the terminology used in the New Listco Constitution with the Companies Act, as amended by the Companies (Amendment) Act 2014 of Singapore which was passed in Parliament on 8 October 2014 and took effect in two phases on 1 July 2015 and 3 January 2016, respectively (the “**2014 Amendment Act**”). In particular, new Section 4(13) of the Companies Act collectively deems the memorandum and articles of association of a company prior to 3 January 2016 (being the date on which Section 4(13) came into effect) to be merged into a single constitutive document called the “constitution”;
 - (ii) new definitions of “registered address” and “address” to clarify that these expressions mean, in relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;
 - (iii) an updated definition of “in writing” to provide that this expression, where used in the New Listco Constitution, includes any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever. This seeks to facilitate, for example, a proxy instrument being in either physical or electronic form;
 - (iv) a new provision stating that the expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the SFA. This follows the migration of the provisions in the Companies Act which relate to the CDP to the SFA pursuant to the 2014 Amendment Act and the Companies (Amendment) Act 2017 of Singapore which was passed in Parliament on 10 March 2017 and took effect in various phases on 31 March 2017, 23 May 2017, 11 October 2017 and 31 August 2018, respectively (the “**2017 Amendment Act**”, together with the 2014 Amendment Act, the “**Amendments Acts**”); and

APPENDIX J – SUMMARY OF MATERIAL DIFFERENCES BETWEEN THE CONSTITUTION AND THE NEW LISTCO CONSTITUTION

- (v) a new provision stating that the expressions “current address”, “electronic communications”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Acts.
- (c) **New Regulation 4.** The new Regulation 4 is a general provision which states that, subject to the Companies Act and/or any other written law and the New Listco Constitution, the New Listco has full capacity to carry on or undertake any business or activity that the Directors at such time or times think fit. This is in accordance with Section 23 of the Companies Act which provides that a company has, subject to the law and to the provisions of its constitution, full rights, powers and privileges to carry on or undertake any business or activity, do any act or enter into any transaction. This will enable the New Listco to take advantage of the flexibility afforded by Section 23 of the Companies Act and remove any uncertainty as to whether the New Listco has the power to act in a particular way or to engage in a particular transaction, subject to the restrictions imposed by the New Listco Constitution, the Companies Act, the Listing Manual and any other applicable laws, rules and regulations.
- (d) **New Regulation 8(2).** Regulation 8(2) is a new provision which provides that new shares may be issued for no consideration. This provision is in line with the new Section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.
- (e) **New Regulations 12 and 13.** The new Section 67 of the Companies Act allows a company to use its share capital to pay any expenses incurred directly in the issue of new shares. The new provision reflects the commercial reality that it is normal for a company to use the amount raised from its share capital for its business needs. Accordingly, the new Regulation 12 has been inserted to reflect that any expenses incurred by the New Listco in the issue of new shares may be paid out of its share capital.
- Regulation 13 is a new provision which provides that the New Listco may pay interest on share capital (except treasury shares) and charge the same to capital where shares are issued to defray expenses on, among others, construction works. This is consistent with Section 78 of the Companies Act.
- (f) **Regulation 17 (Article 16 of the existing Constitution).** Regulation 17, which relates to the issuance of share certificates by the Company, further clarifies that such share certificates may be signed in the manner set out in the Companies Act as an acceptable alternative to being issued under the common seal of the Company. This is in line with Sections 41B and 41C of the Companies Act under the 2017 Amendment Act.
- (g) **Regulation 55 (Article 9 of the existing Constitution).** Regulation 55, which relates to the New Listco’s power to alter its share capital, has new provisions which empower the New Listco, by ordinary resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with the new Section 73 of the Companies Act, which sets out the procedure for such re-denominations. For the avoidance of doubt, the provisions in the New Listco Constitution do not permit the New Listco to have dual-class share structures or to issue shares which carry different voting rights.
- (h) **Regulation 65 (Article 53 of the existing Constitution).** Regulation 65, which relates to the routine business that is transacted at an annual general meeting, includes updates which:
- (i) substitute the reference to “accounts” with “financial statements”, and the reference to “reports of the Directors and Auditors” with “Directors’ statement” and “Auditor’s report”, for consistency with the updated terminology in the Companies Act; and
 - (ii) expand the routine business items to include, in addition to the appointment of a new Auditor.

APPENDIX J – SUMMARY OF MATERIAL DIFFERENCES BETWEEN THE CONSTITUTION AND THE NEW LISTCO CONSTITUTION

- (i) **Regulation 71(2) (Article 61 of the existing Constitution).** Regulation 71(2), which relates to the method of voting at a general meeting where mandatory polling is not required, contains reduced thresholds for the eligibility to demand a poll of 5% of the total voting rights of the members having the right to vote at the meeting, and 5% of the total sum paid up on all the shares conferring that right. This is in line with Section 178 of the Companies Act, as amended pursuant to the Amendment Acts. Shareholders should note that regardless, for so long as the shares of the New Listco remain listed on the SGX-ST, all resolutions at general meetings shall be voted by poll in accordance with Rule 730A(2) of the Listing Manual.
- (j) **Regulations 77 and 83(1) (Articles 65, 71, 72 and 73 of the existing Constitution).** Regulations 77 and 83(1), which relate to the voting rights of Members and the appointment and deposit of proxies, contain new provisions which cater to the multiple proxies regime introduced by the Amendment Acts. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:
- (i) Regulation 77(1)(b) provides that in the case of a Member who is a “relevant intermediary” and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with the new Section 181(1D) of the Companies Act. Notwithstanding the aforesaid, the New Listco will still be required to comply with the requirements of Rule 730A(2) of the Listing Manual which states that all resolutions at general meetings shall be voted by poll;
- (ii) Regulation 77(2)(b) provides that subject to the provisions of the Companies Act, a Member who is a “relevant intermediary” may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member, and where such Member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with the new Section 181(1C) of the Companies Act;

Regulation 77(3) provides that the New Listco will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential amendments have also been made to Regulation 77(1) to provide that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting. This is in line with the new Section 81 SJ(4) of the SFA.

In connection with the above, the cut-off time for the deposit of instruments appointing proxies as set out in Regulation 85(1) has been extended from 48 to 72 hours before the time appointed for holding the general meeting. This is in line with Section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act 2014.

- (k) **Regulation 94 (Article 83 of the existing Constitution).** Regulation 94, which relates to the disclosure requirements imposed on Directors in respect of their interest(s) in transactions or proposed transactions or of any office or property held by him which might create duties or interests in conflict with his duties or interests as a Director or such officer (as the case may be), has been amended to extend such disclosure requirements to any relevant officer of the New Listco to whom Section 156 of the Companies Act applies. This is in line with the new Section 156 of the Companies Act, as amended pursuant to the Amendment Acts.

APPENDIX J – SUMMARY OF MATERIAL DIFFERENCES BETWEEN THE CONSTITUTION AND THE NEW LISTCO CONSTITUTION

- (l) **Regulation 101 (Article 110 of the existing Constitution).** Regulation 101, which relates to the general powers of the Directors to manage the New Listco's business, has been amended to clarify that the business and affairs of the New Listco are to be managed by, or under the direction of, or additionally, under the supervision of, the Directors. This is in line with Section 157A of the Companies Act, as amended pursuant to the Amendment Acts.
- (m) **Regulation 133 (Articles 135 and 136 of the existing Constitution).** Regulation 133, which relates to the sending of the New Listco's financial statements and related documents to Members, additionally provides that such documents may be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with the new Section 203(2) of the Companies Act, as amended pursuant to the Amendment Acts, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the New Listco is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting. The requirement to send these documents to debenture holders has also been removed in Regulation 133. Where applicable, the references to the New Listco's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted with references, or additional references, to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act. This is in line with the new Section 201 of the Companies Act, as amended pursuant to the Amendment Acts.
- (n) **Regulation 153 (Article 139 of the existing Constitution).** Regulation 153, which relates to the service of notices and documents to Members, has new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to the Amendment Acts. Under the new Section 387C of the Companies Act, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company. This is also permitted under Rules 1205 to 1209 of the Listing Manual. In particular:
- (i) there is express consent if a member expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications;
 - (ii) there is deemed consent if the constitution:
 - (1) provides for the use of electronic communications and specifies the manner in which electronic communications is to be used; and
 - (2) specifies that members will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the member fails to make an election within the specified period of time. This is also provided for in Rule 1209(1)(a) of the Listing Manual; and
 - (iii) there is implied consent if the constitution:
 - (1) provides for the use of electronic communications and specifies the manner in which electronic communications is to be used; and
 - (2) provides that members shall agree to receive such notices or documents by way of electronic communications and shall not have a right to elect to receive physical copies of such notices and documents. This is also provided for in Rule 1209(2) of the Listing Manual. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under the new regulation 89C of the Companies Regulations as well as Rule 1209(1)(b) of the Listing Manual, which

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provide that before giving, sending or serving any notice or document by way of electronic communications to a member who is deemed to have consented under Section 387C(3) of the Companies Act (the deemed consent regime as described in paragraph (n)(ii) above), the company must have given separate notice to the member in writing on at least one occasion that:

- (A) the member has a right to elect, within a time specified in the notice, whether to receive notices and documents by way of electronic communications or as a physical copy;
- (B) if the member does not make an election, documents will be sent to the member by way of electronic communications;
- (C) the manner in which electronic communications will be used is the manner specified in the constitution of the company or where not specified, the means of electronic communications that will be used to give, send or serve notices or documents is by publication on the company's website that is specified in the separate notice;
- (D) the election is a standing election, but the member may make a fresh election at any time to receive notices or documents by way of electronic communications or as a physical copy; and
- (E) until the member makes a fresh election, the election that is conveyed to the company last in time prevails over all previous elections as the member's valid and subsisting election in relation to all documents to be sent.

In this regard, Regulation 153(3) provides that a Member shall be implied to have agreed to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document if the provisions in Regulation 153(2) have been met.

Regulation 153(4) further states that notwithstanding the aforesaid, the Directors may, at their discretion, decide to give Members an opportunity to elect to opt out of receiving such notice or document by way of electronic communications, and a Member is deemed to have consented to receive such notice or document by way of electronic communications, if he was given such an opportunity but failed to make an election within the specified time.

- (o) **Regulation 157 (Article 139 of the existing Constitution).** Regulation 157 was inserted with the objective of facilitating the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to the new Section 387C of the Companies Act and Rules 1208 to 1212 of the Listing Manual. Companies may, subject to certain statutory safeguards, make use of these simplified procedures so long as the specified modes of electronic transmission are set out in their constitutions.

In particular, Regulation 157(2) provides that notices and documents may be sent to Members using electronic communications either to the current address (which may be an email address) of that person or by making it available on a website. In this connection, Rule 1212 of the Listing Manual provides that if an issuer uses website publication as the form of electronic communications, the issuer shall separately provide a physical notification to shareholders notifying of the following:

- (i) the publication of the document on the website;
- (ii) if the document is not available on the website on the date of notification, the date on which it will be available;

APPENDIX J – SUMMARY OF MATERIAL DIFFERENCES BETWEEN THE CONSTITUTION AND THE NEW LISTCO CONSTITUTION

- (iii) address of the website;
- (iv) the place on the website where the document may be accessed; and
- (v) how to access the document.

Rule 1212 of the Listing Manual will apply to the New Listco in the event that it serves notices and documents to Members by making them available on a website.

In addition, Regulation 157(2) provides for when service is deemed to have been effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it shall be treated as given or sent to, or served on, a person on the date on which the notice or document is first made available on the website unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. It should be noted, however, that under the new regulation 89D of the Companies Regulations, notices or documents relating to take-over offers and rights issues cannot be transmitted by electronic means. Similarly, Rule 1210 of the Listing Manual provides that an issuer shall send the following documents to its shareholders by way of physical copies:

- (1) forms or acceptance letters that shareholders may be required to complete;
- (2) notices of meetings, excluding circulars or letters referred to in that notice;
- (3) notices and documents relating to takeover offers and rights issues; and
- (4) notices under Rules 1211 and 1212 of the Listing Manual.

Notwithstanding that the New Listco is permitted by the Companies Act and the Listing Manual to send notices and documents to Shareholders by electronic communications, Rule 1211 of the Listing Manual provides that when an issuer uses electronic communications to send a document to a shareholder, the issuer shall inform the shareholder as soon as practicable of how to request for a physical copy of that document from the issuer and the issuer shall provide a physical copy of that document upon such request.

Changes due to the Listing Manual

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment. The following regulations have been updated to ensure consistency with the listing rules of the SGXST prevailing as at the Latest Practicable Date, in compliance with Rule 730 of the Listing Manual:

- (a) **Regulation 8(1) (Article 4(d) of the existing Constitution).** Article 4(d) of the existing Constitution has been revised to provide that rights attaching to a shares of a class other than ordinary shares must be expressed in the New Listco Constitution. This is in line with paragraph 1(b) of Appendix 2.2 to the Listing Manual.
- (b) **New Regulation 71(1).** Regulation 71(1), which relates to the method of voting at general meetings, has been inserted to clarify that, if required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). These changes are in line with Rule 730A(2) of the Listing Manual which requires all resolutions at general meetings to be voted by poll.
- (c) **Regulation 72 (Articles 62 of the existing Constitution).** Regulation 72, which relates to conduct of the poll and incidental matters, makes it clear that scrutineers will be appointed, if so required by the listing rules of any securities exchange upon which the shares of the Company may be listing or if so requested by the meeting. This is in line with Rule 730A(3) of the Listing Manual which took effect on 1 August 2015.

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- (d) **Regulation 61(1) (Article 49 of the existing Constitution).** Regulation 61(1) of the New Listco Constitution has been updated to clarify that unless prohibited by law, all general meetings shall be held in Singapore at such location as may be determined by the board of directors of the New Listco. This clarification is in line with Rule 730A(1) of the Listing Manual.
- (e) **Regulations 119 and 123 (Articles 90 and 93 of the existing Constitution).** Regulation 123, which relates to the vacation of office of a Director in certain events, additionally provides that a Director shall cease to hold office if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. Consequential amendments have been made to Regulation 119, which relates to the filling of the office vacated by a retiring Director in certain default events, to provide that a retiring Director is deemed to be re-elected in certain default circumstances except, additionally, where he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. These changes are in line with paragraph (9)(n) of Appendix 2.2 to the Listing Manual, which provides that where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board.

Changes due to the Personal Data Protection Act 2012 (No. 26 of 2012)

In general, under the Personal Data Protection Act 2012, an organisation can only collect, use or disclose personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. The new Regulation 162 specifies, among others, the purposes for which the New Listco and/or its agents and service providers would collect, use and disclose personal data of Members and their appointed proxies or representatives.

General Changes

The following regulations have been included in the New Listco Constitution, or have been updated, streamlined and rationalised generally:

- (a) The Regulations have been updated to substitute the references to insanity, lunatics and persons of unsound mind with references to mental disorder and persons who are “mentally disordered” and incapable of managing themselves or their affairs, following the enactment of the Mental Health (Care and Treatment) Act 2008, which repealed and replaced the Mental Disorders and Treatment Act.
- (b) **Regulation 61(1) (Article 49 of the existing Constitution).** Article 49, which relates to the time-frame for holding annual general meetings, has been revised to clarify that an annual general meeting shall be held once in every year within four (4) months after the immediate preceding financial year. This is in line with Rule 707(1) of the Listing Manual and Section 175(1) of the Companies Act (as amended pursuant to the Amendment Acts). The timeframe under Regulation 61(1) is save as otherwise permitted under the Companies Act and as otherwise permitted by the Listing Manual for so long as the Shares are listed on the SGX-ST.
- (c) **Regulation 83(1) (Article 72 of the existing Constitution).** Regulation 83(1), which relates to the appointment of proxies, has new provisions to facilitate the submission of an instrument appointing a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Members' common seal or execution thereof as a deed in accordance with the Companies Act. For the purpose of accommodating the deposit by Members, and receipt by the New Listco, of electronic proxy instructions by Members who elect to use the electronic appointment process, Regulation 85(2), which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the New Listco of the instrument appointing a proxy through digital means.

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THE CONSTITUTION AND THE NEW LISTCO CONSTITUTION**

- (d) **Regulation 152 (Article 133 of the existing Constitution).** Regulation 152, which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to do the same for the benefit of non-executive Directors as part of their Directors' remuneration (which has to be approved by Members in general meeting). This will enable the New Listco, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

Mr. Sebastian Tan Cher Liang, Mr. Khua Kian Hua, Mr. Tan Phuay Hung, Max, Mr. Piti Pramotedham and Mr. David Ong Kim Huat are seeking election as proposed new directors of the New Listco (upon completion of the Proposed Transfer Listing) at the EGM. Pursuant to Rule 720(6) of the Listing Manual, the information relating to Mr. Sebastian Tan Cher Liang, Mr. Khua Kian Hua, Mr. Tan Phuay Hung, Max, Mr. Piti Pramotedham and Mr. David Ong Kim Huat as required under Appendix 7.4.1 of the Listing Manual is as set out below:

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|--|--|---|--|--|--|
| Date Of Appointment | Completion Date | Completion Date | Completion Date | Completion Date | Completion Date |
| Age | 71 | 54 | 34 | 59 | 62 |
| Country Of Residence | Singapore | Singapore | Singapore | Singapore | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The Judicial Managers and the Executive Director, having considered, among others, the recommendation of the Subscribers and the working experience, qualifications and competencies of Mr. Sebastian Tan which meet the requirements of the Group, is of the view that he meets the stipulated requirements for a director of a listed entity on the SGX, has the requisite experience, expertise, knowledge and skills to contribute positively to the Group, and is suitable for appointment as Independent Director of the New Listco. | The Judicial Managers and the Executive Director, having considered, among others, the recommendation of the Subscribers and the working experience, qualifications and competencies of Mr. Khua which meet the requirements of the Group, is of the view that he meets the stipulated requirements for a director of a listed entity on the SGX, has the requisite experience, expertise, knowledge and skills to contribute positively to the Group, and is suitable for appointment as Executive Director of the New Listco. | The Judicial Managers and the Executive Director, having considered, among others, the recommendation of the Subscribers and the working experience, qualifications and competencies of Mr. Max Tan which meet the requirements of the Group, is of the view that he meets the stipulated requirements for a director of a listed entity on the SGX, has the requisite experience, expertise, knowledge and skills to contribute positively to the Group, and is suitable for appointment as Executive Director of the New Listco. | The Judicial Managers and the Executive Director, having considered, among others, the recommendation of the Subscribers and the working experience, qualifications and competencies of Mr. Pramotedham which meet the requirements of the Group, is of the view that he meets the stipulated requirements for a director of a listed entity on the SGX, has the requisite experience, expertise, knowledge and skills to contribute positively to the Group, and is suitable for appointment as Independent Director of the New Listco. | The Judicial Managers and the Executive Director, having considered, among others, the recommendation of the Subscribers and the working experience, qualifications and competencies of Mr. David Ong which meet the requirements of the Group, is of the view that he meets the stipulated requirements for a director of a listed entity on the SGX, has the requisite experience, expertise, knowledge and skills to contribute positively to the Group, and is suitable for appointment as Independent Director of the New Listco. |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|----------------|--|-------------------|-------------------------|----------------------|------------------------|
| | <p>In addition, taking into consideration the fact that the financial year ends of the six (6) listed companies where Mr. Sebastian Tan is currently an independent director do not conflict with the financial year end of the New Listco, i.e. 31 March, the Judicial Managers and the Executive Director are of the view that Mr. Sebastian Tan would be able to devote the time required for an independent director to the New Listco and its affairs, despite his other commitments. Mr. Tan currently does not hold a full-time executive position and his role as independent director to the listed companies listed in this Appendix K largely entails meeting up a few times a year, bearing in mind that the meetings are also well spread out. The Judicial Managers and the Executive Director also understand that the private companies which Mr. Sebastian Tan is an executive director of are not complex, their operations are straightforward, and they do not require a significant amount of his time for him to carry out his duties in respect of these companies.</p> | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|--|--|---|--|--|--|
| | <p>Mr. Sebastian Tan's appointment has been sought to tap on his extensive experience, expertise and network, and the Judicial Managers and the Executive Director note that he has indicated that he will be stepping down fully from his role as director for at least 2 out of the 6 listed companies mentioned in this Appendix K as he has served more than 9 years for these listed companies.</p> <p>In light of the above, the Judicial Managers and the Executive Director have assessed that Mr. Sebastian Tan will be able to carry out his duties as an Independent Director of the Company adequately has the ability to diligently discharge his duties as Independent Director of the New Listco.</p> | | | | |
| Whether appointment is executive, and if so, the area of responsibility | Non-executive | Executive (overseeing administrative matters and assisting the chief executive officer of the New Listco in his other duties) | Executive (overseeing operational matters) | Non-executive | Non-executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Independent Chairman, Chairman of the Nominating Committee, Member of the Audit Committee and Member of the Remuneration Committee | Executive Director, Member of the Nominating Committee | Executive Director and Chief Executive Officer | Independent Director, Chairman of the Audit Committee and Member of the Remuneration Committee | Independent Director, Chairman of the Remuneration Committee, Member of the Audit Committee and Member of the Nominating Committee |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuy Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|--|--|--|--|---|
| Professional Qualification | Fellow of the Association of Chartered Certified Accountants, United Kingdom | Bachelor of Science in Business Administration from University of Pacific, United States | Masters of Engineering (Hons) Chemical Engineering with Industrial Experience, First Class from University of Manchester, United Kingdom | Bachelor of Engineering (Civil Engineering) from National University of Singapore | Bachelor of Science in Business Administration, University of Oregon |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | Nil. | Nil. | Mr. Max Tan is the son of Chief Executive Officer and Executive Director, Mr. Tan Leau Kuee @ Tan Chow Kuee, who is also a Substantial Shareholder of the Company (as he is deemed to have an interest in the Shares held by Tan Kuay Hoe Holding Pte Ltd by virtue of Section 7 of the Companies Act) | Nil. | Nil. |
| Conflict of interests (including any competing business) | Nil. | Nil. | Nil. | Nil. | Nil. |
| Working experience and occupation(s) during the past 10 years | 2003 to Present: Independent Non-Executive Chairman, Audit Committee Chairman, Vibrant Group Limited 2013 to Present: Advisor, Boardroom Limited 2013 to Present: Independent Director, Audit Committee Chairman, Kingsmen Creatives Limited | 2007 to Present: Non-Executive Director of Vibrant Equities Pte. Ltd. 2000 to Present: General Manager, Vibrant Capital Pte. Ltd. | 2018 to Present: Manager – Special Projects, Hlap Seng Engineering Limited 2012 to 2017: Lead Contact Engineer, ExxonMobil Chemical Operations Pte Ltd | 2016 to Present: Venture Partner, IncuVest Pte Ltd 2015 to Present: Director, Chairman Audit Committee, Littlemore Innovation Labs 2019 to 2023: Board Member, Chairman, Audit & Risk Committee (ARC), Singapore LNG Corporation | 1998 to Present: Managing Director, RedDot Media Inc Pte Ltd 2011 to 2016: Member of Parliament 2011 to 2016: Chairman, Jurong Town Council |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|--|---|--|--|---|---|
| | <p>2013 to Present: Lead Independent Director, Audit Committee Chairman, Wilton Resources Corporation Ltd</p> <p>2015 to Present: Independent Non-Executive Chairman, Audit Committee Chairman, Jumbo Group Limited</p> <p>2020 to Present: Independent Director, Nominating Committee Chairman, Food Empire Holdings Limited</p> <p>2021 to Present: Lead Independent Director, Nominating Committee Chairman, IPC Corporation Ltd</p> | | | <p>2015 to 2019: Board Member, Audit & Risk Committee (ARC) Member, Singapore LNG Corporation</p> <p>2012 to 2015: Executive Chairman & Group CEO, Kronologi Asia Berhad Group of Companies</p> | <p>2015 to 2016: Chairman, Government Parliamentary Committee, Ministry of Culture, Community and Youth</p> <p>2022 to Present: Chairman and Independent Director, Ellipsiz Ltd</p> <p>2022 to Present: Non-Executive Independent Director, New Toyo International Holdings Ltd</p> |
| <p>Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing rule 704(7)) or Appendix 7H (Catalist Rule 704(6))</p> | <p>To be submitted prior to Completion</p> | <p>To be submitted prior to Completion</p> | <p>To be submitted prior to Completion</p> | <p>To be submitted prior to Completion</p> | <p>To be submitted prior to Completion</p> |
| <p>Shareholding interest in the listed issuer and its subsidiaries?</p> | <p>Nil.</p> | <p>Nil.</p> | <p>Nil.</p> | <p>Nil.</p> | <p>Nil.</p> |
| <p>If yes, please provide Shareholding Details:</p> | | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|--|---|-------------------------|--|---|
| Other Directorships # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) or Catalyst Rule 704(8) | | | | | |
| Past (for the last 5 years) | <p>2015 to 2023: Independent Director, Ezra Group Limited (In Compulsory Liquidation)</p> <p>1986 to 2023, Non-Executive Director, Children's Charities Association</p> | Nil. | Nil. | <p>2015 to 2019: Board Member, Audit & Risk Committee (ARC) Member, Singapore LNG Corporation</p> <p>2019 to 2023: Board Member, Chairman, Audit & Risk Committee (ARC), Singapore LNG Corporation</p> | <p>2010 to 2022: Board Member, National Trades Union Congress, U-Care Fund Board of Trustees</p> <p>January to September 2020: Non-Executive Independent Director, Hon Corporation Limited</p> <p>May to June 2021: Non-Executive Independent Director, MC Payment Limited (now known as OXPay Financial Limited)</p> |
| Present | <p>Public Listed Companies:</p> <ol style="list-style-type: none"> 2020 to Present, Independent Director, Nominating Committee Chairman, Food Empire Holdings Limited 2021 to Present, Lead Independent Director, Nominating Committee Chairman, IPC Corporation Ltd 2015 to Present, Independent Non-Executive Chairman, Audit Committee Chairman, Jumbo Group Limited | 2007 to Present: Non-Executive Director, Vibrant Equities Pte. Ltd. | Nil. | 2015 to Present: Director, Chairman Audit Committee, Littlemore Innovation Labs | <p>Public Listed Companies:</p> <p>2022 to Present: Chairman and Independent Director, Ellipsiz Ltd</p> <p>2022 to Present: Non-Executive Independent Director, New Toyo International Holdings Ltd</p> |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|----------------|---|-------------------|-------------------------|----------------------|------------------------|
| | <p>4. 2013 to Present, Independent Director, Audit Committee Chairman, Kingsmen Creatives Limited</p> <p>5. 2003 to Present, Independent Non-Executive Chairman, Audit Committee Chairman, Vibrant Group Limited</p> <p>6. 2013 to Present, Lead Independent Director, Audit Committee Chairman, Wilton Resources Corporation Ltd</p> <p>Other Principal Directorships:</p> <p>1. 2004 to Present, Executive Director, D S Lee Foundation</p> <p>2. 2007 to Present, Executive Director, D S Lee Singapore General Pte Ltd</p> <p>3. 2007 to Present, Executive Director, D S Lee Specialists Group Pte Ltd</p> | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|----------------|--|-------------------|-------------------------|----------------------|------------------------|
| | <p>4. 2014 to Present, Executive Director, Deli Sumatra Legacy Co Pte Ltd</p> <p>5. 2007 to Present, Executive Director, DSLSG Investment Co Pte Ltd</p> <p>6. 2017 to Present, Non-Executive Director, E-Bridge Pre-School Pte Ltd</p> <p>7. 2015 to Present, Non-Executive Director, EtonHouse Community Fund Ltd</p> <p>8. 2021 to Present, Executive Director, Hotel Grand SG Legacy Pte Ltd</p> <p>9. 2014 to Present, Non-Executive Director, Nyalas Rubber Estates Limited</p> <p>Trustee of:</p> <p>2007 to Present: Kwan Im Thong Hood Cho Temple</p> | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|------------------------------|-------------------|-------------------------|----------------------|------------------------|
| <p>Information required pursuant to Listing Rule 704(7)(H)</p> <p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p> | No | No | No | No | No |
| <p>If yes, please provide full details:</p> | | | | | |
| <p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from</p> | No | No | No | No | No |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|--|------------------------------|-------------------|-------------------------|----------------------|------------------------|
| <p>the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p> | | | | | |
| <p>If yes, please provide full details:</p> | | | | | |
| <p>(c) Whether there is any unsatisfied judgment against him?</p> | No | No | No | No | No |
| <p>If yes, please provide full details:</p> | | | | | |
| <p>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p> | No | No | No | No | No |
| <p>If yes, please provide full details:</p> | | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|------------------------------|-------------------|-------------------------|----------------------|------------------------|
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No | No | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been | No | No | No | No | No |
| If yes, please provide full details: | | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|--|------------------------------|-------------------|-------------------------|----------------------|------------------------|
| <p>the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?</p> | | | | | |
| <p>If yes, please provide full details:</p> | | | | | |
| <p>(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?</p> | No | No | No | No | No |
| <p>If yes, please provide full details:</p> | | | | | |
| <p>(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?</p> | No | No | No | No | No |
| <p>If yes, please provide full details:</p> | | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|------------------------------|-------------------|-------------------------|----------------------|------------------------|
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No | No | No | No |
| If yes, please provide full details: | | | | | |
| (i) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- | | | | | |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | Yes | No | No | No | No |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|--|-------------------|-------------------------|----------------------|------------------------|
| <p>If yes, please provide full details:</p> | <p>Mr. Sebastian Tan has been an Independent Director of Vibrant Group Limited (“VGL”) since 5 November 2003. A special auditor was appointed on 21 August 2018 to investigate into irregularities as well as the assets and accounting records of Blackgold International Holdings Pty Ltd (“Blackgold”) and its subsidiaries (collectively, “Blackgold Group”). Blackgold was listed on the Australian Securities Exchange (“ASX”) in 2011 and became VGL’s wholly-owned subsidiary following VGL’s acquisition in July 2017 and delisted from the ASX thereafter. On 14 August 2020, the SGX-ST issued a regulatory announcement after its review of the special report received on 24 January 2019 which uncovered (i) potential significant misstatements in Blackgold Group’s financial statements and (ii) Blackgold management may have potentially falsified accounting records and announced false financial statement on the ASX when Blackgold was listed. In its</p> | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|--|--|-------------------|-------------------------|----------------------|------------------------|
| | <p>announcement, the SGX-ST stated that (a) it has reported the accounting irregularities in Blackgold Group and conduct of Blackgold's statutory auditors to the accounting authorities and (b) it is concerned about the findings relating to Blackgold management and therefore requires SGX-listed companies to consult it before the appointment of Blackgold management as a director or key management. Mr. Sebastian Tan was at no time a subject of the special audit. Mr. Sebastian Tan, together with his fellow members of the audit committee and board of directors of VGL, oversaw the special audit.</p> | | | | |
| <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> | <p>No</p> | <p>No</p> | <p>No</p> | <p>No</p> | <p>No</p> |
| <p>If yes, please provide full details:</p> | | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|------------------------------|-------------------|-------------------------|----------------------|------------------------|
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No | No | No | No |
| If yes, please provide full details: | | | | | |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No | No | No | No | No |
| If yes, please provide full details: | | | | | |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|--|-------------------|-------------------------|----------------------|---|
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No | No | No | No |
| If yes, please provide full details: | | | | | |
| Information required pursuant to Listing Rule 704(7)(i) Disclosure applicable to the appointment of Director only | | | | | |
| Any prior experience as a director of an issuer listed on the Exchange? | Yes | No | No | No | Yes |
| If Yes, Please provide details of prior experience | <ol style="list-style-type: none"> 1. Food Empire Holdings Limited 2. IPC Corporation Ltd 3. Jumbo Group Limited 4. Kingsmen Creatives Limited 5. Vibrant Group Limited | | | | <ol style="list-style-type: none"> 1. Ellipsiz Ltd 2. New Toyo International Holdings Ltd 3. MC Payment Limited (now known as OxPay Financial Limited) |

APPENDIX K – INFORMATION ON PROPOSED NEW DIRECTORS

| Name Of Person | Mr. Sebastian Tan Cher Liang | Mr. Khua Kian Hua | Mr. Tan Phuay Hung, Max | Mr. Piti Pramotedham | Mr. David Ong Kim Huat |
|---|---|--|--|--|------------------------|
| | <p>6. Wilton Resources Corporation Ltd</p> <p>7. Ezra Group Limited (In Compulsory Liquidation)</p> | | | | |
| <p>If No, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p> | <p>N.A.</p> | <p>Mr. Khua Kian Hua undertakes to attend the training stipulated by the Singapore Institute of Directors, to be completed within one (1) year from date of appointment.</p> | <p>Mr. Max Tan undertakes to attend the training stipulated by the Singapore Institute of Directors, to be completed within one (1) year from date of appointment.</p> | <p>Mr. Pramotedham undertakes to attend the training stipulated by the Singapore Institute of Directors, to be completed within one (1) year from date of appointment.</p> | <p>N.A.</p> |

NOTICE OF EXTRAORDINARY GENERAL MEETING

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT)

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197100300Z)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “EGM”) of Hiap Seng Engineering Ltd (Under Judicial Management) (the “Company”) will be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

All capitalised terms in this Notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 6 November 2023 (the “Circular”).

Shareholders should note that Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders’ Scheme Meeting are inter-conditional on each other. This means that if any one of Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16, Special Resolution 1 or the Proposed Transfer Listing Resolution is not approved, all of Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16, Special Resolution 1 and the Proposed Transfer Listing Resolution will not be duly approved.

Shareholders should further note that each of the Ordinary Resolutions 4 to 7 and 11 is conditional upon all of the Inter-conditional Resolutions being passed. Accordingly, in the event that any of the Inter-conditional Resolutions is not approved, each of the Ordinary Resolutions relating to Proposed Issue of Certain Settlement Shares to Settlement Directors and Related Individuals and the Proposed Rights Issue will not be passed.

ORDINARY RESOLUTION 1: THE PROPOSED SUBSCRIPTION

THAT subject to and contingent upon Ordinary Resolutions 2, 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders’ Scheme Meeting being passed:

- (a) pursuant to Section 161 of the Companies Act, approval be and is hereby given for the allotment and issue of the 1,473,296,500 Subscription Shares to the Subscribers at the issue price of S\$0.00543 per Subscription Share, representing a discount of approximately 72.9% to the VWAP of S\$0.02 for each Share based on trades done on the SGX-ST on 26 November 2019, being the last full Market Day when the Shares of the Company were traded prior to the trading suspension on 28 November 2019, on the terms and subject to the conditions set out in the Subscription Agreement; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit.

ORDINARY RESOLUTION 2: THE PROPOSED GRANT OF OPTIONS

THAT subject to and contingent upon Ordinary Resolutions 1, 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders’ Scheme Meeting being passed:

- (a) approval be and is hereby given for the grant of 1,473,296,500 unlisted and transferable Options to the Subscribers, and pursuant to Section 161 of the Companies Act, the subsequent allotment and issue of up to 1,473,296,500 Option Shares arising from the exercise of Options, to the Subscribers at the First Exercise Price of S\$0.00543 per Option if exercised during the First Option

NOTICE OF EXTRAORDINARY GENERAL MEETING

Period, or at the Second Exercise Price of S\$0.00597 per Option if exercised during the Second Option Period, representing discounts of approximately 72.9% and 70.2% respectively to the VWAP of S\$0.02 for each Share based on trades done on the SGX-ST on 26 November 2019, being the last full Market Day when the Shares of the Company were traded prior to the trading suspension on 28 November 2019, on the terms and subject to the conditions set out in the Subscription Agreement; and

- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 2 and implement any of the foregoing as they think fit.

ORDINARY RESOLUTION 3: THE PROPOSED ISSUE OF SETTLEMENT SHARES

THAT subject to and contingent upon Ordinary Resolutions 1, 2, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) pursuant to Section 161 of the Companies Act, authority be and is hereby given for the allotment and issue of up to 1,353,591,160 Settlement Shares at an issue price of S\$0.00543 per Settlement Share to the Scheme Creditors with Approved Scheme Claims, credited as fully paid-up, subject to and in accordance with the terms and conditions of the debt-to-equity conversion under the Creditors' Scheme; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 3 and implement any of the foregoing as they think fit.

ORDINARY RESOLUTION 4: THE PROPOSED ISSUE OF CERTAIN SETTLEMENT SHARES TO MR. RICHARD TAN LEAU KUEE @ TAN CHOW KUEE

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) pursuant to Section 161 of the Companies Act, authority be and is hereby given for the allotment and issue of 4,757,810 Settlement Shares at an issue price of S\$0.00543 per Settlement Share to Mr. Richard Tan, credited as fully paid-up, subject to and in accordance with the terms and conditions of the debt-to-equity conversion under the Creditors' Scheme; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 4 and implement any of the foregoing as they think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 5: THE PROPOSED ISSUE OF CERTAIN SETTLEMENT SHARES TO MR. KOH KIM WAH

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) pursuant to Section 161 of the Companies Act, authority be and is hereby given for the allotment and issue of 4,520,552 Settlement Shares at an issue price of S\$0.00543 per Settlement Share to Mr. Koh, credited as fully paid-up, subject to and in accordance with the terms and conditions of the debt-to-equity conversion under the Creditors' Scheme; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 5 and implement any of the foregoing as they think fit.

ORDINARY RESOLUTION 6: THE PROPOSED ISSUE OF CERTAIN SETTLEMENT SHARES TO MR. TAN YAW SONG

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) pursuant to Section 161 of the Companies Act, authority be and is hereby given for the allotment and issue of 577,947 Settlement Shares at an issue price of S\$0.00543 per Settlement Share to Mr. Tan Yaw Song, credited as fully paid-up, subject to and in accordance with the terms and conditions of the debt-to-equity conversion under the Creditors' Scheme; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 6 and implement any of the foregoing as they think fit.

ORDINARY RESOLUTION 7: THE PROPOSED ISSUE OF CERTAIN SETTLEMENT SHARES TO MR. TAN YEW KUN

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) pursuant to Section 161 of the Companies Act, authority be and is hereby given for the allotment and issue of 27,242 Settlement Shares at an issue price of S\$0.00543 per Settlement Share to Mr. Tan Yew Kun, credited as fully paid-up, subject to and in accordance with the terms and conditions of the debt-to-equity conversion under the Creditors' Scheme; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 7 and implement any of the foregoing as they think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 8: THE PROPOSED TRANSFER OF CONTROLLING INTEREST TO VIBRANT

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 9, 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) approval be and is hereby given for the allotment and issue of the Subscription Shares to Vibrant on the terms and subject to the conditions set out in the Subscription Agreement which constitutes a transfer of controlling interest in the Company to Vibrant pursuant to Rule 803 of the Listing Manual; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 8 and implement any of the foregoing as they think fit.

ORDINARY RESOLUTION 9: THE POTENTIAL TRANSFER OF CONTROLLING INTEREST TO TIAN YUAN

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8, 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) approval be and is hereby given for the allotment and issue of the Subscription Shares and the Option Shares to Tian Yuan on the terms and subject to the conditions set out in the Subscription Agreement which constitutes a potential transfer of controlling interest in the Company to Tian Yuan pursuant to Rule 803 of the Listing Manual; and
- (b) the Judicial Managers and other authorised representatives, and each of them be and is hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 9 and implement any of the foregoing as they think fit.

ORDINARY RESOLUTION 10: THE PROPOSED WHITEWASH RESOLUTION

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8, 9 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed, the Independent Shareholders hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from Vibrant in accordance with Rule 14 of the Takeover Code as a result of the issue of the Subscription Shares and the Option Shares (assuming the exercise of all the Options by Vibrant) to Vibrant.

ORDINARY RESOLUTION 11: THE PROPOSED RIGHTS ISSUE

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed:

- (a) a renounceable non-underwritten rights issue of up to 607,500,000 Rights Shares, at an issue price of S\$0.00543 for each Rights Share (the "**Rights Issue Price**"), on the basis of two (2) Rights Shares for every one (1) Existing Share that Entitled Shareholders are entitled to as at the Record Date, fractional entitlements to be disregarded, be and is hereby approved;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) authority be and is hereby given to the Proposed New Directors to undertake the Proposed Rights Issue, provisionally allot and issue the Rights Shares at the Rights Issue Price on the basis of two (2) Rights Shares for every one (1) Existing Share that Entitled Shareholders are entitled to as at the Record Date, fractional entitlements to be disregarded, and allot and issue the Rights Shares at the Rights Issue Price on the terms and conditions set out below and/or on such other terms and conditions (including the basis of provisional allotments of the Rights Shares) as the Proposed New Directors may in their absolute discretion and from time to time think fit; and
- (i) the provisional allotment of the Rights Shares shall be made on a renounceable basis to Entitled Shareholders;
 - (ii) no provisional allotment of the Rights Shares shall be made to Foreign Shareholders;
- (c) the provisional allotment of the Rights Shares which would otherwise accrue to Foreign Shareholders may be disposed of, or dealt with, by the New Listco in such manner and on such terms and conditions as the Proposed New Directors shall deem fit for the purpose of renouncing the provisional allotment relating thereto to Purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) among such Foreign Shareholders in proportion to their respective shareholdings as at the Record Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with as the Proposed New Directors may, in their absolute discretion, deem fit in the interests of the New Listco;
- (d) fractional entitlements to the Rights Shares shall be aggregated and used with the provisional allotment of the Rights Shares which are not taken up or allotted for any reason to satisfy excess applications for the Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Proposed New Directors may, in their absolute discretion, deem fit in the interests of the New Listco;
- (e) the Rights Shares when allotted and issued shall be credited as fully-paid shares free from any and all encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing shares in the New Listco, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Rights Shares; and
- (f) the Proposed New Directors be and are hereby authorised to take such steps, do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Proposed Rights Issue, the issue of the provisional allotments of Rights Shares and the issue of the Rights Shares, and making amendments to the terms and conditions of the Proposed Rights Issue (including the Rights Issue Price)), and to exercise such discretion as the Proposed New Directors may in their absolute discretion deem fit, advisable or to give full effect to this Ordinary Resolution 11, the Proposed Rights Issue and the allotment and issue of the Rights Shares.

ORDINARY RESOLUTION 12: THE PROPOSED APPOINTMENT OF MR. SEBASTIAN TAN CHER LIANG AS DIRECTOR

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10 and 13 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed, Mr. Sebastian Tan Cher Liang be appointed as a director of the New Listco with effect from the Completion Date.

ORDINARY RESOLUTION 13: THE PROPOSED APPOINTMENT OF MR. KHUA KIAN HUA AS DIRECTOR

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10, 12 and 14 to 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed, Mr. Khua Kian Hua be appointed as a director of the New Listco with effect from the Completion Date.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 14: THE PROPOSED APPOINTMENT OF MR. TAN PHUAY HUNG, MAX AS DIRECTOR

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10, 12, 13, 15 and 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed, Mr. Tan Phuay Hung, Max be appointed as a director of the New Listco with effect from the Completion Date.

ORDINARY RESOLUTION 15: THE PROPOSED APPOINTMENT OF MR. PITI PRAMOTEDHAM AS DIRECTOR

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10, 12 to 14 and 16 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed, Mr. Piti Pramotedham be appointed as a director of the New Listco with effect from the Completion Date.

ORDINARY RESOLUTION 16: THE PROPOSED APPOINTMENT OF MR. DAVID ONG KIM HUAT AS DIRECTOR

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10, 12 to 15 and Special Resolution 1 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed, Mr. David Ong Kim Huat be appointed as a director of the New Listco with effect from the Completion Date.

SPECIAL RESOLUTION 1: THE PROPOSED RATIFICATION OF THE NEW LISTCO CONSTITUTION

THAT subject to and contingent upon Ordinary Resolutions 1 to 3, 8 to 10 and 12 to 16 as set out in this Notice of EGM, as well as the Proposed Transfer Listing Resolution as set out in the Notice of Shareholders' Scheme Meeting being passed and the Shareholders' Scheme becoming effective:

- (a) the New Listco Constitution as set out in Appendix I (*New Listco Constitution*) to the Circular be approved and ratified as the constitution of the New Listco; and
- (b) the Proposed New Directors be and are hereby authorised to take such steps, do all such acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Special Resolution 1 and implement any of the foregoing as they think fit.

HIAP SENG ENGINEERING LTD (JUDICIAL MANAGERS APPOINTED)

BY ORDER OF THE JUDICIAL MANAGERS

Oon Su Sun and Lin Yueh Hung
Joint and Several Judicial Managers
6 November 2023

BY ORDER OF THE BOARD

Richard Tan Leau Kuee @ Tan Chow Kuee
Executive Director and Chief Executive Officer
6 November 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

By lodging an instrument appointing a proxy(ies) and/or representative(s), a Shareholder (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (and its agents) for the purpose of the processing and administration by the Company (and 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 (and its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (b) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (and its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

IMPORTANT INFORMATION

1. The EGM will be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719.
2. As part of the Company's ongoing sustainability efforts and as the Company has opted for electronic dissemination, printed copies of the Circular will not be despatched to the Shareholders. Instead:
 - (a) electronic copies of the Circular is available for download from SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com). A Shareholder will need an internet browser and PDF reader to access and view the documents on these websites;
 - (b) only printed copies of this Notice of EGM, the Notice of Shareholders' Scheme Meeting, the Proxy Forms for the EGM and the Shareholders' Scheme Meeting, and the Request Form will be despatched to Shareholders; and
 - (c) Shareholders who wish to request for a copy of the Circular to be sent to an address in Singapore by ordinary post or to a specified email address may do so by completing and returning the Request Form (which will be despatched to Shareholders and is also available on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)) in the following manner: (i) if submitted by post, to the Judicial Managers of Hiap Seng Engineering Ltd (Under Judicial Management) c/o 8 Wilkie Rd, #03-08 Wilkie Edge, Singapore 228095; or (ii) if submitted electronically, via email to info@hiapseng.com, in each case, by 21 November 2023 (being seven (7) days prior to the date of the EGM and the Shareholders' Scheme Meeting).
3.
 - (a) A Shareholder (who is not a relevant intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her/its stead. Where such Shareholder'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 (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
 - (b) A Shareholder 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 Shareholder. Where such Shareholder's instrument appointing a 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. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form for the EGM the list of proxies, setting out, in respect of each proxy, the name, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed.

"Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act.
4. A proxy need not be a member of the Company. The Chairman of the EGM, as proxy, need not be a member of the Company.
5. **Submission of substantial and relevant questions in advance of the EGM.** Shareholders can submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM, in the following manner:
 - (a) if submitted by post, to the Company's registered office at 28 Tuas Crescent Singapore 638719; or
 - (b) if submitted electronically, via email to info@hiapseng.com,

in each case by **13 November 2023 (being seven (7) calendar days from the date of the Notice of the EGM)**. When sending in questions by post or email, please also include the following details: (a) full name; (b) full NRIC/FIN/Passport/ Company Registration number; (c) address, contact number and email address; and (d) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

Shareholders and, where applicable, appointed proxies can also ask live at the EGM substantial and relevant questions related to the resolutions to be tabled for approval at the EGM by attending the EGM in person.

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its status as Shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company will endeavour to respond to substantial and relevant questions received on the Proposals no later than 72 hours prior to the closing date and time for the lodgement of the Proxy Forms for the EGM (via an announcement on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)), or at the EGM.

The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com), and the minutes will include the responses to the substantial and relevant questions which were addressed during the EGM.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (a) if submitted by post, be lodged with the Company's registered office at 28 Tuas Crescent Singapore 638719; or
 - (b) if submitted electronically, via email to info@hiapseng.com,

in each case, by **2.30 p.m. on 26 November 2023 (not less than 48 hours before the time appointed for holding the EGM)**.

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can download a copy of the Proxy Form for the EGM from SGXNet (<https://www.sgx.com/securities/company-announcements>) or the website of the Company (www.hiapseng.com), and complete and sign the Proxy Form for the EGM, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (**i.e. 2.30 p.m. on 25 November 2023**), as certified by CDP to the Company. A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.
8. CPFIS Members and SRS Investors:
- (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (**i.e. by 2.30 p.m. on 17 November 2023**), and such CPFIS Members and/or SRS Investors shall be precluded from attending the EGM.

NOTICE OF SHAREHOLDERS' SCHEME MEETING

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OA 1040/2023

In the Matter of Section 210 of the Companies Act 1967

And

In the Matter of Hiap Seng Engineering Ltd
(Under Judicial Management)
(Company Registration No. 197100300Z)

SCHEME OF ARRANGEMENT

Under Section 210 of the Companies Act 1967

Between

**Hiap Seng Engineering Ltd
(Under Judicial Management)**

And

**its Shareholders
(as defined herein)**

And

Hiap Seng Industries Limited

NOTICE OF SHAREHOLDERS' SCHEME MEETING

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT)

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197100300Z)

NOTICE IS HEREBY GIVEN that by an Order of Court dated 27 October 2023 made in the above matter, the High Court of the Republic of Singapore (the "**Court**") has directed a meeting (the "**Shareholders' Scheme Meeting**") of the Shareholders of Hiap Seng Engineering Ltd (Under Judicial Management) (the "**Company**") to be convened and such Shareholders' Scheme Meeting shall be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the extraordinary general meeting of the Company to be held in person at 2.30 p.m. on the same day and at the same place (or its adjournment thereof)), for the purpose of considering and, if thought fit, approving (with or without modification) the following resolution:

*All capitalised terms in this Notice of Shareholders' Scheme Meeting (this "**Notice**") which are not defined herein shall have the meanings ascribed to them in the circular to the Shareholders of the Company dated 6 November 2023 which includes the Shareholders' Scheme and the Shareholders' Scheme Explanatory Statement (the "**Circular**").*

THE PROPOSED TRANSFER LISTING RESOLUTION

THAT the scheme of arrangement dated 6 November 2023 (the "**Shareholders' Scheme**") proposed to be made pursuant to Section 210 of the Companies Act 1967 of Singapore, between (a) the Company; (b) the Shareholders; and (c) the New Listco, a copy of which has been circulated with this Notice convening the Shareholders' Scheme Meeting, be and is hereby approved.

By the said Order of Court, Mr. Lin Yueh Hung, or any other representative authorised by him, shall be appointed as the Chairman of the Shareholders' Scheme Meeting or any adjournment thereof as he shall deem appropriate, and the Chairman shall report the results thereof to the Court as soon as practicable after the conclusion of the Shareholders' Scheme Meeting.

The said scheme of arrangement will be subject to, among others, the subsequent sanction of the Court.

PERSONAL DATA PRIVACY

By lodging an instrument appointing a proxy and/or representative, a Shareholder (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (and its agents) for the purpose of the processing and administration by the Company (and its agents) of proxies and representatives appointed for the Shareholders' Scheme Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Shareholders' Scheme Meeting (including any adjournment thereof), and in order for the Company (and its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy and/or representative to the Company (and its agents), the Shareholder has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (and its agents) of the personal data of such proxy and/or representative for the Purposes; and (c) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

IMPORTANT INFORMATION

1. A copy of the said Shareholders' Scheme and a copy of the Shareholders' Scheme Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act 1967 of Singapore, are incorporated in the Circular, which this Notice forms part of. A Proxy Form for the Shareholders' Scheme Meeting is enclosed with the Circular, which this Notice forms part of.
2. The Shareholders' Scheme Meeting is being convened and will be held in person at Conference Room, 28 Tues Crescent, Singapore 638719.

NOTICE OF SHAREHOLDERS' SCHEME MEETING

3. As part of the Company's ongoing sustainability efforts and as the Company has opted for electronic dissemination, printed copies of the Circular (which includes the Shareholders' Scheme and the accompanying Shareholders' Scheme Explanatory Statement) will not be despatched to the Shareholders. Instead:
- (a) electronic copies of the Circular (which includes the Shareholders' Scheme and the accompanying Shareholders' Scheme Explanatory Statement) is available for download from SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com). A Shareholder will need an internet browser and PDF reader to access and view the documents on these websites;
 - (b) only printed copies of the Notice of EGM, this Notice, the Proxy Forms for the EGM and the Shareholders' Scheme Meeting, and the Request Form will be despatched to Shareholders; and
 - (c) Shareholders who wish to request for a copy of the Circular (which includes the Shareholders' Scheme and the accompanying Shareholders' Scheme Explanatory Statement) to be sent to an address in Singapore by ordinary post or to a specified email address may do so by completing and returning the Request Form (which will be despatched to Shareholders and is also available on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)) in the following manner: (i) if submitted by post, to the Judicial Managers of Hiap Seng Engineering Ltd (Under Judicial Management) c/o 8 Wilkie Rd, #03-08 Wilkie Edge, Singapore 228095; or (ii) if submitted electronically, via email to info@hiapseng.com, in each case, by 21 November 2023 (being seven (7) days prior to the date of the EGM and the Shareholders' Scheme Meeting).
4. A Shareholder entitled to attend, speak and vote at the Shareholders' Scheme Meeting may vote in person at the Shareholders' Scheme Meeting or may appoint one (and not more than one) person as his/her/its proxy to attend, speak and vote in his/her/its stead.
5. A proxy need not be a member of the Company. The Chairman of the Shareholders' Scheme Meeting, as proxy, need not be a member of the Company.
6. **Submission of substantial and relevant questions in advance of the Shareholders' Scheme Meeting.** Shareholders can submit substantial and relevant questions related to the resolution to be tabled for approval at the Shareholders' Scheme Meeting to the Chairman of the Shareholders' Scheme Meeting, in advance of the Shareholders' Scheme Meeting, in the following manner:
- (a) if submitted by post, to the Company's registered office at 28 Tuas Crescent Singapore 638719; or
 - (b) if submitted electronically, via email to info@hiapseng.com;

in each case by **13 November 2023 (being seven (7) calendar days from the date of this Notice of the Shareholders' Scheme Meeting)**. When sending in questions by post or email, please also include the following details: (a) full name; (b) full NRIC/FIN/Passport/Company Registration number; (c) address, contact number and email address; and (d) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

Shareholders and, where applicable, appointed proxies can also ask live at the Shareholders' Scheme Meeting substantial and relevant questions related to the resolution to be tabled for approval at the Shareholders' Scheme Meeting by attending the Shareholders' Scheme Meeting in person.

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its status as Shareholders.

The Company will endeavour to respond to substantial and relevant questions received on the Shareholders' Scheme no later than 72 hours prior to the closing date and time for the lodgement of the Proxy Forms for the Shareholders' Scheme Meeting (via an announcement on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com)), or at the Shareholders' Scheme Meeting.

The Company will, within one (1) month after the date of the Shareholders' Scheme Meeting, publish the minutes of the Shareholders' Scheme Meeting on SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com), and the minutes will include the responses to the substantial and relevant questions which were addressed during the Shareholders' Scheme Meeting.

7. The instrument appointing proxy must be submitted to the Company in the following manner:
- (a) if submitted by post, be lodged with the Company's registered office at 28 Tuas Crescent Singapore 638719; or
 - (b) if submitted electronically, via email to info@hiapseng.com,

in each case, by **3.00 p.m. on 26 November 2023 (not less than 48 hours before the time appointed for holding the Shareholders' Scheme Meeting)**.

A Shareholder who wishes to submit an instrument appointing a proxy by post or via email can download a copy of the Proxy Form for the Shareholders' Scheme Meeting from SGXNet (<https://www.sgx.com/securities/company-announcements>) or the website of the Company (www.hiapseng.com), and complete and sign the Proxy Form for the Shareholders' Scheme Meeting, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF SHAREHOLDERS' SCHEME MEETING

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Shareholders' Scheme Meeting (**i.e. 3.00 p.m. on 25 November 2023**), as certified by CDP to the Company. A Depositor shall not be regarded as a Shareholder entitled to attend the Shareholders' Scheme Meeting and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the Shareholders' Scheme Meeting.
9.
 - (a) CPFIS Members and SRS Investors who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, will have to submit their relevant requests through their respective CPF Agent Banks or SRS Operators so that CPF Agent Banks or SRS Operators may register with the Company.
 - (b) CPF Agent Banks or SRS Operators acting on the request of CPFIS Members and SRS Investors who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, are required to submit in writing, a list of details of the following, in relation to the CPFIS Members and SRS Investors: (1) full name; (2) full NRIC/FIN/Passport/Company Registration number; (3) address, contact number and email address; and (4) the number of Shares held and manner to be voted. The list, signed by an authorised signatory of the CPF Agent Banks or SRS Operators, should reach the Company's registered office at 28 Tuas Crescent Singapore 638719, at least 48 hours before the time appointed for holding the Shareholders' Scheme Meeting (**i.e. by 3.00 p.m. on 26 November 2023**).
10. By the said Order of Court, Mr. Lin Yueh Hung, or any other representative authorised by him, shall be appointed as the Chairman of the Shareholders' Scheme Meeting or any adjournment thereof as he shall deem appropriate, and the Chairman shall report the results thereof to the Court as soon as practicable after the conclusion of the Shareholders' Scheme Meeting.
11. The said Shareholders' Scheme will be subject to, among others, the subsequent sanction of the Court.

Dated this 6th day of November 2023

Morgan Lewis Stamford LLC
10 Collyer Quay #27-00
Ocean Financial Centre
Singapore 049315

Solicitors for
Hiap Seng Engineering Ltd (Under Judicial Management)

PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT)

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197100300Z)

PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. The Extraordinary General Meeting (the "EGM") of Hiap Seng Engineering Ltd will be held in person at Conference Room, 28 Tuas Crescent, Singapore 638719.
2. An investor who holds shares under the Central Provident Fund Investment Scheme (the "CPFIS Member") and/or the Supplementary Retirement Scheme (the "SRS Investor") (as may be applicable) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. Alternatively, CPF Members / SRS Investors may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by 2.30 p.m. on 17 November 2023), and such CPFIS Member and/or SRS Investors shall be precluded from attending the EGM.
3. This Proxy Form for the EGM is not valid for use by CPFIS Members and SRS Investors and shall be ineffective for all intents and purported to be used by them.
4. All capitalised terms used in this Proxy Form for the EGM which are not otherwise defined herein shall bear the same meanings ascribed to them in the circular to the Shareholders of the Company dated 6 November 2023 (the "Circular").
5. This Proxy Form for the EGM may be downloaded from SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com). A printed copy of this Proxy Form for the EGM will be despatched to Shareholders.
6. **Personal Data Privacy:** By submitting this Proxy Form for the EGM, the member accept and agrees to the personal data privacy terms set out in the Notice of the EGM dated 6 November 2023.

*I/We, _____ (Name)

_____ (NRIC / Passport / Co. Registration Number)

of _____ (Address)

being a member/members* of **HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT)** (the "Company"), hereby appoint:

| Name: | Address: | NRIC / Passport Number | Proportion of Shareholdings (%) | |
|-------|----------|------------------------|---------------------------------|---|
| | | | No of Shares | % |
| | | | | |

and/or

| Name: | Address: | NRIC / Passport Number | Proportion of Shareholdings (%) | |
|-------|----------|------------------------|---------------------------------|---|
| | | | No of Shares | % |
| | | | | |

or failing the person, or either or both of the persons, referred to above, the Chairman of the EGM as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 2.30 p.m. and at any adjournment thereof. *I/We direct *my/our proxy to vote for, vote against or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder.

If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

The resolutions put to vote at the EGM shall be decided by way of poll⁽¹⁾.

| No. | Ordinary Resolution | Number of votes FOR ⁽²⁾ | Number of votes AGAINST ⁽²⁾ | Number of votes ABSTAIN ⁽²⁾ |
|-----|---|------------------------------------|--|--|
| 1. | To approve the Proposed Subscription | | | |
| 2. | To approve the Proposed Grant of Options | | | |
| 3. | To approve the Proposed Issue of Settlement Shares | | | |
| 4. | To approve the proposed issue of certain Settlement Shares to Mr. Richard Tan Leau Kuee @ Tan Chow Kuee | | | |



PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

| No. | Ordinary Resolution | Number of votes FOR ⁽²⁾ | Number of votes AGAINST ⁽²⁾ | Number of votes ABSTAIN ⁽²⁾ |
|-----|---|---------------------------------------|---|---|
| 5. | To approve the proposed issue of certain Settlement Shares to Mr. Koh Kim Wah | | | |
| 6. | To approve the proposed issue of certain Settlement Shares to Mr. Tan Yaw Song | | | |
| 7. | To approve the proposed issue of certain Settlement Shares to Mr. Tan Yew Kun | | | |
| 8. | To approve the Proposed Transfer of Controlling Interest to Vibrant | | | |
| 9. | To approve the Potential Transfer of Controlling Interest to Tian Yuan | | | |
| 10. | To approve the Proposed Whitewash Resolution | | | |
| 11. | To approve the Proposed Rights Issue | | | |
| 12. | To approve the proposed appointment of Mr. Sebastian Tan Cher Liang as director of the New Listco | | | |
| 13. | To approve the proposed appointment of Mr. Khua Kian Hua as director of the New Listco | | | |
| 14. | To approve the proposed appointment of Mr. Tan Phuay Hung, Max as director of the New Listco | | | |
| 15. | To approve the proposed appointment of Mr. Piti Pramotedham as director of the New Listco | | | |
| 16. | To approve the proposed appointment of Mr. David Ong Kim Huat as director of the New Listco | | | |
| | Special Resolution | | | |
| 1. | To approve the proposed ratification of the New Listco Constitution | | | |

⁽¹⁾Voting will be conducted by poll. If you wish for your proxy/proxies to cast all your votes "For" or "Against" a resolution, please tick (√) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of the resolutions.

⁽²⁾If you wish for your proxy/proxies to abstain from voting on the resolutions, please tick (√) within the "Abstain" box provided in respect of the resolutions. Alternatively, please indicate the number of votes that your proxy/proxies is directed to abstain from voting in the "Abstain" box provided in respect of the resolutions.

Dated this _____ day of _____ 2023.

| Total Number of shares held in: | No. of Shares |
|---------------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.
2. This Proxy Form may be downloaded from SGXNet (<https://www.sgx.com/securities/company-announcements>) or the website of the Company (www.hiapseng.com).
3.
 - (a) A member (who is not a relevant intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her/its stead. Where such member's Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in this Proxy Form (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
 - (b) 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 Proxy Form 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 this Proxy Form. In such event, the relevant intermediary shall submit a list of its proxies setting out number and class of shares in relation to which each proxy has been appointed together with the information required in this Proxy Form to the Company.

"Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act.

4. A proxy need not be a member of the Company. The Chairman of the EGM, as proxy, need not be a member of the Company.
5. This Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's registered office at 28 Tuas Crescent Singapore 638719; or
 - (b) if submitted electronically, via email to info@hiapseng.com,

in either case, by **2.30 p.m. on 26 November 2023 (not less than 48 hours before the time appointed for holding the EGM)**.

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can download a copy of this Proxy Form from SGXNet (<https://www.sgx.com/securities/company-announcements>) or the website of the Company (www.hiapseng.com), and complete and sign this 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.

6. Subject to note 10, completion and return of this Proxy Form does not preclude a member from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a 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 this Proxy Form, to the EGM.
7. This Proxy Form must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if submitted by post, be lodged with this Proxy Form or, if submitted electronically via email, be emailed with this Proxy Form, failing which this Proxy Form may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10. CPFIS Members and SRS Investors: (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (**i.e. by 2.30 p.m. on 17 November 2023**), and such CPFIS Members and/or SRS Investors shall be precluded from attending the EGM.

PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

11. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (**i.e. 2.30 p.m. on 25 November 2023**), as certified by CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.

PROXY FORM FOR SHAREHOLDERS' SCHEME MEETING

HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT)

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197100300Z)

PROXY FORM FOR SHAREHOLDERS' SCHEME MEETING

IMPORTANT:

- The Shareholders' Scheme Meeting is being convened and will be held in person on 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the extraordinary general meeting of the Company to be held in person at 2.30 p.m. on the same day and at the same place (or its adjournment thereof)) at Conference Room, 28 Tuas Crescent, Singapore 638719.
- (a) Investors who hold shares under the Central Provident Fund Investment Scheme (the "CPFIS Members") and/or the Supplementary Retirement Scheme (the "SRS Investors") (as may be applicable) who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, will have to submit their relevant requests through their respective CPF Agent Banks or SRS Operators so that CPF Agent Banks or SRS Operators may register with the Company.
(b) CPF Agent Banks or SRS Operators acting on the request of CPFIS Members and SRS Investors who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, are required to submit in writing, a list of details of the following, in relation to the CPFIS Members and SRS Investors: (1) full name; (2) full NRIC/FIN/Passport/Company Registration number; (3) address, contact number and email address; and (4) the number of Shares held and manner to be voted. The list, signed by an authorised signatory of the CPF Agent Banks or SRS Operators, should reach the Company's registered office at 28 Tuas Crescent Singapore 638719, at least 48 hours before the time appointed for holding the Shareholders' Scheme Meeting (i.e. by 3.00 p.m. on 26 November 2023).
- This Proxy Form is not valid for use by CPFIS Members and SRS Investors and shall be ineffective for all intents and purported to be used by them.
- All capitalised terms used in this Proxy Form for the Shareholders' Scheme Meeting which are not otherwise defined herein shall bear the same meanings ascribed to them in the circular to the Shareholders of the Company dated 6 November 2023 which includes the Shareholders' Scheme and the Shareholders' Scheme Explanatory Statement (the "Circular").
- This Proxy Form for the Shareholders' Scheme Meeting may be downloaded from SGXNet (<https://www.sgx.com/securities/company-announcements>) and the website of the Company (www.hiapseng.com). A printed copy of this Proxy Form for the Shareholders' Scheme Meeting will be despatched to Shareholders.
- Personal Data Privacy:** By submitting this Proxy Form for the Shareholders' Scheme Meeting, the member accept and agrees to the personal data privacy terms set out in the Notice of the Shareholders' Scheme Meeting dated 6 November 2023.

*I/We, _____ (Name)

_____ (NRIC / Passport / Co. Registration Number)

of _____ (Address)

being a *member / members ("Shareholder" or "Shareholders" as the case may be) holding ordinary shares in the capital of **HIAP SENG ENGINEERING LTD (UNDER JUDICIAL MANAGEMENT)** (the "Company"), hereby appoint:

| Name: | Address: | NRIC / Passport Number |
|-------|----------|------------------------|
| | | |

or failing *him/her, the Chairman of the Shareholders' Scheme Meeting or such other person as the Chairman may designate as *my/our proxy to vote for *me/us on *my/our behalf at the Shareholders' Scheme Meeting to be held at Conference Room, 28 Tuas Crescent, Singapore 638719 on 28 November 2023 at 3.00 p.m. (or as soon thereafter following the conclusion of the EGM to be held in person at 2.30 p.m. on the same day (or its adjournment thereof)) and at any adjournment thereof.

*I/We direct *my/our proxy to vote for, vote against or abstain from voting on the resolution to be proposed at the Shareholders' Scheme Meeting as indicated hereunder. If no specific direction as to voting is given, in respect of a resolution, the proxy will vote or abstain from voting at *his/her/their discretion.

The resolution put to vote at the Shareholders' Scheme Meeting shall be decided by way of poll⁽¹⁾.

| No. | Ordinary Resolution | Number of votes FOR ⁽²⁾ | Number of votes AGAINST ⁽²⁾ | Number of votes ABSTAIN ⁽²⁾ |
|-----|-------------------------------------|------------------------------------|--|--|
| 1. | To approve the Shareholders' Scheme | | | |

⁽¹⁾Voting will be conducted by poll. If you wish for your proxy to cast all your votes "For" or "Against" a resolution, please tick (✓) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of the resolutions.

⁽²⁾If you wish for your proxy to abstain from voting on the resolutions, please tick (✓) within the "Abstain" box provided in respect of the resolutions. Alternatively, please indicate the number of votes that your proxy is directed to abstain from voting in the "Abstain" box provided in respect of the resolutions.

Dated this _____ day of _____ 2023.

| Total Number of shares held in: | No. of Shares |
|---------------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM FOR SHAREHOLDERS' SCHEME MEETING

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.
2. This Proxy Form may be downloaded from SGXNet (<https://www.sgx.com/securities/company-announcements>) or the website of the Company (www.hiapseng.com).
3. A Shareholder entitled to attend, speak and vote at the Shareholders' Scheme Meeting is entitled to appoint one (and not more than one) person as his/her/its proxy to attend and vote in his/her/its stead.
4. A proxy need not be a member of the Company. The Chairman of the Shareholders' Scheme Meeting, as proxy, need not be a member of the Company.
5. This Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's registered office at 28 Tuas Crescent Singapore 638719; or
 - (b) if submitted electronically, via email to info@hiapseng.com,

in either case, by **3.00 p.m. on 26 November 2023 (not less than 48 hours before the time appointed for holding the Shareholders' Scheme Meeting)**.

A Shareholder who wishes to submit an instrument appointing a proxy by post or via email can download a copy of this Proxy Form from SGXNet (<https://www.sgx.com/securities/company-announcements>) or the website of the Company (www.hiapseng.com), and complete and sign this 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.

6. Subject to note 11, completion and return of this Proxy Form does not preclude a Shareholder from attending, speaking and voting at the Shareholders' Scheme Meeting. Any appointment of a proxy shall be deemed to be revoked if a Shareholder attends the Shareholders' Scheme Meeting in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the Shareholders' Scheme Meeting.
7. This Proxy Form must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if submitted by post, be lodged with this Proxy Form or, if submitted electronically via email, be emailed with this Proxy Form, failing which this Proxy Form may be treated as invalid.
9. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Shareholders' Scheme Meeting, in accordance with Section 179 of the Companies Act, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10.
 - (a) CPFIS Members and SRS Investors who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, will have to submit their relevant requests through their respective CPF Agent Banks or SRS Operators so that CPF Agent Banks or SRS Operators may register with the Company.
 - (b) CPF Agent Banks or SRS Operators acting on the request of CPFIS Members and SRS Investors who (i) wish to attend the Shareholders' Scheme Meeting as observers; and/or (ii) vote by appointing the Chairman of the Shareholders' Scheme Meeting as proxy, are required to submit in writing, a list of details of the following, in relation to the CPFIS Members and SRS Investors: (1) full name; (2) full NRIC/FIN/Passport/Company Registration number; (3) address, contact number and email address; and (4) the number of Shares held and manner to be voted. The list, signed by an authorised signatory of the CPF Agent Banks or SRS Operators, should reach the Company's registered office at 28 Tuas Crescent Singapore 638719, at least 48 hours before the time appointed for holding the Shareholders' Scheme Meeting (**i.e. by 3.00 p.m. on 26 November 2023**).
11. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Shareholders' Scheme Meeting (**i.e. 3.00 p.m. on 25 November 2023**), as certified by CDP to the Company. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the Shareholders' Scheme Meeting and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the Shareholders' Scheme Meeting.