

## SCHEME DOCUMENT DATED 17 APRIL 2025

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

**IF YOU ARE IN ANY DOUBT ABOUT THIS SCHEME DOCUMENT OR TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

This Scheme Document (together with the Notice of Court Meeting, Notice of EGM, the Proxy Forms and the Request Form) has been made available on SGXNet at <https://sgx.com/securities/company-announcements> and the Company's corporate website at <https://www.peceng.com>. A printed copy of this Scheme Document will **NOT** be despatched to Shareholders (unless upon request). Instead, only printed copies of the Notice of Court Meeting, Notice of EGM, the Proxy Forms and the Request Form will be despatched to Shareholders.

If you have sold or transferred all or any of your issued and fully paid-up ordinary shares in PEC Ltd. (the "**Company**", and such shares in the Company, the "**Shares**"), you should immediately forward this Scheme Document, together with the Notice of Court Meeting and the Notice of EGM and their accompanying Proxy Forms in this Scheme Document, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.



### PEC LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198200079M)

## PROPOSED ACQUISITION BY ALLIANCE ENERGY SERVICES PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF PEC LTD. BY WAY OF A SCHEME OF ARRANGEMENT

Financial Adviser to the Company

Financial Adviser to the Offeror

Independent Financial Adviser  
to the Independent Directors



### OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Incorporated in Singapore)  
(Company Registration  
Number: 193200032W)



### SAC CAPITAL PRIVATE LIMITED

(Incorporated in the  
Republic of Singapore)  
(Company Registration  
Number: 200401542N)

### DELOITTE & TOUCHE CORPORATE

**FINANCE PTE LTD**  
(Incorporated in the  
Republic of Singapore)  
(Company Registration  
Number: 200200144N)

## IMPORTANT DATES AND TIMES

### Court Meeting

Last date and time for lodgement of Proxy Form A (Court Meeting) : 3 May 2025 at 10.00 a.m. (Singapore time)  
Date and time of Court Meeting : 5 May 2025 at 10.00 a.m. (Singapore time)  
Place of Court Meeting : 14 International Business Park, Singapore 609922

### EGM<sup>1</sup>

Last date and time for lodgement of Proxy Form B (EGM) : 3 May 2025 at 10.30 a.m. (Singapore time)  
Date and time of EGM : 5 May 2025 at 10.30 a.m. (Singapore time), or as soon thereafter following the conclusion of the Court Meeting, whichever is later  
Place of EGM : 14 International Business Park, Singapore 609922

The action to be taken by Shareholders is set out on page 42 of this Scheme Document. The important dates, times and place relating to the Court Meeting and the EGM and the indicative timetable are set out on page 15 of this Scheme Document. Your attention is also drawn to the notes under the indicative timetable.

<sup>1</sup> The EGM will only be convened if the Scheme Resolution is passed at the Court Meeting.



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## DEFINITIONS

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In this Scheme Document, the following definitions shall apply throughout unless the context otherwise requires:

<b>“Acquisition”</b>	:	The proposed privatisation of the Company through the acquisition by the Offeror of all the Shares pursuant to the Scheme, in compliance with the Code
<b>“ACRA”</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>“AED”</b>	:	United Arab Emirates Dirham
<b>“Board”</b>	:	The board of directors of the Company
<b>“Business Day”</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
<b>“Cash Consideration”</b>	:	S\$0.64 in cash per Share
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Companies Act”</b>	:	Companies Act 1967 of Singapore
<b>“Company”</b>	:	PEC Ltd.
<b>“Company Convertible Securities”</b>	:	Convertible securities, warrants, options and derivatives in respect of the Shares or other securities (if any) which carry voting rights in the Company
<b>“Company Financial Adviser”</b>	:	Oversea-Chinese Banking Corporation Limited
<b>“Company Warranties”</b>	:	The warranties given by the Company in connection with the Acquisition and the Scheme as set out in Implementation Agreement and reproduced in Appendix I to this Scheme Document

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## DEFINITIONS

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<b>“Competing Offer”</b>	:	<p>Any expression of interest, offer or proposal from any party (other than the Offeror or a party approved in writing by the Offeror) pursuant to which such person or any other person may, whether directly or indirectly, and whether by share purchase, scheme of arrangement or amalgamation, capital reconstruction, purchase of assets, general offer, partial offer, joint venture or otherwise:</p> <p>(a) acquire or become the holder or owner of, or otherwise have an economic interest in (i) all or substantially all of the assets, business and/or undertakings of the Group; or (ii) all or any of the share capital of the Company (whether or not such other offer is at a higher price than the Scheme Consideration and/or on more favourable terms than under the Scheme or Offer (as the case may be)); or (iii) any of the share capital of any Group Company (other than the Company);</p> <p>(b) acquire control of the Group;</p> <p>(c) merge with the Company or any Group Company; or</p> <p>(d) effect a transaction which would preclude or restrict the Scheme or the Offer (as the case may be) or the Acquisition</p>
<b>“Constitution”</b>	:	The constitution of the Company
<b>“Court”</b>	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
<b>“Court Meeting”</b>	:	The meeting of Shareholders to be convened by order of the Court to approve the Scheme, notice of which is set out in the “Notice of Court Meeting” section to this Scheme Document, and any adjournment thereof
<b>“Court Meeting Court Order”</b>	:	The order of the Court dated 4 April 2025 convening the Court Meeting
<b>“CPF”</b>	:	Central Provident Fund
<b>“CPF Agent Banks”</b>	:	Agent banks included under the CPFIS
<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS Members”</b>	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS

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## DEFINITIONS

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<b>“Delisting Approval”</b>	:	The advice by the SGX-ST that it has no objections to the Company’s application to delist from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme
<b>“Directors”</b>	:	The directors for the time being of the Company, being Ms Edna Ko Poh Thim, Mr Robert Dompeling, Mr Wong Peng, Ms Tan Whei Mien, Joy, Mr Pek Hak Bin, Mr Ngan Wan Sing Winston and Ms Tan Peck Hong Yvonne as at the Latest Practicable Date
<b>“Distributions”</b>	:	Any dividends, rights or other distributions declared, paid or made by the Company to the Shareholders
<b>“Effective Date”</b>	:	The date on which the Scheme becomes effective in accordance with its terms, and which date shall, in any event, be no later than the Long-Stop Date
<b>“Eligible Shareholders”</b>	:	Shareholders as at 5.00 p.m. on the Record Date
<b>“Encumbrances”</b>	:	Any liens, equities, mortgages, charges, encumbrances, security interests, hypothecations, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party or any agreements, arrangements and obligations to create any of the foregoing
<b>“EGM”</b>	:	The extraordinary general meeting of Shareholders to be convened to approve the Special Dividend, notice of which is set out in the “Notice of EGM” section to this Scheme Document
<b>“Explanatory Statement”</b>	:	The explanatory statement in compliance with Section 211 of the Companies Act set out on pages 44 to 64 of this Scheme Document
<b>“Governmental Agency”</b>	:	Any foreign or Singaporean supranational, national, federal, state, provincial, municipal, local or foreign government, governmental or quasi-governmental authority, recognised stock exchange, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, arbitral body or other tribunal (including without limitation, the SIC)
<b>“Group” or “Group Companies”</b>	:	The Company and its subsidiaries, and <b>“Group Company”</b> means any one of them

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## DEFINITIONS

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<b>“Key Management Personnel”</b>	:	Edna Ko Poh Thim (Executive Chairman and Executive Director) and Robert Dompeling (Group Chief Executive Officer and Executive Director)
<b>“FY”</b>	:	The financial year ended or ending 30 June, as the case may be
<b>“IFA”</b>	:	Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser appointed pursuant to Rule 1309(2) of the Listing Manual as well as to advise the Independent Directors on the Scheme, in compliance with the provisions of the Code
<b>“IFA Letter”</b>	:	The letter from the IFA containing the advice from the IFA in relation to the Scheme as set out in Appendix A to this Scheme Document
<b>“Independent Board Committee”</b>	:	An ad hoc committee constituted by the Board, comprising of all the independent, non-executive directors of the Company
<b>“Implementation Agreement”</b>	:	The implementation agreement dated 17 February 2025 entered into between the Company and the Offeror, setting out the terms and conditions on which the Parties will implement the Scheme
<b>“Independent Directors”</b>	:	The directors of the Company who are considered independent for the purposes of the Scheme, being all the Directors
<b>“Irrevocable Undertakings”</b>	:	The irrevocable undertakings given by each of the Undertaking Shareholders to the Offeror
<b>“Joint Announcement”</b>	:	The joint announcement by the Offeror and the Company of the Acquisition and the Scheme, released on 17 February 2025
<b>“Joint Announcement Date”</b>	:	17 February 2025, being the date of the Joint Announcement
<b>“Knight Frank HK”</b>	:	Knight Frank Petty Limited
<b>“Knight Frank ME”</b>	:	Knight Frank Middle East Limited
<b>“Knight Frank Singapore”</b>	:	Knight Frank Pte Ltd
<b>“Knight Frank Vietnam”</b>	:	Knight Frank Vietnam Property Services Company Limited
<b>“LTM”</b>	:	Last twelve months

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## DEFINITIONS

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<b>“Last Undisturbed Trading Date”</b>	:	26 November 2024, being the last full market day on which the Shares were transacted immediately preceding the time and date of the holding announcement issued by the Company, being 6.08 p.m. on 27 November 2024.
<b>“Latest Practicable Date”</b>	:	4 April 2025, being the latest practicable date prior to the issuance of this Scheme Document
<b>“Letter to Shareholders”</b>	:	The letter from the Company to Shareholders as set out on pages 17 to 43 of this Scheme Document
<b>“Liberty”</b>	:	Liberty Energy Solutions Limited
<b>“Liberty Group”</b>	:	Liberty and the group of entities that it manages
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Lock-Up Period”</b>	:	The period of three years from the Effective Date set out in the Shareholders’ Agreement, during which the Key Management Personnel are subject to transfer restrictions on their shareholdings in the Offeror
<b>“Long-Stop Date”</b>	:	17 September 2025 (or such other date as the Parties may agree in writing)
<b>“Management Reinvestment Arrangements”</b>	:	The agreement by each of the Key Management Personnel to (i) reinvest the Cash Consideration portion of the Scheme Consideration that is due to them pursuant to the Scheme, and subscribe for new shares in the Offeror representing an aggregate of not more than 15% of the total issued and paid up capital of the Offeror on and from the Effective Date, and (ii) take up certain rights and obligations as a shareholder of the Offeror on and from the Effective Date
<b>“MAS”</b>	:	Monetary Authority of Singapore
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for the trading of securities
<b>“Material Adverse Effect”</b>	:	A diminution in the consolidated net asset value of the Group (as reflected in the latest publicly released consolidated financial statements of the Group prior to the Relevant Date) by more than S\$38,179,102, being 15% of the audited consolidated net asset value of the Group as at 30 June 2024 as reflected in the Audited Accounts (i.e. S\$254,527,348), provided that certain events and matters as set out in paragraph 12 of Appendix J shall not be taken into account in determining such diminution

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## DEFINITIONS

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<b>“NAV”</b>	:	Net asset value
<b>“Notice of Court Meeting”</b>	:	The notice of the Court Meeting as set out in the “Notice of Court Meeting” section to this Scheme Document
<b>“Notice of EGM”</b>	:	The notice of the EGM as set out in the “Notice of EGM” section to this Scheme Document
<b>“Notices”</b>	:	Notice of Court Meeting and Notice of EGM
<b>“Offer”</b>	:	A cash offer to be made for or on behalf of the Offeror to acquire all the Shares on the terms and subject to the conditions which will be set out in the offer document issued for or on behalf of the Offeror, in the event the Offeror exercises the Switch Option
<b>“Offeror”</b>	:	Alliance Energy Services Pte. Ltd.
<b>“Offeror Concert Party Group”</b>	:	Offeror and parties acting in concert with the Offeror in connection with the Acquisition
<b>“Offeror Securities”</b>	:	Convertible securities, warrants, options and derivatives in respect of the Offeror Shares or other securities (if any) which carry voting rights in the Offeror
<b>“Offeror Financial Adviser”</b>	:	SAC Capital Private Limited
<b>“Offeror Shares”</b>	:	Shares in the capital of the Offeror
<b>“Offeror Warranties”</b>	:	The warranties given by the Offeror in connection with the Acquisition and the Scheme as set out in the Implementation Agreement and reproduced in Appendix H of this Scheme Document
<b>“Offeror’s Letter”</b>	:	The letter from the Offeror to Shareholders as set out in Appendix B to this Scheme Document
<b>“Official List”</b>	:	The list of issuers maintained by SGX-ST in relation to the Main Board of the SGX-ST
<b>“Ordinary Resolution”</b>	:	A resolution proposed and passed as such by the Shareholders consisting of more than 50 per cent. of the total number of votes cast for and against such resolution at a meeting of the Shareholders

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## DEFINITIONS

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<b>“Overseas Shareholders”</b>	:	Shareholders whose registered addresses (as recorded in the Register of Members or in the records maintained by CDP for the service of notice and documents) are outside Singapore
<b>“Parties”</b>	:	The parties to the Implementation Agreement, being the Offeror and the Company, and <b>“Party”</b> means any one of them
<b>“Prescribed Occurrence”</b>	:	Any of the events or matters in relation to the Group and/or the Offeror (as the case may be) set out in Appendix K to this Scheme Document, occurrence of which amounts to a breach of the Scheme Conditions set out in Appendix J
<b>“Properties”</b>	:	<ul style="list-style-type: none"> <li>(a) 11 Neythal Road, Singapore 628577;</li> <li>(b) 14 International Business Park, Singapore 609922;</li> <li>(c) 19 Tuas Avenue 8, Singapore 639234;</li> <li>(d) 20 Benoi Lane, Singapore 627810;</li> <li>(e) an Industrial Complex located at No. 360-2 Shihua Road, Aotou, Daya Bay, Huizhou, Guangdong Province, the People’s Republic of China;</li> <li>(f) No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People’s Republic of China;</li> <li>(g) No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People’s Republic of China;</li> <li>(h) No. 2 Industrial Park of Nghi Son Economic Zone, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province, Vietnam;</li> <li>(i) Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates; and</li> <li>(j) AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirates</li> </ul>
<b>“Proxy Form A (Court Meeting)”</b>	:	The accompanying proxy form for the Court Meeting as set out in this Scheme Document
<b>“Proxy Form B (EGM)”</b>	:	The accompanying proxy form for the EGM as set out in this Scheme Document
<b>“Proxy Forms”</b>	:	Proxy Form A (Court Meeting) and Proxy Form B (EGM)

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## DEFINITIONS

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<b>“Record Date”</b>	:	The record date to be announced before the Effective Date by the Company on which the transfer books and the Register of Members will be closed in order to determine the entitlements of the Shareholders in respect of the Scheme and the Special Dividend
<b>“Regulatory Approvals”</b>	:	<p>The following approvals or confirmations:</p> <ul style="list-style-type: none"><li>(a) confirmation from the SIC that (1) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme, (2) it has no objections to the Scheme Conditions, and (3) the proposed Management Reinvestment Arrangements for the Key Management Personnel will not be regarded as prohibited special deals under the Code and will not prevent such Key Management Personnel from voting their Shares at the Court Meeting, in each case subject to any conditions the SIC may deem fit to impose; and</li><li>(b) approval-in-principle from the SGX-ST for the Scheme Document and the proposed delisting of the Shares from the SGX-ST</li></ul>
<b>“Relevant Date”</b>	:	The date falling on the Business Day immediately preceding the Effective Date
<b>“Relevant Intermediary”</b>	:	<ul style="list-style-type: none"><li>(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity;</li><li>(b) a person holding a capital markets services licence to provide custodial services for securities under the SFA, and who holds Shares in that capacity; or</li><li>(c) the CPF Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, and if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation</li></ul>
<b>“Register of Members”</b>	:	The register showing all Shareholders at any one time
<b>“Request Form”</b>	:	The request form for Shareholders to request for a printed copy of this Scheme Document

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## DEFINITIONS

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<b>“RMB”</b>	:	Renminbi
<b>“Rules of Court”</b>	:	The Rules of Court 2021 of Singapore
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively
<b>“Scheme”</b>	:	The scheme of arrangement by which all of the Shares are to be transferred to the Offeror as set out in Appendix M of this Scheme Document (as may be amended or modified from time to time)
<b>“Scheme Conditions”</b>	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Long-Stop Date for the Scheme to be implemented and which are reproduced in Appendix J, and <b>“Scheme Condition”</b> means any one of them
<b>“Scheme Consideration”</b>	:	S\$0.84 per Share, comprising the Cash Consideration and the Special Dividend
<b>“Scheme Court Order”</b>	:	The order of the Court sanctioning the Scheme under Section 210 of the Companies Act
<b>“Scheme Document”</b>	:	This document dated 17 April 2025 and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
<b>“Scheme Resolution”</b>	:	The resolution of Shareholders to approve the Scheme
<b>“Scheme Settlement Date”</b>	:	The date falling not later than seven Business Days after the Effective Date
<b>“Securities Account”</b>	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders’ Agreement”</b>	:	The shareholders’ agreement entered into between the Key Management Personnel, Liberty and the Offeror pursuant to the Management Reinvestment Arrangements
<b>“SIC”</b>	:	Securities Industry Council of Singapore

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## DEFINITIONS

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<b>“SIC Rulings”</b>	:	The rulings obtained from the SIC pursuant to the application made by the Offeror to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Scheme as set out in paragraph 8.2 of the Letter to Shareholders
<b>“Special Dividend”</b>	:	The special dividend for each Share to be paid by the Company to each Eligible Shareholder in accordance with the terms of the Scheme, being S\$0.20 in cash
<b>“Special Dividend Resolution”</b>	:	The Ordinary Resolution of Shareholders to approve the Special Dividend
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Operator”</b>	:	A bank appointed to operate SRS accounts
<b>“SRS Investors”</b>	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
<b>“Shares”</b>	:	The issued and paid-up ordinary shares in the capital of the Company
<b>“Share Registrar”</b>	:	In.Corp Corporate Services Pte. Ltd., with its registered office at 36 Robinson Road, #20-01 City House, Singapore 068877, the share registrar of the Company
<b>“Shareholder”</b>	:	A registered holder for the time being of a Share, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Shareholder” shall, in relation to Shares registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Shares
<b>“Switch Option”</b>	:	The Offeror's right at its discretion to elect to proceed with the Acquisition by way of an Offer (in lieu of proceeding by way of the Scheme) in the event of a Competing Offer being announced, pursuant to the terms of the Implementation Agreement and subject to prior consultation with and the approval of the SIC
<b>“Undertaking Shareholders”</b>	:	Collectively, Edna Ko Poh Thim, Robert Dompeling, Tian San Company (Pte.) Limited, Mark Ko Teong Hoon (Gao Zhongxun), Patricia Ko Poh Cheng, Ng Khan Tee, Melissa Peony Ko Lu Teng Kumar, Lee May Peng Maisie, Ko Lu Sein, Ko Poh Kheng Kristine, and <b>“Undertaking Shareholder”</b> means any one of them

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## DEFINITIONS

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<b>“Unsolicited Offer”</b>	:	A <i>bona fide</i> unsolicited or uninitiated offer or proposal of a kind referred to in paragraph 5.5(a)(i) of the Letter to Shareholders
<b>“US\$”</b>	:	United States dollars
<b>“Valuation Summary Letters”</b>	:	The letters issued by the Valuers containing, amongst other matters, summaries of their valuation reports in respect of the Properties, as set out in Appendix G
<b>“Valuers”</b>	:	The independent valuers commissioned by the Company to conduct independent updated property valuations of the Properties as at 13 February 2025, being Knight Frank Singapore, Knight Frank Hong Kong, NLP Valuation Services Company Limited, Knight Frank Vietnam and Knight Frank ME
<b>“VWAP”</b>	:	Volume weighted average price
<b>“%” or “per cent.”</b>	:	Per centum or percentage

The terms **“acting in concert”** and **“concert parties”** shall have the meanings ascribed to them in the Code.

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

The terms **“subsidiary”** and **“related corporation”** shall have the meanings ascribed to them in Sections 5 and 6 of the Companies Act.

The headings in this Scheme Document are inserted for convenience only and shall not affect the interpretation of this Scheme Document.

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

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

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 to a time of day and date in this Scheme Document shall be a reference to Singapore time of day and date respectively, unless otherwise specified.

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## DEFINITIONS

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

In this Scheme Document, the total number of Shares as at the Latest Practicable Date is 255,714,763. As at the Latest Practicable Date, there are 791,886 Shares held by the Company as treasury shares. Unless stated otherwise, all references to percentage shareholding of the Company in this Scheme Document are based on 254,922,877 Shares (excluding the 791,886 Shares held by the Company as treasury shares) as at the Latest Practicable Date.

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## CAUTIONARY NOTES

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**Forward Looking Statements.** All statements other than statements of historical facts included in this Scheme Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s or the Company’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, Shareholders and investors of the Offeror and the Company should not place undue reliance on such forward-looking statements, and none of the Offeror, the Company, the Independent Financial Adviser and the Offeror Financial Adviser undertakes any obligation to update publicly or revise any forward-looking statements.

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## CORPORATE INFORMATION

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<b>DIRECTORS</b>	:  Ms Edna Ko Poh Thim (Executive Chairman and Executive Director)  Mr Robert Dompeling (Group Chief Executive Officer and Executive Director)  Mr Wong Peng (Non-Executive and Non-Independent Director cum Advisor)  Ms Tan Whei Mien, Joy (Non-Executive and Lead Independent Director)  Mr Pek Hak Bin (Non-Executive and Independent Director)  Mr Ngan Wan Sing Winston (Non-Executive and Independent Director)  Ms Tan Peck Hong Yvonne (Non-Executive and Independent Director)
<b>COMPANY SECRETARY</b>	: Ms Cheok Hui Yee Mr Chin Yee Seng
<b>REGISTERED OFFICE</b>	: 14 International Business Park Singapore 609922
<b>SHARE REGISTRAR</b>	: In.Corp Corporate Services Pte. Ltd. 36 Robinson Road #20-01 City House Singapore 068877
<b>LEGAL ADVISER TO THE COMPANY</b>	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>FINANCIAL ADVISER TO THE COMPANY</b>	: Oversea-Chinese Banking Corporation Limited 63 Chulia Street #10-00 OCBC Centre East Singapore 049514
<b>INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS</b>	: Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way #33-00 OUE Downtown Singapore 068809
<b>AUDITORS</b>	: Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583

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## EXPECTED TIMETABLE

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### COURT MEETING

Notice of Court Meeting	:	17 April 2025
Last date and time for lodgement of Proxy Form A (Court Meeting)	:	3 May 2025, 10.00 a.m. <sup>(1)(2)</sup>
Place of Court Meeting	:	14 International Business Park, Singapore 609922 <sup>(3)</sup>
Date and time of Court Meeting	:	5 May 2025, 10.00 a.m. <sup>(4)</sup>

### EGM

Notice of EGM	:	17 April 2025
Last date and time for lodgement of Proxy Form B (EGM)	:	3 May 2025, 10.30 a.m. <sup>(1)(2)</sup>
Place of EGM	:	14 International Business Park, Singapore 609922 <sup>(3)</sup>
Date and time of the EGM	:	5 May 2025, 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Court Meeting to be held, whichever is later)
Expected date of Court hearing of the application to sanction the Scheme	:	27 May 2025 <sup>(5)</sup>
Expected last day of trading of the Shares	:	30 May 2025 <sup>(6)</sup>
Expected Record Date	:	10 June 2025 at 5.00 p.m.
Expected Relevant Date	:	10 June 2025
Expected Effective Date of the Scheme	:	11 June 2025 <sup>(7)</sup>
Expected date for the payment of the Scheme Consideration	:	20 June 2025 <sup>(8)</sup>
Expected date for the delisting of the Company	:	24 June 2025, 9.00 a.m. <sup>(8)</sup>

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## EXPECTED TIMETABLE

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**You should note that save for the last date and time for the lodgement of the Proxy Form A (Court Meeting) and the Proxy Form B (EGM) and the date, time and place of each of the Court Meeting and the EGM, 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 of these events.**

**Notes:**

- (1) Shareholders are requested to submit Proxy Form A (Court Meeting) and/or the Proxy Form B (EGM) in accordance with the respective instructions contained therein not later than 10.00 a.m. and/or 10.30 a.m. on 3 May 2025 respectively, being not less than 48 hours before the time fixed for holding the Court Meeting and/or the EGM (as the case may be).
- (2) The Proxy Form A (Court Meeting) and the Proxy Form B (EGM) and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Share Registrar, In.Corp Corporate Services Pte.Ltd, in the following manner:
  - (a) if submitted by post, be lodged at the office of In.Corp Corporate Services Pte.Ltd at 36 Robinson Road, #20-01 City House, Singapore 068877; or
  - (b) if submitted electronically, be submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

The submission of the Proxy Form A (Court Meeting) and/or the Proxy Form B (EGM) will not preclude a Shareholder from attending, speaking and voting in person at the Court Meeting and/or the EGM respectively if he/she/they find(s) that he/she/they is/are able to do so. Any appointment of a proxy/the proxies shall be deemed to be revoked if a Shareholder attends the Court Meeting or the EGM (as the case may be) in person, and in such event, the Company reserves the right to refuse to admit any person appointed under the Proxy Form A (Court Meeting) and the Proxy Form B (EGM) to the Court Meeting and the EGM respectively.
- (3) The Court Meeting and the EGM are proposed to be held at 14 International Business Park, Singapore 609922. The meetings will be convened and held in a wholly physical format. There will be no option for Shareholders to participate virtually.
- (4) The Scheme Resolution and the Special Dividend Resolution are inter-conditional. In the event the Scheme Resolution is not approved at the Court Meeting, the Company will not proceed with the EGM.
- (5) The date of the Court hearing of the application to sanction the Scheme will depend on the date that is allocated by the Court.
- (6) Shareholders should note that if the Scheme becomes effective in accordance with its terms, all the Shares held by the Eligible Shareholders as at the Record Date will be transferred to the Offeror such that on the Scheme Settlement Date, the Offeror shall hold all of the Shares and the Shareholders will not be able to trade their Shares from the last day of trading of the Shares, currently expected to be on 30 May 2025.
- (7) If each of the Scheme Conditions is satisfied or, as the case may be, has been waived in accordance with the Implementation Agreement, the Scheme will come into effect on a date to be mutually agreed in writing between the Offeror and the Company, being a date within five Business Days from the date that the last of the Scheme Conditions set out in paragraphs 1 to 6 of Appendix J (other than paragraph 4 of Appendix J), is satisfied or waived in accordance with the terms of the Implementation Agreement, provided that the rest of the Scheme Conditions set out in paragraphs 7 to 12 of Appendix J are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Implementation Agreement.
- (8) Assuming that the Effective Date is 11 June 2025, subject to the Court hearing date as stated above.

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## LETTER TO SHAREHOLDERS

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### PEC LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198200079M)

#### Directors:

Ms Edna Ko Poh Thim (Executive Chairman and Executive Director)  
Mr Robert Dompeling (Group Chief Executive Officer and Executive Director)  
Mr Wong Peng (Non-Executive and Non-Independent Director cum Advisor)  
Ms Tan Whei Mien, Joy (Non-Executive and Lead Independent Director)  
Mr Pek Hak Bin (Non-Executive and Independent Director)  
Mr Ngan Wan Sing Winston (Non-Executive and Independent Director)  
Ms Tan Peck Hong Yvonne (Non-Executive and Independent Director)

#### Registered Office:

14 International Business Park  
Singapore 609922

17 April 2025

To: The Shareholders of PEC Ltd.

Dear Sir/Madam

#### **PROPOSED ACQUISITION BY ALLIANCE ENERGY SERVICES PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF PEC LTD. BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT**

#### **1. INTRODUCTION**

##### **1.1 Joint Announcement of the Acquisition and the Scheme**

On 17 February 2025, the respective boards of directors of the Company and the Offeror jointly announced the proposed privatisation of the Company by way of the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror (the “**Acquisition**”) to be effected by the Company by way of a scheme of arrangement under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement, pursuant to which each Eligible Shareholder will, following the Scheme becoming effective in accordance with its terms, be entitled to receive the Scheme Consideration (being S\$0.84 per Share) in cash.

If the Scheme becomes effective and binding in accordance with its terms, all Shareholders will be bound by the terms of the Scheme (whether or not they were present in person or by proxy or voted at the Court Meeting and/or the EGM), and their Shares will be transferred to the Offeror in return for the Scheme Consideration, after which the Company will become a wholly-owned subsidiary of the Offeror and be delisted from the Official List of the SGX-ST.

A copy of the Joint Announcement is available on the SGX-ST website at <https://www.sgx.com/securities/company-announcements>.

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## LETTER TO SHAREHOLDERS

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### 1.2 Purpose

The purpose of this Scheme Document is to set out information pertaining to the Acquisition and the Scheme, to seek approval from Shareholders for the Special Dividend and the Scheme, and to give Shareholders notice of both the Court Meeting and the EGM.

### 1.3 Explanatory Statement

An Explanatory Statement setting out the key terms of, the rationale for, and the effect of, the Scheme and the procedures for its implementation is set out in pages 44 to 64 of this Scheme Document. The Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme set out in Appendix M of this Scheme Document.

### 1.4 Scheme Consideration

Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, acquire the Shares from each of the Eligible Shareholders at the following Scheme Consideration (being S\$0.84 per Share):

- (a) S\$0.64 in cash per Share (the “**Cash Consideration**”); and
- (b) S\$0.20 in cash from the Company by way of a special cash dividend per Share to be declared and paid out of the profits and retained earnings of the Company (the “**Special Dividend**”, and collectively with the Cash Consideration, the “**Scheme Consideration**”).

If any dividends, rights or other distributions (“**Distributions**”) (other than the Special Dividend) are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Cash Consideration by the amount of such Distributions.

### 1.5 Proposed Special Dividend Resolution

In connection with the implementation of the Scheme, the Company proposes to declare and pay the Special Dividend out of the profits and retained earnings of the Company. Please refer to paragraph 9.1 for more details on the Special Dividend Resolution.

As the Special Dividend is part of the Scheme Consideration agreed between the Company and the Offeror under the terms of the Implementation Agreement, the Company will not be able to proceed with the implementation of the Scheme if the Special Dividend Resolution is not approved.

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## LETTER TO SHAREHOLDERS

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### 1.6 Summary of Approvals Sought

#### (a) Scheme Resolution

The Company is convening the Court Meeting to seek the approval of Shareholders for the Scheme Resolution.

**The Scheme Resolution and Special Dividend Resolution are inter-conditional. In the event that the Special Dividend Resolution is not approved at the EGM, the Company will not be able to proceed with the implementation of the Scheme. This means that the Scheme cannot be implemented by the Company and the Offeror unless both the Scheme Resolution and the Special Dividend Resolution are approved.**

**In addition, the Scheme will only come into effect if all the Scheme Conditions set out in Appendix J have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.**

#### (b) Special Dividend Resolution

In addition, the Company is convening the EGM to seek the approval of Shareholders for the Special Dividend Resolution.

**The Special Dividend Resolution and Scheme Resolution are inter-conditional. In the event the Scheme Resolution is not approved at the Court Meeting, the Company will not proceed with the EGM. This means that the Special Dividend will not be paid by the Company unless both the Special Dividend Resolution and the Scheme Resolution are approved and the Scheme subsequently comes into effect upon the satisfaction or, as the case may be, the waiver of all the Scheme Conditions set out in Appendix J.**

Please refer to paragraph 9.1 below and the Notice of EGM for further details on the Special Dividend Resolution.

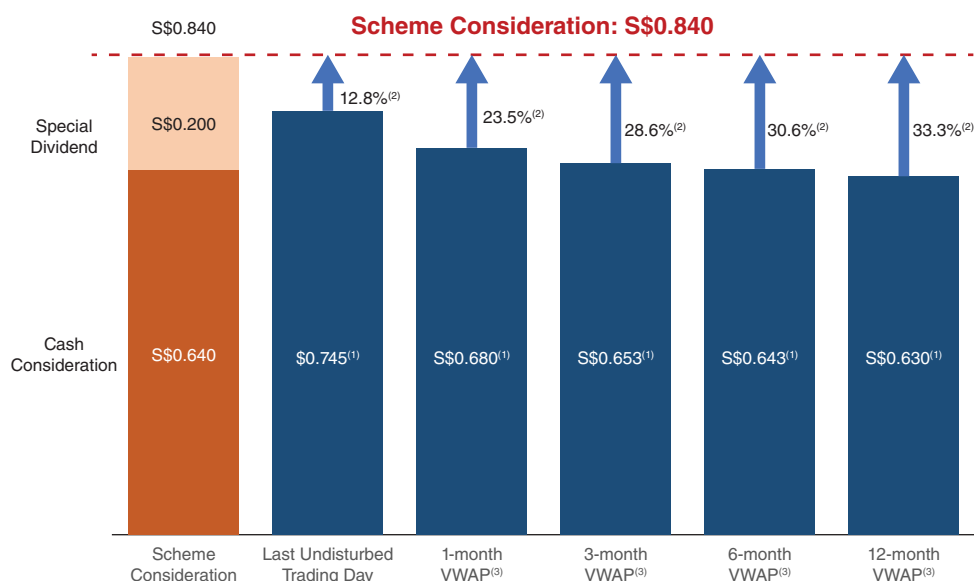
## 2. RATIONALE FOR THE SCHEME AND THE OFFEROR'S FUTURE INTENTIONS FOR THE COMPANY

### 2.1 Rationale for the Scheme

- (a) **Compelling opportunity for Eligible Shareholders to realise their investment in the Shares at a premium over the historical traded prices of the Shares.** The Acquisition presents an opportunity for Eligible Shareholders to unlock value and realise their investment in the Shares at an attractive premium over historical market prices.

## LETTER TO SHAREHOLDERS

(i) **Historical Share Price Chart for the 12-month period prior to the Last Undisturbed Trading Day**



Source: Bloomberg L.P.

**Notes:**

- (1) Rounded to the nearest three (3) decimal places.
- (2) Rounded to the nearest one (1) decimal place.
- (3) VWAP is calculated based on the aggregate daily turnover value of the Shares and aggregate daily traded volume of the Shares for the relevant trading days for each relevant period, excluding off-market transactions.

As set out in the chart above, the Scheme Consideration represents a premium of approximately 23.5%, 28.6%, 30.6% and 33.3% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively up to and including the Last Undisturbed Trading Day.

The Scheme Consideration also represents a premium of approximately 12.75% over the last transacted price per Share of S\$0.745 on the Last Undisturbed Trading Day.

## LETTER TO SHAREHOLDERS

(ii) **Historical Share Price Chart for the last five (5)-year period and up to and including the Last Undisturbed Trading Day**

Prior to the Acquisition, the Shares had not closed on the SGX-ST at or above the Scheme Consideration since 27 November 2019 and up to the Last Undisturbed Trading Day. The Scheme Consideration represents: (i) a premium of approximately 140.0% over the lowest closing price of the Shares of S\$0.350, (ii) a premium of approximately 12.0% over the highest closing price of the Shares of S\$0.750, and (iii) a premium of approximately 53.0% over the VWAP of the Shares of S\$0.549, during the five (5)-year period up to and including the Last Undisturbed Trading Day, as illustrated in the chart below:



Source: Bloomberg L.P.

**Notes:**

- (1) Rounded to the nearest three (3) decimal places.  
 (2) Rounded to the nearest one (1) decimal place.

- (b) **Low Trading Liquidity.** The historical trading volume of the Shares has been low. The average daily trading volume for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to and including the Last Undisturbed Trading Day, each represented less than 0.12% of the total number of Shares as follows:

Period prior to and including the Last Undisturbed Trading Day	Average daily trading volume <sup>(1)</sup>	As a % of the total number of Shares <sup>(2)</sup>
Last one (1) month	288,010	0.11
Last three (3) months	159,772	0.06
Last six (6) months	86,983	0.03
Last 12-months	54,110	0.02

Source: Bloomberg L.P.

## LETTER TO SHAREHOLDERS

### Notes:

- (1) The average daily trading volume is computed based on the total trading volume of the Shares for all trading days for the relevant periods immediately prior to and including the Last Undisturbed Trading Day, divided by the total number of trading days during the respective period.
- (2) Rounded to the nearest two (2) decimal places and computed based on 254,922,877 Shares (excluding 791,886 Shares held by the Company as treasury shares).

The Scheme presents a unique cash exit opportunity for Eligible Shareholders to unlock and realise their investment entirely. The Scheme therefore provides Shareholders who may find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to unlock and realise their investment in the Shares at a premium over the prevailing market prices which would otherwise not be available given the low trading liquidity of the Shares.

- (c) **The Scheme Consideration implies a total return of 64.1% for an Eligible Shareholder over a five (5)-year holding period.** Accounting for total dividends distributed over the past five (5)-year period up to and including the Last Undisturbed Trading Day (the “**5-Years Total Dividend**”), the Scheme Consideration implies a total return of 64.1% and annualised total return of 10.4% per annum for an Eligible Shareholder who had acquired Shares five (5) years prior to and including the Last Undisturbed Trading Day. For comparison, Nikko AM Singapore STI ETF (“**Nikko AM STI ETF**”) which tracks the Straits Times Index offered a total return of 34.0% and annualised total return of 6.0% per annum over the same period.

				Total returns for the past five (5) years <sup>(3)</sup>		Annualised total returns for the past five (5) years <sup>(3)</sup>	
Last closing price five (5) years prior to the Last Undisturbed Trading Day <sup>(1)</sup>	Scheme Consideration	5-Years Total Dividend <sup>(2)</sup>	Sum of Scheme Consideration and 5-Years Total Dividend	Sum of Scheme Consideration and 5-Years Total Dividend	Nikko AM STI ETF	Sum of Scheme Consideration and 5-Years Total Dividend	Nikko AM STI ETF
S\$0.585	S\$0.840	S\$0.120	S\$0.960	64.1%	34.0%	10.4%	6.0%

Source: Bloomberg L.P.

### Notes:

- (1) Based on the last closing price of the Shares on 27 November 2019 as extracted from Bloomberg LLP.
- (2) This refers to the total dividends distributed per Share since 27 November 2019 and up to the Last Undisturbed Trading Day.
- (3) Total return is rounded to one (1) decimal place.

- (d) **Clean cash exit opportunity without incurring brokerage and other trading costs.** The Scheme offers a compelling all-cash deal, comprising of the Cash Consideration and the inclusion of the Special Dividend to further enhance the overall value received by Eligible Shareholders.

The Scheme is also a secure exit strategy, allowing Eligible Shareholders to realise their investments if the Scheme becomes effective, without incurring brokerage and other associated trading costs. This eliminates future uncertainties in relation to the Group’s financial performance and share price.

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## LETTER TO SHAREHOLDERS

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- (e) **Synergies and operational flexibility.** The Offeror believes that the Acquisition presents a compelling opportunity to leverage the complementary strengths of the Company and Liberty. The combined capabilities of the Company and Liberty will allow for synergies and an enhanced ability to meet customer needs across regions. Together, the Company and Liberty will be well-positioned to capitalize on the evolving energy transition by offering both Maintenance and EPC Project services to global energy customers pivoting towards sustainable energy solutions. Additionally, efficiencies would result from greater sharing of services and resources with Offeror's other strategic business units. In particular, the Offeror and Company would be better able to freely transfer intellectual property, share best practices and ensure unfettered staff mobility within the enlarged group. The Offeror believes that the privatisation will allow the management of the Company more flexibility to manage and develop the business and facilitate the implementation of any operational change (if required) with a focus on long-term execution, without the corresponding costs and regulatory restrictions associated with a listing on the SGX-ST.
- (f) **No need for access to capital markets.** Since the Company's initial public offering in 2009, the Company has not carried out any exercise to raise funds from the equity capital markets. It is also unlikely for the Company to tap on any access to the equity capital markets in the foreseeable future. Therefore, the listing status of the Company brings fewer benefits to the Company and its shareholders than initially envisaged.

### 2.2 Offeror's Future Intentions for the Company

The Offeror's future intentions for the Company are set out in paragraph 3.7 of the Offeror's Letter, an extract of which is set out below:

***"3.7 The Offeror's future intentions.***

- (a) *The Offeror intends for each of Edna Ko Poh Thim (Executive Chairman and Executive Director) and Robert Dompeling (Group Chief Executive Officer and Executive Director) (collectively, the "Key Management Personnel") to continue as part of management of the Company on and from the Effective Date. Further details are available at paragraph 7.4(c) below.*
- (b) *Save as disclosed in this Letter, there is presently no intention by the Offeror to (i) introduce any major changes to the business of the Group; (ii) dispose of, sell or re-deploy the fixed assets of the Group; or (iii) discontinue the employment of the employees of the Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Scheme. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Group which may present themselves or which the Offeror may regard to be in the interests of the Offeror and the Group.*
- (c) *It is intended that all directors of the Company, other than the directors who are Key Management Personnel, are to resign upon the delisting of the Company. As the Offeror intends and desires that there is continuity of management and minimal interruption of the Group's business, the Offeror intends to establish a management incentive plan which is envisaged to be implemented after the Effective Date to grant the senior executives and/or senior employees of the Group certain management incentives if certain conditions and/or targets are*

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## LETTER TO SHAREHOLDERS

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*met. The Offeror has yet to formulate the specific terms of the management incentive plan and will only finalise such terms after the Effective Date. Save as disclosed, the Offeror currently does not intend to change the emoluments of the directors who are Key Management Personnel and other key management of the Company.”*

### 3. INFORMATION ON THE COMPANY

- 3.1** The Company was incorporated in Singapore on 8 January 1982 and has been listed on the Mainboard of the SGX-ST since 7 August 2009.

The Group has established themselves as an integrated engineering solutions provider offering project works, maintenance/turnaround services and modular process systems to the energy, petrochemical, oil and chemical terminals, and pharmaceutical industries in Asia and the Middle East.

As at the Latest Practicable Date, the Company has:

- (a) an aggregate of 255,714,763 Shares in issue (of which 791,886 Shares are held by the Company as treasury shares); and
- (b) granted outstanding awards in respect of up to 5,668,143 Shares under the PEC Performance Share Plan, the vesting of which are subject to the fulfilment of the terms and conditions set out in the PEC Performance Share Plan.

### 4. INFORMATION ON THE OFFEROR AND LIBERTY

#### 4.1 The Offeror

The Offeror is a company incorporated in Singapore on 12 December 2024 for the purposes of the Acquisition and the Scheme and has not traded since its incorporation, nor has it entered into any obligations, other than those incidental to its formation or in connection with the Acquisition and the Scheme. The Offeror is a wholly-owned subsidiary of Liberty and is part of the Liberty Group.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$1, comprising of 1 ordinary share and is wholly-owned by Liberty.

As at the Latest Practicable Date, the Offeror's board comprises of one director, being Kyle Arnold Shaw, Jr. (Executive Chairman and Sole Director).

As at the Latest Practicable Date, the Offeror does not hold any direct or indirect interest in the Shares of the Company.

Schedule A of the Offeror's Letter at Appendix B to this Scheme Document sets out certain additional information on the Offeror.

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## LETTER TO SHAREHOLDERS

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### 4.2 Liberty

Liberty is an entity which was incorporated in the Cayman Islands and is the parent company of the Liberty Group. Operating across the United States, Canada, Asia and the Middle East, the Liberty Group provides energy engineering solutions and chemical decontamination for oil & gas refineries and petrochemical facilities.

## 5. THE ACQUISITION AND THE SCHEME

### 5.1 The Acquisition and the Scheme

The Acquisition will be effected by way of the Scheme and in accordance with the Code and the terms and conditions of the Implementation Agreement.

Under the Scheme, upon the Scheme becoming effective and binding in accordance with its terms:

- (a) all the Shares held by the Eligible Shareholders as at the Record Date will be transferred to the Offeror:
  - (i) fully paid-up;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) announced, declared or paid by the Company to the Shareholders on or after the Joint Announcement Date (other than the Special Dividend); and
- (b) in consideration of the transfer of the Shares pursuant to paragraph 5.1(a), each Eligible Shareholder will be entitled to receive:
  - (i) S\$0.64 per Share in cash; and
  - (ii) S\$0.20 per Share in cash from the Company by way of the Special Dividend,

provided that if any Distributions (other than the Special Dividend) are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Cash Consideration per Share by the amount per Share of any such Distribution actually made and paid to the Eligible Shareholders.

### 5.2 Scheme Conditions

The Scheme is conditional upon the satisfaction or waiver of all the Scheme Conditions. If each of the Scheme Conditions is satisfied (or where applicable, waived) in accordance with the Implementation Agreement, the Scheme will come into effect on the date on which a copy of the Scheme Court Order is lodged with ACRA pursuant to Section 210(5) of the Companies Act.

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## LETTER TO SHAREHOLDERS

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The Scheme Conditions include:

- (a) the approval of the Scheme by the Shareholders in compliance with the requirements under Section 210(3AB) of the Companies Act;
- (b) the approval of the Special Dividend by Shareholders at the EGM;
- (c) the grant of the Scheme Court Order by the Court and such Scheme Court Order having become final;
- (d) the lodgement of the Scheme Court Order with ACRA pursuant to Section 210(5) of the Companies Act;
- (e) the receipt of certain approvals or confirmations from the SIC and SGX-ST prior to the date of despatch of this Scheme Document, and such approvals not being revoked or withdrawn on or before the Relevant Date; and
- (f) there being no event or series of events occurring from the date of the Implementation Agreement which will result, or be reasonably likely to result, in a Material Adverse Effect.

Please refer to Appendix J for a full list of the Scheme Conditions.

### 5.3 Benefit of Scheme Conditions

(a) **Offeror's Benefit**

The Offeror alone may waive the Scheme Conditions in paragraphs 6 (in relation to any Authorisations), 8 (in relation to any Prescribed Occurrence relating to any Group Company as set out in Appendix K), 10 (in relation to any breach of the warranties of the Company which are material to the Scheme) and 12 (in relation to there having been no Material Adverse Effect (as defined in Appendix J)) of Appendix J. Any breach or non-fulfilment of any such conditions precedent may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

(b) **Company's Benefit**

The Company alone may waive the Scheme Conditions in paragraphs 7 (in relation to any Prescribed Occurrence relating to the Offeror as set out in Appendix K) and 11 (in relation to any breach of the warranties of the Offeror which are material to the Scheme) of Appendix J. Any breach or non-fulfilment of any such conditions precedent may be relied upon only by the Company. The Company may at any time and from time to time at their sole and absolute discretion waive any such breach or non-fulfilment.

(c) **Other Scheme Conditions**

The Scheme Conditions set out in paragraphs 1 (in relation to the approval of the Scheme by the Shareholders), 2 (in relation to the approval of the Special Dividend by the Shareholders), 3 (in relation to the grant of the Scheme Court Order), 4 (in relation to the lodgement of the Scheme Court Order) and 5 (in relation to the Regulatory Approvals) of Appendix J are not capable of being waived by any or all of the Parties.

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## LETTER TO SHAREHOLDERS

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### 5.4 Termination of the Scheme

#### (a) Right to Terminate

Without prejudice to any other rights of termination under the Implementation Agreement, the Implementation Agreement may be terminated at any time on or prior to the Relevant Date (provided that the Offeror or the Company, as applicable, shall only seek termination after it has had prior consultation with the SIC, and the SIC gives its approval for, or states that it has no objection to such termination):

- (i) **Mutual consent:** by mutual written consent of the Offeror and the Company;
- (ii) **Regulatory action:** by either the Offeror or the Company, 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 Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (iii) **Breach:** by either (a) the Offeror, if the Company is in breach of the representations and warranties of the Group Companies set out in the Implementation Agreement which are material in the context of the Scheme; or (b) the Company, if the Offeror is in breach of the representations and warranties of the Offeror set out in the Implementation Agreement which are material in the context of the Scheme, provided that either the Offeror or the Company, as the case may be, has given written notice to the other party of the alleged breach and stating its intention to terminate the Implementation Agreement and further that in the case where such a breach is capable of remedy, the party in breach fails to remedy the same within 20 Business Days after receipt of such notice; or
- (iv) **Shareholders' approvals:** by either the Company or the Offeror, if the resolutions in respect of the Scheme and the Special Dividend are not approved (without amendment) by the requisite majorities of the Shareholders at the meeting of the Shareholders to approve the Scheme to be convened pursuant to the order of the Court, and any adjournment thereof or the extraordinary general meeting of the Company to be convened for the purposes of approving the Special Dividend (as applicable).

#### (b) Termination on Non-fulfilment of Scheme Conditions

Notwithstanding anything contained in the Implementation Agreement, either the Offeror or the Company may immediately terminate the Implementation Agreement by notice in writing to the other party, if any of the Scheme Conditions has not been satisfied (or, where applicable, has not been waived) by, or if the Scheme has not become effective on, the Long-Stop Date, except that the Offeror or the Company (as the case may be, in relation to the respective Scheme Conditions expressed to be for their respective benefits as set out in paragraph 5.3) may only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement, if it has first consulted the SIC and the SIC gives its approval for, or states that it has no objection to, such termination.

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## LETTER TO SHAREHOLDERS

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**(c) Effect of Termination**

In the event of termination of the Implementation Agreement pursuant to paragraph 5.4, the Implementation Agreement shall terminate (except for the Surviving Provisions (as defined in the Implementation Agreement) such as those relating to interpretation, termination, representations and warranties, announcements, confidentiality, miscellaneous and governing law) and neither the Offeror or the Company shall have any claim against the other party under the Implementation Agreement.

**(d) Consultation with the Other Party**

In the event either the Offeror or the Company intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other party and each of the Offeror and the Company shall be entitled to make its representations and submissions to the SIC.

### **5.5 Competing Offers**

- (a) Except as expressly provided otherwise in the Implementation Agreement, the Company shall, during the period from and including the date of the Implementation Agreement to the earlier of the termination of the Implementation Agreement in accordance with its terms and the Effective Date, or where the Switch Option (being the Offeror's right to elect to proceed with the Acquisition by way of an Offer in lieu of proceeding by way of the Scheme in the event a Competing Offer is announced) is exercised, to the earlier of the closing date of the Offer or the date the Offer lapses or is withdrawn, deal exclusively with the Offeror to complete the Scheme, and shall not permit any of its Group Companies or their respective directors, employees, officers, agents, representatives or advisers to, directly or indirectly:
- (i) solicit, encourage, initiate, induce, participate in any offer, proposal, expression of interest, or make any initial or further approach to any person, or facilitate any enquiry or entertain any approach from or enter into or continue negotiations or discussions with any person (other than the Offeror and its advisers), or communicate any intention to do any of these things, with respect to the making, submission or announcement of any Competing Offer or any transaction similar to, or having the same effect as, the Scheme or the Offer;
  - (ii) accept, approve, endorse, recommend, vote or agree to vote for, any Competing Offer; or
  - (iii) take any action or omit to do any action which would frustrate or be prejudicial to the Acquisition or its implementation,

save that the restrictions in this paragraph 5.5 shall not apply to (I) the making of normal presentations, by and on behalf of any Group Company, to brokers, portfolio investors and analysts in the ordinary and usual course in relation to its business generally; and (II) the provision of information by or on behalf of the Company to the SGX-ST.

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## LETTER TO SHAREHOLDERS

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- (b) For the avoidance of doubt, nothing in this paragraph 5.5(a) shall prohibit or restrict the Company or its directors from receiving a *bona fide* unsolicited or uninitiated offer or proposal of a kind referred to in paragraph 5.5(a)(i) (“**Unsolicited Offer**”). In the event that any of the Company, its Group Companies or their respective directors, employees, officers or advisers receives any Unsolicited Offer, the Company and/or its directors shall be entitled to:
- (i) announce such Unsolicited Offer, insofar as such announcement is required under the Code or any Applicable Laws;
  - (ii) enter into discussions or otherwise respond to such Unsolicited Offer;
  - (iii) comply with Rule 9.2 of the Code;
  - (iv) seek clarification or further information from the person(s) making such Unsolicited Offer as may be necessary for the Directors to comply with and discharge their fiduciary duties to the Company and the Shareholders;
  - (v) in the exercise by the Directors of their fiduciary duties, make any recommendation or refrain from making any recommendation to the Shareholders as the Directors may deem fit in respect of the Unsolicited Offer; and
  - (vi) generally to perform all such acts as may be necessary for the Directors to comply with and discharge their fiduciary duties, statutory, regulatory and/or legal obligations that they may be subject to under all Applicable Laws.

### 5.6 Switch Option

Pursuant to the terms of the Implementation Agreement and subject to prior consultation with and the approval of the SIC, in the event of a Competing Offer being announced, the Offeror shall have the right at its discretion to elect to proceed with the Acquisition by way of an Offer (in lieu of proceeding by way of the Scheme) (the “**Switch Option**”).

In such event, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme, including at a consideration per Share equal to or greater than the Scheme Consideration and conditional upon a level of acceptances of only more than 50% and not conditional on a higher level of acceptances. If the Offeror exercises the Switch Option, the Parties agree that (notwithstanding any provision to the contrary in the Implementation Agreement) the Implementation Agreement shall terminate with effect from the date of announcement of the Offer (other than the clauses relating to the Switch Option and the Surviving Provisions (as defined in the Implementation Agreement)) and neither the Offeror or the Company shall have a claim against the other thereunder.

## 6. IRREVOCABLE UNDERTAKINGS

As set out in paragraph 7.2(a) of the Offeror’s Letter to Shareholders, each of the Undertaking Shareholders has given an irrevocable undertaking to the Offeror (the “**Irrevocable Undertakings**”) to, *inter alia*:

- (a) exercise his, her or their voting rights in the Company to vote in favour of the Scheme Resolution at the Court Meeting and the Special Dividend Resolution at the EGM;

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## LETTER TO SHAREHOLDERS

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- (b) not to withdraw or amend the exercise of his, her or their vote in approval of the Scheme and the Special Dividend, notwithstanding where the terms of the Scheme confer a right of withdrawal in certain circumstances;
- (c) not to exercise or procure the exercise of all of the voting rights attached to his, her or their Shares in favour of any other proposal put forth to the Shareholders in the alternative to or in competition with the Scheme (other than the Offer);
- (d) in the event the Offeror exercises its Switch Option, to accept the Offer; and
- (e) not to accept any other offer in respect of his, her or their Shares or any of them whatsoever whether conditionally or unconditionally.

The Undertaking Shareholders have given the Irrevocable Undertaking to the Offeror in respect of 161,565,534 Shares held legally and/or beneficially by the Undertaking Shareholders in the aggregate, representing approximately 63.38% of the total number of Shares (excluding Shares held by the Company as treasury shares) as at the Latest Practicable Date.

Further details of the Irrevocable Undertakings and the Shares held by the Undertaking Shareholders as at the Latest Practicable Date are set out in paragraph 4 of the Explanatory Statement and paragraph 7.2 of the Offeror's Letter.

### 7. MANAGEMENT REINVESTMENT ARRANGEMENTS

#### 7.1 Management Reinvestment Arrangements

Each of Edna Ko Poh Thim (Executive Chairman and Executive Director) and Robert Dompeling (Group Chief Executive Officer and Executive Director) (collectively, the "**Key Management Personnel**") has agreed (i) to reinvest the Cash Consideration portion of the Scheme Consideration that is due to them pursuant to the Scheme, and subscribe for new shares in the Offeror representing an aggregate of not more than 15% of the total issued and paid up capital of the Offeror on and from the Effective Date, and (ii) to take up certain rights and obligations as a shareholder of the Offeror on and from the Effective Date (the "**Management Reinvestment Arrangements**").

The subscription price to be paid by the Key Management Personnel for the Offeror Shares is at an issue price per Offeror Share equivalent to the Cash Consideration portion of the Scheme Consideration, in lieu of them receiving the relevant aggregate amount of the Cash Consideration.

#### 7.2 Shareholders' Agreement

Pursuant to the Management Reinvestment Arrangements, the Key Management Personnel, Liberty and the Offeror have entered into a shareholders' agreement (the "**Shareholders' Agreement**") which will come into effect on and from the Effective Date. The Shareholders' Agreement contains provisions governing the relationship between the Key Management Personnel, on the one hand, and Liberty, on the other hand, as shareholders of the Offeror.

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## LETTER TO SHAREHOLDERS

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Under the Shareholders' Agreement, the Key Management Personnel are subject to transfer restrictions on their shareholdings in the Offeror for a period of three years from the Effective Date set out in the Shareholders' Agreement (the "**Lock-Up Period**"), except in permitted circumstances.

The Shareholders' Agreement also includes (amongst other customary terms) a put and call option in respect of the Key Management Personnel's shareholdings in the Offeror. The put and call option are set at a price based on a pre-determined formula as set out in the Shareholders' Agreement, with reference to the financial performance of the Group and in certain cases, the Liberty Group, and exercisable following the second anniversary of the Effective Date and ending on the last day of the Lock-Up Period (except in permitted circumstances).

### 7.3 Roles of Key Management Personnel

On and from the Effective Date, Edna Ko Poh Thim and Robert Dompeling shall continue to be involved in the management of the Company and there is no intention to change the terms of their existing employment agreements following the Scheme becoming effective.

## 8. APPROVALS REQUIRED IN RESPECT OF THE SCHEME

### 8.1 Court Meeting, EGM and Court Sanction

The Scheme will require, *inter alia*, the following approvals:

- (a) the approval-in-principle from the SGX-ST of the Scheme Document and for the proposed delisting of the Company from the SGX-ST after the Scheme becomes effective in accordance with its terms;
- (b) the approval of the Scheme by a majority in number of Shareholders representing not less than three-fourths in value of the Shares held by Shareholders present and voting either in person or by proxy at the Court Meeting to be convened at the direction of the Court for the purpose of considering and, if thought fit, approving the Scheme (including any adjournment thereof);
- (c) the approval of the Special Dividend by Shareholders representing more than half of the total number of votes cast either in person or by proxy at an EGM to be held by the Company; and
- (d) the sanction of the Scheme by the Court.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the Scheme Court Order has been lodged with ACRA.

**The Scheme Resolution and the Special Dividend Resolution are inter-conditional. In the event that the Scheme Resolution is not approved at the Court Meeting, the Company will not proceed with the EGM and will not make payment of the Special Dividend. This means that the Scheme cannot be implemented by the Company and the Offeror unless both the Scheme Resolution and the Special Dividend Resolution are approved.**

When the Scheme, with or without modification, becomes effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting.

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## LETTER TO SHAREHOLDERS

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### 8.2 SIC Rulings and Confirmations

Pursuant to the application made by the Offeror to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Scheme, the SIC has confirmed, *inter alia*, that:

- (a) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Scheme, subject to the following conditions:
  - (i) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand, abstain from voting on the Scheme;
  - (ii) the Offeror and its concert parties abstain from voting on the Scheme;
  - (iii) the directors of the Company who are also directors of the Offeror or who are acting in concert with those persons in sub-paragraph (i) or (ii) above abstain from making a recommendation on the Scheme to the Shareholders;
  - (iv) the Scheme Document contains advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
  - (v) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the latest practicable date and their voting rights in the Offeror and the Company after the Scheme;
  - (vi) the Company appoints an independent financial adviser to advise the Shareholders on the Scheme; and
  - (vii) the Scheme being completed within seven months (unless extended with SIC's consent) from the date of the Joint Announcement;
- (b) the SIC has no objections to the Scheme Conditions and the termination provisions of the Implementation Agreement;
- (c) the SIC has no objections to the Offeror reserving its right to exercise the Switch Option, subject to:
  - (i) disclosure in the Joint Announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option in the event of an announcement of a firm intention to make a Competing Offer for the Company;
  - (ii) the Offer being on the same or better terms as those which apply to the Scheme, including the same or higher consideration than the Scheme Consideration;
  - (iii) the acceptance condition to the Offer being set at only more than 50% of the maximum issued shares in the Company (and not conditional upon a higher level of acceptances); and
  - (iv) consultation with the SIC beforehand to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option;

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## LETTER TO SHAREHOLDERS

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- (d) the SIC has no objections to the Scheme Conditions, to the extent applicable in the event of the Offer, being similarly imposed as conditions to the Offer becoming unconditional in all respects, subject to the Offeror consulting with the SIC and seeking the SIC's approval prior to invoking such Scheme Condition so as to cause the Offer to lapse;
- (e) in relation to the Management Reinvestment Arrangements:
  - (i) the Management Reinvestment Arrangements will not constitute special deals prohibited under Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating in its opinion that the terms of the Management Reinvestment Arrangements are fair and reasonable to the Shareholders in the context of Rule 10 of the Code; and
  - (ii) the Key Management Personnel will not be considered to be acting in concert with the Offeror solely by virtue of the Management Reinvestment Arrangements;
- (f) the Undertaking Shareholders will not be regarded as acting in concert with the Offeror solely by virtue of the Irrevocable Undertakings; and
- (g) the confirmation of the sufficiency of financial resources to be given by the Offeror's financial adviser in connection with the Scheme:
  - (i) need only be given in relation to the Cash Consideration and not the Scheme Consideration; and
  - (ii) may, in light of the Management Reinvestment Arrangements, exclude the amount to be reinvested by the Key Management Personnel from the Cash Consideration.

## 9. THE SPECIAL DIVIDEND

### 9.1 The Special Dividend Resolution

In connection with the implementation of the Scheme, the Company proposes to declare and pay, and is seeking the approval of Shareholders by way of an Ordinary Resolution at the EGM for, the Special Dividend.

Please refer to the Notice of EGM which sets out the Special Dividend Resolution.

**For the avoidance of doubt, the Special Dividend Resolution and Scheme Resolution are inter-conditional. In the event the Scheme Resolution is not approved at the Court Meeting, the Company will not be able to proceed with the EGM. This means that the Special Dividend will not be paid by the Company unless both the Special Dividend Resolution and the Scheme Resolution are approved and the Scheme subsequently comes into effect upon the satisfaction or, as the case may be, the waiver of all the Scheme Conditions set out in Appendix J.**

The Company will make the payment of the Special Dividend entirely from its profits and retained earnings. The Company does not need to realise its assets to pay the Special Dividend to the Shareholders. For the avoidance of doubt, the Special Dividend is part of, and will be paid in accordance with, the terms of the Scheme.

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## LETTER TO SHAREHOLDERS

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### 9.2 Taxation with respect to the Special Dividend

As the Company is tax resident in Singapore, dividends declared and paid by the Company (whether paid in the form of cash or by way of distribution *in specie* of the Company's assets) are exempt from Singapore income tax in the hands of the Shareholders. Accordingly, as the Special Dividend is a payment of a dividend in cash by the Company, the amount of dividends declared and paid by the Company in the Special Dividend will be exempt from Singapore income tax when received by Shareholders.

Shareholders should note that the statements above are not to be regarded as advice on the tax position of any Shareholder or any tax implications arising from the Special Dividend. Shareholders (including those who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction outside Singapore) should consult their own professional advisers.

### 10. DELISTING

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

An application has been made to seek approval from the SGX-ST to delist and remove the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 3 April 2025, advised that, on the basis that the Scheme will require the approval of the Shareholders for the Scheme and Special Dividend and the IFA opines that the Scheme's financial terms are fair and reasonable, it has no objection to the Company's application to delist from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme (the "**Delisting Approval**"), subject to:

- (a) the Company obtaining Shareholders' approval for the Scheme at the Court Meeting to be convened;
- (b) the Company obtaining Shareholders' approval for the Special Dividend at the EGM to be convened;
- (c) the sanction of the Scheme by the Court and the Scheme becoming effective and binding in accordance to its terms;
- (d) the Company making an announcement of the Delisting Approval immediately; and
- (e) written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the proposed delisting of the Company from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme.

**SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE COMPANY WILL, SUBJECT TO THE APPROVAL OF THE SGX-ST, BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.**

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## LETTER TO SHAREHOLDERS

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### 11. NO CASH OUTLAY

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Eligible Shareholders under the Scheme.

### 12. WAIVER OF RIGHTS TO A GENERAL OFFER

In accordance with the SIC's rulings as set out in paragraph 8.2 of the Letter to Shareholders, Shareholders should note that by voting in favour of the Scheme Resolution, Shareholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Shares under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Company by way of the Scheme without having to make a general offer.

### 13. COURT MEETING

#### 13.1 Court Meeting

As mentioned in paragraph 8 above, the Scheme will require, *inter alia*, the following approvals:

- (a) the approval of a majority in number of Shareholders representing at least three-fourths in value of the Shares held by Shareholders present and voting either in person or by proxy at the Court Meeting for the Scheme Resolution; and
- (b) the approval of Shareholders by way of Ordinary Resolution at the EGM for the Special Dividend Resolution.

The Court Meeting will be convened and held on 5 May 2025 at 10.00 a.m. to seek the approval of Shareholders for the Scheme Resolution (with or without modifications).

**The Scheme Resolution and Special Resolution are inter-conditional. In the event that the Special Dividend Resolution is not approved at the EGM, the Company will not be able to proceed with the implementation of the Scheme. This means that the Scheme cannot be implemented by the Company and the Offeror unless both the Scheme Resolution and the Special Dividend Resolution are approved.**

**In addition, the Scheme will only come into effect if all the Scheme Conditions set out in Appendix J have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.**

When the Scheme, with or without modifications, becomes effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting.

#### 13.2 Notice of Court Meeting

The notice of the Court Meeting is set out in the "Notice of Court Meeting" section to this Scheme Document. You are requested to take note of the date, time and place of the Court Meeting.

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## LETTER TO SHAREHOLDERS

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### 14. EGM

#### 14.1 EGM

As mentioned in paragraph 9 above, the implementation of the Scheme will require the approval of Shareholders by way of Ordinary Resolution at the EGM for the Special Dividend Resolution.

The EGM will be convened and held on 5 May 2025 at 10.30 a.m. (or as soon thereafter following the conclusion of the Court Meeting, whichever is later) to seek the approval of Shareholders for the Special Dividend Resolution (with or without modifications) by way of an Ordinary Resolution.

**The Special Dividend Resolution and Scheme Resolution are inter-conditional. In the event the Scheme Resolution is not approved at the Court Meeting, the Company will not proceed with the EGM. This means that the Special Dividend will not be paid by the Company unless both the Special Dividend Resolution and the Scheme Resolution are approved and the Scheme subsequently comes into effect upon the satisfaction or, as the case may be, the waiver of all the Scheme Conditions set out in Appendix J.**

#### 14.2 Notice of EGM

The notice of the EGM is set out in the “Notice of EGM” section to this Scheme Document. You are requested to take note of the date, time and place of the EGM.

### 15. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

#### 15.1 Appointment of IFA

Deloitte & Touche Corporate Finance Pte Ltd has been appointed by the Independent Board Committee as the IFA pursuant to Rule 1309(2) of the Listing Manual and to advise the Independent Directors on the terms of the Scheme, in compliance with the provisions of the Code.

Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether or not to vote in favour of the Scheme Resolution.

The advice of the IFA in relation to the Scheme, which is given pursuant to Rule 1309(2) of the Listing Manual, is set out in the IFA Letter as set out in Appendix A to this Scheme Document.

#### 15.2 IFA Opinion on the Scheme

After having regard to the considerations set out in the IFA Letter and based on the information available to the IFA as at the Latest Practicable Date, the IFA has given its advice in respect of the Scheme to the Independent Directors (an extract of which is reproduced in italics below) and has advised the Independent Directors to recommend that the Shareholders vote in favour of the Scheme Resolution.

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## LETTER TO SHAREHOLDERS

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Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in Appendix A to this Scheme Document.

### **“8. OUR RECOMMENDATION**

*For the purpose of evaluating the Scheme, we have adopted the approach that the terms are “fair” and “reasonable” are regarded as two different concepts. The term “fair” relates to the opinion on the value of the offer price against the value of the securities subject to the offer (the “Securities”), and an offer is “fair” if the price offered is equal to or greater than the value of the Securities. In considering whether an offer is “reasonable”, other matters as well as the value of the Securities are taken into consideration. Such other matters include, but are not limited to, existing voting rights in the Company held by offeror and its concert parties or the market liquidity of the relevant securities.*

### **8.1 ASSESSMENT OF FAIRNESS OF THE SCHEME**

*In determining the fairness of the Scheme, we have considered, inter alia, the following pertinent factors:*

- (i) In the last 5 years prior to and including the Last Undisturbed Trading Date, the Shares have never traded at or above the Scheme Consideration. It has been trading between a high of S\$0.75 and a low of S\$0.35. Accordingly, the Scheme Consideration represents a premium of 12.0% to 140.0% to the highest and lowest price respectively;*
- (ii) During the period after the Last Undisturbed Trading Date to the Latest Practicable Date, the Scheme Consideration represents a premium of 14.3% and a discount of 5.6% to the lowest and highest daily share price of S\$0.735 and S\$0.890 respectively;*
- (iii) The Scheme Consideration represents a premium of approximately 53.1%, 37.6%, 33.3%, 30.6%, 28.6%, and 23.5% over the VWAP of the Shares for the 5-year, 3-year, 1-year, 6-month, 3-month, and 1-month periods prior to the release of the Holding Announcement respectively. The Scheme Consideration also represents a premium of approximately 13.6% to the VWAP of the Shares at the Last Undisturbed Trading Date.*
- (iv) For the period up to and including the Last Undisturbed Trading Date, the implied P/NAV and implied P/RNAV of 0.90 times and 0.89 times respectively are above the range of historical trailing P/NAV of the Company;*
- (v) For the period after the Last Undisturbed Trading Date to the Latest Practicable Date, the implied P/NAV and P/RNAV of 0.90 times and 0.89 times are above the mean and median, and within the range of historical trailing P/NAV of the Company;*
- (vi) As at the Latest Practicable Date, the implied P/NAV multiple of 0.90 times and the implied P/RNAV multiple of 0.89 times is higher than the P/NAV multiple of 0.88 times;*

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- (vii) *The implied P/NAV ratio, P/RNAV ratio and P/RNAV (ex-SD) ratio of the Company of 0.90 times, 0.89 times and 0.86 times respectively are within the range of the P/NAV ratios of the Comparable Companies of 1.69 times and 0.34 times, and above the mean and median P/NAV ratios of the Comparable Companies of 0.78 times and 0.73 times respectively;*
- (viii) *The implied P/E ratio of the Company of 15.79 times is within the range of the LTM P/E ratios of the Comparable Companies of 16.96 times and 3.85 times and above the mean and median LTM P/E ratios of the Comparable Companies of 8.34 times and 7.46 times respectively;*
- (ix) *The implied EV/EBITDA ratio of the Company of 3.20 times is within the range of the EV/LTM EBITDA ratios of the Comparable Companies, and above the median but below the mean EV/LTM EBITDA ratios of the Comparable Companies;*
- (x) *The premia implied by the Scheme Consideration of 28.6%, 30.6% and 33.3% over the 3-month, 6-month and 12-month VWAP are within the range and above the mean and median premium of the Precedent Privatisations;*
- (xi) *The premium implied by the Scheme Consideration of 23.5% over the 1-month VWAP is within range, below the mean but above the median premium of the Precedent Privatisations; and*
- (xii) *The Scheme Consideration is within the estimated value range of the Shares of S\$0.807 to S\$0.935.*

***In view of the above, we are of opinion that the Scheme is FAIR.***

### **8.2 ASSESSMENT OF REASONABLENESS OF THE SCHEME**

*In determining the reasonableness of the Scheme, we have considered, inter alia, the following pertinent factors:*

- (a) *During the 5-year period, the average daily traded volume of the Shares for the 5-year, 3-year, 1-year, 6-month, 3-month and 1-month periods prior to the release of the Holding Announcement was very low, representing 0.04%, 0.04%, 0.06%, 0.10%, 0.18% and 0.32% of the free float of the Shares respectively. The average daily traded volume of the Shares on the Last Undisturbed Trading Date was low, representing 0.14% of the free float of the Shares;*
- (b) *Between the Last Undisturbed Trading Date and up to and including the Latest Practicable Date, the trading liquidity of the Shares rose to an average daily traded volume of approximately 260,051 Shares, representing approximately 0.29% of the Company's free float, as compared to the average daily traded volume of approximately 37,416 Shares over the 5-year Period;*
- (c) *The outlook of the Group is expected to be challenging, due to geopolitical and macroeconomic uncertainties which continue to present operating challenges, including margin pressures. The order book, excluding maintenance contracts, have declined since 31 December 2022.*

***In view of the above, we are of the opinion that the Scheme is REASONABLE.***

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## LETTER TO SHAREHOLDERS

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### **8.3 OUR OPINION OF THE SCHEME AND THE MANAGEMENT REINVESTMENT AGREEMENTS**

*With respect to the Scheme, we are of the opinion that, on balance, the financial terms of the Scheme are **FAIR** and **REASONABLE**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **IN FAVOUR** of the Scheme.*

*With respect to the Management Reinvestment Agreements and based on our evaluation of the information available to us as at the Latest Practicable Date, we are of the opinion that the terms of the Management Reinvestment Arrangements are **FAIR** and **REASONABLE** in the context of Rule 10 of the Code.*

***The Independent Directors should also highlight to Shareholders that the Scheme, when it becomes effective, will be binding on all Shareholders, whether or not they have attended or voted at the Court Meeting, and if they have attended and voted, whether or not they have voted in favour of the Scheme.***

*In arriving at our recommendation, we wish to emphasise that we have relied on information provided to us in accordance with our Terms of Reference in Paragraph 2 of this Letter. In addition, the Independent Directors should note that we have arrived at our conclusion based upon information made available to us up to and including the Latest Practicable Date.*

*In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Eligible Shareholder. As each Shareholders has different investment objectives and profile, we would advise that individual Shareholders who require specific advice in relation to their investment objectives or portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.*

*Shareholders should note that the trading of the Shares is subject to, inter alia, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Scheme.*

*The Independent Directors should note that trading in the Shares is subject to possible market fluctuations and, accordingly, our advice on the Scheme cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Shares as these are governed by factors beyond the ambit of our review and would not fall within the terms of reference in connection with the Scheme.*

*Our recommendations are addressed to the Independent Directors for the purpose of Listing Rule 1309(2) as well as for their benefit in connection with and for the purposes of their consideration of the Scheme and shall not be used and/or relied on by any other person for any purpose at any time and in any manner other than the Offer. Any recommendations made by the Independent Directors in respect of the Offer shall remain their responsibility.*

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## LETTER TO SHAREHOLDERS

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*Our recommendations are governed by the laws of Singapore, and are strictly limited to the matters stated in this Letter and do not apply by implication to any other matter.”*

### 16. INDEPENDENT BOARD COMMITTEE

In the interest of corporate governance, the Board has constituted an independent board committee (the “**Independent Board Committee**”) in connection with the Scheme, chaired by Ms Tan Whei Mien, Joy (who is the lead independent, non-executive director of the Company) and comprising wholly of independent, non-executive directors of the Company. The Independent Board Committee’s responsibilities include:

- (a) selecting and appointing an independent financial adviser to advise the Independent Directors on the terms of the Scheme. The Independent Board Committee shall undertake all tasks as may be necessary to undertake the foregoing, including but not limited to:
  - (i) reviewing and deliberating on the tender proposals received from potential independent financial adviser candidates;
  - (ii) reviewing and approving the selection criteria and evaluation metrics for the selection of the independent financial adviser; and
  - (iii) ensuring that the independent financial adviser is selected in accordance with such selection criteria and evaluation metrics;
- (b) providing instructions to the appointed independent financial adviser on the scope of work, and ensuring that the appointed independent financial adviser has access to such reports, documents, information and valuations as the independent financial adviser reasonably requires to render its advice; and
- (c) reviewing and assessing the independent financial adviser’s advice, and thereafter making a recommendation to the Board on whether to concur with the advice of the independent financial adviser and whether to recommend to Shareholders to approve the Scheme or otherwise.

The Independent Board Committee, having considered the advice of the IFA, concurs with the advice of the IFA and has recommended the Independent Directors to recommend that Shareholders vote in favour of the Scheme Resolution.

### 17. RECOMMENDATIONS BY DIRECTORS

#### 17.1 Independence

All the Directors are considered independent for the purposes of making a recommendation on the Scheme to the Shareholders.

#### 17.2 Recommendation on the Scheme and Special Dividend

The Independent Directors are proposing the Scheme for the consideration of the Shareholders. The Independent Directors have considered carefully the terms of the Scheme, the factors set out in the IFA Letter, the advice given by the IFA and the recommendation of the Independent Board Committee.

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## LETTER TO SHAREHOLDERS

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In light of the foregoing, the Independent Directors recommend that Shareholders **VOTE IN FAVOUR** of the Scheme Resolution at the Court Meeting.

Shareholders are reminded that upon the Scheme becoming effective in accordance with its terms, it will be binding on all Shareholders, whether or not they attended or voted at the Court Meeting, and, if they attended and voted at the Court Meeting, whether or not they voted in favour of the Scheme Resolution.

Shareholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Shares will be maintained at the current levels prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

Shareholders should read and consider carefully this Scheme Document in its entirety, and in particular the advice of the IFA set out in the IFA Letter as set out in Appendix A to this Scheme Document, before deciding whether or not to vote in favour of the Scheme Resolution.

Further, having regard to the above, the Directors are of the opinion that the Special Dividend would be beneficial to, and be in the interests of, the Company and the Shareholders.

Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of the Special Dividend Resolution at the EGM.

### 17.3 Additional Considerations for Shareholders

The Independent Directors advise Shareholders, in deciding whether or not to vote in favour of the Scheme Resolution, to carefully consider the advice of the IFA and in particular, the various considerations highlighted by the IFA in the IFA Letter as set out in Appendix A to this Scheme Document.

Shareholders should note that the trading of the Shares is subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments.

Shareholders should be aware that market, economic, financial, industry, monetary, regulatory and other conditions may change over a relatively short period of time. Shareholders may wish to take note of any announcements which may be released after the date of the IFA Letter.

In giving the above recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Shareholder.

As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that Shareholders who may require advice in relation to their investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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## LETTER TO SHAREHOLDERS

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### 18. VOTING ON THE SCHEME RESOLUTION AND THE SPECIAL DIVIDEND RESOLUTION

#### 18.1 Scheme Resolution

The Directors who have direct interests in the Shares, as set out in paragraph 5.3 of Appendix C to this Scheme Document, being Ms Edna Ko Poh Thim, Mr Robert Dompeling and Mr Wong Peng, have informed the Company that they will **VOTE IN FAVOUR** of the Scheme Resolution at the Court Meeting.

In addition, Ms Edna Ko Poh Thim, who has a deemed interest in the Shares held by Tian San Company (Pte.) Limited, has informed the Company that Tian San Company (Pte.) Limited will **VOTE IN FAVOUR** of the Scheme Resolution at the Court Meeting, in accordance with the Irrevocable Undertaking given by it to the Offeror.

#### 18.2 Special Dividend Resolution

The Directors who have direct interests in the Shares, as set out in paragraph 5.3 of Appendix C to this Scheme Document, being Ms Edna Ko Poh Thim, Mr Robert Dompeling and Mr Wong Peng, have informed the Company that they will **VOTE IN FAVOUR** of the Special Dividend Resolution at the EGM.

In addition, Ms Edna Ko Poh Thim, who has a deemed interest in the Shares held by Tian San Company (Pte.) Limited, has informed the Company that Tian San Company (Pte.) Limited will **VOTE IN FAVOUR** of the Special Dividend Resolution at the EGM, in accordance with the Irrevocable Undertaking given by it to the Offeror.

### 19. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 19.1 Proxy Forms

Shareholders who are unable to attend the Court Meeting and/or the EGM are requested to complete the Proxy Form A (Court Meeting) and/or Proxy Form B (EGM) in accordance with the instructions printed thereon and lodge them with the Share Registrar via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia) or by post at 36 Robinson Road, #20-01 City House, Singapore 068877, in either case, not less than 48 hours before the time fixed for the Court Meeting and/or the EGM.

The completion and lodgement of the Proxy Forms will not prevent Shareholders from attending and voting in person at the Court Meeting and/or the EGM if they subsequently wish to do so. In such event, the relevant Proxy Form A (Court Meeting) and/or Proxy Form B (EGM) (as the case may be) will be deemed to be revoked.

#### 19.2 Information relating to CPFIS and SRS Investors

CPFIS Members and SRS Investors who wish to attend the Court Meeting and/or the EGM are advised to consult their respective CPF Agent Banks and SRS Operators for further information and if they are in any doubt as to the action they should take, CPFIS Members and SRS Investors should seek independent professional advice.

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## LETTER TO SHAREHOLDERS

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### 20. RECORD DATE, SETTLEMENT AND REGISTRATION PROCEDURES AND OVERSEAS SHAREHOLDERS

Please refer to the Explanatory Statement set out in pages 44 to 64 to this Scheme Document for further details.

### 21. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Appendices to this Scheme Document.

### 22. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Scheme Document) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Scheme Document (other than the information in Appendices A, B and G to this Scheme Document, and any information relating to or opinions expressed by the Offeror, the IFA, and/or the Valuers) are fair and accurate and that no other material facts have been omitted from this Scheme Document, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including the Offeror, the IFA, and/or the Valuers), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Scheme Document. The Directors do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group Companies are fair and accurate.

Yours faithfully

For and on behalf of the Board of Directors of  
**PEC Ltd.**

Edna Ko Poh Thim  
Executive Chairman

**Any enquiries relating to the Acquisition or the Scheme should be directed from 9.00 a.m. to 5.00 p.m., Mondays to Fridays to OCBC Bank's helpline at +65 6530 1275.**

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## EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

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### 1. INTRODUCTION

#### 1.1 Joint Announcement of the Acquisition and the Scheme

On 17 February 2025, the respective boards of directors of the Company and the Offeror jointly announced the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror to be effected by the Company by way of a scheme of arrangement under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the Joint Announcement is available on the SGX-ST website at <https://www.sgx.com/securities/company-announcements>.

#### 1.2 Explanatory Statement

This Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out on pages M-1 to M-8 of this Scheme Document. Capitalised terms used in this Explanatory Statement which are not defined herein shall bear the same meanings ascribed to them on pages 1 to 12 of this Scheme Document.

#### 1.3 IFA's Recommendation with respect to the Scheme

In light of the Scheme, the IFA has opined that “*on balance, the financial terms of the Scheme are **FAIR** and **REASONABLE**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **IN FAVOUR** of the Scheme.*”

### 2. RATIONALE FOR THE SCHEME

The rationale for the Acquisition and the Scheme is set out in paragraph 2.1 of the Letter to Shareholders.

### 3. THE SCHEME

#### 3.1 Terms of the Scheme

- (a) All the Shares held by the Eligible Shareholders as at the Record Date will be transferred to the Offeror:
  - (i) fully paid-up;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) announced, declared or paid by the Company to the Shareholders on or after the Joint Announcement Date (other than the Special Dividend); and
- (b) in consideration of the transfer of the Shares pursuant to paragraph 3.1(a), each Eligible Shareholder will be entitled to receive:

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## **EXPLANATORY STATEMENT**

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(i) S\$0.64 per Share in cash; and

(ii) S\$0.20 per Share in cash from the Company by way of the Special Dividend,

provided that if any Distributions (other than the Special Dividend) are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Cash Consideration per Share by the amount per Share of any such Distribution actually made and paid to the Eligible Shareholders.

### **3.2 No Cash Outlay**

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Eligible Shareholders under the Scheme.

### **3.3 Waiver of Rights to a General Offer**

In accordance with the SIC's rulings as set out in paragraph 8.2 of the Letter to Shareholders, Shareholders should note that by voting in favour of the Scheme Resolution, Shareholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Shares under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Company by way of the Scheme without having to make a general offer.

### **3.4 Switch Option**

Pursuant to the terms of the Implementation Agreement and subject to prior consultation with and the approval of the SIC, in the event of a Competing Offer being announced, the Offeror shall have the right at its discretion to elect to proceed with the Acquisition by way of an Offer (in lieu of proceeding by way of the Scheme) (the "**Switch Option**").

In such event, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme, including at a consideration per Share equal to or greater than the Scheme Consideration and conditional upon a level of acceptances of only more than 50% and not conditional on a higher level of acceptances. If the Offeror exercises the Switch Option, the Parties agree that (notwithstanding any provision to the contrary in the Implementation Agreement) the Implementation Agreement shall terminate with effect from the date of announcement of the Offer (other than the clauses relating to the Switch Option and the Surviving Provisions (as defined in the Implementation Agreement)) and neither the Offeror or the Company shall have a claim against the other thereunder.

## **4. IRREVOCABLE UNDERTAKINGS**

### **4.1 Irrevocable Undertakings**

As set out in paragraph 7.2 of the Offeror's Letter to Shareholders, each of the Undertaking Shareholders has given an irrevocable undertaking to the Offeror (the "**Irrevocable Undertakings**") to, *inter alia*:

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**EXPLANATORY STATEMENT**  
(in compliance with Section 211 of the Companies Act)

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- (a) exercise his, her or their voting rights in the Company to vote in favour of Scheme Resolution at the Court Meeting and the Special Dividend Resolution at the EGM;
- (b) not to withdraw or amend the exercise of his, her or their vote in approval of the Scheme and the Special Dividend, notwithstanding where the terms of the Scheme confer a right of withdrawal in certain circumstances;
- (c) not to exercise or procure the exercise of all of the voting rights attached to his, her or their Shares in favour of any other proposal put forth to the Shareholders in the alternative to or in competition with the Scheme (other than the Offer);
- (d) in the event the Offeror exercises its Switch Option, to accept the Offer; and
- (e) not to accept any other offer in respect of his, her or their Shares or any of them whatsoever whether conditionally or unconditionally.

The Undertaking Shareholders have given the Irrevocable Undertaking to the Offeror in respect of 161,565,534 Shares held legally and/or beneficially by the Undertaking Shareholders in the aggregate, representing approximately 63.38% of the total number of Shares (excluding Shares held by the Company as treasury shares) as at the Latest Practicable Date.

The Irrevocable Undertakings relate to the following Shares:

<b>Name of Undertaking Shareholder</b>	<b>Description</b>	<b>Total Number of Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date</b>	<b>Number of Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date as a Percentage of the Total Number of Target Shares<sup>(1)</sup></b>
Edna Ko Poh Thim	Executive Chairman and Executive Director of Company	35,653,667	13.99 per cent.
Robert Dompeling	Group Chief Executive Officer and Executive Director of Company	1,873,667	0.73 per cent.
Tian San Company (Pte.) Limited	Shareholder of Company	85,750,000	33.64 per cent.
Mark Ko Teong Hoon (Gao Zhongxun)	Shareholder of Company	23,624,475	9.27 per cent.
Patricia Ko Poh Cheng	Shareholder of Company	3,915,200	1.54 per cent.
Ng Khan Tee	Shareholder of Company	3,501,575	1.37 per cent.

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<b>Name of Undertaking Shareholder</b>	<b>Description</b>	<b>Total Number of Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date</b>	<b>Number of Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date as a Percentage of the Total Number of Target Shares<sup>(1)</sup></b>
Melissa Peony Lu Teng Ko Kumar	Shareholder of Company	2,668,950	1.05 per cent.
Lee May Peng Maisie	Shareholder of Company	1,750,000	0.69 per cent.
Ko Lu Sein	Shareholder of Company	1,600,000	0.63 per cent.
Ko Poh Kheng Kristine	Shareholder of Company	1,228,000	0.48 per cent.
<b>Total:</b>		<b>161,565,534</b>	<b>63.38 per cent.</b>

**Note:**

- (1) All references to percentage shareholding of the issued Shares are based on the total issued Shares (excluding Shares held by the Company as treasury shares) as at the Latest Practicable Date, being 254,922,877 Shares in issue. Percentages are rounded to the nearest two (2) decimal places.

## 4.2 Termination of the Irrevocable Undertakings

The obligations of the Undertaking Shareholders under their respective Irrevocable Undertakings will terminate upon occurrence of the following events:

- (a) the Scheme becomes effective in accordance with its terms;
- (b) (i) the Scheme is withdrawn or the Implementation Agreement is terminated without the Scheme becoming effective and (ii) the Offeror does not exercise the Switch Option or announce the Offer; or
- (c) the Offeror exercises the Switch Option and announces the Offer but the Offer lapses or fails to become or be declared to be unconditional for any reason.

## 4.3 No Other Irrevocable Undertakings

Save for the Irrevocable Undertakings, neither the Offeror nor any member of the Offeror Concert Party Group has received any irrevocable undertaking from any party to vote in favour of, or abstain from voting on, the Scheme and/or the Special Dividend as at the Latest Practicable Date.

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## **EXPLANATORY STATEMENT**

(in compliance with Section 211 of the Companies Act)

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### **4.4 SIC Rulings**

In accordance with the SIC Rulings, the SIC has confirmed, *inter alia*, that the Undertaking Shareholders will not be regarded as acting in concert with the Offeror solely by virtue of the Irrevocable Undertakings.

Accordingly, subject to the conditions imposed by the SIC being satisfied, each of the Undertaking Shareholders will not be precluded from attending and voting at the Court Meeting by virtue of their respective Irrevocable Undertakings and Management Reinvestment Arrangements (as applicable).

## **5. MANAGEMENT REINVESTMENT ARRANGEMENTS**

### **5.1 Management Reinvestment Arrangements**

Each of the Key Management Personnel has agreed (i) to reinvest the Cash Consideration portion of the Scheme Consideration that is due to them pursuant to the Scheme, and subscribe for new shares in the Offeror representing an aggregate of not more than 15% of the total issued and paid up capital of the Offeror on and from the Effective Date, and (ii) to take up certain rights and obligations as a shareholder of the Offeror on and from the Effective Date (the “**Management Reinvestment Arrangements**”).

The subscription price to be paid by the Key Management Personnel for the Offeror Shares is at an issue price per Offeror Share equivalent to the Cash Consideration portion of the Scheme Consideration, in lieu of them receiving the relevant aggregate amount of the Cash Consideration.

### **5.2 Shareholders’ Agreement**

The Key Management Personnel, Liberty and the Offeror have entered into the Shareholders’ Agreement which will come into effect on and from the Effective Date. The Shareholders’ Agreement contains provisions governing the relationship between the Key Management Personnel, on the one hand, and Liberty, on the other hand, as shareholders of the Offeror.

Under the Shareholders’ Agreement, the Key Management Personnel are subject to transfer restrictions on their shareholdings in the Offeror for the Lock-Up Period, except in permitted circumstances.

The Shareholders’ Agreement also includes (amongst other customary terms) a put and call option in respect of the Key Management Personnel’s shareholdings in the Offeror. The put and call option are set at a price based on a pre-determined formula as set out in the Shareholders’ Agreement, with reference to the financial performance of the Group and in certain cases, the Liberty Group, following the second anniversary of the Effective Date and ending on the last day of the Lock-Up Period (except in permitted circumstances).

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**EXPLANATORY STATEMENT**  
(in compliance with Section 211 of the Companies Act)

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**5.3 Roles of Key Management Personnel**

On and from the Effective Date, Edna Ko Poh Thim and Robert Dompeling shall continue to be involved in the management of the Company and there is no intention to change the terms of their existing employment agreements following the Scheme becoming effective.

**6. INFORMATION ON THE OFFEROR**

Information on the Offeror, as well as the Offeror's rationale for the Acquisition and the Scheme and future intentions for the Company, are set out in the Offeror's Letter.

**7. COURT MEETING AND EGM**

**7.1 Court Meeting**

The Scheme, which is proposed pursuant to Section 210 of the Companies Act, is required to be approved by Shareholders at the Court Meeting. By an order of the Court, the Court Meeting was directed to be convened for the purpose of considering, and if thought fit, approving the Scheme.

By proposing that the transaction be implemented by way of a scheme of arrangement under Section 210 of the Companies Act, the Company is providing Shareholders with the opportunity to decide at the Court Meeting whether they consider the Scheme to be in their best interests.

The Scheme must be approved at the Court Meeting by a majority in number of Shareholders present and voting, either in person or by proxy, at the Court Meeting, such majority holding not less than three-fourths in value of the Shares voted at the Court Meeting.

**7.2 Voting at the Court Meeting**

As set out in Appendix L to this Scheme Document:

- (a) each Shareholder who is not a Relevant Intermediary may only appoint one (1) proxy and may only cast all the votes it uses at the Court Meeting (whether in person or by proxy) in one (1) way;
- (b) in relation to any Shareholder who is a Relevant Intermediary:
  - (i) subject to paragraph 7.2(b)(ii) below, a Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that (A) each vote is exercised in relation to a different Share and (B) the voting rights attached to all or any of the Shares in each sub-account maintained by the Relevant Intermediary may only be cast at the Court Meeting in one way, but, for the avoidance of doubt the voting rights of the Shares in one sub-account need not be cast in the same way as the Shares in another sub-account maintained by such Relevant Intermediary; and

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**EXPLANATORY STATEMENT**  
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- (ii) a Shareholder who is a Relevant Intermediary may appoint more than two (2) proxies in relation to the Court Meeting to exercise all or any of the Shareholder's rights to attend and to speak and vote at the Court Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the Shareholder (which number and class of shares must be specified) provided that no more than one proxy may be given in respect of each sub-account maintained by the Relevant Intermediary which holds Shares. Where a proxy is appointed in accordance with this paragraph 7.2(b)(ii) of only one sub-account holder, such proxy may only cast all the votes it uses at the Court Meeting in one (1) way; and
- (c) for the purposes of determining whether the condition under Section 210(3AB)(a) of the Companies Act is satisfied:
  - (i) the Company shall treat each proxy appointed in accordance with paragraph 7.2(a) and who casts a vote for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy of more than one Shareholder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing Shareholders;
  - (ii) the Company shall treat each proxy appointed in accordance with paragraph 7.2(b)(ii) above and who casts a vote in respect of its Shares for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy in accordance with paragraph 7.2(b)(ii) above of more than one sub-account holder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing sub-account holders;
  - (iii) subject to paragraph 7.2(c)(iv) below, where a Shareholder is a Relevant Intermediary, the Company shall treat each sub-account holder on whose behalf the Relevant Intermediary holds Shares, and which casts a vote in respect of the Shares in such sub-account for or against the Scheme, as casting one vote in number.

The Shareholder which is a Relevant Intermediary shall submit to the Share Registrar the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares). Each sub-account holder may only vote one way in respect of all or any part of the Shares in such sub-account; and
  - (iv) where a Shareholder who is a Relevant Intermediary casts votes both for and against the Scheme otherwise than in accordance with paragraph 7.2(b)(ii) above and without submitting to the Share Registrar the information required under paragraph 7.2(c)(iii) above, without prejudice to the treatment of any proxies appointed in accordance with paragraph 7.2(b)(ii) above:
    - (A) the Company shall treat the Relevant Intermediary as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;

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- (B) the Company shall treat the Relevant Intermediary as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
- (C) the Company shall treat the Relevant Intermediary as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.

### **7.3 EGM**

The Special Dividend which is being proposed pursuant to the Scheme is also required to be approved by Shareholders at the EGM. The Special Dividend Resolution approving the Special Dividend must be approved at the EGM as an Ordinary Resolution.

### **7.4 Voting at the EGM**

- (a) A Shareholder entitled to attend, speak and vote at the EGM who is not a Relevant Intermediary may appoint not more than two (2) proxies to attend, speak and vote at the EGM in his/her/their stead. Where a Shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she/they specifies the proportion of his/her/their Shares (expressed as a percentage of the whole) to be represented by each proxy. Where such Shareholder appoints more than two (2) proxies, the appointments shall be invalid unless the Shareholder specifies in the proxy form the number of Shares in relation to which each proxy has been appointed.
- (b) Each Shareholder who is a Relevant Intermediary:
  - (i) subject to paragraph 7.4(b)(ii) below, need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Share; and
  - (ii) may appoint more than two (2) proxies in relation to the EGM to exercise all or any of the Shareholder's rights to attend and to speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the Shareholder (which number and class of shares must be specified). Each proxy appointed in accordance with this paragraph 7.4(b)(ii) may only cast all the votes it uses at the EGM in one (1) way.

Shareholders who are unable to attend the Court Meeting and/or the EGM are requested to complete the enclosed Proxy Form A (Court Meeting) and/or Proxy Form B (EGM) (as the case may be) in accordance with the instructions printed thereon and lodge them with the Share Registrar, In.Corp Corporate Services Pte. Ltd. in the following manner:

- (a) if submitted by post, be lodged at the office of In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01, City House, Singapore 068877; or
- (b) if submitted electronically, be submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia),

in either case, not less than 48 hours before the time fixed for each of the Court Meeting and the EGM.

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In the event the Scheme, with or without modification, becomes effective in accordance with its terms, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting. Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

### **7.5 Notice of Court Meeting and Notice of EGM**

The notice of the Court Meeting is set out in the “Notice of Court Meeting” section to this Scheme Document. You are requested to take note of the date and time of the Court Meeting.

The notice of the EGM is set out in the “Notice of EGM” section to this Scheme Document. You are requested to take note of the date and time of the EGM.

### **7.6 Inter-conditionality of the Scheme Resolution and the Special Dividend Resolution**

The Scheme Resolution and the Special Resolution are inter-conditional. In the event the Shareholders do not approve the Scheme Resolution or the Special Dividend Resolution, the Scheme and the Special Dividend will not proceed.

## **8. CONDITIONS OF THE SCHEME**

### **8.1 Scheme Conditions**

The Scheme is conditional upon the satisfaction or waiver of all the Scheme Conditions (which are set out in Appendix J). If each of the Scheme Conditions is satisfied (or where applicable, waived) in accordance with the Implementation Agreement, the Scheme will come into effect on the date on which a copy of the Scheme Court Order is lodged with the ACRA pursuant to Section 210(5) of the Companies Act.

### **8.2 Benefit of Scheme Conditions**

#### **(a) Offeror’s Benefit**

The Offeror alone may waive the Scheme Conditions in paragraphs 6 (in relation to any Authorisations), 8 (in relation to any Prescribed Occurrence relating to any Group Company as set out in Appendix K), 10 (in relation to any breach of the warranties of the Company which are material to the Scheme) and 12 (in relation to there having been no Material Adverse Effect (as defined in Appendix J)) of Appendix J. Any breach or non-fulfilment of any such conditions precedent may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

#### **(b) Company’s Benefit**

The Company alone may waive the Scheme Conditions in paragraphs 7 (in relation to any Prescribed Occurrence relating to the Offeror as set out in Appendix K) and 11 (in relation to any breach of the warranties of the Offeror which are material to the Scheme) of Appendix J. Any breach or non-fulfilment of any such conditions precedent may be relied upon only by the Company. The Company may at any time and from time to time at their sole and absolute discretion waive any such breach or non-fulfilment.

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**(c) Other Scheme Conditions**

The Scheme Conditions set out in paragraphs 1 (in relation to the approval of the Scheme by the Shareholders), 2 (in relation to the approval of the Special Dividend by the Shareholders), 3 (in relation to the grant of the Scheme Court Order), 4 (in relation to the lodgement of the Scheme Court Order) and 5 (in relation to the Regulatory Approvals) of Appendix J are not capable of being waived by any or all of the Parties.

**8.3 Update on Status of Scheme Conditions**

Set out below is an update on the status of the Scheme Conditions as at the Latest Practicable Date:

(a) the SIC has in the SIC Rulings confirmed, *inter alia*, that:

- (i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme, subject to certain conditions;
- (ii) it has no objections to the Scheme Conditions;
- (iii) in relation to the Management Reinvestment Arrangements:
  - (A) the Management Reinvestment Arrangements will not constitute special deals prohibited under Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating in its opinion that the terms of the Management Reinvestment Arrangements are fair and reasonable to the Shareholders in the context of Rule 10 of the Code; and
  - (B) the Key Management Personnel will not be considered to be acting in concert with the Offeror solely by virtue of the Management Reinvestment Arrangements.

Accordingly, subject to the conditions imposed by the SIC being satisfied, the Key Management Personnel will not be precluded from attending and voting at the Court Meeting by virtue of their respective Irrevocable Undertakings and Management Reinvestment Arrangements.

Please refer to paragraph 9.1 of this Explanatory Statement for further details; and

(b) the SGX-ST has, on 3 April 2025 advised that, on the basis that the Scheme will require the approval of the Shareholders for the Scheme and Special Dividend and the IFA opines that the Scheme's financial terms are fair and reasonable, it has no objection to the Company's application to delist from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme, subject to certain conditions. Please refer to paragraph 10 of this Explanatory Statement for further details.

Other than as set out in this paragraph 8.3, none of the other Scheme Conditions have, as at the Latest Practicable Date, been satisfied (or, where applicable, waived).

Accordingly, as at the Latest Practicable Date, the Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in Appendix J to this Scheme Document by the Long-Stop Date.

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### 8.4 Termination of the Scheme

#### (a) Right to Terminate

Without prejudice to any other rights of termination under the Implementation Agreement, the Implementation Agreement may be terminated at any time on or prior to the Relevant Date (provided that the Offeror or the Company, as applicable, shall only seek termination after it has had prior consultation with the SIC, and the SIC gives its approval for, or states that it has no objection to such termination):

- (i) **Mutual consent:** by mutual written consent of the Offeror and the Company;
- (ii) **Regulatory action:** by either the Offeror or the Company, as applicable, 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 Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (iii) **Breach:** by either (a) the Offeror, if the Company is in breach of the representations and warranties of the Group Companies set out in the Implementation Agreement which are material in the context of the Scheme; or (b) the Company, if the Offeror is in breach of the representations and warranties of the Offeror set out in the Implementation Agreement which are material in the context of the Scheme, provided that either the Offeror or the Company, as the case may be, has given written notice to the other party of the alleged breach and stating its intention to terminate the Implementation Agreement and further that in the case where such a breach is capable of remedy, the party in breach fails to remedy the same within 20 Business Days after receipt of such notice; or
- (iv) **Shareholders' approvals:** by either the Company or the Offeror, if the resolutions in respect of the Scheme and the Special Dividend are not approved (without amendment) by the requisite majorities of the Shareholders at the meeting of the Shareholders to approve the Scheme to be convened pursuant to the order of the Court, and any adjournment thereof or the extraordinary general meeting of the Company to be convened for the purposes of approving the Special Dividend (as applicable).

#### (b) Termination on Non-fulfilment of Scheme Conditions

Notwithstanding anything contained in the Implementation Agreement, either the Offeror or the Company may immediately terminate the Implementation Agreement by notice in writing to the other party, if any of the Scheme Conditions has not been satisfied (or, where applicable, has not been waived) by, or if the Scheme has not become effective on, the Long-Stop Date, except that the Offeror or the Company (as the case may be, in relation to the respective Scheme Conditions expressed to be for their respective benefits as set out in paragraph 8.2) may only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement, if it has first consulted the SIC and the SIC gives its approval for, or states that it has no objection to, such termination.

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**(c) Effect of Termination**

In the event of termination of the Implementation Agreement pursuant to paragraph 8.4, the Implementation Agreement shall terminate (except for the Surviving Provisions (as defined in the Implementation Agreement) such as those relating to interpretation, termination, representations and warranties, announcements, confidentiality, miscellaneous and governing law) and neither the Offeror or the Company shall have any claim against the other party under the Implementation Agreement.

**(d) Consultation with the Other Party**

In the event either the Offeror or the Company intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other party and each of the Offeror and the Company shall be entitled to make its representations and submissions to the SIC.

**9. SCHEME CONDITIONS AND REGULATORY APPROVALS**

**9.1 SIC**

Pursuant to an application made by the Offeror to the SIC to seek certain rulings in relation to the Acquisition and the Scheme, the SIC had confirmed, *inter alia*, that:

- (a) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Scheme, subject to the following conditions:
  - (i) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand, abstain from voting on the Scheme;
  - (ii) the Offeror and its concert parties abstain from voting on the Scheme;
  - (iii) the directors of the Company who are also directors of the Offeror or who are acting in concert with those persons in sub-paragraph (i) or (ii) above abstain from making a recommendation on the Scheme to the Shareholders;
  - (iv) the Scheme Document contains advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
  - (v) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the latest practicable date and their voting rights in the Offeror and the Company after the Scheme;
  - (vi) the Company appoints an independent financial adviser to advise the Shareholders on the Scheme; and
  - (vii) the Scheme being completed within seven months (unless extended with SIC's consent) from the date of the Joint Announcement;

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- (b) the SIC has no objections to the Scheme Conditions and the termination provisions of the Implementation Agreement;
- (c) the SIC has no objections to the Offeror reserving its right to exercise the Switch Option, subject to:
  - (i) disclosure in the Joint Announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option in the event of an announcement of a firm intention to make a Competing Offer for the Company;
  - (ii) the Offer being on the same or better terms as those which apply to the Scheme, including the same or higher consideration than the Scheme Consideration;
  - (iii) the acceptance condition to the Offer being set at only more than 50% of the maximum issued shares in the Company (and not conditional upon a higher level of acceptances); and
  - (iv) consultation with the SIC beforehand to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option;
- (d) the SIC has no objections to the Scheme Conditions, to the extent applicable in the event of the Offer, being similarly imposed as conditions to the Offer becoming unconditional in all respects, subject to the Offeror consulting with the SIC and seeking the SIC's approval prior to invoking such Scheme Condition so as to cause the Offer to lapse;
- (e) in relation to the Management Reinvestment Arrangements:
  - (i) the Management Reinvestment Arrangements will not constitute special deals prohibited under Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating in its opinion that the terms of the Management Reinvestment Arrangements are fair and reasonable to the Shareholders in the context of Rule 10 of the Code; and
  - (ii) the Key Management Personnel will not be considered to be acting in concert with the Offeror solely by virtue of the Management Reinvestment Arrangements;
- (f) the Undertaking Shareholders will not be regarded as acting in concert with the Offeror solely by virtue of the Irrevocable Undertakings; and
- (g) the confirmation of the sufficiency of financial resources to be given by the Offeror's financial adviser in connection with the Scheme:
  - (i) need only be given in relation to the Cash Consideration and not the Scheme Consideration; and
  - (ii) may, in light of the Management Reinvestment Arrangements, exclude the amount to be reinvested by the Key Management Personnel from the Cash Consideration.

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**9.2 Court**

The Scheme is subject to the sanction of the Court as stated in paragraph 3 of Appendix J to this Scheme Document.

**9.3 SGX-ST**

An application has been made to seek approval from the SGX-ST to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms as set out in paragraph 10 of this Explanatory Statement below.

**10. EFFECT OF THE SCHEME AND DELISTING**

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Mainboard of the SGX-ST.

An application has been made to seek approval from the SGX-ST to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms and for a waiver of Rule 1309(1)(b) of the Listing Manual which requires an issuer seeking to delist from the SGX-ST to provide a cash alternative as the default alternative. The SGX-ST has, on 3 April 2025, advised that, on the basis that the Scheme will require the approval of the Shareholders for the Scheme and Special Dividend and the IFA opines that the Scheme's financial terms are fair and reasonable, it has no objection to the Company's application to delist from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme, subject to:

- (a) the Company obtaining Shareholders' approval for the Scheme at the Court Meeting to be convened;
- (b) the Company obtaining Shareholders' approval for the Special Dividend at the EGM to be convened;
- (c) the sanction of the Scheme by the Court and the Scheme becoming effective and binding in accordance to its terms;
- (d) the Company making an announcement of the Delisting Approval immediately; and
- (e) written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting of the Company and the removal of the Company from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme.

**SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.**

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**11. IMPLEMENTATION OF THE SCHEME**

**11.1 Procedure for Implementation**

If the requisite majority of Shareholders approve the Scheme Resolution at the Court Meeting and the requisite majority of Shareholders approve the Special Dividend Resolution at the EGM, and the Court sanctions the Scheme by granting the Scheme Court Order, the Offeror and the Company will (subject to the Scheme Conditions having been satisfied or, as the case may be, waived in accordance with the Implementation Agreement) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

- (a) the Shares will be transferred to the Offeror as follows:
  - (i) in the case of Eligible Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Eligible Shareholders an instrument or instruction of transfer of all the Shares held by such Eligible Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Eligible Shareholder; and
  - (ii) in the case of the Eligible Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Eligible Shareholders, to debit, not later than seven Business Days after the Effective Date, all of the Shares standing to the credit of the Securities Accounts of such Eligible Shareholders and credit all of such Shares to the Securities Accounts of the Offeror;
- (b) from the Effective Date, all existing share certificates relating to the Shares held by the Eligible Shareholders (not being Depositors) will cease to be evidence of title of the Shares represented thereby;
- (c) the Eligible Shareholders (not being Depositors) are required to forward their existing share certificates relating to their Shares to the Share Registrar, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877 as soon as possible, but not later than seven Business Days after the Effective Date for cancellation;
- (d) the Company shall, not later than seven Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 11.1(a) above, make payment of the Special Dividend to the Eligible Shareholders in the manner set out in paragraph 11.3 below; and
- (e) the Offeror shall, not later than seven Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 11.1(a) above, make payment of the Cash Consideration to the Eligible Shareholders in the manner set out in paragraph 11.2 below.

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## **11.2 The Cash Consideration**

The Offeror shall, not later than seven Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 11.1(a) above:

**(a) Eligible Shareholders whose Shares are not deposited with CDP**

Pay each Eligible Shareholder (not being a Depositor) by sending a cheque for the Cash Consideration payable to and made out in favour of each Eligible Shareholder by ordinary post to his/her/its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Eligible Shareholders, or in the case of joint Eligible Shareholders, to the first named Eligible Shareholder made out in favour of such Eligible Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Eligible Shareholders.

**(b) Eligible Shareholders whose Shares are deposited with CDP**

Pay each Eligible Shareholder (being a Depositor) by making payment of the Cash Consideration payable to such Eligible Shareholder to CDP. CDP shall:

- (i) in the case of an Eligible Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Cash Consideration payable to such Eligible Shareholder, to the designated bank account of such Eligible Shareholder; and
- (ii) in the case of an Eligible Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Cash Consideration to such Eligible Shareholder's cash ledger and such Cash Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which are available from CDP.

## **11.3 The Special Dividend**

The Company shall, not later than seven Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 11.1(a) above:

**(a) Eligible Shareholders whose Shares are not deposited with CDP**

Pay each Eligible Shareholder (not being a Depositor) by sending a cheque for the Special Dividend payable to and made out in favour of each Eligible Shareholder by ordinary post to his/her/its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Eligible Shareholders, or in the case of joint Eligible Shareholders, to the first named Eligible Shareholder made out in favour of such Eligible Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Eligible Shareholders.

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**(b) Eligible Shareholders whose Shares are deposited with CDP**

Pay each Eligible Shareholder (being a Depositor) by making payment of the Special Dividend payable to such Eligible Shareholder to CDP. CDP shall:

- (i) in the case of an Eligible Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Special Dividend payable to such Eligible Shareholder, to the designated bank account of such Eligible Shareholder; and
- (ii) in the case of an Eligible Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Special Dividend to such Eligible Shareholder's cash ledger and such Special Dividend shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which are available from CDP.

**12. RECORD DATE**

**12.1 Notice of Record Date**

Subject to the approval by Shareholders of the Scheme at the Court Meeting and the Special Dividend at the EGM and the sanction of the Scheme by the Court, notice of the Record Date will be given in due course for the purposes of determining the entitlements of the Eligible Shareholders to the Scheme and the Special Dividend.

The Record Date is tentatively scheduled to be 10 June 2025 at 5.00 p.m.. The Company will make further announcement in due course of the Record Date.

**12.2 Books Closure**

No transfer of the Shares where the share certificates relating thereto are not deposited with CDP may be effected after the Record Date, unless such transfer is made pursuant to the Scheme.

**12.3 Trading in Shares on the SGX-ST**

The Scheme is tentatively scheduled to become effective and binding on or about 11 June 2025 and accordingly (assuming the Scheme becomes effective and binding on 11 June 2025), the Company is expected to be delisted and removed from the Official List of the SGX-ST after the settlement of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Shares will cease to be traded on the SGX-ST on or about 30 May 2025 at 5.00 p.m., being seven (7) Market Days before the expected Record Date on 10 June 2025 at 5.00 p.m..

Shareholders (not being Depositors) who wish to trade in their Shares on the SGX-ST are required to deposit with CDP their share certificates relating to their Shares, together with the duly executed instruments of transfer in favour of CDP, twelve (12) Market Days prior to the tentative last day for trading of the Shares.

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**13. SETTLEMENT AND REGISTRATION PROCEDURES**

**13.1 Settlement and Registration Procedures**

Subject to the Scheme becoming effective and binding, the following settlement and registration procedures will apply.

**(a) Eligible Shareholders (not being Depositors) whose Shares are not deposited with CDP**

Entitlements of Eligible Shareholders (not being Depositors) whose Shares are not deposited with CDP under the Scheme will be determined on the basis of their holdings of Shares appearing in the Register of Members at 5.00 p.m. on the Record Date. Eligible Shareholders (not being Depositors) who have not already registered their holdings of the Shares are requested to take the necessary action to ensure that the Shares owned by them are registered in their names or in the names of their nominees by the Record Date.

From the Effective Date, each existing share certificate representing a former holding of Shares by the Eligible Shareholder (not being a Depositor) will cease to be evidence of title to the Shares represented thereby.

Within seven (7) Business Days of the Effective Date, the Company shall make payment of the Special Dividend to each Eligible Shareholder (not being a Depositor) based on his holding of the Shares as at 5.00 p.m. on the Record Date.

Within seven (7) Business Days of the Effective Date, the Offeror shall make payment of the Scheme Consideration to each Eligible Shareholder (not being a Depositor) based on his holding of the Shares as at 5.00 p.m. on the Record Date.

**(b) Eligible Shareholders (being Depositors) whose Shares are deposited with CDP**

Entitlements of Eligible Shareholders (being Depositors) under the Scheme will be determined on the basis of the number of Shares standing to the credit of their Securities Accounts at 5.00 p.m. on the Record Date. Shareholders 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 Accounts by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit all the Shares standing to the credit of each relevant Securities Account of each Eligible Shareholder (being a Depositor) and credit all of such Shares to the Securities Accounts of the Offeror.

Within seven (7) Business Days of the Effective Date, CDP shall, based on the number of Shares standing to the credit of the Securities Account of the Eligible Shareholders (being Depositors) as at 5.00 p.m. on the Record Date, make payment of the Special Dividend to the Eligible Shareholders.

Within seven (7) Business Days of the Effective Date, CDP shall, based on the number of Shares standing to the credit of the Securities Account of the Eligible Shareholders (being Depositors) as at 5.00 p.m. on the Record Date, make payment of the Cash Consideration to the Eligible Shareholders.

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**13.2 Further Information for CPFIS Members and SRS Investors**

**(a) CPFIS Members**

In the case of CPFIS Members, entitlements to the Scheme will be determined on the basis of the number of the Shares held by the CPF Agent Banks on behalf of each CPFIS Member as at the Record Date. The Company shall instruct CDP to make payment of the Special Dividend attributable to CPFIS Members to the relevant CPF Agent Banks, and the CPF Agent Banks will update their records accordingly. The Cash Consideration attributable to the Shares held by the CPF Agent Banks on behalf of the CPFIS Members will also be paid to the relevant CPF Agent Banks.

**(b) SRS Investors**

In the case of SRS Investors, entitlements to the Scheme will be determined on the basis of the number of the Shares held by the SRS Operators on behalf of each SRS Investor as at the Record Date. The Company shall instruct CDP to make payment of the Special Dividend attributable to SRS Investors to the relevant SRS Operators, and the SRS Operators will update their records accordingly. The Cash Consideration attributable to the Shares held by the SRS Operators on behalf of the SRS Investors will also be paid to the relevant SRS Operators.

**14. SHAREHOLDING INTERESTS OF DIRECTORS**

The interests of the Directors in the Shares and the Company Convertible Securities as at the Latest Practicable Date are set out in paragraph 5.3 of Appendix C to this Scheme Document.

**15. OVERSEAS SHAREHOLDERS**

The applicability of the Acquisition and the Scheme to Overseas Shareholders, whose addresses are outside Singapore, as shown on the Register of Members, or as the case may be, in the records of CDP, 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.

**Overseas Shareholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.**

**15.1 Copies of Scheme Document**

There may be potential restrictions on sending this Scheme Document, the Notices, Proxy Forms and Request Form to overseas jurisdictions. In addition, the Constitution provides that any Shareholder whose registered address is outside Singapore and who has not supplied to the Company or CDP (as the case may be) an address within Singapore for the service of notices shall not be entitled to receive any such notices from the Company. Accordingly, this Scheme Document, the Notices, Proxy Forms and Request Form have not been and will not be sent to any Overseas Shareholder.

Electronic copies of this Scheme Document (enclosing the Notices and Proxy Forms) are available on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements> and on the website of the Company at <https://www.peceng.com>. A

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Shareholder will need an internet browser and PDF reader to view these documents on the websites of the SGX-ST and the Company.

Shareholders (including Overseas Shareholders) may obtain copies of this Scheme Document by completing and returning the Request Form accompanying the Notices and Proxy Forms to the Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877, or via email at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia), which should reach the Share Registrar by no later than 24 April 2025, at 6.00 p.m. (Singapore time). A printed copy of this Scheme Document will then be sent to the address in Singapore specified by the Shareholder at his/her own risk.

It is the responsibility of any Overseas Shareholder who wishes to request for this Scheme Document and any related documents or participate to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents or participating in the Acquisition and the Scheme, the Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

For the avoidance of doubt, the Acquisition and the Scheme are being proposed to all Shareholders (including, in each case, Overseas Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Acquisition and the Scheme are not being proposed in any jurisdiction in which the introduction or implementation of the Acquisition and the Scheme would not be in compliance with the laws of such jurisdiction.

**If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.**

### **15.2 Notice**

The Offeror and the Company each reserves the right to notify any matter, including the fact that the Acquisition and the Scheme has been proposed, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including any Overseas Shareholders) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as the Company remains listed on the SGX-ST, the Company will continue to notify all Shareholders (including Overseas Shareholders) of any matter relating to the Acquisition and the Scheme by announcement via SGXNet.

**Notwithstanding that such Overseas Shareholder may not receive the notice of the Court Meeting or the EGM, they shall be bound by the Scheme if the Scheme becomes effective.**

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**EXPLANATORY STATEMENT**  
(in compliance with Section 211 of the Companies Act)

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**15.3 Foreign Jurisdiction**

It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. Each Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

**15.4 Tax**

Shareholders should consult their own tax advisers on the possible tax implications (if any) of the Acquisition and the Scheme or any other transactions contemplated by this Scheme Document. Depending on the individual circumstances of each Shareholder, including his/her tax residence and the size of his/her holdings in the Company, he/she may realise or be deemed under applicable tax laws, regulations and rules to realise a gain or loss arising from the Acquisition or the Scheme or any other transactions contemplated by this Scheme Document which is taxable or, as the case may be, not permitted to be deductible in any applicable jurisdiction.

**16. INFORMATION RELATING TO CPFIS MEMBERS AND SRS INVESTORS**

CPFIS Members and SRS Investors who wish to attend the Court Meeting or the EGM are advised to consult their respective CPF Agent Banks and SRS Operators for further information and if they are in any doubt as to the action they should take, CPFIS Members and SRS Investors should seek independent professional advice.

**17. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER**

The IFA Letter setting out the advice of the IFA to the Independent Directors is set out in Appendix A to this Scheme Document.

**18. INDEPENDENT BOARD COMMITTEE'S RECOMMENDATION**

The recommendation of the Independent Board Committee to the Independent Directors in relation to the Scheme is set out in paragraph 16 of the Letter to Shareholders.

**19. INDEPENDENT DIRECTORS' RECOMMENDATION**

The recommendation of the Independent Directors in relation to the Scheme is set out in paragraph 17 of the Letter to Shareholders.

**20. GENERAL INFORMATION**

Your attention is drawn to the further relevant information, including the interests of the Directors in the Shares, which is set out in the Appendices to this Scheme Document. The Appendices form part of this Scheme Document. This Explanatory Statement should be read in conjunction with, and is qualified by, the full text of this Scheme Document, including the Scheme as set out in Appendix M to this Scheme Document.

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD  
(Incorporated in the Republic of Singapore)  
Company Registration Number: 200200144N

17 April 2025

The Independent Directors  
PEC Ltd  
14 International Business Park  
Singapore 609922

Dear Sir / Madam,

#### PROPOSED ACQUISITION BY ALLIANCE ENERGY SERVICES PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE SHARE CAPITAL OF PEC LTD BY WAY OF SCHEME OF ARRANGEMENT

For the purpose of this letter ("**IFA Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the scheme document dated 17 April 2025 to the Shareholders of PEC Ltd ("**PEC**" or the "**Company**") (the "**Scheme Document**").

#### 1. OVERVIEW OF THE SITUATION

##### 1.1 INTRODUCTION

On 17 February 2025, the respective boards of directors of the Company and the Offeror jointly announced the proposed privatisation of the Company by way of the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror (the "**Acquisition**") to be effected by the Company by way of a scheme of arrangement under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement, pursuant to which each Eligible Shareholder will, following the Scheme becoming effective in accordance with its terms, be entitled to receive the Scheme Consideration (being S\$0.84 per Share) in cash.

If the Scheme becomes effective and binding in accordance with its terms, all Shareholders will be bound by the terms of the Scheme (whether or not they were present in person or by proxy or voted at the Court Meeting and/or the EGM), and their Shares will be transferred to the Offeror in return for the Scheme Consideration, after which the Company will become a wholly-owned subsidiary of the Offeror and be delisted from the Official List of the SGX-ST.

A copy of the Joint Announcement is available on the SGX-ST website at <https://www.sgx.com/securities/company-announcements>.

##### 1.2 SCHEME CONSIDERATION

Pursuant to the Implementation Agreement, the Offeror will, following the Scheme becoming effective in accordance with its terms, acquire the Shares from each of the Eligible Shareholders at the following Scheme Consideration (being S\$0.84 per Share):

- (a) S\$0.64 in cash per Share (the "**Cash Consideration**"); and
- (b) S\$0.20 in cash from the Company by way of a special cash dividend per Share to be declared and paid out of the profits and retained earnings of the Company (the "**Special Dividend**", and collectively with the Cash Consideration, the "**Scheme Consideration**"),

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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If any dividends, rights or other distributions (“**Distributions**”) (other than the Special Dividend) are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Cash Consideration by the amount of such Distributions.

### 1.3 IRREVOCABLE UNDERTAKINGS

Pursuant to paragraph 6 of the Letter to Shareholders, the Undertaking Shareholders have given the Irrevocable Undertaking to the Offeror in respect of 161,565,534 Shares held legally and/or beneficially by the Undertaking Shareholders in the aggregate, representing approximately 63.38% of the total number of Shares (excluding Shares held by the Company as treasury shares) as at the Latest Practicable Date.

Further details of the Irrevocable Undertakings and the Shares held by the Undertaking Shareholders as at the Latest Practicable Date are set out in paragraph 4 of the Explanatory Statement and paragraph 7.2 of the Offeror’s Letter.

### 1.4 SUMMARY OF APPROVALS SOUGHT

Pursuant to paragraph 8 of the Letter to Shareholders, the Scheme will require, inter alia, the following approvals:

- (a) the approval-in-principle from the SGX-ST of the Scheme Document and for the proposed delisting of the Company from the SGX-ST after the Scheme becomes effective in accordance with its terms;
- (b) the approval of the Scheme by a majority in number of Shareholders representing not less than three-fourths in value of the Shares held by Shareholders present and voting either in person or by proxy at the Court Meeting to be convened at the direction of the Court for the purpose of considering and, if thought fit, approving the Scheme (including any adjournment thereof);
- (c) the approval of the Special Dividend by Shareholders representing more than half of the total number of votes cast either in person or by proxy at an EGM to be held by the Company; and
- (d) the sanction of the Scheme by the Court.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the Scheme Court Order has been lodged with ACRA.

**The Scheme Resolution and the Special Dividend Resolution are inter-conditional. In the event that the Special Dividend Resolution is not approved at the Court Meeting, the Company will not proceed with the EGM and will not make payment of the Special Dividend. This means that the Scheme cannot be implemented by the Company and the Offeror unless both the Scheme Resolution and the Special Dividend Resolution are approved.**

When the Scheme, with or without modification, becomes effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting.

### 1.5 MANAGEMENT REINVESTMENT ARRANGEMENTS AND SHAREHOLDER AGREEMENTS

Pursuant to paragraph 7 of the Letter to Shareholders, each of Edna Ko Poh Thim (Executive Chairman and Executive Director) and Robert Dompeling (Group Chief Executive Officer and Executive Director) (collectively, the “**Key Management Personnel**”) has agreed (i) to reinvest

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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the Cash Consideration portion of the Scheme Consideration that is due to them pursuant to the Scheme, and subscribe for new shares in the Offeror representing an aggregate of not more than 15% of the total issued and paid up capital of the Offeror on and from the Effective Date, and (ii) to take up certain rights and obligations as a shareholder of the Offeror on and from the Effective Date (the “**Management Reinvestment Arrangements**”).

The subscription price to be paid by the Key Management Personnel for the Offeror Shares is at an issue price per Offeror Share equivalent to the Cash Consideration portion of the Scheme Consideration, in lieu of them receiving the relevant aggregate amount of the Cash Consideration.

Pursuant to the Management Reinvestment Arrangements, the Key Management Personnel, Liberty and the Offeror have entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) which will come into effect on and from the Effective Date. The Shareholders’ Agreement contains provisions governing the relationship between the Key Management Personnel, on the one hand, and Liberty and the Offeror, on the other hand, as shareholders of the Offeror.

Under the Shareholders’ Agreement, the Key Management Personnel are subject to transfer restrictions on their shareholdings in the Offeror for a period of three years from the Effective Date set out in the Shareholders’ Agreement (the “**Lock-Up Period**”), except in permitted circumstances.

The Shareholders’ Agreement also includes (amongst other customary terms) a put and call option in respect of the Key Management Personnel’s shareholdings in the Offeror. The put and call option are set at a price based on a pre-determined formula as set out in the Shareholders’ Agreement, with reference to the financial performance of the Group and in certain cases, the Liberty Group, and exercisable following the second anniversary of the Effective Date and ending on the last day of the Lock-Up Period (except in permitted circumstances).

On and from the Effective Date, Edna Ko Poh Thim and Robert Dompeling shall continue to be involved in the management of the Company. There will be no changes to the terms of their existing employment agreement following the Scheme becoming effective.

Pursuant to an application made by the Offeror to the SIC to seek certain rulings and confirmations on certain matters in relation to the Scheme, the SIC has by way of a letter dated 26 December 2024 confirmed, *inter alia*, that (i) the Management Reinvestment Arrangements will not constitute special deals prohibited under Rule 10 of the Code, subject to the IFA (as defined herein) to the Company publicly stating in its opinion that the terms of the Management Reinvestment Arrangements are fair and reasonable to the Shareholders in the context of Rule 10 of the code, and (ii) the Key Management Personnel will not be considered to be acting in concert with the Offeror solely by virtue of the Management Reinvestment Arrangements.

### 1.6 APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

Under the Code, the Company is required to appoint an independent financial adviser (“**IFA**”) to advise its directors who are considered to be independent (“**Independent Directors**”) for the purpose of making a recommendation to the Shareholders in respect of the Scheme.

In addition, as the Scheme would result in the delisting of the Company from the SGX-ST, pursuant to Rule 1309(2) of the listing rules of the SGX-ST (“**Listing Rule**”), if a company is seeking to delist from, the SGX-ST, (i) an exit offer must be made to the Shareholders; and (ii) the Company must appoint an IFA to advise on the Scheme and the IFA must opine that the Scheme is fair and reasonable.

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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Deloitte & Touche Corporate Finance Pte Ltd (“Deloitte”) has been appointed as the IFA pursuant to Rule 1309(2) of the Listing Manual as well as to advise the Independent Directors under the Code as to (i) whether the financial terms of the Scheme are fair and reasonable in respect of their recommendation to the Shareholders on the Scheme, and (ii) to opine on whether the Management Reinvestment Arrangements are fair and reasonable to the Shareholders pursuant to Rule 10 of the Code.

This IFA Letter sets out our assessment of the financial terms of the Scheme and our recommendation to the Independent Directors. It will form part of the Scheme Document which will contain the recommendations of the Independent Directors and the actions to be taken by the Shareholders.

### 2. TERMS OF REFERENCE

We were neither a party to the negotiations entered into by the Company in relation to the Scheme, nor were we involved in the deliberations leading up to the decision to put forth the Scheme for the approval of the Shareholders.

We do not, by this IFA Letter or otherwise, advise or form any judgement on the strategic or commercial merits or financial merits or risks of the Scheme. All such evaluations, advice, judgements or comments remain the sole responsibility of the directors of the Company (the “Independent Directors”) and their advisors. We have however drawn upon such evaluations, judgements and comments on the Scheme as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of the Company. We do not express any view as to the price at which the Shares may trade upon completion of the Scheme on the future value, financial performance or condition of the Company after the Scheme.

It is also not within our terms of reference to compare the merits of the Scheme to any alternative transactions that were or may have been available to the Company. Such comparison and consideration remain the responsibility of the Directors and their advisors.

In the course of our evaluation, we have held discussions with the Company, and have considered the information contained in the Scheme, publicly available information collated by us as well as information, both written and verbal, provided to us by the Company. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness, and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion, and intention made by the Directors in the Scheme have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made, and no responsibility is accepted by us concerning the accuracy, completeness, or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

The management of the Company has confirmed to us that, having made all reasonable inquiries and to the best of their knowledge and belief, all material information relating to the Company and the Scheme has been disclosed to us, that such information is true, complete and accurate in all material respects, and that there is no other material information or fact, the omission of which would cause any information disclosed to us to be inaccurate, incomplete or misleading in any material respect, in each case as at 04 April 2025 (the “**Latest Practicable Date**” or “**LPD**”). The Directors collectively and individually accept full responsibility for the accuracy of the information described herein. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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We have not conducted any independent valuation or appraisal of the Company's assets and liabilities, nor have we been provided with such evaluations or appraisals, except for the valuation report, and valuation certifications (collectively referred to as the **"Valuation Reports"**) prepared by Knight Frank Singapore, Knight Frank HK, NLP Valuation Services Company Limited, Knight Frank Vietnam and Knight Frank ME (the **"Independent Valuers"**), who was appointed by the Company to perform an independent valuation of the Revalued Properties (as defined in paragraph 7.3 of this IFA Letter) held by the Company as of 31 December 2024. The Valuation Reports are included in Appendix G to the Scheme Document. As we are not experts in valuing or appraising the assets mentioned in the Valuation Reports, we have solely relied on the independent valuation for these assets and have not independently verified the contents. Furthermore, we do not assume any responsibility to investigate the basis of the valuation in the Valuation Reports or whether the contents were prepared in compliance with all applicable regulatory requirements, including Rule 26 of the Code.

The information which we relied on is based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date and may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. The Shareholders should take note of any announcements relevant to their consideration of the Scheme which may be released after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of individual Shareholders. As each Shareholder may have different investment profiles and objectives, we advise the Independent Directors to recommend that the Shareholders who may require specific advice in relation to their investment portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Scheme Document. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Scheme Document. Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Scheme Document.

We hereby consent to a copy of this Letter to be reproduced in the Scheme Document. Save for such use, neither the Company nor the Independent Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes at any time and in any manner, without the prior written consent of Deloitte in each specific case.

This Letter and our opinion are prepared pursuant to Rule 1309(2) of the Listing Manual, as well as to advise the Independent Directors for their benefit and deliberation in respect of the Scheme and the Management Reinvestment Arrangements. The recommendations made by the Independent Directors to the Shareholders in relation to the Scheme shall remain the responsibility of the Independent Directors.

**Our recommendation to the Independent Directors in relation to the Scheme and the Management Reinvestment Arrangements pursuant to Rule 10 of the Code should be considered in the context of the entirety of this IFA Letter and the Scheme Document.**

### 3. INFORMATION ON THE COMPANY

Paragraph 3 of the Letter to Shareholders sets out information on the Company, details of which have been extracted from the Scheme Document and are set out in italics below.

#### **"3.1 INFORMATION ON THE COMPANY**

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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*The Company was incorporated in Singapore on 8 January 1982 and has been listed on the Mainboard of the SGX-ST since 7 August 2009.*

*The Group has established themselves as an integrated engineering solutions provider offering project works, maintenance/turnaround services and modular process systems to the energy, petrochemical, oil and chemical terminals, and pharmaceutical industries in Asia and the Middle East.*

*As at the Latest Practicable Date, the Company has:*

- (a) an aggregate of 255,714,763 Shares in issue (of which 791,886 are held as treasury shares); and*
- (b) granted outstanding awards in respect of up to 5,668,143 Shares under the PEC Performance Share Plan, the vesting of which are subject to the fulfilment of the terms and conditions set out in the PEC Performance Share Plan.”*

### 4. INFORMATION ON THE OFFEROR AND LIBERTY

Paragraph 4 of the Letter to Shareholders sets out information on the Offeror and Liberty, details of which have been extracted from the Scheme Document and are set out in italics below.

#### “4.1 The Offeror

*The Offeror is a company incorporated in Singapore on 12 December 2024 for the purposes of the Acquisition and the Scheme and has not traded since its incorporation, nor has it entered into any obligations, other than those incidental to its formation or in connection with the Acquisition and the Scheme. The Offeror is a wholly-owned subsidiary of Liberty and is part of the Liberty Group.*

*As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of USD 1 comprising of 1 ordinary share, the entirety of which is held by Liberty.*

*As at the Latest Practicable Date, the Offeror’s board comprises of one director, being Kyle Arnold Shaw, Jr. (Executive Chairman and Sole Director).*

*As at the Latest Practicable Date, the Offeror does not hold any direct or indirect interest in the Shares of the Company.*

*Schedule A of the Offeror’s Letter at Appendix B to this Scheme Document sets out certain additional information on the Offeror.*

#### 4.2 Liberty

*Liberty is an entity which was incorporated in the Cayman Islands and is the parent company of the Liberty Group. Operating across the United States, Canada, Asia and the Middle East, the Liberty Group provides energy engineering solutions and chemical decontamination for oil & gas refineries and petrochemical facilities.”*

### 5. THE ACQUISITION AND THE SCHEME

The detailed terms of the Scheme are set out in paragraph 5 of the Letter to Shareholders, and the Explanatory Statement and Appendix J of the Scheme Document. Shareholders are advised to refer to the Scheme Document for further details on the Scheme and read the information carefully.

The key terms of the Scheme and the related matters are set out below.

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 5.1 TERMS OF THE SCHEME

Pursuant to paragraph 5.1 of the Letter to Shareholders, the Acquisition will be effected by way of the Scheme and in accordance with the Code and the terms and conditions of the Implementation Agreement.

Under the Scheme, upon the Scheme becoming effective and binding in accordance with its terms:

- (a) all the Target Shares held by the Eligible Shareholders as at the Record Date will be transferred to the Offeror:
  - (i) fully paid-up;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) announced, declared or paid by the Company to the Shareholders on or after the Joint Announcement Date (other than the Special Dividend); and
- (b) in consideration of the transfer of the Shares pursuant to 5.1(a), each Eligible Shareholder will be entitled to receive:
  - (i) S\$0.64 per Share in cash; and
  - (ii) S\$0.20 per Share in cash from the Company by way of the Special Dividend,

provided that if any Distributions (other than the Special Dividend) are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Cash Consideration per Share by the amount per Share of any such Distribution actually made and paid to the Eligible Shareholders.

### 5.2 SCHEME CONDITIONS

The Scheme is conditional upon the satisfaction or waiver of all the Scheme Conditions. If each of the Scheme Conditions is satisfied (or where applicable, waived) in accordance with the Implementation Agreement, the Scheme will come into effect on the date on which a copy of the Scheme Court Order is lodged with ACRA pursuant to Section 210(5) of the Companies Act.

Further details on the Scheme Conditions are set out in paragraph 5.2 of the Letter to Shareholders and Appendix J of the Scheme Document. Shareholders are advised to read the information carefully.

### 5.3 TERMINATION OF THE SCHEME

Without prejudice to any other rights of termination under the Implementation Agreement, the Implementation Agreement may be terminated at any time on or prior to the Relevant Date (provided that the Offeror or the Company, as applicable, shall only seek termination after it has had prior consultation with the SIC, and the SIC gives its approval for, or states that it has no objection to such termination).

Further details of the termination of the Scheme are set out in paragraph 5.4 of the Letter to Shareholders. Shareholders are advised to read the information carefully.

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## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 5.4 DELISTING

As set out in paragraph 10 of the Letter to Shareholders, upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

An application has been made to seek approval from the SGX-ST to delist and remove the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 3 April 2025, advised that, on the basis that the Scheme will require the approval of the Shareholders for the Scheme and Special Dividend and the IFA opines that the Scheme's financial terms are fair and reasonable, it has no objection to the Company's application to delist from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme (the "**Delisting Approval**"), subject to:

- (a) the Company obtaining Shareholders' approval for the Scheme at the Court Meeting to be convened;
- (b) the Company obtaining Shareholders' approval for the Special Dividend at the EGM to be convened;
- (c) the sanction of the Scheme by the Court and the Scheme becoming effective and binding in accordance to its terms;
- (d) the Company making an announcement of the Delisting Approval immediately; and
- (e) written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the proposed delisting of the Company from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme.

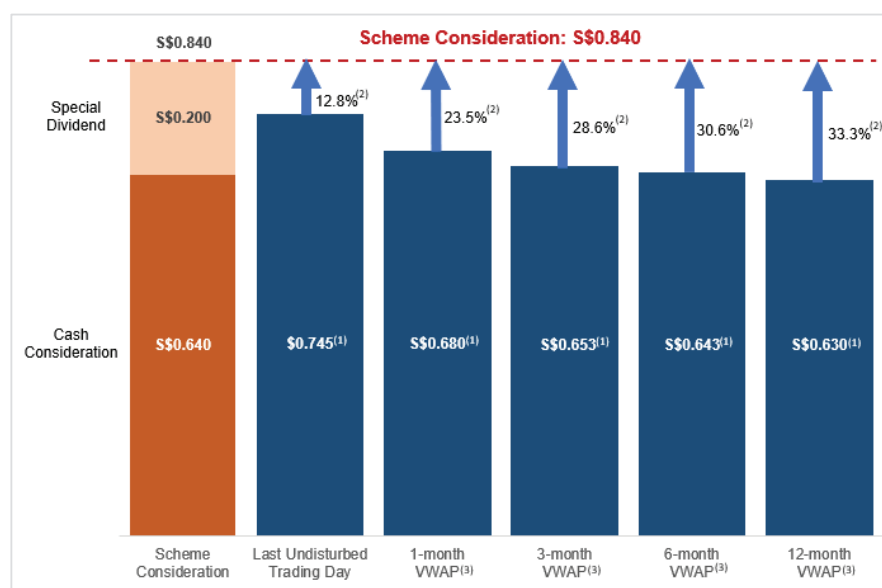
### 6. RATIONALE FOR THE SCHEME AND THE OFFEROR'S INTENTION IN RELATION TO THE COMPANY

The rationale for the Scheme and the Offeror's future plans for the Company are set out in Paragraph 2 of the Letter to Shareholders and are reproduced below in italics. We recommend that the independent Shareholders read the information carefully.

#### "2.1 Rationale for the Scheme

- (a) *Compelling opportunity for Eligible Shareholders to realise their investment in the Shares at a premium over the historical traded prices of the Shares. The Acquisition presents an opportunity for Eligible Shareholders to unlock value and realise their investment in the Shares at an attractive premium over historical market prices.*
  - (i) *Historical Share Price Chart for the 12-month period prior to the Last Undisturbed Trading Day*

## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS



Source: Bloomberg L.P.

### Notes:

- (1) Rounded to the nearest three (3) decimal places.
- (2) Rounded to the nearest one (1) decimal place.
- (3) VWAP is calculated based on the aggregate daily turnover value of the Shares and aggregate daily traded volume of the Shares for the relevant trading days for each relevant period, excluding off-market transactions.

As set out in the chart above, the Scheme Consideration represents a premium of approximately 23.5%, 28.6%, 30.6% and 33.3% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month period respectively up to and including the Last Undisturbed Trading Day.

The Scheme Consideration also represents a premium of approximately 12.75 per cent. over the last transacted price per Share of S\$0.745 on the Last Undisturbed Trading Day.

### (ii) Historical Share Price Chart for the last five (5)-year period and up to and including the Last Undisturbed Trading Day

Prior to the Acquisition, the Shares had not closed on the SGX-ST at or above the Scheme Consideration since 27 November 2019 and up to the Last Undisturbed Trading Day. The Scheme Consideration represents: (i) a premium of approximately 140.0% over the lowest closing price of the Shares of S\$0.350, (ii) a premium of approximately 12.0% over the highest closing price of the Shares of S\$0.750, and (iii) a premium of approximately 53.0% over the VWAP of the Shares of S\$0.549, during the 5-year period up to and including the Last Undisturbed Trading Day, as illustrated in the chart below:

## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS



Source: Bloomberg L.P.

**Notes:**

- (1) Rounded to the nearest three (3) decimal places.  
 (2) Rounded to the nearest one (1) decimal place.

- (b) **Low Trading Liquidity.** The historical trading volume of the Shares has been low. The average daily trading volume for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to and including the Last Undisturbed Trading Day, each represented less than 0.12% of the total number of Shares as follows:

Period prior to and including the Last Undisturbed Trading Day	Average daily trading volume <sup>(1)</sup>	As a % of the total number of Shares <sup>(2)</sup>
Last one (1) month	288,010	0.11
Last three (3) month	159,772	0.06
Last six (6) month	86,983	0.03
Last 12-months	54,110	0.02

Source: Bloomberg L.P.

**Notes:**

- (1) The average daily trading volume is computed based on the total trading volume of the Shares for all trading days for the relevant periods immediately prior to and including the Last Undisturbed Trading Day, divided by the total number of trading days during the respective period.  
 (2) Rounded to the nearest two (2) decimal places and computed based on 254,922,877 Shares (excluding 791,886 Shares held the Company as treasury shares).

The Scheme presents a unique cash exit opportunity for Eligible Shareholders to unlock and realise their investment entirely. The Scheme therefore provides Shareholders who may find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to unlock and realise their investment in the Shares at a premium over the prevailing market prices which would otherwise not be available given the low trading liquidity of the Shares.

- (c) **The Scheme Consideration implies a total return of 64.1% for an Eligible Shareholder over a five (5)-year holding period.** Accounting for total dividends distributed over the past five (5)-year period up to and including the Last Undisturbed Trading Day (the “5-Years Total Dividend”), the Scheme Consideration implies a total return of 64.1% and annualised total return of 10.4% per annum for an Eligible Shareholder who had acquired Shares five (5) years prior to and including the Last Undisturbed Trading Day. For comparison, Nikko AM Singapore STI ETF (“**Nikko AM STI ETF**”) which tracks the Straits Times

## APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

*Index offered a total return of 34.0% and annualised total return of 6.0% per annum over the same period.*

				Total returns for the past five (5) years <sup>(3)</sup>		Annualised total returns for the past five (5) years <sup>(3)</sup>	
Last closing price five (5) years prior to the Last Undisturbed Trading Day <sup>(1)</sup>			Sum of Scheme Consideration and 5-Years Total Dividend	Sum of Scheme Consideration and 5-Years Total Dividend	Nikko AM STI ETF	Sum of Scheme Consideration and 5-Years Total Dividend	Nikko AM STI ETF
S\$0.585	S\$0.840	S\$0.120	S\$0.960	64.1%	34.0%	10.4%	6.0%

**Notes:**

- (1) Based on the last closing price of the Shares on 27 November 2019 as extracted from Bloomberg LLP..
- (2) This refers to the total dividends distributed per Share since 27 November 2019 and up to the Last Undisturbed Trading Day.
- (3) Total return is rounded to one (1) decimal place.

- (d) **Clean cash exit opportunity without incurring brokerage and other trading costs.** The Scheme offers a compelling all-cash deal, comprising of the Cash Consideration and the inclusion of the Special Dividend to further enhance the overall value received by Eligible Shareholders.

*The Scheme is also a secure exit strategy, allowing Eligible Shareholders to realise their investments if the Scheme becomes effective, without incurring brokerage and other associated trading costs. This eliminates future uncertainties in relation to the Group's financial performance and share price.*

- (e) **Synergies and operational flexibility.** The Offeror believes that the Acquisition presents a compelling opportunity to leverage the complementary strengths of the Company and Liberty. The combined capabilities of the Company and Liberty will allow for synergies and an enhanced ability to meet customer needs across regions. Together, the Company and Liberty will be well-positioned to capitalize on the evolving energy transition by offering both Maintenance and EPC Project services to global energy customers pivoting towards sustainable energy solutions. Additionally, efficiencies would result from greater sharing of services and resources with Offeror's other strategic business units. In particular, the Offeror and Company would be better able to freely transfer intellectual property, share best practices and ensure unfettered staff mobility within the enlarged group. The Offeror believes that the privatisation will allow the management of the Company more flexibility to manage and develop the business and facilitate the implementation of any operational change (if required) with a focus on long-term execution, without the corresponding costs and regulatory restrictions associated with a listing on the SGX-ST.

- (f) **No need for access to capital markets.** Since the Company's initial public offering in 2009, the Company has not carried out any exercise to raise funds from the equity capital markets. It is also unlikely for the Company to tap on any access to the equity capital markets in the foreseeable future. Therefore, the listing status of the Company brings fewer benefits to the Company and its shareholders than initially envisaged.

### 2.2 Offeror's Future Intentions for the Company

The Offeror's future intentions for the Company are set out in paragraph 3.7 of the Offeror's Letter to Shareholders, an extract of which is set out below:

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### **“3.7 The Offeror’s future intentions.**

- (a) *The Offeror intends for each of Edna Ko Poh Thim (Executive Chairman and Executive Director) and Robert Dompeling (Group Chief Executive Officer and Executive Director) (collectively, the “Key Management Personnel”) to continue as part of management of the Company on and from the Effective Date. Further details are available at paragraph 7.4(c) below.*
- (b) *Save as disclosed in this Letter, there is presently no intention by the Offeror to (i) introduce any major changes to the business of the Group; (ii) dispose of, sell or re-deploy the fixed assets of the Group; or (iii) discontinue the employment of the employees of the Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Scheme. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Group which may present themselves or which the Offeror may regard to be in the interests of the Offeror and the Group.*
- (c) *It is intended that all directors of the Company, other than the directors who are Key Management Personnel, are to resign upon the delisting of the Company. As the Offeror intends and desires that there is continuity of management and minimal interruption of the Group’s business, the Offeror intends to establish a management incentive plan which is envisaged to be implemented after the Effective Date to grant the senior executives and/or senior employees of the Group certain management incentives if certain conditions and/or targets are met. The Offeror has yet to formulate the specific terms of the management incentive plan and will only finalise such terms after the Effective Date. Save as disclosed, the Offeror currently does not intend to change the emoluments of the directors who are Key Management Personnel and other key management of the Company.”*

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### 7. OUR ASSESSMENT OF THE FINANCIAL TERMS OF THE SCHEME AND THE MANAGEMENT REINVESTMENT ARRANGEMENTS

#### General bases and assumptions

The Company released a holding announcement on 27 November 2024 to update its Shareholders that it has been approached by a third party on a possible transaction in relation to the Shares in the Company (“**Holding Announcement**”). We consider 26 November 2024 as the last full trading day of the Shares on the SGX-ST immediately preceding the Holding Announcement Date. (the “**Last Undisturbed Trading Day**” or ‘LUTD’).

We have confined our evaluation to the financial terms of the Scheme. In evaluating the financial terms of the Scheme, we have assessed the value of the Shares as implied by the Scheme Consideration. In addition, we have also taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

#### Evaluation of whether the Shares as implied by the Scheme Consideration is fairly valued

- (1) Historical market performance and trading activity of the Shares;
- (2) Historical financial performance and position of the Company;
- (3) Analysis of the NAV, RNAV and RNAV (ex-Special Dividend) of the Company;
- (4) Comparison of the P/NAV, P/RNAV and P/RNAV (ex-Special Dividend) implied by the Scheme Consideration against the trailing historical P/NAV multiples of the Company;
- (5) Comparison of the P/E, EV/EBITDA, the P/NAV, P/RNAV and P/RNAV (ex-Special Dividend) multiples implied by the Scheme Consideration with Comparable Companies;
- (6) Comparison with Precedent Privatisations;
- (7) Estimated range of value of the Shares;

#### Evaluation of other relevant key considerations relating to the Scheme

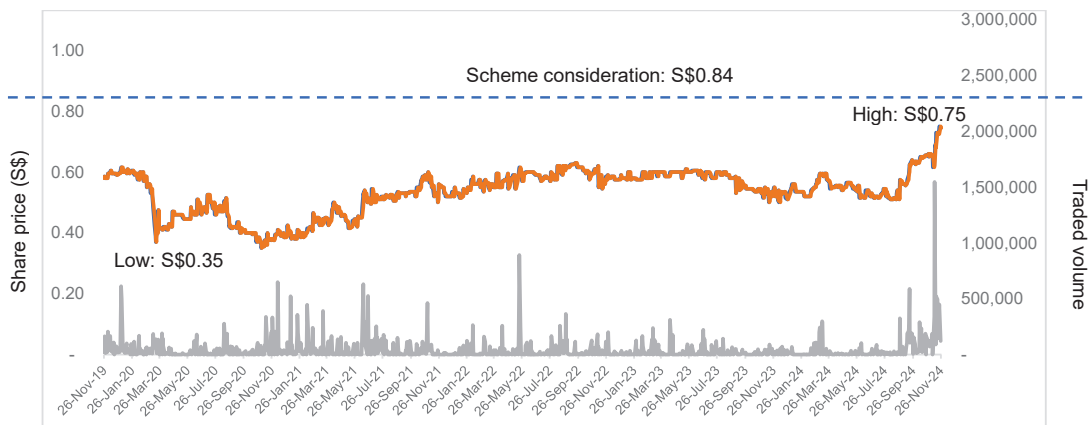
- (8) Rationale for the Scheme;
- (9) Outlook and orderbook history;
- (10) Absence of alternative or competing offers;
- (11) Effects of the Scheme and Delisting;
- (12) No certainty of share price trading performance;
- (13) Dividend track record of the Company; and
- (14) Terms of the Management Reinvestment Arrangements.

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### 7.1 HISTORICAL MARKET PERFORMANCE AND TRADING ACTIVITY OF THE SHARES

We have compared the Scheme Consideration as at Last Undisturbed Trading Date against the market prices and trading volume for the Shares for the five-year period prior to the Last Undisturbed Trading Date and up to the Latest Practicable Date in the charts below.

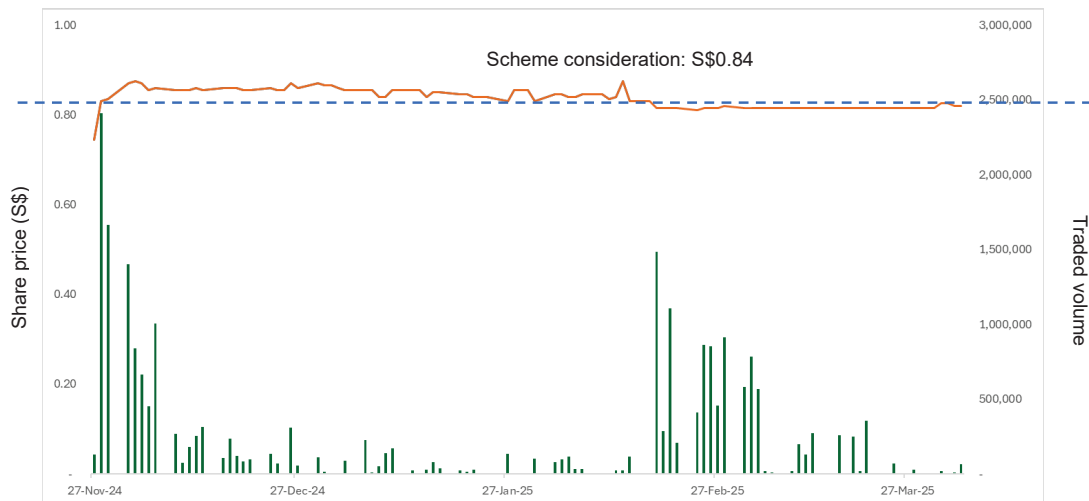
#### Historical Share Price and Trading Volume, prior to and including the Last Undisturbed Trading Date



Source: Bloomberg L.P.

We note that in the last 5 years prior to and including Last Undisturbed Trading Date, the Shares have never traded at or above the Scheme Consideration. The Scheme Consideration represents a premium of 12.0% and 140.0% respectively as compared to the highest and lowest daily closing share price of \$0.75 and \$0.35.

#### Share Price and Trading Volume after Last Undisturbed Trading Date to Latest Practicable Date



Source: Bloomberg L.P.

During the period after the Last Undisturbed Trading Date to Latest Practicable Date, the Scheme Consideration represents a premium of 14.3% and a discount of 5.6% to the lowest and highest daily closing share price of \$0.735 and \$0.890 respectively.

Additional information on the traded closing prices of the Shares, volume-weighted average prices ("VWAP") and average daily trading volumes ("ADTV") for the reference period(s) are set out as follows:

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### Premium / discount implied by Scheme Consideration to VWAP

Reference period	Highest price <sup>(1)</sup> (S\$)	Lowest price <sup>(1)</sup> (S\$)	VWAP <sup>(1)</sup> (S\$)	Premium of Scheme Consideration over VWAP (%)	ADTV <sup>(2)</sup> (shares)	ADTV as percentage of free float <sup>(3)</sup> (%)
<b>Periods up to and including LUTD</b>						
<b>Last 5-year</b>	0.750	0.350	0.549	53.1%	37,416	0.04%
<b>Last 3-year</b>	0.750	0.480	0.610	37.6%	33,814	0.04%
<b>Last 12-month</b>	0.750	0.480	0.630	33.3%	54,110	0.06%
<b>Last 6-month</b>	0.750	0.500	0.643	30.6%	86,983	0.10%
<b>Last 3-month</b>	0.750	0.510	0.653	28.6%	159,772	0.18%
<b>Last 1-month</b>	0.750	0.595	0.680	23.5%	288,010	0.32%
<b>LUTD</b>	0.750	0.735	0.740	13.6%	122,400	0.14%
<b>Last trading price on LUTD</b>			0.745			
<b>Period after the LUTD to LPD</b>						
<b>From LUTD to LPD</b>	0.890	0.735	0.830	1.2%	260,051	0.29%
<b>LPD</b>	0.825	0.820	0.820	2.4%	66,000	0.07%

Source: Bloomberg L.P.

#### Notes:

- (1) Based on data extracted from Bloomberg with the figures rounded to the nearest three (3) decimal places.
- (2) The ADTV of the Shares is calculated based on the total volume of the Shares traded divided by the number of Market Days during the relevant periods. "Market Day" refers to a day on which the SGX-ST is open for the trading of securities.
- (3) For the purpose of computing the ADTV as a percentage of free float, we have used the free float of the Company as of the Latest Practicable Date

#### (i) Period up to and including the Last Undisturbed Trading Date

We note that the Scheme Consideration of S\$0.840 represents a premia of approximately 53.1%, 37.6%, 33.3%, 30.6%, 28.6%, and 23.5% over the VWAP of the Shares for the 5-year, 3-year, 1-year, 6-month, 3-month, and 1-month periods up to and including the Last Undisturbed Trading Date respectively. The Scheme Consideration also represents a premium of approximately 13.6% to the Last Undisturbed Trading Date.

During the 5-year period, the average daily traded volume of the Shares for the 5-year, 3-year, 1-year, 6-month, 3-month and 1-month periods up to and including the Last Undisturbed Trading Date was very low, representing 0.04%, 0.04%, 0.06%, 0.10%, 0.18% and 0.32% of the free float of the Shares respectively. The average daily traded volume of the Shares on the Last Undisturbed Trading Date was low, representing 0.14% of the free float of the Shares.

#### (ii) Period after the Last Undisturbed Trading Date up to the Latest Practicable Date:

From the Last Undisturbed Trading Date up to the Latest Practicable Date, the Shares traded between a low of S\$0.735 and a high of S\$0.890. The Scheme Consideration represents a premium of 14.3% and a discount of 5.6% to the lowest and highest prices respectively.

The trading liquidity of the Shares rose to an average daily traded volume of approximately 260,051 Shares, representing approximately 0.29% of the Company's free float, as compared to the average daily traded volume of approximately 37,416 Shares over the 5-year Period.

Based on the above observations, we note that it appears likely that the market price and the trading volume of the Shares have been supported by the release of the

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Holding Announcement. As such, there is no assurance that the market price and trading volume of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the Scheme.

### 7.2 HISTORICAL FINANCIAL PERFORMANCE OF THE COMPANY

We set out below the financial performance of the Company for the audited FY2022, FY2023, FY2024, 1HFY2024 and 1HFY2025 financial statements of the Company and the financial position of the Company for the 1HFY2025 financial statements of the Company. The following financial statements should be read in conjunction with the full text of the Company's annual reports and financial results announcements in respect of the relevant financial periods.

#### Historical Financial Performance of the Company

S\$'mn <sup>(1)</sup>	FY2022	FY2023	FY2024	1HFY2024	1HFY2025
Revenue	427.98	430.94	491.03	287.02	186.85
Cost of sales	(303.35)	(344.67)	(376.04)	(230.58)	(141.48)
<b>Gross profit</b>	<b>124.64</b>	<b>86.27</b>	<b>114.99</b>	<b>56.45</b>	<b>45.36</b>
Other operating income	6.89	4.00	6.37	2.35	3.00
<b>Other operating expenses</b>					
Administrative expenses	(32.74)	(29.99)	(35.91)	(17.82)	(16.45)
(Allowance for)/write-back of expected credit losses on trade receivables and contract assets	(27.17)	4.87	(0.15)	0.03	0.33
Other operating expenses	(43.65)	(52.13)	(57.82)	(31.49)	(25.52)
Finance expenses	(1.09)	(1.58)	(2.09)	(1.04)	(1.00)
Share of results of associate	0.54	-	-	-	-
<b>Profit before tax</b>	<b>27.42</b>	<b>11.44</b>	<b>25.41</b>	<b>8.47</b>	<b>5.72</b>
Income tax expense	(10.48)	(3.36)	(6.72)	(1.59)	(2.04)
<b>Profit for the period</b>	<b>16.94</b>	<b>8.07</b>	<b>18.68</b>	<b>6.88</b>	<b>3.68</b>
- Attributable to owners of the Company	14.14	6.77	16.00	5.21	2.85
- Non-controlling interests	2.80	1.30	2.69	1.67	0.83

Source: Company's annual report and half yearly results announcements on SGX-ST

Note:

(1) Rounding differences noted

#### FY2022 vs FY2023

Revenue increased by S\$3.0 million from S\$428.0 million in FY2022 to S\$431.0 million in FY2023 mainly due to revenue contribution from project works, partially offset by a decrease in revenue from maintenance services.

Cost of sales increased by S\$41.4 million from S\$303.3 million in FY2022 to S\$344.7 million in FY2023 mainly due to an increase in materials and consumable for ongoing project works, salaries cost and foreign worker levy resulting from increase in direct workforce.

Gross profit decreased by S\$38.3 million from S\$124.6 million in FY2022 to S\$86.3 million in FY2023. Gross profit margin decreased from 29% in FY2022 to 20% in FY2023. The decrease in gross profit and gross profit margin were mainly attributable to an increase in cost of sales. A portion of the cost of sales is related to variation works for certain project works where the variation claims remain outstanding. Gross profit and gross profit margin in FY2022 were boosted by project settlements in 2H FY2022.

Other operating income decreased by S\$2.9 million from S\$6.9 million in FY2022 to S\$4.0 million in FY2023 mainly due to decrease in gain on forex (primarily due to depreciation in USD), sundry income and government grants and subsidies received. The decrease was partially offset by an increase in interest income, insurance claims and gain on disposal of assets.

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Administrative expenses decreased by S\$2.7 million from S\$32.7 million in FY2022 to S\$30.0 million in FY2023 mainly due to decrease in salaries remuneration, provision for bonus incentive, and bank charges. The decrease was partially offset by an increase in utilities expenses and general administrative expenses.

There was a write back on financial assets and contract assets of S\$4.9 million in FY2023 as compared to an impairment loss of S\$27.2 million in FY2022. The write back was due mainly to partial repayment from a long overdue debt, which approximately S\$22.0 million had been fully impaired in FY2022 and reduction in expected credit loss amount following the assessment on overdue receivables in FY2023.

Other operating expenses increased by S\$8.4 million from S\$43.7 million in FY2021 to S\$52.1 million in FY2022. This was mainly due to increase in other direct operating cost such as amortisation of right-of-use assets, upkeep and maintenance of office and fabrication facilities, forex loss, workers accommodation, employee welfare, insurance, training, travelling, transport and personal protective equipment expenses. This was partially offset by a decrease in depreciation of investment property.

Finance expenses increased by S\$0.5 million from S\$1.1 million in FY2022 to S\$1.6 million in FY2023 mainly due to increase in interest expense on lease liabilities.

Share of results of associate decreased by S\$0.5 million from S\$0.5 million in FY2022 to nil in FY2023 mainly due to the acquisition of 51% equity interest in Plant Electrical Instrumentation Pte Ltd.

### **FY2023 vs FY2024**

Revenue increased by S\$60.1 million from S\$430.9 million in FY2023 to S\$491.0 million in FY2024 mainly due to an increase in project and maintenance works from overseas.

Cost of sales increased by S\$31.3 million from S\$344.7 million in FY2023 to S\$376.0 million in FY2024 mainly due to an increase in labour, subcontractors, and other direct costs, partially offset by a decrease in materials cost.

Gross profit increased by S\$28.7 million from S\$86.3 million in FY2023 to S\$115.0 million in FY2024 while gross profit margin increased from 20% in FY2023 to 23% in FY2024. The increase in gross profit was mainly due to contribution from project works and the increase in gross profit margin was mainly attributable to project settlements in FY2024.

Other operating income increased by S\$2.4 million from S\$4.0 million in FY2023 to S\$6.4 million in FY2024 mainly due to an increase in interest income, insurance claims, gains in forex and sundry income, partially offset by the absence of gain on disposal of assets in FY2024 that was present in FY2023.

Administrative expenses increased by S\$5.9 million from S\$30.0 million in FY2023 to S\$35.9 million in FY2024 mainly due to increase in salaries remuneration, provision for bonus incentives and general administrative expenses.

Allowance for credit losses on financial assets and contracts assets was S\$0.1 million in FY2024 as compared to a write back of S\$4.9 million in FY2023 due to net provision of expected credit loss following the assessment on overdue receivables in FY2024.

Other operating expenses increased by S\$5.7 million from S\$52.1 million in FY2023 to S\$57.8 million in FY2024. This was mainly due to an increase in other direct operating costs such as workers accommodation, depreciation of property, plant and equipment, amortization of right-of-use assets, freight forwarding expenses, insurance and medical expenses. This was partially offset by a decrease in forex loss, depreciation of investment property and personal protective equipment expenses.

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Finance expenses increased by S\$0.5 million from S\$1.6 million in FY2023 to S\$2.1 million in FY2024 mainly due to increase in interest expense on lease liabilities. The increase was partially offset by a decrease in interest expenses on loans and factoring.

### 1HFY2024 vs 1HFY2025

The Group's revenue decreased by S\$100.2 million from S\$287.0 million in 1HFY2024 to S\$186.8 million in 1HFY2025. This was mainly due to work volume decrease in projects and maintenance works across the regions.

The Group's cost of sales decreased by S\$89.1 million from S\$230.6 million in 1H 2024 to S\$141.5 million in 1HFY2025. This was mainly due to a decrease in labour, subcontractors, materials and other direct costs.

The Group's gross profit decreased by S\$11.0 million from S\$56.4 million in 1HFY2024 to S\$45.4 million in 1HFY2025. This was mainly due to a decrease in profit contribution from project works and maintenance services resulting from the decrease in revenue. The increase in Group's profit margin from 20% in 1HFY2024 to 24% in 1HFY2025 was mainly attributable to settlement of project claims in 1HFY2025.

Other operating income increased by S\$0.6 million from S\$2.4 million in 1HFY2024 to S\$3.0 million in 1HFY2025. This was mainly due to an increase in interest income, gain on disposal of assets, grant and incentive received. The increase was partially offset by a decrease in insurance claim.

Administrative expenses decreased by S\$1.3 million from S\$17.8 million in 1HFY2024 to S\$16.5 million in 1HFY2025. This was mainly due to a decrease in salary remuneration, utilities and general administrative expenses.

The write back on financial assets of S\$0.3 million in 1HFY2025 was due mainly to recovery of debts which had been previously provided for.

Other operating expenses decreased by S\$6.0 million from S\$31.5 million in 1HFY2024 to S\$25.5 million in 1HFY2025. This was mainly due to gain on forex and decrease in direct operating expenses such as workers accommodation, insurance, transport, travelling and freight forwarding expenses.

The decrease in finance expenses was mainly due to decrease in interest on loans and lease liabilities.

The Group's effective tax rate increased from 18.7% in 1HFY2024 to 35.7% in 1HFY2025. The increase in effective tax rate was mainly due to certain loss-making entities within the Group which, upon consolidation, reduced the overall profitability of the Group, and therefore increased the effective tax rate.

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### 7.3 ANALYSIS OF NET ASSET VALUE (“NAV”), REVALUED NET ASSET VALUE (“RNAV”) AND RNAV (EX-SPECIAL DIVIDEND) OF THE COMPANY

#### Historical Financial Position of the Company

S\$' mn	31 December 2024 <sup>(1)</sup>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	68.42
Investment property	2.78
Intangible assets	0.03
Prepayments	0.67
Deferred tax assets	2.91
Right-of-use assets	36.40
<b>Total non-current assets</b>	<b>111.20</b>
<b>Current assets</b>	
Asset held for sale	0.30
Contract assets	46.84
Inventories	0.57
Trade receivables	86.56
Other receivables and deposits	8.08
Prepayments	2.31
Capitalised contract costs	2.01
Cash and short-term deposits	145.42
<b>Total current assets</b>	<b>292.08</b>
<b>Total assets</b>	<b>403.28</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Current liabilities</b>	
Contract liabilities	5.87
Trade payables	23.97
Other payables and accruals	65.11
Provisions	6.31
Loans and borrowings	1.69
Lease liabilities	3.14
Income tax payable	4.07
<b>Total current liabilities</b>	<b>110.15</b>
<b>Non-current liabilities</b>	
Provisions	4.99
Loans and borrowings	1.76
Lease liabilities	35.88
Deferred tax liabilities	0.17
<b>Total non-current liabilities</b>	<b>42.80</b>
<b>Total liabilities</b>	<b>152.95</b>
<b>Net assets</b>	<b>250.33</b>
<b>Equity attributable to owners of the Company</b>	
Share capital	58.84

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S\$' mn	31 December 2024 <sup>(1)</sup>
Treasury shares	(0.47)
Statutory reserves	2.48
Retained earnings	187.66
Premium paid on acquisition of non-controlling interests	(4.84)
Foreign currency translation reserves	(5.47)
Share-based compensation reserves	0.25
<b>Total equity (including NCI)</b>	<b>238.45</b>
<b>Non-controlling interests ("NCI")</b>	<b>11.89</b>
<b>Total equity (excluding NCI)</b>	<b>250.33</b>
<b>Total equity and liabilities</b>	<b>403.28</b>

Source: Company's financial statements

Note: (1) Rounding differences noted

### Assets

The Group's non-current assets decreased by S\$5.8 million from S\$117.0 million in 1HFY2024 to S\$111.2 million in 1HFY2025. This was mainly due to a decrease in right-of-use assets, property, plant and equipment.

The Group's current assets increased by S\$7.5 million from S\$284.6 million in 1HFY2024 to S\$292.1 million in 1HFY2025. The increase was mainly due to an increase in trade receivables, prepayments, other receivables and deposits. The increase was partially offset by a decrease in assets held for sale, contract assets, cash and short-term deposits.

### Liabilities and equity

The Group's current liabilities increased by S\$6.7 million from S\$103.4 million in 1HFY2024 to S\$110.1 million in 1HFY2025. This was mainly due to an increase in contract liabilities, trade payables and provision. The increase was partially offset by a decrease in lease liabilities. The Group's non-current liabilities decreased by S\$0.9 million from S\$43.7 million in 1HFY2024 to S\$42.8 million in 1HFY2025. This was mainly due to a decrease in lease liabilities, loans and borrowings.

### NAV

The NAV of the Company refers to the aggregate value of all the assets in their existing condition, net of any minority interests and all liabilities of the Company. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all of its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of that group with the balance available for distribution to its shareholders. Therefore, the net assets of a company are perceived as providing support for the value of the shareholders' equity.

However, Shareholders should note that an analysis based on NAV of the Company provides an estimate of the value of the Company based on a hypothetical scenario, and such hypothetical scenario is assumed to be made without considering factors such as, *inter alia*, time value of money, market conditions, legal fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised. While the asset base of the Company can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions. Furthermore, the NAV approach is more relevant in circumstances where the business is to cease operations or where the profitability of the business is being valued is not sufficient to sustain an earnings-based valuation.

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Based on the Company's audited financial statements as at 31 December 2024 and 254,922,877 shares in issue (excluding treasury shares) as at LPD, the NAV attributable to owners of the Company is S\$238.4 million and its NAV per Share is S\$0.935. We note that the Scheme Consideration represents a Price-to-NAV ("**P/NAV**") multiple of 0.90 times.

### RNAV

We understand that the Company has commissioned Independent Valuers to conduct an independent valuation of and review of selected material leasehold and freehold properties across Singapore, China, Vietnam, Fujairah and Abu Dhabi (collectively, the "**Revalued Properties**") to arrive at their respective Market Values (as defined herein), and issue valuation reports on the Revalued Properties ("**Valuation Reports**").

The Market Value is defined as 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion' (the "**Market Value**").

We noted from the Valuation Reports that in arriving at the Market Value of the Revalued Properties, the Independent Valuer has predominantly adopted the Direct Comparable Approach and have made their assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the Revalued Properties. With the benefit of such transactions, the Independent Valuer has then applied them to the Revalued Properties, taking into account size, location, aspect, ESG-related factors and other material factors.

Based on the net book value of the Revalued Properties as at 31 December 2024 and the corresponding market value as at 04 April 2025 based on the Valuation Reports, the revaluation surplus in respect of the Revalued Properties is as follows:

Revalued Properties	Valuation methodology	Total net book value as of 31 December 2024 (S\$'000)		Total market value based on the Valuation Reports (S\$'000) <sup>(1)</sup>	Total revaluation surplus (S\$'000)
		PPE	ROU		
(i) 11 Neythal Road Singapore 628577 <sup>(2)</sup> (ii) 14 International Business Park Singapore 609922 <sup>(3)</sup> (iii) 19 Tuas Avenue 8 Singapore 639234 <sup>(4)</sup> (iv) 20 Benoi Lane Singapore 627810 <sup>(5)</sup> (v) No. 360-2 Shihua Road, Aotou, Daya bay, Huizhou, Guangdong Province, China <sup>(6)</sup> (vi) No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, China <sup>(7)</sup> (vii) No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, China <sup>(8)</sup> (viii) No.2 Industrial Park of Nghi Son Economic Zone, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province, Vietnam <sup>(9)</sup> (ix) AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirates <sup>(10)</sup> (x) Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates <sup>(11)</sup>	Direct comparison method and/or cost approach (where applicable)	43,654	33,927	82,461	4,880

Source: Valuation Reports, Management

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Notes:

- (1) Respective foreign exchange rates taken as of LPD
- (2) Independent Valuer adopted the direct comparison method as its valuation methodology
- (3) Independent Valuer adopted the direct comparison method as its valuation methodology
- (4) Independent Valuer adopted the direct comparison method as its valuation methodology
- (5) Independent Valuer adopted the direct comparison method as its valuation methodology
- (6) Independent Valuer adopted the market approach and cost approach as its valuation methodologies
- (7) Independent Valuer adopted the market approach as its valuation methodology
- (8) Independent Valuer adopted the market approach as its valuation methodology
- (9) Independent Valuer adopted the direct comparison method plus depreciated replacement cost method as its valuation methodologies
- (10) Independent Valuer adopted the market approach (comparable method) as its valuation methodology
- (11) Independent Valuer adopted the market approach (comparable method) as its valuation methodology

Based on the Valuation Report, we set out the adjustment to determine the RNAV of the Company:

### RNAV of the Company

	As at 31 December 2024 (S\$'000)
The Company's NAV	238,445
Add: Revaluation gain in respect of the Revalued Properties	4,880
Less: Potential tax liabilities arising from theoretical disposal of Revalued Properties	(2,092)
<b>RNAV of the Group</b>	<b>241,233</b>
No. of Shares outstanding as at LPD	254,922,877
NAV per Share	0.935
RNAV per Share	0.946
Scheme Consideration	0.840
<b>P/RNAV (Implied by the Scheme Consideration)</b>	<b>0.89x</b>
<b>Premium of Scheme Consideration over RNAV</b>	<b>(11.2%)</b>

Source: Company's financial statements, Company's announcements, Valuation Reports

Based on the above, we noted that the Scheme Consideration represents a discount of 11.2% against the RNAV per Share of S\$0.946 as at 31 December 2024. Accordingly, the Price-to-RNAV ("P/RNAV") of the Company implied by the Scheme Consideration would be approximately 0.89 times as at 31 December 2024.

We also noted that the Market Value for the property in Abu Dhabi ("Abu Dhabi Property") presents a revaluation loss of approximately S\$19.77 million to its carrying value recorded in the Company's balance sheet as of 31 December 2024. Based on our discussion with Management, we understand that the Abu Dhabi Property was only successfully commissioned in July 2024, and the Middle East still presents a growing market for the Company.

For illustrative purposes only, we also understand from the Company that the theoretical RNAV per share, assuming that the revaluation of the Abu Dhabi Property is taken as its carrying value as at 31 December 2024 would be S\$1.024.

Shareholders should note that the RNAV of the Company above is not necessarily a realisable value given that the RNAV valuation approach is based largely upon the surplus revaluation estimates which were obtained by application of "as-is" valuation estimates. This approach implicitly assumes that the Revalued Properties may be disposed of by the Company at a price determined by the independent valuations, on a willing buyer and a willing seller basis in an arms-length transaction with a third party. It should be noted that such valuation or market value of the Properties may vary depending on, *inter alia*, the prevailing market and economic conditions, and does not

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consider the associated time, effort, marketability, buyer demand and uncertainty relating to such property sale.

Shareholders should also note we have not made any independent evaluation or appraisal of the balance sheet items and we have been furnished by the Company with the Valuation Report in respect of the fair value of the balance sheet items. With respect to such valuation, we are not experts in the evaluation appraisal of the balance sheet items and have relied on the Valuation Report for the fair value of the balance sheet items.

The Directors have represented that they had reviewed the Valuation Reports to understand the assumptions used by the Independent Valuer and the information relied upon by the Independent Valuer in arriving at the fair value of the balance sheet items. The Directors have reviewed the information made available to them as a whole and are of the opinion that the assumptions used by the Independent Valuer is reasonable and confirmed that the Independent Valuer has been provided with information that to the best of their knowledge or belief is true, complete as per request and accurate in all respects and that there is no other information or fact, the omission of which would render the assumptions used by the Independent Valuer to be untrue, inaccurate or incomplete in any respect or misleading.

Under Rule 26.3 of the Code, the Company is required, inter alia, to make an assessment of any potential tax liabilities which would arise if the properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation, accompanied by an appropriate comment as to the likelihood of any such liability crystallising.

The Company has assessed that in the hypothetical sale of the Revalued Properties at the Market Values derived by the Independent Valuer, potential tax liabilities amounting to S\$ 2,092,084 may arise. However, the Company has confirmed that as of the Latest Practicable Date, the Revalued Properties are held for long-term purposes and there is no intention to dispose off the Revalued Properties. As such, the aforementioned potential tax liabilities are not likely to crystallise as at the Latest Practicable Date.

Assuming that the aforementioned tax liabilities do not crystallise, we note that Scheme Consideration represents a discount of 12.1% against the RNAV per Share of S\$0.955.

### **RNAV (ex-Special Dividend)**

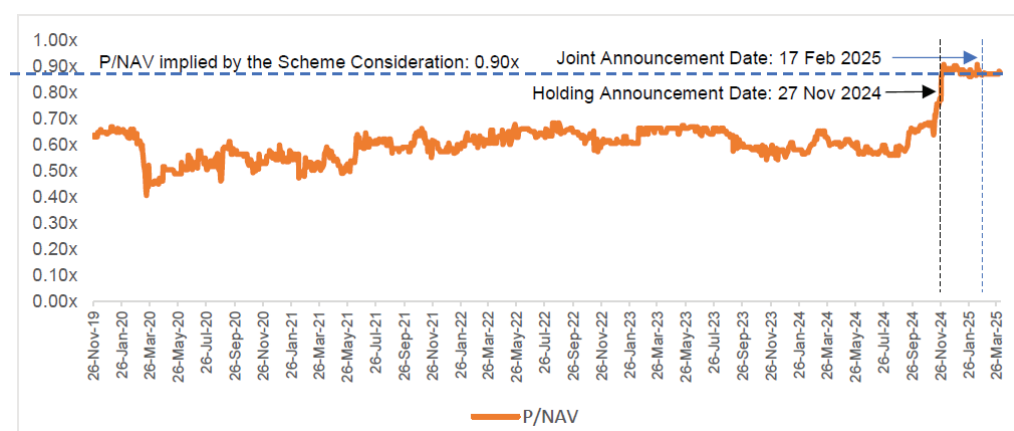
As the Scheme Consideration includes a special dividend of S\$0.20, we have also considered the P/RNAV analysis excluding the special dividends (the “**P/RNAV (ex-Special Dividend)**” or “**P/RNAV (ex-SD)**”)

We calculate the P/RNAV (ex-Special Dividend) as follows:

	<b>As at 31 Dec 2024 (S\$)</b>
Scheme Consideration (ex-Special Dividend)	0.640
RNAV per share (ex-Special Dividend)	0.746
<b>P/RNAV (ex-Special Dividend)</b>	<b>0.86x</b>

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### Historical trailing P/NAV multiples of the Shares up to and including the Latest Practicable Date



Based on the graph above, we noted that in the 5-year period up till the Last Undisturbed Trading Date, the Shares have not traded at a P/NAV multiple higher than the P/NAV multiple of 0.90 times as implied by the Scheme Consideration.

### P/NAV multiples of the Shares for selected periods

Historical trailing P/NAV (times) <sup>(1)</sup>					Implied P/NAV
Mean	Median	Max	Min		
Periods up to and including the LUTD					
Last 5-year	0.60x	0.60x	0.78x	0.41x	0.90x <sup>(2)</sup>
Last 3-year	0.62x	0.62x	0.78x	0.54x	0.89x <sup>(3)</sup>
Last 12-month	0.61x	0.60x	0.78x	0.54x	0.86x <sup>(4)</sup>
Last 6-month	0.62x	0.59x	0.78x	0.56x	
Last 3-month	0.62x	0.60x	0.78x	0.56x	
Last 1-month	0.71x	0.68x	0.78x	0.64x	
Periods after the LUTD to LPD					
From LUTD to LPD	0.88x	0.88x	0.91x	0.77x	
LPD		0.88x			

Source: Bloomberg L.P., Company's announcements

Notes:

- (1) P/NAV ratio of the Shares implied by the Scheme Consideration (using the latest NAV per share computed based on the Company's 1H FY25 financial results announcement) against the trailing P/NAV of the Shares computed based on the corresponding NAV for each financial reporting period as reported by the Company in its interim and full year financial results announcements.
- (2) Based on the Scheme Consideration of S\$0.840 divided by the NAV of S\$0.935 per share;
- (3) Based on the Scheme Consideration of S\$0.840 divided by the RNAV per Share of S\$0.946;
- (4) Based on the Scheme Consideration (ex-Special Dividend) of S\$0.64 divided by the RNAV per Share (ex-Special Dividend) of S\$0.746 (being S\$0.946 minus SD of S\$0.20).

Based on the table above, we noted that:

- (i) For periods up to and including the Last Undisturbed Trading Date:

Based on the NAV per Share of S\$0.935, the RNAV per Share of S\$0.946 and the RNAV (ex-SD) per Share of S\$0.746, the P/NAV, P/RNAV and P/RNAV (ex-SD) multiples of 0.90 times, 0.89 times and 0.86 times respectively as implied by the Scheme Consideration of S\$0.840 are higher than the range of the trailing P/NAV multiples of the Shares in the 5-year, 3-year, 1-year, 6-month, 3-month, 1-month period prior to the LUTD.

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(ii) For periods after the Last Undisturbed Trading Date to the Latest Practicable Date

- The P/NAV multiple of 0.90 times implied by the Scheme Consideration is above the mean and median, and within the range of the trailing P/NAV multiples of the Company for the period of review.
- The P/RNAV multiple of 0.89 times implied by the Scheme Consideration is above the mean and median, and within the range of trailing P/NAV multiples of the Company for the period of review.
- The P/RNAV (ex-Special Dividend) multiple of 0.86 times implied within the Scheme Consideration is below the mean and median, but within the range of trailing P/NAV multiples of the Company for the period of review.

(iii) As at the Latest Practicable Date

- The P/NAV multiple of 0.90 times and P/RNAV multiple of 0.89 times implied by the Scheme Consideration is higher than the P/NAV multiple of 0.88 times as at the Latest Practicable Date.
- The P/RNAV (ex-Special Dividend) multiple of 0.86 times implied by the Scheme Consideration is lower than the P/NAV multiple of 0.88 times as at the Latest Practicable Date.

### 7.4 COMPARISON WITH SELECTED COMPARABLE LISTED COMPANIES

The principal activities of the Company consist of providing integrated engineering, procurement, and construction (EPC) services, primarily to the oil and gas, petrochemical, pharmaceutical, and power sectors. The Company specializes in plant maintenance, project management, and commissioning services for large industrial facilities.

For the purpose of evaluating the financial terms of the Scheme, we have made reference to the valuation ratios of selected listed companies which we consider to be broadly comparable to the Company, to get an indication of the current market expectations with regard to the perceived valuation of the Company. In light of the lack of sufficient comparable companies listed on the SGX-ST, we have expanded our coverage, through a search on publicly available information, to include companies listed on other stock exchanges, which provide engineering, procurement and construction services to oil and gas, petrochemical, energy and/or infrastructure sectors (the “**Comparable Companies**”).

We wish to highlight that the selected comparable companies may not be exhaustive and we have not identified any listed company which is truly comparable to the Company in terms of the composition of its business activities, geographical spread, size of operations, asset base, track record, financial performance, operating and financial leverage, market capitalisation, risk profile, liquidity, future prospects and other relevant criteria. As a result, any comparisons drawn can serve only as an illustrative guide.

We have benchmarked the Scheme Consideration by generating selected valuation statistics for the Company implied by the Scheme Consideration and compared those statistics with those for the Comparable Companies.

In our analysis, we have collated and presented the following valuation metrics:

#### Description of valuation metrics used for Comparable Companies

Valuation Ratio	Description
LTM P/E Multiple	“LTM” stands for last twelve months.  The “LTM P/E” or “LTM price-to-earnings” multiple typically illustrates the ratio of the market capitalisation of a company’s shares relative to its LTM historical

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	earnings attributable to common shareholders excluding exceptional items. Market capitalisation is calculated based on the share price multiplied by the total ordinary shares outstanding. The LTM P/E multiple may be affected by, amongst others, the capital structure of a company, its tax position as well as its accounting policies relating to revenue recognition, depreciation and intangible assets.
<b>P/NAV Multiple</b>	<p>“NAV” or “net asset value” is the book value of a company’s shareholders’ equity (excluding minority interest or preferred equity).</p> <p>The “P/NAV” or “price-to-NAV” ratio illustrates the ratio of the market price of a company’s units relative to its historical book value per unit as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p>
<b>LTM EV/EBITDA Multiple</b>	<p>“EV” or “enterprise value” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long-term debt less its cash and cash equivalents and other investments. Market capitalisation is calculated based on the share price multiplied by the total ordinary shares outstanding.</p> <p>“EBITDA” stands for the historical earnings before interest, tax, depreciation and amortisation expenses, and exceptional items.</p> <p>The “LTM EV/EBITDA” or “LTM enterprise-value-to-EBITDA” multiple typically illustrates the ratio of the enterprise value of a company’s business relative to its LTM historical pre-tax operating cash flow performance, without regard to the Company’s capital structure.</p>

The selected valuation statistics of the selected comparable listed companies are based upon their closing prices on the LPD while those of the Company are as implied by the Scheme Consideration. Such comparisons are affected by differences in their accounting policies. Our analysis has not attempted to adjust for such differences. The relevant information has been extracted from Capital IQ, publicly available annual reports and/or public announcements of the selected comparable listed companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The selected comparable listed companies’ accounting policies with respect to the values for which the assets or revenue and costs are recorded may differ from that of the Company.

The following is the list of selected comparable listed companies, together with a brief description of their principal activities.

### Description of selected comparable listed companies

Company Name	Listed in	Business description
NMDC Energy – P.J.S.C	Abu Dhabi	NMDC Energy - P.J.S.C. provides engineering, procurement, and construction services to offshore and onshore clients in the energy industry. It offers technical services and solutions, including construction engineering, procurement, project management, and installation and commissioning, as well as structure fabrication, pressure vessel construction, and offshore operations services.
SINOPEC Engineering (Group) Co., Ltd	Hong Kong	SINOPEC Engineering is a leading China-based EPC company specializing in engineering, procurement, and construction services, primarily serving the oil refining, petrochemical, and coal chemical industries. As a subsidiary of Sinopec, the company undertakes large-scale, complex projects worldwide, offering expertise across the full value chain from design to project management.

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CTCI Corporation	Taiwan	CTCI is Taiwan's largest EPC company, offering integrated solutions across oil, gas, petrochemicals, power, and infrastructure industries. The company provides a full spectrum of services including project management, design, procurement, construction, and commissioning, with a strong focus on energy efficiency, environmental protection, and large-scale international projects.
Jutal Offshore Oil Services Limited	Hong Kong	Jutal Offshore Oil Services Limited provides equipment construction and engineering services to international energy and refining and chemical industries. It engages in fabrication of facilities and provision of integrated services for oil and gas, new energy and refining and chemical industries, including the construction of large-scale modules such as onshore LNG modules, modular plants, upper modules of offshore platforms, and FPSO/FLNG modules.
Wasco Berhad	Malaysia	Wasco Berhad is a global energy solutions provider, specialising in delivering services including pipe coating, corrosion protection, engineering, procurement, and construction (EPC), fabrication and rental of gas compressors and process equipment.
Malaysia Marine and Heavy Engineering Berhad	Malaysia	Malaysia Marine and Heavy Engineering Holdings Berhad engages in the provision of marine and heavy engineering solutions for offshore and onshore facilities, and vessels in Malaysia. It operates through Heavy Engineering, Marine, and Plant Turnaround & Shutdown Maintenance segments. The company offers fabrication, engineering, procurement, construction, installation, and commissioning services for offshore and onshore facilities, including deepwater facilities, fixed platforms, turrets, pre-assembled unit and rack modules, offshore wind facilities, hydrogen and ammonia production facilities, and carbon capture and storage facilities.
Hai Leck Holdings Limited	Singapore	Hai Leck is a Singapore-based provider of integrated EPC services, primarily serving the oil, gas, petrochemical, and pharmaceutical industries. The company specializes in plant maintenance, turnaround services, scaffolding, insulation, and corrosion protection. Its diversified operations support asset integrity management for large-scale industrial facilities.
KNM Group Berhad	Malaysia	KNM is a Malaysia-based multinational corporation specializing in the design, manufacture, and supply of process equipment, pressure vessels, and EPC services for the oil and gas, petrochemical, and renewable energy sectors.

Source: Capital IQ, company's website

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We set out the financial multiples of the Company (implied by the Scheme Consideration) and selected comparable listed companies as below:

### Selected Comparable Companies

Comparable Companies	Listed on	Market capitalisation <sup>(1)</sup> (S\$'mn)	LTM P/E <sup>(1)(2)</sup>	LTM EV/EBITDA <sup>(1)(2)</sup>	P/NAV <sup>(1)(3)</sup>
NMDC Energy – P.J.S.C	ADX	4,676	9.17x	5.37x	*2.46x
SINOPEC Engineering (Group) Co., Ltd	SEHK	4,243	9.96x	0.91x	0.73x
CTCI Corporation	TWSE	1,341	16.96x	6.82x	1.69x
Jutal Offshore Oil Services Limited	SEHK	235	5.75x	1.62x	0.59x
Wasco Berhad	KLSE	222	3.85x	2.98x	0.87x
Malaysia Marine and Heavy Engineering Holdings Berhad	KLSE	179	4.37x	2.84x	0.43x
Hai Leck Holdings Limited	SGX	121 <sup>(8)</sup>	NM <sup>(4)</sup>	3.31x <sup>(8)</sup>	0.82x <sup>(8)</sup>
KNM Group Berhad	KLSE	43	NM <sup>(4)</sup>	*172.4x	0.34x
<b>Max</b>			16.96x	6.82x	1.69x
<b>Min</b>			3.85x	0.91x	0.34x
<b>Mean</b>			8.34x	3.41x	0.78x
<b>Median</b>			7.46x	2.98x	0.73x
<b>The Company (as implied by the Scheme Consideration)</b>	<b>SGX</b>	<b>214</b>	<b>15.79x<sup>(9)</sup></b>	<b>3.20x<sup>(10)</sup></b>	<b>0.90x<sup>(5)</sup> 0.89x<sup>(6)</sup> 0.86x<sup>(7)</sup></b>

Source: S&P Capital IQ, company's financial statements, company's announcements

Notes:

\* denotes statistical outliers and hence are excluded from the computation of high, low, mean and median.

- (1) Based on the Comparable Companies' respective last transacted prices, as at the Latest Practicable Date as extracted from S&P Capital IQ.
- (2) The LTM net income and EBITDA is set out in or computed with the latest available published interim results or latest full year results, whichever applicable, as at the Latest Practicable Date. One-off items were excluded in determining the net income of the Comparable Companies.
- (3) Based on the respective Comparable Companies' most recently announced financial statements and/ or annual reports.
- (4) n.m. denotes "not meaningful" as the company was loss-making.
- (5) Based on the Scheme Consideration of S\$0.840 divided by the NAV of S\$0.935 per share.
- (6) Based on the Scheme Consideration of S\$0.840 divided by the RNAV per Share of S\$0.947.
- (7) Based on the Scheme Consideration (ex-SD) of S\$0.64 divided by the RNAV per Share (ex-SD) of S\$0.746 (being S\$0.946 minus SD of S\$0.20).
- (8) On 9 December 2024, Hai Leck released a joint announcement in relation to the Scheme of Arrangement. Accordingly, the multiples for Hai Leck are computed based on the closing price on 8 December 2024, being the last day prior to the joint announcement date.
- (9) Adjustments were made for one-off items pertaining to gain on disposal of assets held for sale, net gain on disposal of investment, gain on disposal of PPE and impairment gain / loss on financial asset and contract asset, adjusted for income tax effect ("**Adjusted LTM Earnings**").
- (10) Adjustments were made for one-off items pertaining to gain on disposal of assets held for sale, net gain on disposal of investment, gain on disposal of PPE and impairment gain / loss on financial asset and contract asset ("**Adjusted LTM EBITDA**").

Based on the table above, we noted that:

- (i) the implied P/E ratio of the Company of 15.79 times is within the range of the LTM P/E ratios of the Comparable Companies and above the mean and median LTM P/E ratios of the Comparable Companies respectively;

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- (ii) the implied EV/EBITDA ratio of the Company of 3.20 times is within the range of the EV/LTM EBITDA ratios of the Comparable Companies, and above the median but below the mean EV/LTM EBITDA ratios of the Comparable Companies;
- (iii) the implied P/NAV ratio of the Company of 0.90 times is within the range, and above the mean and median P/NAV ratios of the Comparable Companies respectively;
- (iv) the implied P/RNAV ratio of the Company of 0.89 times is within the range, and above the mean and median P/NAV ratios of the Comparable Companies respectively; and
- (v) the implied P/RNAV (ex-SD) ratio of the Company of 0.86 times is within the range, and above the mean and above the median P/NAV ratios of the Comparable Companies respectively.

### 7.5 COMPARISON WITH RECENT PRIVATISATIONS AND DELISTING TRANSACTIONS IN SINGAPORE

We have compared the financial terms of the Scheme with those of the recent selected successful privatisation transactions announced since November 2021 and up to the Latest Practicable Date involving companies listed on SGX-ST, carried out either by way of scheme of arrangement under Section 210 of the Companies Act or general take-over offers under the Code where the offeror has stated its intentions to delist the listed company from the SGX-ST (the “**Precedent Privatisations**”)

This analysis serves as a general indication of the relevant premium or discount that offerors paid to acquire the targets without regards to the specific industry characteristics or other considerations. The comparison sets out the premium or discount by each respective offer price to the VWAPs over the last closing price, the one-month, three-month, six-month and twelve-month periods prior to the announcement of the Precedent Privatisations.

We note that the selected privatisations from SGX-ST set out in this table may not be and nor are they intended to be directly comparable to the Company in terms of, *inter alia*, their business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria.

We further note that there may be commercial and financial merits specific to each of the transactions noted. The premium that an offeror will pay in respect of any particular takeover depends on various factors including, *inter alia*, the offeror's intention for the target, the potential synergy that the offeror can derive from the target, the presence of competing bids, prevailing market conditions and sentiment, the attractiveness and profitability of the target's business and assets and existing and desired level of control in the target. **As a result, any comparisons to be drawn can serve only as an illustrative guide.** We have also not compared the P/NAV multiple implied by the Scheme Consideration to the P/NAV multiples of the Precedent Privatisations as the level of asset intensiveness differs across sectors.

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### Precedent Privatisations

Ann. Date	Target	Offeror	Premium/(discount) of offer price over				
			Last closing price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP
11-Sep-24	Dyna-mac Holdings Ltd.	Hanwha Ocean SG Holdings Pte Ltd	35.4%	18.6%	27.4%	44.4%	67.5%
26-Aug-24	Silverlake Axis Ltd	E2I Pte Ltd	20.0%	28.1%	25.0%	31.9%	31.9%
10-Jul-24	Second Chance Properties	Final Chance Holdings Pte. Ltd.	39.5%	40.8%	37.0%	33.3%	28.2%
19-May-24	RE&S Holdings Limited	Relish Investments	56.5%	65.1%	50.0%	45.2%	38.5%
01-Apr-24	Isetan (Singapore) Limited	Isetan Mitsukoshi Ltd.	*153.5%	*173.4%	*171.1%	*168.9%	*152.4%
02-Aug-23	LHN Logistics Limited	Milkyway International Chemical Supp	34.9%	35.7%	38.9%	44.5%	39.0%
03-Jul-23	Healthway Medical Corporation Limited	QUEH Investments Pte. Ltd.	45.5%	45.5%	45.5%	41.2%	37.1%
01-Jun-23	Sysma Holdings Limited	GTV Capital Pte. Ltd.	34.4%	40.0%	34.4%	30.2%	28.2%
30-May-23	Challenger Technologies Limited	Digitech Holding Limited	9.1%	10.5%	11.9%	14.3%	13.4%
01-Jun-23	Lian Beng Group Ltd	OSC Capital Pte. Ltd.	19.3%	26.9%	28.5%	29.8%	30.3%
29-Mar-23	Global Palm Resources Holdings Limited	ATH Holdings Pte. Ltd.	93.8%	86.6%	70.1%	70.1%	30.2%
28-Feb-23	G. K. Goh Holdings Limited	Verveine Pte. Ltd.	38.5%	38.8%	39.2%	37.6%	34.8%
10-Feb-23	Global Dragon Limited	JK Global Wealth Pte. Ltd.	14.3%	15.4%	22.4%	17.6%	17.6%
06-Feb-23	Boustead Projects Limited	Boustead Singapore Limited	13.8%	21.6%	21.0%	17.7%	6.9%
24-Nov-22	Chip Eng Seng Corporation Ltd.	Tang Dynasty Treasure Pte. Ltd.	5.6%	13.1%	26.5%	33.7%	42.6%
09-Nov-22	Golden Energy and Resources Limited	Duchess Avenue Pte. Ltd.	15.8%	23.0%	44.6%	48.3%	63.8%
17-Oct-22	Colex Holdings Limited	Bonvests Holdings Limited	25.0%	13.9%	13.3%	(14.5%)	(13.2%)
06-Oct-22	Asian Healthcare Specialists Limited	Labrador Park Pte. Ltd.	17.5%	18.3%	21.3%	22.3%	19.5%
17-Oct-22	Informatics Education Limited	Berjaya Leisure Capital (Cayman) Limited	37.5%	8.9%	4.8%	(6.0%)	(17.3%)
03-Oct-22	MS Holdings Limited	Kingswin Investment Pte. Ltd.	17.7%	N.A.	25.2%	25.5%	24.6%
13-Sep-22	Singapore Medical Group Limited	TLW Success Pte. Ltd.	24.9%	28.1%	28.9%	25.8%	27.5%
12-Sep-22	Memories Group Limited	Memories Pte. Limited	41.6%	67.3%	72.2%	74.7%	76.7%

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Ann. Date	Target	Offeror	Premium/(discount) of offer price over				
			Last closing price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP
29-Aug-22	Silkroad Nickel Ltd.	Horowitz Capital Ltd.	2.4%	5.4%	5.1%	(5.5%)	(3.2%)
20-Aug-22	SP Corporation Limited	Tuan Sing Holdings Limited	*169.5%	*163.7%	*162.8%	*156.9%	*140.5%
08-Jul-22	GYP Properties	Rumah & Co. Pte. Ltd.	34.2%	37.9%	33.3%	28.2%	30.7%
20-May-22	T T J Holdings Limited	THC Venture Pte. Ltd.	36.1%	33.6%	28.8%	28.0%	29.4%
17-May-22	Hwa Hong Corporation Limited	Sanjuro United Pte. Ltd.	37.9%	36.1%	32.0%	22.0%	24.6%
13-Apr-22	Excelpoint Technology Ltd	WT Semiconductor Holdings Pte. Ltd.	22.3%	36.6%	31.3%	45.9%	72.3%
07-Mar-22	Singapore O&G Ltd.	Newmedco Group Ltd.	15.7%	14.8%	12.2%	11.3%	11.3%
16-Feb-22	Shinvest Holding Ltd.	VTTSG Holding Pte. Ltd.	12.9%	8.5%	10.2%	10.1%	14.3%
29-Dec-21	Koufu Group Limited	Dominus Capital Pte. Ltd.	15.8%	14.4%	13.6%	15.1%	15.3%
15-Dec-21	Roxy-Pacific Holdings Limited	TKL & Family Pte. Ltd.	19.6%	21.0%	23.5%	30.3%	37.0%
10-Dec-21	United Global Limited	DMW Investments Pte. Ltd.	12.5%	16.7%	16.7%	16.2%	14.1%
15-Nov-21	Singapore Press Holdings Limited	Cuscaden Peak Pte. Ltd.	57.3%	71.5%	80.3%	94.8%	83.4%
10-Nov-21	Starburst Holdings Limited	Nordic Flow Control Pte. Ltd.	5.8%	4.2%	9.1%	12.5%	25.5%
09-Nov-21	SingHaiyi Group Ltd.	Haiyi Treasure Pte. Ltd.	7.1%	7.0%	10.7%	18.3%	20.0%
<b>Max</b>			93.8%	86.6%	80.3%	94.8%	83.4%
<b>Min</b>			2.4%	4.2%	4.8%	(14.5%)	(17.3%)
<b>Mean</b>			27.1%	28.9%	29.3%	29.3%	29.5%
<b>Median</b>			21.2%	23.0%	26.9%	28.1%	28.2%
<b>The Company (as implied by the Scheme Consideration)</b>			<b>12.8%</b>	<b>23.5%</b>	<b>28.6%</b>	<b>30.6%</b>	<b>33.3%</b>

Notes:

\* denotes statistical outliers and hence are excluded from the computation of high, low, mean and median.

Source: company circulars on SGX-ST

Based on the table above, we noted that:

- (i) The premia of 28.6%, 30.6% and 33.3% as implied by the Scheme Consideration to the 3-month, 6-month and 12-month VWAPs respectively are above the mean and median, and within the range of the corresponding premia for Precedent Privatisations.
- (ii) The premium of 23.5% as implied by the Scheme Consideration to the 1-month VWAP is above the median, below the mean and within the range of the corresponding premia for Precedent Privatisations.
- (iii) The premium of 12.8% as implied by the Scheme Consideration to the last closing price is below the mean and median, but within the range of the corresponding premia for Precedent Privatisations.

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### 7.6 ESTIMATED RANGE OF VALUE OF THE SHARES

Valuation Parameters		
	Mean	Median
P/E of Comparable Companies	8.34x	7.46x
EV/EBITDA of Comparable Companies	3.41x	2.98x
P/NAV of Comparable Companies	0.78x	0.73x

Implied Valuation Range (Equity Value)		
S\$'mn	Mean	Median
P/E <sup>(1)</sup> of Comparable Companies	113.18	101.22
EV/EBITDA <sup>(2)</sup> of Comparable Companies	222.11	205.83
P/NAV <sup>(2)</sup> of Comparable Companies	186.36	174.17
NAV of the Company	238.45	
Valuation range (lower-upper limit)	205.83	238.45
Implied value per Share	0.807	0.935

Notes:

- (1) The implied equity value is derived based on the Adjusted LTM earnings attributable to the owners of the Company multiplied by the median and mean of the P/E multiple of Comparable Companies.
- (2) The implied equity value is derived based on the Adjusted EBITDA of the Company multiplied by the median and mean of the EV/EBITDA multiples of the Comparable Companies.
- (3) The implied equity value is derived based on the NAV of the Company as of 31 December 2024, multiplied by the median and mean of the P/NAV multiples of Comparable Companies.

For the upper bound, we have considered the NAV of the Company of S\$238.45 million. For the lower bound, we have considered the equity value of S\$205.83 million which is implied by the median EV/EBITDA multiple of the Comparable Companies of 2.98x.

Based on the above, the overall range of derived theoretical equity value of the Company is between S\$205.83 million to S\$238.45 million, which translates to between S\$0.807 and S\$0.935 per Share.

We note that the Scheme Consideration of S\$0.84 is within our estimated value range of the Shares.

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### Summary analysis of the Scheme Consideration

						Scheme Consideration relative to:	
	Mean <sup>(1)</sup>	Median <sup>(1)</sup>	Max <sup>(1)</sup>	Min <sup>(1)</sup>	Implied by the Scheme <sup>(2)</sup>	Median <sup>(3)</sup>	Max –Min Range <sup>(3)</sup>
Summary analysis of the Scheme Consideration							
Historical trading range of the Shares <sup>(4)</sup>							
Last closing price on LUTD <sup>(5)</sup>	0.745				0.84	Above	
LUTD: 26 Nov 2024	VWAP: 0.740		0.750	0.735	0.84	Above	Above
1-month (prior to & including LUTD)	VWAP: 0.680		0.750	0.595	0.84	Above	Above
3-month (prior to & including LUTD)	VWAP: 0.653		0.750	0.510	0.84	Above	Above
6-month (prior to & including LUTD)	VWAP: 0.643		0.750	0.500	0.84	Above	Above
12-month (prior to & including LUTD)	VWAP: 0.630		0.750	0.480	0.84	Above	Above
3-year (prior to & including LUTD)	VWAP: 0.611		0.750	0.480	0.84	Above	Above
5-year (prior to & including LUTD)	VWAP: 0.549		0.750	0.350	0.84	Above	Above
From LUTD to LPD	VWAP: 0.830		0.890	0.735	0.84	Above	Within
LPD: 04 Apr 2025	VWAP: 0.825		0.825	0.820	0.84	Above	Above
Historical P/NAV multiples							
1-month period up to the LUTD	0.71x	0.68x	0.78x	0.64x	P/NAV: 0.90x <sup>6</sup> P/RNAV: 0.89x <sup>7</sup> P/RNAV(ex-SD): 0.86x <sup>8</sup>	Above	Above
3-month period up to the LUTD	0.62x	0.60x	0.78x	0.56x		Above	Above
6-month period up to the LUTD	0.62x	0.59x	0.78x	0.56x		Above	Above
1-year period up to the LUTD	0.61x	0.60x	0.78x	0.54x		Above	Above
3-year period up to the LUTD	0.62x	0.62x	0.78x	0.54x		Above	Above
5-year period up to the LUTD	0.60x	0.60x	0.78x	0.41x		Above	Above
From LUTD to LPD	0.88x	0.88x	0.91x	0.77x		P/NAV: Above P/RNAV: Above P/RNAV(ex-SD): Below	Within
LPD: 04 Apr 2025	0.88x					P/NAV: Above PRNAV: Above P/RNAV(ex-SD): Below	
Comparable Companies							
LTM P/E	8.34x	7.46x	16.96x	3.85x	15.79x	Above	Within
EV/LTM EBITDA	3.41x	2.98x	6.82x	0.91x	3.20x	Above	Within
P/NAV	0.78x	0.73x	1.69x	0.34x	P/NAV: 0.90x <sup>6</sup> P/RNAV: 0.89x <sup>7</sup> P/RNAV(ex-SD): 0.86x <sup>8</sup>	Above	Within
Precedent Privatisations							
Premium to last transacted price	27.1%	21.2%	93.8%	2.4%	12.8%	Below	Within
Premium to 1-month VWAP	28.9%	23.0%	86.6%	4.2%	23.5%	Above	Within
Premium to 3-month VWAP	29.3%	26.9%	80.3%	4.8%	28.6%	Above	Within
Premium to 6-month VWAP	29.3%	28.1%	94.8%	(14.5%)	30.6%	Above	Within
Premium to 12-month VWAP	29.5%	28.2%	83.4%	(17.3%)	33.3%	Above	Within

#### Legend:

(Green): Favourable to Shareholders  
(Red): Unfavourable to Shareholders

#### Notes:

- (1) Median, mean, maximum and minimum of the respective benchmarks.
- (2) Implied by the Scheme based on the Scheme Consideration of S\$0.840 per Share.
- (3) Parameters implied by the Scheme Consideration relative to the median, maximum and minimum range of the respective benchmarks.

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- (4) Mean-Median range for historical trading range of Shares reflects the VWAP for the respective periods. The VWAP is weighted based on the Shares traded and the corresponding transacted prices for market days in the reference periods.
- (5) This refers to the Company's last closing price on the LUTD of S\$0.745.
- (6) Refers to the P/NAV implied by the Scheme Consideration. Please refer to Paragraph 7.3 of the IFA Letter for further details.
- (7) Refers to the P/RNAV implied by the Scheme Consideration. Please refer to Paragraph 7.3 of the IFA Letter for further details.
- (8) Refers to the P/RNAV (ex-Special Dividend) implied by the Scheme Consideration. Please refer to Paragraph 7.3 of the IFA Letter for further details.

### 7.7 OTHER RELEVANT CONSIDERATIONS THAT MAY HAVE A SIGNIFICANT BEARING ON OUR ASSESSMENT

#### 7.7.1 RATIONALE OF THE SCHEME

With reference to paragraph 2.1 in the Letter to Shareholders, we note the key considerations rationale for the Scheme, namely:

- (i) The Scheme presents a compelling opportunity for the Eligible Shareholders to realise their investment in the Shares at a premium over the historical traded prices of the Shares;
- (ii) The historical trading volume of the Shares has been low, where the average daily trading volume for the 1-month, 3-month, 6-month and 12-month periods prior to and include the LUTD, each represented less than 0.12% of the total number of Shares;
- (iii) The Scheme implies a total return of 64.1% for an Eligible Shareholder over a 5-year holding period;
- (iv) The Scheme presents a clean cash exit opportunity without incurring brokerage and other trading costs;
- (v) The Scheme presents a compelling opportunity to leverage the complementary strengths of the Company and Liberty; and
- (vi) The Company has no need for access to capital markets.

#### 7.7.2 OUTLOOK AND ORDERBOOK HISTORY

We note that the Company had made a commentary in the 1HFY2025 results announcement on the significant trends and competitive conditions of the industry that may affect the Company in the next reporting period and the next 12 months. The commentary has been reproduced below in italics and should be read in the context of the entire 1HFY2025 results announcement:

*"The environment for energy and chemical industries is expected to remain challenging, amid slower growth, geopolitical tensions and macroeconomic uncertainties. In Singapore, cost pressures and declining demand for refined products are expected to constrain capital expenditures in the sector, leading to delays in the launch of some new projects and intensified competition for contract renewals and project tenders. Additionally, a shortage of engineers and skilled labour amid stringent regulations on foreign manpower will continue to exert cost pressure on local players.*

*The Middle East remains a growing market, as the region advances its economic diversification and industrial decarbonisation efforts, driven by state-owned energy and petrochemical companies. These developments will drive demand for engineering, procurement, and construction (EPC) services and modular projects in this region.*

*The Group continues to bid actively for projects in the Middle East, leveraging its existing capabilities and facilities to capture emerging opportunities.*

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*The Group will continue to maintain a strong focus on cost control and operational efficiency as it navigates the complex web of opportunities and challenges to sustain competitiveness and long-term growth.*

*As at 31 December 2024, the Group's order book stood at S\$45.8 million, excluding maintenance contracts."*

We also noted that the Company's order book, excluding maintenance contracts, have declined since 31 December 2022.

Orderbooks trend	S\$mn
As at 31 December 2024	45.8
As at 30 June 2024	52.5
As at 31 December 2023	100.2
As at 30 June 2023	191.3
As at 31 December 2022	197.2
As at 30 June 2022	128.4
As at 31 December 2021	85.0
As at 30 June 2021	110.7

Source: Company's announcements

### 7.7.3 ABSENCE OF ALTERNATIVE OR COMPETING OFFERS

As of the Latest Practicable Date, other than the Scheme, there is no publicly available evidence of an alternative or competing offer for the Shares from any other party. The present Scheme by the Offeror, as at the Latest Practicable Date, appears to be the highest offer price for the Shareholders.

In addition, the Independent Directors have confirmed that as at the Latest Practicable Date, apart from the Scheme, they have not received any alternative or competing offer for the Shares from any other party.

### 7.7.4 EFFECTS OF THE SCHEME AND DELISTING

Upon the Scheme becoming effective in accordance with its terms, the Offeror will hold 100% of the Shares, and consequently, the Company will not be able to meet the relevant listing requirements.

The Company will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST upon the Scheme becoming effective in accordance with its terms. When the Scheme becomes effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting.

Shareholders should also note that by voting in favour of the Scheme, the Shareholders will be regarded as having waived their rights to a general offer by the Offeror to acquire the Shares under the Code and are agreeing to the Offeror acquiring or consolidating effective control of the Company without having to make a general offer.

### 7.7.5 NO CERTAINTY OF SHARE PRICE TRADING PERFORMANCE

In the event that the Scheme is not approved by the requisite majority of the Shareholders at the Court meeting, no part of the Scheme will be further proceeded with, and the Company will remain listed on the SGX-ST. There is also no certainty that the Company share price will trade at or close to the Scheme Consideration.

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In addition, pursuant to Rule 33.1 of the Code, in the event that the Scheme does not become effective and binding in accordance with its terms, is withdrawn or lapses, neither the Offeror, any persons who acted in concert with it in the course of the Scheme nor any person who is subsequently acting in concert with any of them within 12 months from the date on which the Scheme is withdrawn or lapses: (i) announce an offer or possible offer for the Company; or (ii) acquire any voting rights of the Company if the Offeror or any persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.

### 7.7.6 DIVIDEND TRACK RECORD OF THE COMPANY

We note that the Scheme Consideration comprises S\$0.64 in cash and S\$0.20 in special dividends. Hence, we have analysed the dividend policy and dividend track record of the Company.

Historical dividend track record of the Company					
	FY20	FY21	FY22	FY23	FY24
Total dividend per Share (S\$ cents)	0.5	2.5	3.5	2.0	3.5

As disclosed in the Company's annual report, the Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Notwithstanding the absence of a formal dividend policy, the Company has a historical dividend track record in the last 5 financial periods from FY20 to FY24 ranging from **0.5 cents to 3.5 cents**.

We understand that the Special Dividend Resolution and Scheme Resolution are inter-conditional. In the event the Scheme Resolution is not approved at the Court Meeting, the Company will not proceed with the declaration of the Special Dividend. This means that the Scheme cannot be implemented by the Company and the Offeror unless both the Special Dividend Resolution and the Scheme Resolution are approved at the EGM and the Court Meeting respectively.

Given that the quantum of the special dividends of S\$0.20 to be distributed as part of the Scheme Consideration is significantly higher than the historical dividend track record of the Company, and the Special Dividend Resolution and Scheme Resolution are inter-conditional, **we have considered the S\$0.20 special dividend as part of the Scheme Consideration in our analysis as it is otherwise very unlikely that Eligible Shareholders would receive dividends of such quantum in the absence of the Scheme.**

### 7.7.7 MANAGEMENT REINVESTMENT ARRANGEMENTS

As disclosed in paragraph 8.2 of the Letter to Shareholders, the SIC had confirmed, inter alia, that the Management Reinvestment Arrangements will not constitute special deals for purposes of Rule 10 of the Code, subject to the IFA publicly stating that in its opinion, the terms of the Management Reinvestment Arrangements are fair and reasonable to the Shareholders.

The salient points of the Management Reinvestment Arrangements and Shareholders' Agreement are set out in paragraph 7 of the Letter to Shareholders. Shareholders are advised to carefully read the relevant paragraphs in the Scheme Document for further detail.

We are of the opinion that the terms of the Management Reinvestment Arrangement are **FAIR and REASONABLE** in the context of Rule 10 of the Code based on the following reasons:

- (i) **Reinvested shareholdings in the Offeror.** With reference to paragraph 4.1 of the "Explanatory Statement" of the Scheme Document, we noted that the Key Management

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Personnel have given the Irrevocable Undertaking to the Offeror in respect of 37,527,334 shares amounting to 14.72% shareholding interest.

We further noted that in paragraph 7 of the Letter to Shareholders that the Key Management Personnel has agreed to reinvest the Cash Consideration portion of the Scheme Consideration due to them and subscribe for new shares in the Offeror representing an aggregate of not more than 15% of the total issued and paid up capital of the Offeror.

- (ii) **No change to existing employment terms.** We noted from Paragraph 7.3 of the Letter to Shareholders that on and from the Effective Date, the Key Management Personnel shall continue to be involved in the management of the Company and there will be no changes to their terms of their existing employment agreement following the Scheme becoming effective.

We note that the Shareholders' Agreement is for the benefit of the Company as the Key Management Personnel provide continuity of management and minimal interruption to the Company's business.

- (iii) **Transfer restrictions.** We noted from the Shareholders' Agreement that the Key Management Personnel are also subject to transfer restrictions on their shareholdings in the Offeror for a period of 3 years from the Effective Date set out in the Shareholders' Agreement (the "**Lock-Up Period**"), except in permitted circumstances.

Being minority shareholders in the Offeror subjected to the Lock-Up Period, the Key Management Personnel will have to bear the risks associated with the business and financial performance of the Company going forward as a minority shareholder in a privately held company.

- (iv) **Put Option and Call Option.** The put and call option granted to each of the Key Management Personnel are set at a price based on a pre-determined formula as set out in the Shareholders' Agreement, with reference to the financial performance of the Group and in certain cases, the Liberty Group, following the second anniversary of the Effective Date and the last day of the Lock-Up Period.

We noted that the pre-determined formula for the exit price of the put and call option held by the Key Management Personnel gives certainty and transparency on the basis in determining the exit price of the put and call option.

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### 8. OUR RECOMMENDATION

For the purpose of evaluating the Scheme, we have adopted the approach that the terms are “fair” and “reasonable” are regarded as two different concepts. The term “fair” relates to the opinion on the value of the offer price against the value of the securities subject to the offer (the “Securities”), and an offer is “fair” if the price offered is equal to or greater than the value of the Securities. In considering whether an offer is “reasonable”, other matters as well as the value of the Securities are taken into consideration. Such other matters include, but are not limited to, existing voting rights in the Company held by offeror and its concert parties or the market liquidity of the relevant securities.

#### 8.1 ASSESSMENT OF FAIRNESS OF THE SCHEME

In determining the fairness of the Scheme, we have considered, inter alia, the following pertinent factors:

- (i) In the last 5 years prior to and including the Last Undisturbed Trading Date, the Shares have never traded at or above the Scheme Consideration. It has been trading between a high of S\$0.75 and a low of S\$0.35. Accordingly, the Scheme Consideration represents a premium of 12.0% to 140.0% to the highest and lowest price respectively;
- (ii) During the period after the Last Undisturbed Trading Date to the Latest Practicable Date, the Scheme Consideration represents a premium of 14.3% and a discount of 5.6% to the lowest and highest daily share price of S\$0.735 and S\$0.890 respectively;
- (iii) The Scheme Consideration represents a premium of approximately 53.1%, 37.6%, 33.3%, 30.6%, 28.6%, and 23.5% over the VWAP of the Shares for the 5-year, 3-year, 1-year, 6-month, 3-month, and 1-month periods prior to the release of the Holding Announcement respectively. The Scheme Consideration also represents a premium of approximately 13.6% to the VWAP of the Shares at the Last Undisturbed Trading Date.
- (iv) For the period up to and including the Last Undisturbed Trading Date, the implied P/NAV and implied P/RNAV of 0.90 times and 0.89 times respectively are above the range of historical trailing P/NAV of the Company;
- (v) For the period after the Last Undisturbed Trading Date to the Latest Practicable Date, the implied P/NAV and P/RNAV of 0.90 times and 0.89 times are above the mean and median, and within the range of historical trailing P/NAV of the Company;
- (vi) As at the Latest Practicable Date, the implied P/NAV multiple of 0.90 times and the implied P/RNAV multiple of 0.89 times is higher than the P/NAV multiple of 0.88 times;
- (vii) The implied P/NAV ratio, P/RNAV ratio and P/RNAV (ex-SD) ratio of the Company of 0.90 times, 0.89 times and 0.86 times respectively are within the range of the P/NAV ratios of the Comparable Companies of 1.69 times and 0.34 times, and above the mean and median P/NAV ratios of the Comparable Companies of 0.78 times and 0.73 times respectively;
- (viii) The implied P/E ratio of the Company of 15.79 times is within the range of the LTM P/E ratios of the Comparable Companies of 16.96 times and 3.85 times and above the mean and median LTM P/E ratios of the Comparable Companies of 8.34 times and 7.46 times respectively;
- (ix) The implied EV/EBITDA ratio of the Company of 3.20 times is within the range of the EV/LTM EBITDA ratios of the Comparable Companies, and above the median but below the mean EV/LTM EBITDA ratios of the Comparable Companies;
- (x) The premium implied by the Scheme Consideration of 28.6%, 30.6% and 33.3% over the 3-month, 6-month and 12-month VWAP are within the range and above the mean and median premium of the Precedent Privatisations;

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- (xi) The premium implied by the Scheme Consideration of 23.5% over the 1-month VWAP is within range, below the mean but above the median premium of the Precedent Privatisations; and
- (xii) The Scheme Consideration is within the estimated value range of the Shares of S\$0.807 to S\$0.935.

**In view of the above, we are of opinion that the Scheme is FAIR.**

### 8.2 ASSESSMENT OF REASONABLENESS OF THE SCHEME

In determining the reasonableness of the Scheme, we have considered, inter alia, the following pertinent factors:

- (a) During the 5-year period, the average daily traded volume of the Shares for the 5-year, 3-year, 1-year, 6-month, 3-month and 1-month periods prior to the release of the Holding Announcement was very low, representing 0.04%, 0.04%, 0.06%, 0.10%, 0.18% and 0.32% of the free float of the Shares respectively. The average daily traded volume of the Shares on the Last Undisturbed Trading Date was low, representing 0.14% of the free float of the Shares;
- (b) Between the Last Undisturbed Trading Date and up to and including the Latest Practicable Date, the trading liquidity of the Shares rose to an average daily traded volume of approximately 260,051 Shares, representing approximately 0.29% of the Company's free float, as compared to the average daily traded volume of approximately 37,416 Shares over the 5-year Period;
- (c) The outlook of the Group is expected to be challenging, due to geopolitical and macroeconomic uncertainties which continue to present operating challenges, including margin pressures. The order book, excluding maintenance contracts, have declined since 31 December 2022.

**In view of the above, we are of the opinion that the Scheme is REASONABLE.**

### 8.3 OUR OPINION OF THE SCHEME AND THE MANAGEMENT REINVESTMENT AGREEMENTS

With respect to the Scheme, we are of the opinion that, on balance, the financial terms of the Scheme are FAIR and REASONABLE. Accordingly, we advise the Independent Directors to recommend Shareholders to vote IN FAVOUR of the Scheme.

With respect to the Management Reinvestment Agreements and based on our evaluation of the information available to us as at the Latest Practicable Date, we are of the opinion that the terms of the Management Reinvestment Arrangements are FAIR and REASONABLE in the context of Rule 10 of the Code.

**The Independent Directors should also highlight to Shareholders that the Scheme, when it becomes effective, will be binding on all Shareholders, whether or not they have attended or voted at the Court Meeting, and if they have attended and voted, whether or not they have voted in favour of the Scheme.**

In arriving at our recommendation, we wish to emphasise that we have relied on information provided to us in accordance with our Terms of Reference in Paragraph 2 of this Letter. In addition, the Independent Directors should note that we have arrived at our conclusion based upon information made available to us up to and including the Latest Practicable Date.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Eligible Shareholder. As each Shareholders has different investment objectives and profile, we would

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advise that individual Shareholders who require specific advice in relation to their investment objectives or portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Shareholders should note that the trading of the Shares is subject to, inter alia, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Scheme.

The Independent Directors should note that trading in the Shares is subject to possible market fluctuations and, accordingly, our advice on the Scheme cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Shares as these are governed by factors beyond the ambit of our review and would not fall within the terms of reference in connection with the Scheme.

Our recommendations are addressed to the Independent Directors for the purpose of Listing Rule 1309(2) as well as for their benefit in connection with and for the purposes of their consideration of the Scheme and shall not be used and/or relied on by any other person for any purpose at any time and in any manner other than the Offer. Any recommendations made by the Independent Directors in respect of the Offer shall remain their responsibility.

Our recommendations are governed by the laws of Singapore, and are strictly limited to the matters stated in this Letter and do not apply by implication to any other matter.

Yours faithfully

**Deloitte & Touche Corporate Finance Pte Ltd**

Koh Soon Bee  
Executive Director

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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### ALLIANCE ENERGY SERVICES PTE. LTD.

(Incorporated in Singapore  
under the Companies Act 1967 of Singapore with  
registered number 202450150M)

17 April 2025

To: The Shareholders of PEC Ltd.

Dear Sir/Madam

#### PROPOSED ACQUISITION BY ALLIANCE ENERGY SERVICES PTE. LTD. OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE SHARE CAPITAL OF PEC LTD. (OTHER THAN TREASURY SHARES) BY WAY OF A SCHEME OF ARRANGEMENT

##### 1. INTRODUCTION

- 1.1 Acquisition.** On 27 November 2024 (the “**First Holding Announcement Date**”), 30 December 2024 (the “**Second Holding Announcement Date**”) and 27 January 2025 (the “**Third Holding Announcement Date**”), PEC Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) made announcements titled “*Holding Announcement*” stating that the Board of Directors of the Company had been approached by a third party on a possible transaction in relation to the shares in the Company. Thereafter, on 17 February 2025 (the “**Joint Announcement Date**”), Alliance Energy Services Pte. Ltd. (the “**Offeror**”), a company incorporated under the laws of Singapore, and the Company made a joint announcement (the “**Joint Announcement**”) in relation to the proposed privatisation of the Company by way of the proposed acquisition of all the issued and paid-up ordinary shares in the share capital of the Company (the “**Shares**” and each, a “**Share**”) by the Offeror from all of the shareholders of the Company (the “**Shareholders**”) as at 5.00 p.m. on the Record Date (the “**Eligible Shareholders**” and each, an “**Eligible Shareholder**”) other than the Shares held by the Company in treasury (the “**Acquisition**”), to be effected by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”), subject to the terms of the Implementation Agreement (as defined below).
- 1.2 The Offeror.** The Offeror is a company incorporated in Singapore for the purposes of the Acquisition and the Scheme. The Offeror is a wholly-owned subsidiary of Liberty Energy Solutions Limited (“**Liberty**”) and is part of a group of entities managed under Liberty (the “**Liberty Group**”). Operating across the United States, Canada, Asia, and the Middle East, Liberty Group provides energy engineering solutions and chemical decontamination for oil & gas refineries and petrochemical facilities. Further information relating to the Offeror is set out in **paragraph 5** of this Letter.
- 1.3 Implementation Agreement.** In connection with the Acquisition, the Offeror and the Company have on 17 February 2025 entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Offeror and the Company will implement the Scheme.

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- 1.4 Scheme Document.** This Letter from the Offeror to the Shareholders should be read and construed together with, and in the context of, the scheme document dated 17 April 2025 (the “**Scheme Document**”) issued by the Company to the Shareholders containing details of the Scheme. Unless otherwise stated, terms used but not defined in this Letter shall have the same meanings as defined in the Scheme Document.

**If you are in any doubt about this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

### 2. THE ACQUISITION AND THE SCHEME

- 2.1 Terms of the Scheme.** The Acquisition will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

Under the Scheme:

- (a) all the Shares held by the Eligible Shareholders (other than those already held by the Company as treasury shares) will be transferred to the Offeror:
  - (i) fully paid;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared or paid by the Company on or after the Joint Announcement Date other than the Special Dividend (as defined below)).
- (b) In consideration of the transfers referred to in **paragraph 2.1(a)** of this Letter, and upon and subject to the Scheme being effective, each Eligible Shareholder will be entitled to receive for each Share:
  - (i) S\$0.64 in cash (the “**Cash Consideration**”); and
  - (ii) S\$0.20 in cash from the Company by way of a special cash dividend per Share to be declared and paid out of the profits and retained earnings of the Company (the “**Special Dividend**”) (the Cash Consideration and the Special Dividend collectively being the “**Scheme Consideration**”).

If any dividends, rights or other distributions (“**Distributions**”) (other than the Special Dividend) are declared, paid or made by the Company on each Share to the Shareholders on or after the Joint Announcement Date and before the date on which the Scheme becomes effective in accordance with its terms (the “**Effective Date**”), the Offeror reserves the right to reduce the Cash Consideration by the amount of such Distributions.

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**2.2 Scheme Conditions.** The Scheme is conditional upon the satisfaction (or where applicable, the waiver) of each condition (the “**Scheme Conditions**”) set out in the Implementation Agreement. Additional information on the Scheme Conditions is set out in **paragraph 8** of the Explanatory Statement. The Scheme Conditions are reproduced in **Appendix J** to the Scheme Document.

**2.3 Effect of Termination.** In the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be), pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for the Surviving Provisions (as defined in the Implementation Agreement) such as those relating to interpretation, termination, representations and warranties, announcements, confidentiality, miscellaneous and governing law) and neither the Offeror or the Company shall have any claim against the other party under the Implementation Agreement.

Please refer to **paragraph 8.4** of the Explanatory Statement for additional details on the termination rights under the Implementation Agreement.

**2.4 Effect of Scheme.** If the Scheme becomes effective, it will be binding on all Shareholders, whether or not they were present in person or in proxy, or voted to approve the Scheme, at the Court Meeting. Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

**2.5 Switch Option.**

- (a) Pursuant to the terms of the Implementation Agreement and subject to prior consultation with and the approval of the Securities Industry Council (“**SIC**”), in the event of a Competing Offer being announced, the Offeror shall have the right at its discretion to elect to proceed with the Acquisition by way of an Offer (in lieu of proceeding by way of the Scheme) (the “**Switch Option**”).
- (b) In such event, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme, including at a consideration per Share equal to or greater than the Scheme Consideration and conditional upon a level of acceptances of only more than 50% (fifty per cent.) and not conditional on a higher level of acceptances. If the Offeror exercises the Switch Option, the Offeror and the Company agree that (notwithstanding any provision to the contrary in the Implementation Agreement) the Implementation Agreement shall terminate with effect from the date of announcement of the Offer (other than the clauses relating to the Switch Option and the Surviving Provisions (as defined in the Implementation Agreement)) and neither the Offeror nor the Company shall have a claim against the other thereunder.

“**Competing Offer**” means any expression of interest, offer or proposal from any party (other than the Offeror or a party approved in writing by the Offeror) pursuant to which such person or any other person may, whether directly or indirectly, and whether by share purchase, scheme of arrangement or amalgamation, capital reconstruction, purchase of assets, general offer, partial offer, joint venture or otherwise:

- (i) acquire or become the holder or owner of, or otherwise have an economic interest in (A) all or substantially all of the assets, business and/or undertakings of the Group; or (B) all or any of the share capital of the Company (whether or not such other offer is at a higher price than the Scheme Consideration and/or on

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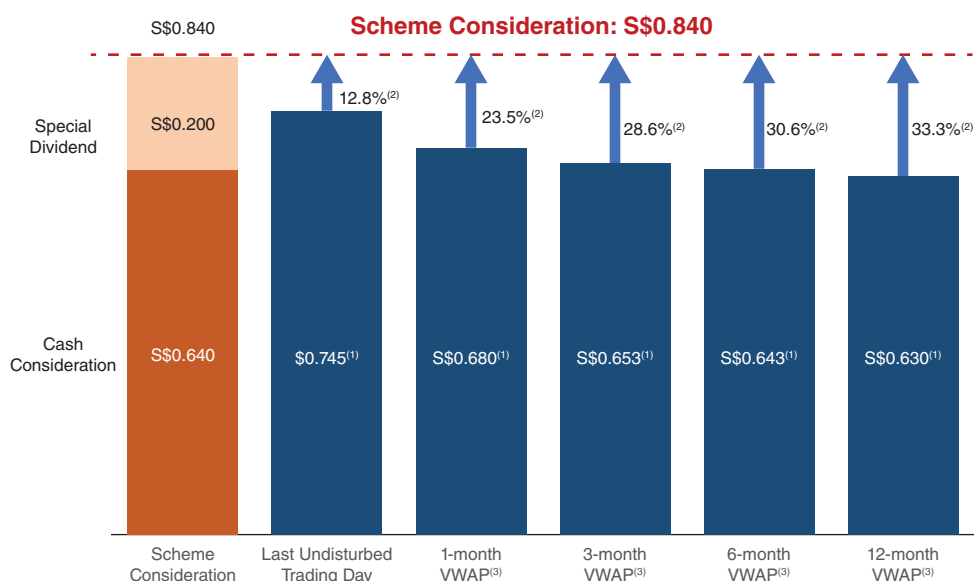
more favourable terms than under the Scheme or Offer (as the case may be); or  
(C) any of the share capital of any Group Company (other than the Company);

- (ii) acquire control of the Group;
- (iii) merge with the Company or any Group Company; or
- (iv) effect a transaction which would preclude or restrict the Scheme or the Offer (as the case may be) or the Acquisition.

### 3. RATIONALE FOR THE SCHEME AND THE OFFEROR’S FUTURE INTENTIONS FOR THE GROUP

**3.1 Compelling opportunity for Eligible Shareholders to realise their investment in the Shares at a premium over the historical traded prices of the Shares.** The Acquisition presents an opportunity for Eligible Shareholders to unlock value and realise their investment in the Shares at an attractive premium over historical market prices.

#### (a) Historical Share Price Chart for the 12-month period prior to the Last Undisturbed Trading Day



Source: Bloomberg L.P.

#### Notes:

- (1) Rounded to the nearest three (3) decimal places.
- (2) Rounded to the nearest one (1) decimal place.
- (3) VWAP is calculated based on the aggregate daily turnover value of the Shares and aggregate daily traded volume of the Shares for the relevant trading days for each relevant period, excluding off-market transactions.

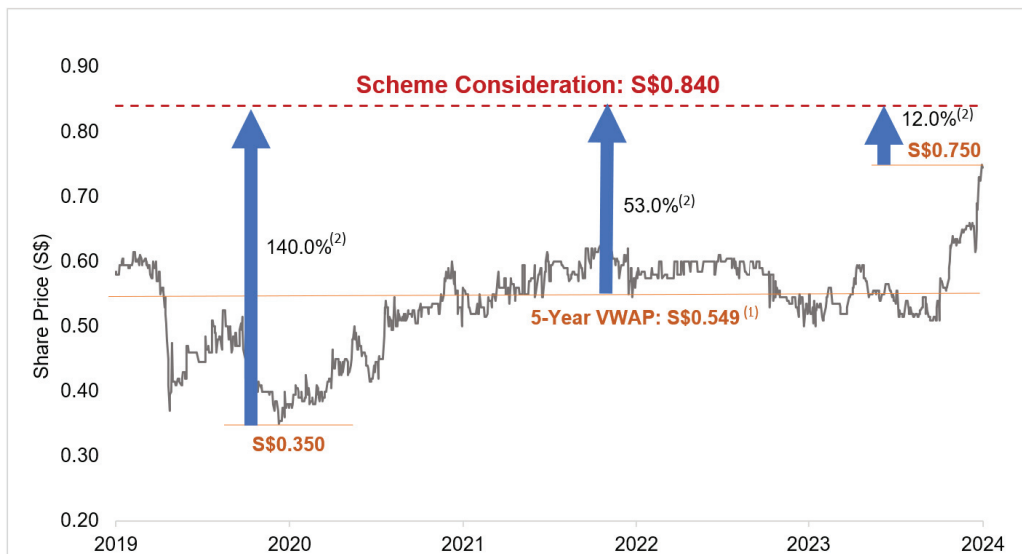
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As set out in the chart above, the Scheme Consideration represents a premium of approximately 23.5%, 28.6%, 30.6% and 33.3% over the volume weighted average price (“VWAP”) per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively up to and including 26 November 2024 (the “**Last Undisturbed Trading Day**”), being the last full market day on which the Shares were transacted immediately preceding the time and date of the holding announcement issued by the Company, being 6.08 p.m. on 27 November 2024.

The Scheme Consideration also represents a premium of approximately 12.75% over the last transacted price per Share of S\$0.745 on the Last Undisturbed Trading Day.

(b) **Historical Share Price Chart for the last five (5)-year period and up to and including the Last Undisturbed Trading Day**

Prior to the Acquisition, the Shares had not closed on the SGX-ST at or above the Scheme Consideration since 27 November 2019 and up to the Last Undisturbed Trading Day. The Scheme Consideration represents: (i) a premium of approximately 140.0% over the lowest closing price of the Shares of S\$0.350, (ii) a premium of approximately 12.0% over the highest closing price of the Shares of S\$0.750, and (iii) a premium of approximately 53.0% over the VWAP of the Shares of S\$0.549, during the five (5)-year period up to and including the Last Undisturbed Trading Day, as illustrated in the chart below:



Source: Bloomberg L.P.

**Notes:**

- (1) Rounded to the nearest three (3) decimal places.
- (2) Rounded to the nearest one (1) decimal place.

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- 3.2 Low Trading Liquidity.** The historical trading volume of the Shares has been low. The average daily trading volume for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to and including the Last Undisturbed Trading Day, each represented less than 0.12% of the total number of Shares as follows:

Period prior to and including the Last Undisturbed Trading Day	Average daily trading volume <sup>(1)</sup>	As a % of the total number of Shares <sup>(2)</sup>
Last one (1) month	288,010	0.11
Last three (3) months	159,772	0.06
Last six (6) months	86,983	0.03
Last 12-months	54,110	0.02

Source: Bloomberg L.P.

**Notes:**

- (1) The average daily trading volume is computed based on the total trading volume of the Shares for all trading days for the relevant periods immediately prior to and including the Last Undisturbed Trading Day, divided by the total number of trading days during the respective period.
- (2) Rounded to the nearest two (2) decimal places and computed based on 254,922,877 Shares (excluding 791,886 Shares held by the Company as treasury shares).

The Scheme presents a unique cash exit opportunity for Eligible Shareholders to unlock and realise their investment entirely. The Scheme therefore provides Shareholders who may find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to unlock and realise their investment in the Shares at a premium over the prevailing market prices which would otherwise not be available given the low trading liquidity of the Shares.

- 3.3 The Scheme Consideration implies a total return of 64.1% for an Eligible Shareholder over a five (5)-year holding period.** Accounting for total dividends distributed over the past five (5)-year period up to and including the Last Undisturbed Trading Day (the “**5-Years Total Dividend**”), the Scheme Consideration implies a total return of 64.1% and annualised total return of 10.4% per annum for an Eligible Shareholder who had acquired Shares five (5) years prior to and including the Last Undisturbed Trading Day. For comparison, Nikko AM Singapore STI ETF (“**Nikko AM STI ETF**”) which tracks the Straits Times Index offered a total return of 34.0% and annualised total return of 6.0% per annum over the same period.

				Total returns for the past five (5) years <sup>(3)</sup>		Annualised total returns for the past five (5) years <sup>(3)</sup>	
Last closing price five (5) years prior to the Last Undisturbed Trading Day <sup>(1)</sup>	Scheme Consideration	5-Years Total Dividend <sup>(2)</sup>	Sum of Scheme Consideration and 5-Years Total Dividend	Sum of Scheme Consideration and 5-Years Total Dividend	Nikko AM STI ETF	Sum of Scheme Consideration and 5-Years Total Dividend	Nikko AM STI ETF
S\$0.585	S\$0.840	S\$0.120	S\$0.960	64.1%	34.0%	10.4%	6.0%

**Notes:**

- (1) Based on the last closing price of the Shares on 27 November 2019 as extracted from Bloomberg L.P..
- (2) This refers to the total dividends distributed per Share since 27 November 2019 and up to the Last Undisturbed Trading Day.
- (3) Total returns and annualised total returns are rounded to one (1) decimal place.

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- 3.4 Clean cash exit opportunity without incurring brokerage and other trading costs.** The Scheme offers a compelling all-cash deal, comprising of the Cash Consideration and the inclusion of the Special Dividend to further enhance the overall value received by Eligible Shareholders.

The Scheme is also a secure exit strategy, allowing Eligible Shareholders to realise their investments if the Scheme becomes effective, without incurring brokerage and other associated trading costs. This eliminates future uncertainties in relation to the Group’s financial performance and share price.

- 3.5 Synergies and operational flexibility.** The Offeror believes that the Acquisition presents a compelling opportunity to leverage the complementary strengths of the Company and Liberty. The combined capabilities of the Company and Liberty will allow for synergies and an enhanced ability to meet customer needs across regions. Together, the Company and Liberty will be well-positioned to capitalize on the evolving energy transition by offering both Maintenance and EPC Project services to global energy customers pivoting towards sustainable energy solutions. Additionally, efficiencies would result from greater sharing of services and resources with the Offeror’s other strategic business units. In particular, the Offeror and Company would be better able to freely transfer intellectual property, share best practices and ensure unfettered staff mobility within the enlarged group. The Offeror believes that the privatisation will allow the management of the Company more flexibility to manage and develop the business and facilitate the implementation of any operational change (if required) with a focus on long-term execution, without the corresponding costs and regulatory restrictions associated with a listing on the SGX-ST.

- 3.6 No need for access to capital markets.** Since the Company’s initial public offering in 2009, the Company has not carried out any exercise to raise funds from the equity capital markets. It is also unlikely for the Company to tap on any access to the equity capital markets in the foreseeable future. Therefore, the listing status of the Company brings fewer benefits to the Company and its shareholders than initially envisaged.

**3.7 The Offeror’s future intentions.**

- (a) The Offeror intends for each of Edna Ko Poh Thim (Executive Chairman and Executive Director) and Robert Dompeling (Group Chief Executive Officer and Executive Director) (collectively, the “**Key Management Personnel**”) to continue as part of management of the Company on and from the Effective Date. Further details are available at **paragraph 7.4(c)** below.
- (b) Save as disclosed in this Letter, there is presently no intention by the Offeror to (i) introduce any major changes to the business of the Group; (ii) dispose of, sell or re-deploy the fixed assets of the Group; or (iii) discontinue the employment of the employees of the Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Scheme. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Group which may present themselves or which the Offeror may regard to be in the interests of the Offeror and the Group.

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- (c) It is intended that all directors of the Company, other than the directors who are Key Management Personnel, are to resign upon the delisting of the Company. As the Offeror intends and desires that there is continuity of management and minimal interruption of the Group’s business, the Offeror intends to establish a management incentive plan which is envisaged to be implemented after the Effective Date to grant the senior executives and/or senior employees of the Group certain management incentives if certain conditions and/or targets are met. The Offeror has yet to formulate the specific terms of the management incentive plan and will only finalise such terms after the Effective Date. Save as disclosed, the Offeror currently does not intend to change the emoluments of the directors who are Key Management Personnel and other key management of the Company.

### 4. DELISTING

- 4.1 Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

- 4.2 An application has been made to seek approval from the SGX-ST to delist and remove the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 3 April 2025, advised that, on the basis that the Scheme will require the approval of the Shareholders for the Scheme and Special Dividend and the IFA opines that the Scheme’s financial terms are fair and reasonable, it has no objection to the Company’s application to delist from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme (the “**Delisting Approval**”), subject to:

- (a) the Company obtaining Shareholders’ approval for the Scheme at the Court Meeting to be convened;
- (b) the Company obtaining Shareholders’ approval for the Special Dividend at the EGM to be convened;
- (c) the sanction of the Scheme by the Court and the Scheme becoming effective and binding in accordance to its terms;
- (d) the Company making an announcement of the Delisting Approval immediately; and
- (e) written confirmation from the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company.

- 4.3 The above decision of the SGX-ST is not to be taken as an indication of the merits of the proposed delisting of the Company from the Official List of the SGX-ST in connection to its proposed privatisation by way of the Scheme.

**SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE COMPANY WILL, SUBJECT TO THE APPROVAL OF THE SGX-ST, BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.**

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### 5. INFORMATION RELATING TO THE OFFEROR

- 5.1 The Offeror.** The Offeror is a company incorporated in Singapore on 12 December 2024 for the purposes of the Acquisition and the Scheme.
- 5.2 Business.** The Offeror has not traded since its incorporation, nor has it entered into any obligations, other than those incidental to its formation or in connection with the Acquisition and the Scheme. It is a wholly-owned subsidiary of Liberty and is part of the Liberty Group.
- 5.3 Shareholding in the Offeror.** As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$1, comprising of 1 ordinary share and is wholly-owned by Liberty.
- 5.4 Board.** As at the Latest Practicable Date, the Offeror’s board comprises of one director, being Kyle Arnold Shaw, Jr. (Executive Chairman and Sole Director).
- 5.5 Information on Liberty.** Liberty is an entity which was incorporated in the Cayman Islands and is the parent company of the Liberty Group. Operating across the United States, Canada, Asia and the Middle East, the Liberty Group provides energy engineering solutions and chemical decontamination for oil & gas refineries and petrochemical facilities.
- 5.6 Schedule A** to this Letter sets out certain additional information relating to the Offeror and Liberty.

### 6. INFORMATION RELATING TO THE COMPANY

- 6.1 Material Changes in the Financial Position of the Company.** Save as disclosed in the Scheme Document (including this Letter) and any other information on the Group which is publicly available (including, without limitation, the announcements released by the Company on the SGXNET), and save for the costs and expenses incurred or to be incurred in connection with the Scheme, as at the Latest Practicable Date, to the knowledge of the Offeror, after making reasonable enquiries, there have been no material changes to the financial position of the Company since 30 June 2024, being the date of the last published audited consolidated financial statements of the Group.
- 6.2 Transfer Restrictions.** The Constitution of the Company does not contain any restrictions on the right to transfer the Shares in connection with the Acquisition or the Scheme.
- 6.3 Additional Information.** Additional information relating to the Company is set out in **Appendix C** to the Scheme Document.

### 7. DISCLOSURE OF INTERESTS

- 7.1 Holdings of and Dealings in Shares.** As at the Latest Practicable Date, none of the Offeror and its director, Liberty and the directors of Liberty, the Offeror Financial Adviser and the other persons acting in concert with the Offeror in relation to the Scheme (collectively, the “**Offeror Concert Party Group**”):
- (a) owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any (i) Shares or securities which carry voting rights in the Company; and (ii) convertible securities, warrants, options and derivatives in respect of (i) (collectively, the “**Company Securities**”); and

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- (b) has dealt for value in the Company Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

Upon the Scheme becoming effective in accordance with its terms, the Offeror will hold and control all the voting rights in the Company.

### 7.2 Irrevocable Undertakings.

- (a) **Undertakings.** Each of the following Shareholders:

- (i) Edna Ko Poh Thim holding 35,653,667 Shares representing approximately 13.99% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (ii) Robert Dompeling holding 1,873,667 Shares representing approximately 0.73% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (iii) Tian San Company (Pte.) Limited holding 85,750,000 Shares representing approximately 33.64% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (iv) Mark Ko Teong Hoon (Gao Zhongxun) holding 23,624,475 Shares representing approximately 9.27% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (v) Patricia Ko Poh Cheng holding 3,915,200 Shares representing approximately 1.54% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (vi) Ng Khan Tee holding 3,501,575 Shares representing approximately 1.37% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (vii) Melissa Peony Lu Teng Ko Kumar holding 2,668,950 Shares representing approximately 1.05% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (viii) Lee May Peng Maisie holding 1,750,000 Shares representing approximately 0.69% of the total issued Shares (excluding the Shares held by the Company as treasury shares);
- (ix) Ko Lu Sein holding 1,600,000 Shares representing approximately 0.63% of the total issued Shares (excluding the Shares held by the Company as treasury shares); and
- (x) Ko Poh Kheng Kristine holding 1,228,000 Shares representing approximately 0.48% of the total issued Shares (excluding the Shares held by the Company as treasury shares),

(collectively, the “**Undertaking Shareholders**”),

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has given an undertaking (the “**Irrevocable Undertaking**”) to, *inter alia*: (A) exercise his, her or their voting rights in the Company to vote in favour of the Scheme Resolution at the Court Meeting and the Special Dividend at the EGM; (B) not to withdraw or amend the exercise of his, her or their vote in approval of the Scheme and the Special Dividend, notwithstanding where the terms of the Scheme confer a right of withdrawal in certain circumstances; (C) not to exercise or procure the exercise of all of the voting rights attached to his, her or their Shares in favour of any other proposal put forth to the Shareholders in the alternative to or in competition with the Scheme (other than the Offer); (D) in the event the Offeror exercises its Switch Option, to accept the Offer; and (E) not to accept any other offer in respect of his, her or their Shares or any of them whatsoever whether conditionally or unconditionally.

The Undertaking Shareholders have given the Irrevocable Undertaking to the Offeror in respect of 161,565,534 Shares held legally and/or beneficially by the Undertaking Shareholders in the aggregate, representing approximately 63.38% of the total number of Shares (excluding the treasury shares of the Company) as at the Latest Practicable Date.

- (b) **Termination.** The obligations of the Undertaking Shareholders under their respective Irrevocable Undertakings will terminate upon occurrence of the following events:
- (i) the Scheme becomes effective in accordance with its terms;
  - (ii) (A) the Scheme is withdrawn or the Implementation Agreement is terminated without the Scheme becoming effective and (B) the Offeror does not exercise the Switch Option or announce the Offer; or
  - (iii) the Offeror exercises the Switch Option and announces the Offer but the Offer lapses or fails to become or be declared to be unconditional for any reason.
- (c) **No Other Undertakings.** Save for the Irrevocable Undertakings, neither the Offeror nor any member of the Offeror Concert Party Group has received any irrevocable undertaking from any party to vote in favour of, or abstain from voting on, the Scheme and/or the Special Dividend as at the Latest Practicable Date.

**7.3 Security Arrangements.** As at the Latest Practicable Date, no member of the Offeror Concert Party Group has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise; (ii) borrowed from another person any Company Securities (excluding borrowed securities which have been on-lent or sold); or (iii) lent to another person any Company Securities.

**7.4 Other Arrangements.** As at the Latest Practicable Date, save as disclosed below and in the Scheme Document (including this Letter), there are no Company Securities held by any person with whom any member of the Offeror Concert Party Group has any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities:

- (a) **Management Reinvestment Arrangements.** Each of the Key Management Personnel has agreed (i) to reinvest the Cash Consideration portion of the Scheme Consideration that is due to them pursuant to the Scheme, and subscribe for new

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shares in the Offeror representing an aggregate of not more than 15% of the total issued and paid up capital of the Offeror on and from the Effective Date, and (ii) to take up certain rights and obligations as a shareholder of the Offeror on and from the Effective Date (the “**Management Reinvestment Arrangements**”).

The subscription price to be paid by the Key Management Personnel for the Offeror Shares is at an issue price per Offeror Share equivalent to the Cash Consideration portion of the Scheme Consideration, in lieu of them receiving the relevant aggregate amount of the Cash Consideration.

- (b) **Shareholders’ Agreement.** Pursuant to the Management Reinvestment Arrangements, the Key Management Personnel, Liberty and the Offeror have entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) which will come into effect on and from the Effective Date. The Shareholders’ Agreement contains provisions relating to the Management Reinvestment Arrangements and the terms governing the relationship between the Key Management Personnel, on the one hand, and Liberty, on the other hand, as shareholders of the Offeror.

Under the Shareholders’ Agreement, the Key Management Personnel are subject to transfer restrictions on their shareholdings in the Offeror for a period of three years from the Effective Date set out in the Shareholders’ Agreement (the “**Lock-Up Period**”), except in permitted circumstances.

The Shareholders’ Agreement also includes (amongst other customary terms) a put and call option in respect of the Key Management Personnel’s shareholdings in the Offeror. The put and call option are set at a price based on a pre-determined formula as set out in the Shareholders’ Agreement, with reference to the financial performance of the Group and in certain cases, the Liberty Group, and exercisable following the second anniversary of the Effective Date and ending on the last day of the Lock-Up Period (except in permitted circumstances).

- (c) **Roles of Key Management Personnel.** On and from the Effective Date, Edna Ko Poh Thim and Robert Dompeling shall continue to be involved in the management of the Company and there is no intention to change the terms of their existing employment agreements following the Scheme becoming effective.

### 8. SIC RULINGS

8.1 **SIC Rulings.** In accordance with the SIC Rulings, the SIC has confirmed, *inter alia*, that:

- (a) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Scheme, subject to the following conditions:
- (i) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand, abstain from voting on the Scheme;
  - (ii) the Offeror and its concert parties abstain from voting on the Scheme;
  - (iii) the directors of the Company who are also directors of the Offeror or who are acting in concert with those persons in sub-paragraph (i) or (ii) above abstain from making a recommendation on the Scheme to the Shareholders;

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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- (iv) the Scheme Document contains advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
  - (v) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the latest practicable date and their voting rights in the Offeror and the Company after the Scheme;
  - (vi) the Company appointing an independent financial adviser to advise the Shareholders on the Scheme; and
  - (vii) the Scheme being completed within 7 months (unless extended with SIC’s consent) from the Joint Announcement Date;
- (b) the SIC has no objections to the Scheme Conditions and the termination provisions of the Implementation Agreement;
- (c) the SIC has no objections to the Offeror reserving its right to exercise the Switch Option, subject to:
  - (i) disclosure in the Joint Announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option in the event of an announcement of a firm intention to make a Competing Offer for the Company;
  - (ii) the Offer being on the same or better terms as those which apply to the Scheme, including the same or higher consideration than the Scheme Consideration;
  - (iii) the acceptance condition to the Offer being set at only more than 50% of the maximum issued shares in the Company (and not conditional upon a higher level of acceptances); and
  - (iv) consultation with the SIC beforehand to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option;
- (d) the SIC has no objections to the Scheme Conditions, to the extent applicable in the event of the Offer, being similarly imposed as conditions to the Offer becoming unconditional in all respects, subject to the Offeror consulting with the SIC and seeking the SIC’s approval prior to invoking such Scheme Condition so as to cause the Offer to lapse;
- (e) in relation to the Management Reinvestment Arrangements:
  - (i) the Management Reinvestment Arrangements will not constitute special deals prohibited under Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating in its opinion that the terms of the Management Reinvestment Arrangements are fair and reasonable to the Shareholders in the context of Rule 10 of the Code; and
  - (ii) the Key Management Personnel will not be considered to be acting in concert with the Offeror solely by virtue of the Management Reinvestment Arrangements;
- (f) the Undertaking Shareholders will not be regarded as acting in concert with the Offeror solely by virtue of the Irrevocable Undertakings; and

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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- (g) the confirmation of the sufficiency of financial resources to be given by the Offeror’s financial adviser in connection with the Scheme:
  - (i) need only be given in relation to the Cash Consideration and not the Scheme Consideration; and
  - (ii) may, in light of the Management Reinvestment Arrangements, exclude the amount to be reinvested by the Key Management Personnel from the Cash Consideration.

Accordingly, subject to the conditions imposed by the SIC being satisfied, each of the Undertaking Shareholders (including the Key Management Personnel) will not be precluded from attending and voting at the Court Meeting by virtue of their respective Irrevocable Undertakings and Management Reinvestment Arrangements (as applicable).

### 9. OVERSEAS SHAREHOLDERS

**9.1 Overseas Shareholders.** The applicability of the Acquisition and the Scheme to Overseas Shareholders, whose addresses are outside Singapore, as shown on the Register of Members, or as the case may be, in the records of CDP, 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.

**Overseas Shareholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.**

### 9.2 Copies of Scheme Document.

There may be potential restrictions on sending this Scheme Document, the Notices, Proxy Forms and Request Form to overseas jurisdictions. In addition, the Constitution of the Company provides that any Shareholder whose registered address is outside Singapore and who has not supplied to the Company or CDP (as the case may be) an address within Singapore for the service of notices shall not be entitled to receive any such notices from the Company. Accordingly, this Scheme Document, the Notices, Proxy Forms and Request Form have not been and will not be sent to any Overseas Shareholder.

Electronic copies of this Scheme Document (enclosing the Notices and Proxy Forms) are available on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements> and on the website of the Company at <https://www.peceng.com>. A Shareholder will need an internet browser and PDF reader to view these documents on the websites of the SGX-ST and the Company.

Shareholders (including Overseas Shareholders) may obtain copies of this Scheme Document by completing and returning the Request Form accompanying the Notices and Proxy Forms to the Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877, or via email at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia), which should reach the Share Registrar by no later than **24 April 2025, at 6.00 p.m.** (Singapore time). A printed copy of this Scheme Document will then be sent to the address in Singapore specified by the Shareholder at his/her own risk.

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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It is the responsibility of any Overseas Shareholder who wishes to request for this Scheme Document and any related documents or participate to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents or participating in the Acquisition and the Scheme, the Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

For the avoidance of doubt, the Acquisition and the Scheme are being proposed to all Shareholders (including, in each case, Overseas Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Acquisition and the Scheme are not being proposed in any jurisdiction in which the introduction or implementation of the Acquisition and the Scheme would not be in compliance with the laws of such jurisdiction.

**If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.**

- 9.3 Notice.** The Offeror and the Company each reserves the right to notify any matter, including the fact that the Acquisition and the Scheme has been proposed, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including any Overseas Shareholders) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as the Company remains listed on the SGX-ST, the Company will continue to notify all Shareholders (including Overseas Shareholders) of any matter relating to the Acquisition and the Scheme by announcement via the SGXNet.

**Notwithstanding that such Overseas Shareholder may not receive the notice of the EGM or the Court Meeting, they shall be bound by the Scheme if the Scheme becomes effective.**

## **10. SETTLEMENT AND REGISTRATION PROCEDURES**

### **10.1 Eligible Shareholders whose Shares are not deposited with CDP.**

Entitlements of Eligible Shareholders (not being Depositors) whose Shares are not deposited with CDP under the Scheme will be determined on the basis of their holdings of Shares appearing in the Register of Members at 5.00 p.m. on the Record Date. Eligible Shareholders (not being Depositors) who have not already registered their holdings of the Shares are requested to take the necessary action to ensure that the Shares owned by them are registered in their names or in the names of their nominees by the Record Date.

From the Effective Date, each existing share certificate representing a former holding of Shares by the Eligible Shareholder (not being Depositors) will cease to be evidence of title to the Shares represented thereby.

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## **APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS**

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Within seven (7) Business Days of the Effective Date, the Company shall make payment of the Special Dividend to each Eligible Shareholder (not being a Depositor) based on his holding of the Shares as at 5.00 p.m. on the Record Date.

Within seven (7) Business Days of the Effective Date, the Offeror shall make payment of the Scheme Consideration to each Eligible Shareholder (not being a Depositor) based on his holding of the Shares as at 5.00 p.m. on the Record Date.

### **10.2 Eligible Shareholders whose Shares are deposited with CDP.**

Entitlements of Eligible Shareholders (being Depositors) under the Scheme will be determined on the basis of the number of Shares standing to the credit of their Securities Accounts at 5.00 p.m. on the Record Date. Shareholders 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 Accounts by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit all the Shares standing to the credit of each relevant Securities Account of each Eligible Shareholder (being a Depositor) and credit all of such Shares to the Securities Accounts of the Offeror.

Within seven (7) Business Days of the Effective Date, CDP shall, based on the number of Shares standing to the credit of the Securities Account of the Eligible Shareholders (being Depositors) as at 5.00 p.m. on the Record Date, make payment of the Special Dividend to the Eligible Shareholders.

Within seven (7) Business Days of the Effective Date, CDP shall, based on the number of Shares standing to the credit of the Securities Account of the Eligible Shareholders (being Depositors) as at 5.00 p.m. on the Record Date, make payment of the Cash Consideration to the Eligible Shareholders.

### **10.3 Further Information for CPFIS Members and SRS Investors**

#### **(a) CPFIS Members**

In the case of CPFIS Members, entitlements to the Scheme will be determined on the basis of the number of the Shares held by the CPF Agent Banks on behalf of each CPFIS Member as at the Record Date. The Company shall instruct CDP to make payment of the Special Dividend attributable to CPFIS Members to the relevant CPF Agent Banks, and the CPF Agent Banks will update their records accordingly. The Cash Consideration attributable to the Shares held by the CPF Agent Banks on behalf of the CPFIS Members will also be paid to the relevant CPF Agent Banks.

#### **(b) SRS Investors**

In the case of SRS Investors, entitlements to the Scheme will be determined on the basis of the number of the Shares held by the SRS Operators on behalf of each SRS Investor as at the Record Date. The Company shall instruct CDP to make payment of the Special Dividend attributable to SRS Investors to the relevant SRS Operators, and the SRS Operators will update their records accordingly. The Cash Consideration attributable to the Shares held by the SRS Operators on behalf of the SRS Investors will also be paid to the relevant SRS Operators.

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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**10.4 Implementation.** If the requisite majority of Shareholders approve the Scheme Resolution at the Court Meeting and the requisite majority of Shareholders approve the Special Dividend Resolution at the EGM, and the Court sanctions the Scheme by granting the Scheme Court Order, the Offeror and the Company will (subject to the Scheme Conditions having been satisfied or, as the case may be, waived in accordance with the Implementation Agreement) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

- (a) the Shares held by Eligible Shareholders (other than those already held by the Company as treasury shares) will be transferred to the Offeror as follows:
  - (i) in the case of Eligible Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Eligible Shareholders an instrument or instruction of transfer of all the Shares held by such Eligible Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Eligible Shareholder; and
  - (ii) in the case of the Eligible Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Eligible Shareholders, to debit, not later than seven (7) Business Days after the Effective Date, all of the Shares standing to the credit of the Securities Accounts of such Eligible Shareholders and credit all of such Shares to the Securities Accounts of the Offeror;
- (b) from the Effective Date, all existing share certificates relating to the Shares held by the Eligible Shareholders (not being Depositors) will cease to be evidence of title of the Shares represented thereby;
- (c) The Eligible Shareholders (not being Depositors) are required to forward their existing share certificates relating to their Shares to the Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and
- (d) not later than seven (7) Business Days after the Effective Date, and against the transfer of the Shares set out in **paragraph 10.4** of this Letter, the Offeror shall pay cash to the Eligible Shareholders who are entitled to receive the Cash Consideration and the Company shall pay the Special Dividend to the Eligible Shareholders who are entitled to receive the Special Dividend, for their Shares as follows:
  - (i) Eligible Shareholders whose Shares are not deposited with CDP

The Offeror and the Company shall pay each Eligible Shareholder (not being a Depositor) by sending a cheque for the Cash Consideration and the Special Dividend, respectively, payable to and made out in favour of each Eligible Shareholder by ordinary post to his/her/its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Eligible Shareholders, or in the case of joint Eligible Shareholders, to the first named Eligible Shareholder made out in favour of such Eligible Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Eligible Shareholders; and

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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(ii) Eligible Shareholders whose Shares are deposited with CDP

The Offeror and the Company shall pay each Eligible Shareholder (being a Depositor) by making payment of the Cash Consideration and the Special Dividend, respectively, payable to such Eligible Shareholder to CDP. CDP shall:

- (A) in the case of an Eligible Shareholder (being a Depositor) who has registered for CDP’s direct crediting service, credit the Cash Consideration and the Special Dividend payable to such Eligible Shareholder, to the designated bank account of such Eligible Shareholder; and
- (B) in the case of an Eligible Shareholder (being a Depositor) who has not registered for CDP’s direct crediting service, credit the Cash Consideration and the Special Dividend to such Eligible Shareholder’s cash ledger with CDP and such Cash Consideration shall be subject to the same terms and conditions applicable to “*Cash Distributions*” under “*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*” as amended, modified or supplemented from time to time, copies of which are available from CDP.

Assuming that the Scheme becomes effective and binding in accordance with its terms on 11 June 2025, the crediting by CDP of the Cash Consideration and the Special Dividend into the designated bank accounts of the Eligible Shareholders (in the case of Eligible Shareholders (being Depositors) who have registered with CDP for its direct crediting service), the posting of cheques for the Cash Consideration and Special Dividend (as applicable for the Eligible Shareholders) as set out in **paragraph 10.4(d)** of this Letter or the payment of the Cash Consideration and the Special Dividend in any other manner as the relevant Eligible Shareholder may have agreed with CDP (as the case may be), is expected to take place on or before 20 June 2025. The despatch of payment by the Offeror to each Eligible Shareholder’s address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

**10.5 Settlement.** The procedures for settlement are more particularly described in **paragraph 13** of the Explanatory Statement.

### 11. GENERAL INFORMATION

**Schedule C** to this Letter sets out certain additional general information relating to the Scheme.

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## **APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS**

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### **12. CONFIRMATION OF FINANCIAL RESOURCES**

The Offeror Financial Adviser confirms that sufficient financial resources are available to the Offeror to satisfy in full the Cash Consideration to be paid to the Eligible Shareholders for all the Shares (excluding treasury shares held by the Company) to be acquired by the Offeror pursuant to the Scheme, excluding the Cash Consideration to be paid to the Key Management Personnel which shall be reinvested by the Key Management Personnel to subscribe for a certain number of new shares in the Offeror.

### **13. RESPONSIBILITY STATEMENT**

The director of the Offeror (including where such director may have delegated detailed supervision of the preparation of this Letter) has taken all reasonable care to ensure that the facts stated and opinions expressed in this Letter (other than information relating to or opinions expressed by the Company) are fair and accurate and that no material facts have been omitted from this Letter, and he accepts responsibility accordingly.

Where any information has been extracted from published or publicly available sources or obtained from the Company, the sole responsibility of the director of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Letter. The director of the Offeror does not accept any responsibility for any information relating to the Company or any opinion expressed by the Company.

Yours faithfully  
For and on behalf of  
Alliance Energy Services Pte. Ltd.

**Kyle Arnold Shaw, Jr.**  
**Director**

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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### SCHEDULE A INFORMATION RELATING TO THE OFFEROR AND LIBERTY

#### (A) INFORMATION RELATING TO THE OFFEROR

##### 1. DIRECTOR OF THE OFFEROR

The relevant information of the director of the Offeror as at the Latest Practicable Date is set out below:

Name	Address	Designation
Mr. Kyle Arnold Shaw, Jr.	c/o 21 Church Street, #03-01, Capital Square, Singapore 049480	Director

As at the Latest Practicable Date, Mr. Kyle Arnold Shaw, Jr. is also a Director of Liberty.

##### 2. PRINCIPAL ACTIVITIES OF THE OFFEROR AND SHARE CAPITAL

The Offeror is a company incorporated in Singapore on 12 December 2024 for the purposes of the Acquisition and the Scheme. Its principal activities are those of an investment holding company. The Offeror has not traded since its incorporation, nor has it entered into any obligations, other than those incidental to its formation or in connection with the Acquisition and the Scheme. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$1, comprising of 1 ordinary share and is wholly-owned by Liberty.

##### 3. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is 21 Church Street, #03-01, Capital Square, Singapore 049480.

##### 4. FINANCIAL INFORMATION ON THE OFFEROR

As the Offeror was newly incorporated on 12 December 2024 for the purpose of the Acquisition and Scheme, no audited or unaudited financial statements of the Offeror have been prepared as at the Latest Practicable Date for inclusion in this Letter.

As no audited or unaudited financial statements of the Offeror have been prepared since the date of its incorporation, there are no significant accounting policies to be noted.

Save in relation to and in connection with the Acquisition and the Scheme (including financing the Acquisition and the Scheme and the costs and expenses incurred or to be incurred in connection with the Acquisition and the Scheme), there has been no known material change in the financial position of the Offeror since its incorporation.

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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### (B) INFORMATION RELATING TO LIBERTY

#### 1. DIRECTORS OF LIBERTY

The relevant information of the directors of Liberty as at the Latest Practicable Date is set out below:

Name	Address	Designation
Mr. Kyle Arnold Shaw, Jr.	c/o One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands	Chairman and Director
Mr. Paul Jay De Mand	c/o One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands	Director
Mr. Mark Stansfield	c/o One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands	Non-Executive Director

#### 2. PRINCIPAL ACTIVITIES OF LIBERTY

Liberty is a company incorporated in Cayman Islands on 23 July 2020 and is the parent company of the Liberty Group. Operating across the United States, Canada, Asia and the Middle East, the Liberty Group provides energy engineering solutions and chemical decontamination for oil & gas refineries and petrochemical facilities.

#### 3. REGISTERED OFFICE OF LIBERTY

The registered office of Liberty is One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

#### 4. FINANCIAL INFORMATION ON LIBERTY

Liberty is not required under Cayman Islands law to prepare and submit any audited financial statements. As such, no audited financial statements of Liberty have been prepared to date. In addition, as a parent company of the Liberty Group, Liberty mainly operates as a holding company.

Certain financial information has been extracted from the unaudited financial statements of Liberty for the financial years ended 31 December 2021 (“FY2021”), 31 December 2022 (“FY2022”), and 31 December 2023 (“FY2023”) (collectively, “**Liberty Financial Statements**”) and set out below. Such financial information should be read in conjunction with the unaudited financial statements of Liberty for the financial years ended 31 December 2021, 31 December 2022, and 31 December 2023.

## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

### (a) Statement of Earnings

(US\$'000)	FY2021 (Unaudited)	FY2022 (Unaudited)	FY2023 (Unaudited)
Revenue	–	–	1,529
Net profit/(loss)	(787)	(1,220)	(1,667)
Net profit/(loss) per share	(0.86)	(1.32)	(1.16)

### (b) Balance Sheet

(US\$'000)	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023
Current Assets	147	84	7,345
Non-Current Assets	97,152	97,152	172,782
Total Asset	97,299	97,236	180,127
Total Liabilities and Capital	97,299	97,236	180,127

The financial information referred to in this paragraph should be read in conjunction with Liberty Financial Statements. Copies of Liberty Financial Statements are available for inspection at the registered office of the Company at 14 International Business Park, Singapore 609922 during normal business hours from the date of this Scheme Document up to the Effective Date.

## 5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save in relation to and in connection with the Acquisition and the Scheme (including financing the Acquisition and the Scheme and the costs and expenses incurred or to be incurred in connection with the Acquisition and the Scheme), there have been no known material changes in the financial position of Liberty since 31 December 2023, being the date of the last unaudited accounts of Liberty.

## 6. SIGNIFICANT ACCOUNTING POLICIES

As no audited financial statements of Liberty have been prepared as at the Latest Practicable Date, there are no significant accounting policies to be noted.

## 7. CHANGES IN ACCOUNTING POLICIES

As no audited financial statements of Liberty have been prepared as at the Latest Practicable Date, there are no changes in accounting policies to be noted.

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## **APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS**

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### **SCHEDULE B DISCLOSURES**

#### **1. HOLDINGS IN COMPANY SECURITIES**

None of (a) the Offeror and its director, (b) Liberty and the directors of Liberty, (c) the Offeror Financial Adviser and (d) the other members of the Offeror Concert Party Group owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any Company Securities.

#### **2. DEALINGS IN COMPANY SECURITIES**

None of (a) the Offeror and its director, (b) Liberty and the directors of Liberty, (c) the Offeror Financial Adviser and (d) the other members of the Offeror Concert Party Group have dealt for value in the Company Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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### SCHEDULE C GENERAL INFORMATION

#### 1. SPECIAL ARRANGEMENTS

- 1.1 No Agreement having any Connection with or Dependence upon the Scheme.** Save as disclosed in the Scheme Document (including this Letter and in particular, paragraph 7.4 of this Letter), as at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) any member of the Offeror Concert Party Group and (ii) any of the current or recent directors of the Company or any of the current or recent Shareholders or any other person that has any connection with, or is dependent on or is conditional upon, the Scheme or its outcome.
- 1.2 Transfer of Shares.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter and in particular, paragraph 7.4 of this Letter), there is no agreement, arrangement or understanding whereby any of the Shares acquired by the Offeror pursuant to the Scheme will be transferred to any other person. However, the Offeror reserves the right to direct or transfer any of the Shares to any of its related corporations.
- 1.3 No Payment or Benefit to Directors of the Company.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror and any director of the Company or of any of its related corporations (within the meaning of Section 6 of the Companies Act) for any payment or other benefit to be made or given to such director as compensation for loss of office or otherwise in connection with the Scheme.
- 1.4 No Agreement Conditional upon Outcome of the Scheme.** Save as disclosed in the Scheme Document (including this Letter and in particular, paragraph 7.4 of this Letter), as at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror, on the one hand, and any director of the Company or any other person, on the other hand, in connection with or conditional upon the outcome of the Scheme or otherwise connected with the Scheme.
- 1.5 Directors’ and Managers’ Service Contracts.** The emoluments of the director of the Offeror will not be varied or affected by the implementation of the Scheme or any other associated relevant transaction.

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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### 2. MARKET QUOTATIONS

- 2.1 Closing Prices.** The following table sets out the closing prices of the Shares on the SGX-ST (as extracted from Bloomberg L.P.) on a monthly basis commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date:

	Closing Price (S\$)
30 August 2024	0.570
30 September 2024	0.635
30 October 2024	0.660
<b>26 November 2024 (Last Undisturbed Trading Day)</b>	<b>0.745</b>
29 November 2024	0.835
31 December 2024	0.865
31 January 2025	0.830
<b>17 February 2025 (Joint Announcement Date)</b>	<b>0.830</b>
28 February 2025	0.820
28 March 2025	0.815
<b>4 April 2025 (Latest Practicable Date)</b>	<b>0.820</b>

- 2.1 Highest and Lowest Closing Prices.** The highest and lowest closing prices of the Shares on the SGX-ST (as extracted from Bloomberg L.P.) during the period commencing on the six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date, and their respective dates transacted are as follows:

	Closing Price (S\$)	Date(s) Transacted
Highest closing price	0.875	3 December 2024 13 February 2025
Lowest closing price	0.510	20 August 2024

### 3. CONSENT

The Offeror Financial Adviser has given and has not withdrawn its written consent to the issue of this Letter with the inclusion herein of its name and all references to its name in the form and context in which it appears in this Letter.

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## APPENDIX B – OFFEROR’S LETTER TO SHAREHOLDERS

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### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the registered office of the Company at 14 International Business Park, Singapore 609922, from the date of this Scheme Document up to the Effective Date:

- (a) the Implementation Agreement;
- (b) the Irrevocable Undertakings;
- (c) the Liberty Financial Statements; and
- (d) the letter of consent referred to in **paragraph 3** of this **Schedule C** to this Letter.

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## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

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### GENERAL INFORMATION RELATING TO THE COMPANY

#### 1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Ms Edna Ko Poh Thim	c/o 14 International Business Park, Singapore 609922	Executive Chairman and Executive Director
Mr Robert Dompeling	c/o 14 International Business Park, Singapore 609922	Group Chief Executive Officer and Executive Director
Mr Wong Peng	c/o 14 International Business Park, Singapore 609922	Non-Executive and Non-Independent Director cum Advisor
Ms Tan Whei Mien, Joy	c/o 14 International Business Park, Singapore 609922	Non-Executive and Lead Independent Director
Mr Pek Hak Bin	c/o 14 International Business Park, Singapore 609922	Non-Executive and Independent Director
Mr Ngan Wan Sing Winston	c/o 14 International Business Park, Singapore 609922	Non-Executive and Independent Director
Ms Tan Peck Hong Yvonne	c/o 14 International Business Park, Singapore 609922	Non-Executive and Independent Director

#### 2. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 8 January 1982 and has been listed on the Mainboard of the SGX-ST since 7 August 2009. The Group has established itself as an integrated engineering solutions provider offering project works, maintenance/turnaround services and modular process systems to the energy, petrochemical, oil and chemical terminals, and pharmaceutical industries in Asia and the Middle East.

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## **APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY**

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### **3. SHARES**

#### **3.1 Shares and Share Awards**

As at the Latest Practicable Date, the Company has:

- (a) 255,714,763 Shares in issue (of which 791,886 Shares are held as treasury shares); and
- (b) granted outstanding awards in respect of up to 5,668,143 Shares under the PEC Performance Share Plan, the vesting of which are subject to the fulfilment of the terms and conditions set out in the PEC Performance Share Plan.

#### **3.2 Issue of Shares**

Since 30 June 2024, being the end of the last financial year of the Company, up to the Latest Practicable Date 2,239,030 Shares have been transferred from the treasury to the employees of the Group as a result of the vesting of awards granted pursuant to the PEC Performance Share Plan held by employees.

#### **3.3 Share Buyback**

The Company has not purchased any Shares during the period commencing six (6) months prior to the Joint Announcement Date, and ending on the Latest Practicable Date.

#### **3.4 Rights of Shareholders in respect of Capital, Distributions and Voting**

Selected texts of the Company's Constitution relating to the rights of Shareholders in respect of capital, distributions and voting have been extracted and reproduced in Appendix D to this Scheme Document.

#### **3.5 Convertible Instruments**

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

### **4. FINANCIAL INFORMATION**

#### **4.1 FINANCIAL INFORMATION OF THE GROUP**

Set out below is the Company's consolidated financial information as at and for the financial years ended 30 June 2022 ("**FY2022**"), 30 June 2023 ("**FY2023**") and 30 June 2024 ("**FY2024**") and the six months ended 31 December 2024 ("**HY2025**").

## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

The selected consolidated financial data in the table below are derived from, and should be read in conjunction with, the Company's audited consolidated financial statements for FY2022, FY2023 and FY2024 as well as the Company's unaudited financial statements for HY2025, including the notes thereto. The audited consolidated financial statements of the Company for FY2024 and the unaudited financial statements of the Company for HY2025, including the notes thereto, are set out in Appendix E and Appendix F to this Scheme Document respectively.

	<b>HY2025 (Unaudited) \$</b>	<b>FY2024 (Audited) \$</b>	<b>FY2023 (Audited) \$</b>	<b>FY2022 (Audited) \$</b>
Revenue	186,846,000	491,033,711	430,939,256	427,982,119
Exceptional items	–	–	–	–
Net profit before tax	5,717,000	25,406,139	11,435,900	27,417,335
Net profit after tax	3,677,000	18,683,383	8,072,934	16,940,346
Profit attributable to non-controlling interests	827,000	2,686,623	1,304,328	2,796,916
Earnings per share (cents per share)				
Basic	1.1	6.3	2.7	5.6
Diluted	1.1	6.2	2.6	5.5

Set out below is also a summary of the dividend per Share declared in respect of each of FY2022, FY2023, FY2024. This information was extracted from the annual reports of the Company for FY2022, FY2023, FY2024:

	<b>FY2024</b>	<b>FY2023</b>	<b>FY2022</b>
Dividends per Share (cents)	3.5	2.0	3.5

### 4.2 Consolidated Statement of Financial Position

Set out below is the Company's consolidated statement of financial position as at (1) 30 June 2024 and (2) 31 December 2024. The selected consolidated financial data in the table below are derived from, and should be read in conjunction with, the Company's audited consolidated financial statements for FY2024 as well as the Company's unaudited consolidated financial statements for HY2025, including the notes thereto.

	<b>HY2025 (Unaudited) \$</b>	<b>FY2024 (Audited) \$</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	68,418,000	72,239,299
Right-of-use assets	36,396,000	38,310,437
Investment properties	2,776,000	2,812,412

## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

	HY2025 (Unaudited) \$	FY2024 (Audited) \$
Intangible assets	33,000	37,454
Investment in subsidiaries	—	—
Investment securities	—	1,143
Prepayments	665,000	687,362
Deferred tax assets	2,911,000	2,932,981
	111,199,000	117,021,088
<b>Current assets</b>		
Assets held for sale	301,000	635,293
Contract assets	46,836,000	57,313,362
Inventories	571,000	505,884
Prepayments	2,308,000	1,799,338
Capitalised contract costs	2,005,000	2,004,909
Trade receivables	86,558,000	68,366,615
Other receivables and deposits	8,080,000	7,330,180
Loans due from subsidiaries	—	—
Cash and short-term deposits	145,420,000	146,602,981
	292,079,000	284,558,562
<b>Total assets</b>	403,278,000	401,579,650
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	5,868,000	3,827,175
Provisions	6,305,000	5,730,570
Income tax payable	4,071,000	4,012,653
Loans and borrowings	1,687,000	1,750,230
Trade payables	23,970,000	19,247,846
Other payables and accruals	65,109,000	65,393,211
Lease liabilities	3,136,000	3,412,452
	110,146,000	103,374,137

## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

	HY2025 (Unaudited) \$	FY2024 (Audited) \$
<b>Non-current liabilities</b>		
Provisions	4,991,000	4,959,617
Deferred tax liabilities	169,000	161,164
Loans and borrowings	1,761,000	1,911,545
Lease liabilities	35,880,000	36,645,839
	42,801,000	43,678,165
<b>Total liabilities</b>	152,947,000	147,052,302
<b>NET ASSETS</b>	250,331,000	254,527,348
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	58,836,000	58,835,589
Treasury shares	(472,000)	(1,755,562)
Statutory reserve	2,480,000	2,480,427
Retained earnings	187,656,000	193,739,362
Fair value reserve	–	(12,082)
Premium paid on acquisition of non-controlling interests	(4,841,000)	(4,841,041)
Foreign currency translation reserve	(5,468,000)	(5,964,248)
Share-based compensation reserve	254,000	1,038,760
	238,445,000	243,521,205
<b>Non-controlling interests</b>	11,886,000	11,006,143
<b>Total equity</b>	250,331,000	254,527,348
<b>TOTAL EQUITY AND LIABILITIES</b>	403,278,000	401,579,650

Copies of the Company's audited consolidated financial statements for FY2022, FY2023 and FY2024 as well as the Company's unaudited consolidated financial statements for HY2025 are available for inspection<sup>1</sup> at the registered office of the Company at 14 International Business Park, Singapore 609922 during normal business hours from the date of this Scheme Document up to the Effective Date.

<sup>1</sup> Prior appointment is appreciated.

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## **APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY**

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### **4.3 Material Changes in Financial Position**

Save as disclosed in this Scheme Document, the Company's unaudited consolidated financial statements for HY2025 and any other information on the Group which is publicly available (including without limitation, the announcements released by the Company on SGXNet), there have been no material changes in the financial position of the Company since 30 June 2024, being the date of the last published audited consolidated financial statements of the Company.

### **4.4 Significant Accounting Policies**

The significant accounting policies for the Group are set out in the notes to the audited consolidated financial statements of the Company for FY2024, which are set out in Appendix E to this Scheme Document, and the Company's unaudited consolidated financial statements for HY2025, which are set out in Appendix F to this Scheme Document.

Save as disclosed in the notes to the audited consolidated financial statements of the Company for FY2024 and the Company's unaudited consolidated financial statements for HY2025, there are no significant accounting policies or any matter from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

### **4.5 Changes in Accounting Policies**

As at the Latest Practicable Date, there are no changes in the accounting policies of the Group which will cause the figures disclosed in this paragraph 4 not to be comparable to a material extent.

## **5. DISCLOSURE OF INTERESTS**

### **5.1 Interests of the Company in Offeror Shares and Offeror Convertible Securities**

As at the Latest Practicable Date, the Company does not own, control and has not agreed to acquire any Offeror Shares or any Offeror Convertible Securities.

### **5.2 Interests of Directors in Offeror Shares and Offeror Convertible Securities**

As at the Latest Practicable Date, and save as disclosed in this Scheme Document (including the Management Reinvestment Arrangements relating to the Key Management Personnel), none of the Directors has any direct or indirect interests in the Offeror Shares or the Offeror Convertible Securities.

## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

### 5.3 Interests of Directors in Shares and Company Convertible Securities

As at the Latest Practicable Date, save as disclosed in this paragraph 5.3 and this Scheme Document, as well as based on the Register of Directors maintained by the Company, none of the Directors has any direct or indirect interests in the Shares or Company Convertible Securities:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Edna Ko Poh Thim <sup>(2)</sup>	35,653,667	13.99	85,750,000	33.64
Robert Dompeling <sup>(3)</sup>	1,873,667	0.73	–	–
Wong Peng	4,594,056	1.80	–	–

**Notes:**

- (1) All references to percentage shareholding of the issued Shares are based on the total issued Shares (excluding Shares held by the Company as treasury shares) as at the Latest Practicable Date, being 254,922,877 Shares in issue. Percentages are rounded to the nearest two (2) decimal places.
- (2) Edna Ko Poh Thim is deemed to have an interest in the 85,750,000 Shares held by Tian San Company (Pte.) Limited by virtue of Section 7 of the Companies Act. She has also been granted awards in respect of up to 71,412 Shares under the PEC Performance Share Plan which remain outstanding as at the Latest Practicable Date, the vesting of which are subject to the fulfilment of the terms and conditions set out in the PEC Performance Share Plan.
- (3) Robert Dompeling has been granted awards in respect of 71,412 Shares under the PEC Performance Share Plan which remain outstanding as at the Latest Practicable Date, the vesting of which are subject to the fulfilment of the terms and conditions set out in the PEC Performance Share Plan.

### 5.4 Interests of Substantial Shareholders in Shares

Based on the information available to the Company, as at the Latest Practicable Date, the interests of the substantial shareholders of the Company in the Shares are set out below.

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Tian San Company (Pte) Limited	85,750,000	33.64	–	–
Edna Ko Poh Thim <sup>(2)</sup>	35,653,667	13.99	85,750,000	33.64
Mark Ko Teong Hoon <sup>(3)</sup>	23,624,475	9.27	85,750,000	33.64
Yeo Seng Chong <sup>(4)</sup>	2,275,000	0.89	11,178,900	4.37

**Notes:**

- (1) All references to percentage shareholding of the issued Shares are based on the total issued Shares (excluding Shares held by the Company as treasury shares) as at the Latest Practicable Date, being 254,922,877 Shares in issue. Percentages are rounded to the nearest two (2) decimal places.
- (2) Edna Ko Poh Thim is deemed to have an interest in the 85,750,000 Shares held by Tian San Company (Pte.) Limited by virtue of Section 7 of the Companies Act.

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## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

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- (3) Mark Ko Teong Hoon is deemed to have an interest in the 85,750,000 Shares held by Tian San Company (Pte.) Limited by virtue of Section 7 of the Companies Act.
- (4) Yeo Seng Chong is deemed to have interests in the Shares held by (i) his spouse, (ii) Yeoman Capital Management Pte Ltd (“**YMCPL**”) and (iii) YMCPL’s clients in its role as investment manager, by virtue of Section 4 of the SFA.

### 6. DEALINGS DISCLOSURE

#### 6.1 Dealings in Offeror Shares and Offeror Convertible Securities by the Company

The Company has not dealt for value in the Offeror Shares or the Offeror Convertible Securities during the period commencing months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

#### 6.2 Dealings in Offeror Shares and Offeror Convertible Securities by the Directors

None of the Directors has dealt for value in the Offeror Shares or the Offeror Convertible Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

#### 6.3 Dealings in Shares and Company Convertible Securities by the Directors

On 2 December 2024, the Company transferred 77,672 Shares to each of Edna Ko Poh Thim and Robert Dompeling pursuant to the vesting of awards granted to each of them under the PEC Performance Share Plan.

Save as disclosed above, none of the Directors has dealt for value in the Shares or Company Convertible Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

### 7. INTERESTS OF THE IFA

#### 7.1 INTERESTS OF THE IFA IN SHARES AND COMPANY CONVERTIBLE SECURITIES

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Shares and Company Convertible Securities.

#### 7.2 Dealings in Shares and Company Convertible Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in the Shares or Company Convertible Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

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## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

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### 8. ARRANGEMENTS AFFECTING DIRECTORS

#### 8.1 No Payment or Benefit to Directors

As at the Latest Practicable Date, and save as disclosed below and in this Scheme Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Scheme.

Each of the Key Management Personnel has agreed (i) to reinvest the Cash Consideration portion of the Scheme Consideration that is due to them pursuant to the Scheme, and subscribe for new shares in the Offeror representing an aggregate of not more than 15% of the total issued and paid up capital of the Offeror on and from the Effective Date, and (ii) to take up certain rights and obligations as a shareholder of the Offeror on and from the Effective Date (the “**Management Reinvestment Arrangements**”).

The subscription price to be paid by the Key Management Personnel for the Offeror Shares is at an issue price per Offeror Share equivalent to the Cash Consideration portion of the Scheme Consideration, in lieu of them receiving the relevant aggregate amount of the Cash Consideration.

Pursuant to the Management Reinvestment Arrangements, the Key Management Personnel have entered into the Shareholders’ Agreement, which will come into effect on and from the Effective Date. The Shareholders’ Agreement contains provisions governing the relationship between the Key Management Personnel, on the one hand, and Liberty and the Offeror, on the other hand, as shareholders of the Offeror.

Under the Shareholders’ Agreement, the Key Management Personnel are subject to transfer restrictions on their shareholdings in the Offeror for the Lock-Up Period, except in permitted circumstances.

The Shareholders’ Agreement also includes (amongst other customary terms) a put and call option in respect of the Key Management Personnel’s shareholdings in the Offeror. The put and call option are set at a price based on a pre-determined formula as set out in the Shareholders’ Agreement, with reference to the financial performance of the Group and in certain cases, the Liberty Group, following the second anniversary of the Effective Date and ending on the last day of the Lock-Up Period (except in permitted circumstances).

#### 8.2 No Agreement Conditional upon Outcome of the Scheme

As at the Latest Practicable Date, and save as disclosed in this Scheme Document (including the Management Reinvestment Arrangements, the Irrevocable Undertakings and the Shareholders’ Agreement), there is no agreement, arrangement or understanding made between any of the Directors and any other person in connection with or conditional upon the outcome of the Scheme.

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## **APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY**

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### **8.3 No Material Personal Interest in Material Contracts**

As at the Latest Practicable Date, and save as disclosed in this Scheme Document (including the Management Reinvestment Arrangements, the Irrevocable Undertakings and the Shareholders' Agreement), there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

### **9. MATERIAL LITIGATION**

As at the Latest Practicable Date, save as disclosed in this Scheme Document and in the announcements released by the Company on SGXNet:

- (a) none of the Group Companies is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially or adversely affect the financial position of the Group Companies taken as a whole; and
- (b) the Directors are not aware of any proceedings pending or threatened against any of the Group Companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group Companies taken as a whole.

### **10. GENERAL DISCLOSURE**

#### **10.1 Directors' Service Contracts**

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with any Group Company which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

#### **10.2 Material Contracts with Interested Persons**

As at the Latest Practicable Date, save as disclosed in the annual reports of the Company for FY2022, FY2023 and FY2024, the unaudited consolidated financial statements of the Company for HY2025, and any other information on the Group which is publicly available (including without limitation, the announcements released by the Company on SGXNet) as to material contracts with interested persons (within the meaning of Note 1 to Rule 23.12 of the Code) which are not in the ordinary course of business, none of the Group Companies has entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period beginning three years before the Joint Announcement Date and ending on the Latest Practicable Date.

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## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

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### 10.3 Costs and Expenses

In the event that the Scheme does not become effective and binding for any reason, the expenses and costs incurred by the Company in connection with the Scheme will be paid out of the assets of the Company.

## 11. VALUATION OF THE PROPERTIES

### 11.1 Valuation

The Company has commissioned the Valuers to conduct independent updated property valuations of the properties at:

- (a) 11 Neythal Road, Singapore 628577;
  - (b) 14 International Business Park, Singapore 609922;
  - (c) 19 Tuas Avenue 8, Singapore 639234;
  - (d) 20 Benoi Lane, Singapore 627810;
  - (e) an Industrial Complex located at No. 360-2 Shihua Road, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China;
  - (f) No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China;
  - (g) No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China;
  - (h) No. 2 Industrial Park of Nghi Son Economic Zone, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province, Vietnam;
  - (i) Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates; and
  - (j) AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirates,
- (collectively, the **“Properties”**),

as at 13 February 2025 for the purposes of the Scheme.

## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

Based on the valuation by the Valuers of the Properties:

No.	Property	Tenure	Valuer	Valuation Amount (S\$)
Singapore				
1	11 Neythal Road, Singapore 628577	Leasehold 30 years with effect from 16 August 2010  (Balance of about 15.5 years as at 13 February 2025)	Knight Frank Singapore	50,100,000
2	14 International Business Park, Singapore 609922	Leasehold 30 + 30 years with effect from 1 March 1996  (Balance of about 31.0 years as at 13 February 2025)		
3	19 Tuas Avenue 8, Singapore 639234	Leasehold 30 years with effect from 16 May 2020  (Balance of about 25.2 years as at 13 February 2025)		
4	20 Benoi Lane, Singapore 627810	Leasehold 27 years with effect from 16 November 2003  (Balance of about 5.7 years as at 13 February 2025)		
People's Republic of China				
5	An Industrial Complex located at No. 360-2 Shihua Road, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	Leasehold for a term expiring on 6 November 2053  (Balance of about 28.7 years as at 13 February 2025)	Knight Frank HK	6,145,440 <sup>(1)</sup>
6	No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	Leasehold for a term expiring on 8 May 2078  (Balance of about 53.2 years as at 13 February 2025)		
7	No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	Leasehold for a term expiring on 5 July 2082  (Balance of about 53.2 years as at 13 February 2025)		

## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

No.	Property	Tenure	Valuer	Valuation Amount (S\$)
<b>Vietnam</b>				
8	No. 2 Industrial Park of Nghi Son Economic Zone, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province, Vietnam	A 42.8-year leasehold remaining until 07 November 2067	NLP Valuation Services Company Limited <sup>(2)</sup>	12,531,297 <sup>(3)</sup>
<b>United Arab Emirates</b>				
9	Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates	Leasehold 30 years with effect from 14 October and 9 November 2022.	Knight Frank ME	13,684,524 <sup>(4)</sup>
10	AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirates	Leasehold 20 years with effect from 1 July 2010		

### Notes:

- (1) Based on the exchange rate of S\$18.29 = RMB100 as at 4 April 2025.
- (2) The valuation report by NLP Valuation Services Company Limited was vetted to be aligned with the guidelines of Knight Frank for the best practice of adhering to the latest edition of RICS Valuation Global Standards, which incorporate the International Valuation Standards, but not undertaken, by Knight Frank Vietnam.
- (3) Based on the exchange rate of S\$1.3317 = US\$1.00 as at 4 April 2025.
- (4) Based on the exchange rate of S\$36.26 = AED100 as at 4 April 2025.

The carrying amounts of the Properties as at 13 February 2025 were based on independent valuations undertaken by the Valuer. The Valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations were based on, or a combination of, the market approach, market approach (comparable method), cost approach, depreciated replacement cost method and/or direct comparison method (as the case may be).

Please refer to Appendix G to this Scheme Document for copies of the Valuation Summary Letters.

Copies of the valuation reports by the Valuers in respect of the Properties are available for inspection at the registered office of the Company at 14 International Business Park, Singapore 609922, during normal business hours from the date of this Scheme Document up to the Effective Date.<sup>1</sup>

### 11.2 Potential Tax Liability

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Properties were to be sold at the amount of the valuation.

<sup>1</sup> Prior appointment is appreciated.

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## **APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY**

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The Properties are located in Singapore, the People's Republic of China, Vietnam and the United Arab Emirates. Based on the independent valuations of the Properties as at 13 February 2025 and as at the Latest Practicable Date:

- (a) in respect of the Properties located in Singapore, which the Company intends to hold for long-term purposes, the Company is of the view that any gain on any hypothetical disposal of such Properties will not be subject to tax. Accordingly, the potential tax liabilities that may be incurred by the Company on a hypothetical disposal of such Properties on an "as-is" basis is therefore zero; and
- (b) in respect of the Properties located in the People's Republic of China, Vietnam and the United Arab Emirates, the Company is of the view that the potential tax liabilities that may be incurred by the Company on a hypothetical disposal of such Properties as at the Latest Practicable Date on an "as-is" basis amounts to S\$2,132,011. However, the Company holds these properties for long-term purposes and there is no intention to dispose the Properties. As such, the potential tax liabilities are not likely to crystallise as at the Latest Practicable Date.

### **12. CONSENTS**

#### **12.1 GENERAL**

Oversea-Chinese Banking Corporation Limited, Allen & Gledhill LLP and the Share Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to the subject-matter of the foregoing in the form and context in which they respectively appear in this Scheme Document.

#### **12.2 IFA**

The IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the IFA Letter as set out in Appendix A to this Scheme Document, and all references to the subject-matter of the foregoing, in the form and context in which they appear in this Scheme Document.

#### **12.3 Valuers**

The Valuers have given and have not withdrawn their written consents to the issue of this Scheme Document with the inclusion herein of their names, the Valuation Summary Letters set out in Appendix G to this Scheme Document, the references to the valuation date(s), valuation(s), valuation reports and valuation methodology of the relevant Properties and all references to the subject-matter of the foregoing, in the form and context in which they respectively appear in this Scheme Document.

#### **12.4 Ernst & Young LLP**

Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the auditors' report relating to the audited consolidated financial statements of the Company for FY2024 as set out in Appendix E to this Scheme Document and all references to the subject-matter of the foregoing, in the form and context in which they appear in this Scheme Document.

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## APPENDIX C – GENERAL INFORMATION RELATING TO THE COMPANY

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### 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection<sup>1</sup> by Shareholders at the registered office of the Company at 14 International Business Park, Singapore 609922, from the date of this Scheme Document up to the Effective Date:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2022, FY2023 and FY2024;
- (c) the Company's unaudited consolidated financial statements for HY2025;
- (d) the IFA Letter;
- (e) the Implementation Agreement;
- (f) the Valuation Summary Letters;
- (g) the valuation reports by the Valuers in respect of the Properties; and
- (h) the letters of consent referred to in paragraph 12 of Appendix C to this Scheme Document.

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<sup>1</sup> Prior appointment is appreciated.

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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*All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

**The rights of Shareholders in respect of capital, distribution and voting as extracted and reproduced from the Constitution are set out below:**

### **1. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL**

#### **SHARES**

- |   |  |                            |
|---|--|----------------------------|
| 6)  | Subject to the Act, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to Article 67, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit. Any such shares may be issued or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit 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. | Issue of shares            |
| Provided always that the foregoing is subject to the following: |  |                            |
| a)  | the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and   |                            |
| b)  | where the capital of the Company consists of shares of different monetary denominations, the voting rights shall be prescribed in such manner that a unit of capital in each class when reduced to a common denominator, shall carry the same voting power when such right is exercisable.   |                            |
| 7)  | Notwithstanding anything in these Articles, a treasury share shall be subject to such rights and restrictions as may be prescribed in the Act and may be dealt with by the Company in such manner as may be permitted by, and in accordance with, the Act. For the avoidance of doubt, save as expressly permitted by the Act, the Company shall not be entitled to any rights of a Member under these Articles.   | Treasury shares            |
| 8)  | Without prejudice to any special rights or privileges attached to any then existing shares, any new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto, as the Company by Ordinary Resolution may direct, or, if no such direction be given, as the Directors shall determine, and in particular such shares may be issued with preferential, qualified or deferred right to dividends and in the distribution of assets of the Company, and with a special or restricted right of voting, and any preference share may be issued on the terms that it is, or   | Creation of special rights |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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at the option of the Company is, to be liable to be redeemed. The rights attached to any such shares issued upon special conditions shall be clearly defined in these Articles.

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| 9)  | (1) | Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any 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 meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears.  | Rights attached to preference shares |
|     | (2) | The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.  | Issue of further preference shares   |
| 10) |     | If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply. | Variation of rights of shares        |

Provided Always That:

- a) the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the 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 meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and
- b) where all the issued shares of the class are held by one person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 11) | The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders’ rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. Provided Always That where the necessary majority for such a Special Resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.  | Variation of rights of preference shareholders   |
| 12) | 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 these Articles, be deemed to be varied by the creation or issue of further shares ranking equally therewith.  | Issue of further shares affecting special rights |
| 13) | If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.   | Payment of instalments                           |
| 14) | The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors deem fit Such commissions or brokerage may be paid in whole or in part in cash or fully or partly paid shares of the Company. The Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit. | Payment of commission                            |
| 15) | Save to the extent permitted by the Act or the listing rules of the Exchange, no part of the funds of the Company shall, directly or indirectly, be employed in the purchase of or subscription for or making of loans upon the security of any shares (or its holding company, if any). The Company shall not, except as authorised by the Act, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).   | Company’s shares as security                     |
| 16) | Where any shares 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 lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period (except treasury shares), and, subject to the conditions and restrictions mentioned in the Section 78 of the Act, may charge the same to capital as part of the cost of the construction of the works or building or the provision of the plant.   | Power to charge interest on capital              |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- 17) Except as required by law, no person other than the Depository 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 these Articles 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) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Nothing contained in this Article relating to the Depository or the Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or in response to a notice pursuant to Section 92 of the Act or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust.
- Company need not recognise trust

### SHARE CERTIFICATE

- 18) Shares must be allotted and certificates despatched within ten (10) Market Days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) Market Days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S\$2/- (or such other sum as may be approved by the Exchange from time to time). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder 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 old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding S\$2/- (or such other sum as may be approved by the Exchange from time to time) for each such new certificate as the Directors may determine. Where the Member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.
- Entitlement to share certificate

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 19) | The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six (6) years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with these Articles <i>mutatis mutandis</i> .  | Retention of certificate  |
| 20) | The certificate of title to shares shall be issued under the Seal in such form as prescribed by the Directors from time to time. Every certificate shall bear the autographic or facsimile signatures of at least one Director and the Secretary or some other person appointed by the Directors, and shall specify the number and class of shares to which it relates and the amount paid on the shares, the amount (if any) unpaid on the shares and the extent to which the shares are paid up. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company. No certificate shall be issued representing more than one class of shares.   | Form of share certificate   |
| 21) | <p>(1) Subject to the provisions of the Act, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed or replaced on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member company of the Exchange or on behalf of its/their client(s) as the Directors shall require, and in the case of defacement or wearing out, on delivery 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, the Member or person entitled to whom such renewed 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, loss or theft.</p> <p>(2) When any shares under the powers in these Articles herein contained are transferred and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.</p> | <p>Issue of replacement certificates</p> <p>New certificate in place of one not surrendered</p> |

### JOINT HOLDERS OF SHARES

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| 22) | Where two (2) 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 following provisions: | Joint holders deemed holding as joint tenants |
| 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, trustees or administrators of the estate of a deceased Member.    | Limited to 3 joint holders                    |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| b) | The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share.   | Jointly and severally liable                             |
| c) | On the death of any one of such joint holders 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 may deem fit.  | Survivorship   |
| d) | Any one of such joint holders may give effectual receipts for any dividend payable to such joint holders.   | Receipts   |
| e) | 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 and any notice given to such person shall be deemed notice to all the joint holders. | Entitlement to delivery of share certificates and notice |

### TRANSFER OF SHARES

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| 23) | Subject to the restrictions of these Articles any Member may transfer all or any of his shares, but every instrument of transfer of the legal title in shares must be in writing and in the usual common form, or in any other form which the Directors and the Exchange may approve, and must be left at the Office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor, or his right to transfer the shares.                           | Form of transfer                              |
| 24) | Shares of different classes shall not be comprised in the same instrument of transfer.  | Different classes of shares                   |
| 25) | The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee, provided that an instrument of transfer in respect of which the transferee is the Depository shall not be ineffective. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof; Provided Always That the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do. | Transferor and transferee to execute transfer |
| 26) | All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.   | Retention of transfer                         |
| 27) | No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.   | Person under disability                       |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- 28) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and ii shall be conclusively presumed in the favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company PROVIDED THAT:
- Destruction of transfer
- a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Article; and
  - c) references herein to the destruction of any document include references to the disposal thereof in any manner.
- 29) (1) Subject to these Articles, the Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, bye-laws or listing rules of the Exchange) 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
- (2) The Directors may decline to recognise any instrument of transfer of shares unless:
- a) a fee not exceeding S\$2/- (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares may be listed) as the Director 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 of shares is chargeable under any law for the time being in force relating to stamp duty is paid;
- Payment of fee and deposit of transfer

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## APPENDIX D – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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- c) the instrument of transfer is deposited at the Office or such other place as the Directors may appoint and is accompanied by a certificate of payment of stamp duty (if any), the certificate 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 where the instrument is executed by some other person on his behalf, the authority of the person so to do; and
- e) 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.

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| 30) | If the Directors refuse to register a transfer of any shares, they shall within ten (10) Market Days give to the transferor and to the transferee notice of their refusal to register as required by the Act.  | Notice of refusal to register       |
| 31) | The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine; Provided Always That it shall not be closed for more than thirty (30) days in any year (in aggregate) and during such periods the Directors may suspend the registration of transfers. Further Provided Always That the Company shall give prior notice of such closure to the Exchange (as may be required by the listing rules of the Exchange) stating the period and purpose or purposes for which the closure is to be made.  | Closure of Register of Members      |
| 32) | Nothing in these Articles shall preclude the Directors from reorganising a renunciation of the allotment of any share by the allottee in favour of some other person.  | Renunciation of allotment           |
| 33) | Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by relevant parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto. | Indemnity against wrongful transfer |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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### TRANSMISSION OF SHARES

- 34) In the case of the death of a registered shareholder, the survivors or survivor where the deceased was a joint holder, and the executors, trustees 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 shares, but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share solely or jointly held by him. Transmission on death
- 35) In the case of the death of a Depositor, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the share; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him. Transmission on death of Depositor
- 36) (1) Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived. Person becoming entitled on death or bankruptcy of Member may be registered
- (2) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within 60 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. Notice to register to unregistered executors and trustees

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 37) | A person entitled to a share by transmission, as a consequence of the death or bankruptcy of any Member, shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder thereof; Provided Always That the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within sixty (60) 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. | Rights of unregistered executors and trustees |
| 38) | There shall be paid to the Company in respect of the registration of any probate, letter 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/-, or such other sum as may be approved by the Exchange from time to time, as the Directors may from time to time require or prescribe.  | Fees for registration of probate etc.         |

### CALLS ON SHARES

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| 39) | The Directors may from time to time, as they think fit, make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares and not by the conditions of the issue and allotment thereof made payable at fixed times; and each Member shall (subject to his having been given at least fourteen (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 made payable by instalments. A call may be revoked or postponed as the Directors may determine.   | Directors may make calls on shares    |
| 40) | A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.   | Time when new call made               |
| 41) | If before or on the day appointed for payment thereof, a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at such rate not exceeding ten per cent (10%) per annum as the Directors may determine from the day appointed for payment thereof to the time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part. | Interest and other late payment costs |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 42) | Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment and, in the case of non-payment, the provisions of these Articles as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.  | Sum due on allotment or other fixed date |
| 43) | The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the time of payment of such calls.  | Power of Directors to differentiate      |
| 44) | The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money 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 money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at a rate agreed between the Member paying such sum and the Directors provided that such rate may not exceed ten per cent (10%) per annum without the sanction of the Company in general meeting. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide. | Payment in advance of calls              |

### FORFEITURE OF SHARES

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| 45) | If a Member fails to pay the whole or any part of any call or instalment of a call 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 and expenses which may have accrued by reason of such non-payment. | Notice requiring payment of unpaid calls  |
| 46) | The notice shall name a further day (not earlier than the expiration of seven (7) days from the date of service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment 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.       | Notice to state time and place of payment |
| 47) | If the requirements of any 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 the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.  | Forfeiture to include all dividends       |
| 48) | A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.  | Forfeiture to include all dividends       |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 49) | The Directors may accept a surrender of any share liable to be forfeited hereunder.   | Directors may accept surrender in lieu             |
| 50) | The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past Members.   | Extinction of forfeited share                      |
| 51) | Notwithstanding any such forfeiture, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.  | Directors may allow forfeited share to be redeemed |
| 52) | A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit. To give effect to any such sale, re-allotment or other disposition, the Directors are empowered to or may authorise some other person to transfer the shares to the purchaser.   | Sale of forfeited shares                           |
| 53) | The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed and he shall thereupon be registered as the holder of the share and 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 in reference to the forfeiture, sale or disposal of the share.  | Company may receive consideration of sale          |
| 54) | If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, trustees, administrators or assignees or as he directs.   | Application of residue of proceeds of forfeiture   |
| 55) | A person whose shares have been forfeited or surrendered shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding such 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 the rate of ten per cent (10%) per annum (or such lower rate as the Directors may approve) from the date of the forfeiture or surrender until payment in respect of the shares; but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. The Directors may waive payment of such interest either wholly or in part. | Liabilities of Members whose shares forfeited      |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- 56) Notice of any forfeiture shall forthwith be given to the holder of the share forfeited or to the person entitled by transmission to the share forfeited as the case may be. An entry of the forfeiture with the date thereof and the fact of the notice given shall be made in the Register of Members or in the Depository Register (as the case may be) opposite the share. The provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid.
- Notice of forfeiture

### LIEN ON SHARES

- 57) (1) The Company shall have a first and paramount lien and charge on all the shares not fully paid up registered in the name of a Member (whether solely or jointly with others) and all dividends from time to time declared. 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 amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.
- (2) No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether along or jointly with any other person, together with interest and expenses (if any).
- Company's lien
- 58) 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 unless some sum in respect of which the lien exists is 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 a manner as the Directors shall think fit on such Member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven (7) days after such notice. To give effect to any such sale or other disposition, the Directors are empowered or may authorise some other person to transfer the shares to the purchaser.
- Sale of shares subject to lien
- 59) The net proceeds of any such sale shall be applied in or towards satisfaction of the unpaid calls and accrued interest and expenses due from the Member to the Company in respect of the shares and the residue (if any) shall be paid to the person whose shares have been forfeited or his executors, administrators or assignees or as he directs; Provided Always That the Company shall be entitled to a lien upon such residue in respect of any money due to the Company but not presently payable like to that which it had upon the shares immediately before the sale thereof.
- Application of proceeds of sale

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 60) | To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser and the Directors may enter the purchaser’s name in the Register of Members as holder of the shares and the purchaser shall not be bound to see to the regularity or validity of the transfer or be affected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money. After his name has been entered in the Register of Members the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.   | Transfer and title to shares sold               |
| 61) | A statutory declaration in writing by a Director 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 of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under seal for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and 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 forfeiture, surrender, sale, re-allotment or disposal of the share. | Statutory declaration that share duly forfeited |

### CONVERSION OF SHARES INTO STOCK

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| 62) | The Company in general meeting may convert any paid up shares into stock and may from time to time reconvert such stock into paid up shares.   | Conversion from share to stock and back to share |
| 63) | When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in general meeting shall direct, but in the absence of such direction, the respective interests may be transferred in the same manner and subject to the same regulations as the shares from which the stock arose would have been transferred prior to conversion or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum number of stock units transferable.                   | Transfer of stock                                |
| 64) | 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 the 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 stock-holders                          |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 65) | All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words ‘share’ and ‘shareholder’ shall include ‘stock’ and ‘stockholder’. | Interpretation |
|-----|--|----------------|

### ALTERATIONS OF CAPITAL

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| 66) | Subject to any special rights for the time being attached to any existing class of shares, any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine, and in particular, such new shares may be issued with a preferential or qualified right to dividends and in the distribution of the assets of the Company and with a special or restricted right of voting.  | Rights and privileges of new shares                         |
| 67) | <p>(1) The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.</p> <p>(2) 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 Exchange, all new shares shall before issue be offered to such Members as are, at the date of the offer, entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a 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. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares), in the opinion of the Directors, cannot be conveniently offered under this Article.</p> <p>(3) Notwithstanding Article 67(2), 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:–</p> <p style="margin-left: 40px;">a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or</p> <p style="margin-left: 80px;">(ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and</p> | <p>Power to increase capital</p> <p>Issue of new shares</p> |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- b) notwithstanding that the authority conferred by the Ordinary Resolution may have ceased to be in force, the Directors may issue shares in pursuance of any Instrument made or granted while the Ordinary Resolution was in force,

provided that:–

- (1) 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 Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and
- (3) (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 of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company 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).

- 68) Notwithstanding Article 67 above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but may sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

- 69) Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association of the Company or these Articles, any capital raised by the creation of new shares shall be considered as part of the original capital and as consisting of ordinary shares and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.

Capital raised  
deemed  
original capital

- 70) (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) provided always that in such subdivision 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;

Power to  
consolidate,  
cancel and  
sub-divide  
shares

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled; or
  - d) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.
- (2) Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms on such terms as the Company may think fit and in the manner prescribed by the Act. The Company may deal with any such share which is so purchased or acquired by the Company in such manner as may be permitted by, and in accordance with, the Act (including without limitation, to hold such share as a treasury share). Power to purchase or acquire shares
- 71) The Company may reduce its share capital or any undistributable reserve in any manner, subject to any requirements and consents required by law. Without prejudice to the foregoing, upon cancellation of shares purchased or otherwise acquired by the Company pursuant to these Articles and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly. Reduction of share capital

### BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

- 173) The Company may, upon the recommendation of the Directors, with the sanction of an Ordinary Resolution (including any Ordinary Resolution passed pursuant to Article 67(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) 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 Article 67(3)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares; and/or

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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b) capitalise any part of the amount for the time being standing to the credit of the Company’s reserve funds or to the credit of the profit and loss account or otherwise available for distribution, 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 Article 67(3)) 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 unissued shares in full (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up and amongst them as bonus shares in the proportion aforesaid.

174) The Directors may do all acts and things necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 173, 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 entitled thereto into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members.

Directors to  
give effect to  
bonus issues  
and/or  
capitalisation

175) In addition and without prejudice to the powers provided for by Article 174 above, 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, 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.

Power to issue  
free shares  
and/or to  
capitalise  
reserves for  
employee  
share-based  
incentive plans



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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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necessary or expedient In particular, they 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 in terms of the value so fixed, in order to adjust the rights of all parties. The Directors may vest any such specific assets in trustees as may seem expedient to the Directors and no valuation, adjustment or arrangement so made shall be questioned by any Member.

164) (1) 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. In such case, the following provisions shall apply:

Scrip  
Dividends

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which Members shall 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 any dividend in respect of which the Directors shall have passed such a resolution as aforesaid. The Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend(s) or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, provided that the Directors may determine, either generally or in specific cases, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect of which the share election has been duly exercised (the “elected ordinary shares”) and in lieu of cash and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose, and notwithstanding the provisions of Article 173, the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sums as may be required to pay up in full (to the nominal value thereof) the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

- (2) (a) The ordinary shares allotted pursuant to the provision of paragraph (1) of this Article shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to make such provisions as they may think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members).
- (3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, alter such date as the Directors may fix subject to such exceptions as the Directors think fit and, in such event, the provisions of this Article shall be read and construed subject to such determination.
- (4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to a Member whose registered addresses entered in the Register of Members (or as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and, in such event, the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

Ranking of  
shares and  
other actions

Record date

Cash in lieu of  
shares

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| (5) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors’ resolution to apply the provisions of paragraph (1) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstances (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interests of the Company, cancel the proposed application of paragraph (1) of this Article.  | Cancellation  |
| 165) No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).   | No right to dividends where calls outstanding         |
| 166) The Directors may deduct from any dividend or other moneys payable to a Member in respect of any share held by such Member, either alone or jointly with any other Member, any or all sums of money as may be due and payable by him, either alone or jointly with any other person in respect of any debts, liabilities or engagements to the Company on account of calls or otherwise towards satisfaction (in whole or in part) of such debts, liabilities or engagements, or any other account which the Company is required by law to deduct.  | Deduction from debts due to Company                   |
| 167) A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.   | Effect of transfer of shares                          |
| 168) The Directors may retain any dividend 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.   | Retention of dividends on shares subject to lien      |
| 169) The Directors may retain the dividends payable on shares in respect of which any person is under these Articles, as to the transmission of shares, entitled to become a Member, or which any person under these Articles is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.  | Retention of dividends on shares pending transmission |
| 170) Any dividend or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such persons may in writing direct. Provided that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in | Dividend paid by cheque or warrant                    |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

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| 171) | 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 (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company. However, 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 (6) years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. | Unclaimed dividends      |
| 172) | No dividend shall bear interest as against the Company.  | No interest on dividends |

### 3. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

#### GENERAL MEETINGS

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| 72) | The Company shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next. The annual general meeting shall be held at such time and place as the Directors shall determine.  | Annual general meetings                    |
| 73) | All general meetings other than annual general meetings shall be called extraordinary general meetings.   | Extraordinary general meetings             |
| 74) | The Directors may whenever they think fit convene an extraordinary general meeting and an extraordinary general meeting shall also be convened on such requisition by Members in accordance with the Act or in default may be convened by such requisitionist as provided for under the Act If at any time there are not within Singapore sufficient Directors capable of action 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 such a meeting may be convened by the Directors. | Calling for extraordinary general meetings |
| 75) | The time and place of any meeting shall be determined by the convenors of the meeting.  | Time and place of meeting                  |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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### NOTICE OF GENERAL MEETINGS

- 76) Any general meeting at which it is proposed to pass Special Resolutions or a resolution of which special notice has been given to the Company pursuant to the Act, shall be called by at least twenty-one (21) clear days’ notice in writing. An annual general meeting or any other general meeting shall be called by at least fourteen (14) clear days’ notice in writing. The notice must specify the place, the day and the hour of the meeting, and in the case of special business the general nature of such business. Such notice shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notices of general meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, a meeting may be convened in such manner as such persons may approve. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.
- Length of notice
- Contents of notice
- Subject to the provisions of the Act, notwithstanding that it has been called by a shorter notice than that specified above, a general meeting shall be deemed to have been duly called if it is agreed:
- Shorter notice
- 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 ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.
- Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.
- Accidental omission
- So long as the shares of the Company are listed on the Exchange, at least fourteen (14) days’ notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange and to each stock exchange upon which the Company is listed.
- 77) Notice of every general meeting shall be given in any manner authorised by these Articles to:
- Form of notice and to whom to be given
- a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares;
- 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 meeting;
- c) every Director;

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- d) the Auditors of the Company, without prejudice to Article 183; and
- e) the Exchange.

No other person shall be entitled to receive notices of general meetings; Provided Always That if the meeting is called for the alteration of the objects of the Company, the notice shall comply with the provisions of Section 33 of the Act regarding notices to debenture holders.

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| 78) | 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.  | Notice to state that Member can appoint proxy |
| 79) | All business shall be deemed special that is transacted at an extraordinary general meeting and also all that is transacted at an annual general meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditor of the Company, the election of Directors in place of those retiring by rotation or otherwise, the fixing of the remuneration of Directors, the declaration of dividends, and the appointment of and the fixing of the remuneration of the Auditor of the Company, which shall be deemed routine business. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. | All business deemed special business          |
| 80) | In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special 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.   | Notice to specify nature of special business  |

### PROCEEDINGS AT GENERAL MEETINGS

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|-----|---|-----------------------------------|
| 81) | No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purposes of this Article, ‘Member’ includes a person attending as a proxy and a corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Section 179(3) of the Act Provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) 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. | Quorum                            |
| 82) | If within half an hour from the time appointed for the holding of a general meeting 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 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 half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.  | Adjournment if quorum not present |

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## APPENDIX D – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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|-----|---|----------------------------|
| 83) | The Chairman of the Board or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every general meeting, but if there be no such Chairman or Deputy Chairman, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting.   | Chairman                   |
| 84) | The Chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place (or <i>sine die</i> ), but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned <i>sine die</i> , the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for fourteen (14) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.   | Adjournment<br>by chairman |
| 85) | At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless, subject to Article 89, a poll is demanded either before or on the declaration of the result by the show of hands:<br><br>a) by the Chairman of the meeting; or<br><br>b) by at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative, and entitled to vote thereat; or<br><br>c) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or<br><br>d) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than ten per cent (10%) of the total sum paid up on all the shares conferring that right. | Method of<br>voting        |

Unless a poll is so demanded (and the demand is 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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## APPENDIX D – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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- |     |  |                               |
|-----|--|-------------------------------|
| 86) | In the case of an equality of votes whether on a show of hands or on a poll as aforesaid, the Chairman shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled as a Member or as a proxy of a Member.   | Equality of votes             |
| 87) | If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken at once. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.   | Time for taking a poll        |
| 88) | If a poll is duly demanded (and the demand is not withdrawn) 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 such a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, and if so requested 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.   | Method of taking poll         |
| 89) | The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.  | Continuance of business       |
| 90) | No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment.  | No poll                       |
| 91) | If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the vote unless it is pointed out at the same meeting, and is in the opinion of the Chairman of sufficient magnitude to vitiate the result of the voting.   | Error in counting votes       |
| 92) | The Members may, if the Directors think fit, participate at a general meeting by telephone or video conference or by means of similar communication means equipment 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. Such a meeting shall be deemed to take place where the largest group of Members (or their proxy, or in the case of a corporation, their respective corporate representatives) present for purposes of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present. | Meetings via electronic means |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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### VOTES OF MEMBERS

- 93) (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, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. 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.
- (2) On a show of hands every Member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote provided that if a Member is represented by two proxies, without prejudice to specific terms of Article 98 only one of the two proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands and on a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents.
- (3) Notwithstanding anything contained in these Articles, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than 48 hours before that general meeting (the ‘cut-off time’) as a Depositor on whose behalf the Depository holds shares. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor’s Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor’s Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.
- 94) If any Member be a lunatic, idiot or *non compos mentis* he may vote by his committee, *curator bonis* or other legal curator and such last mentioned persons may give their votes by proxy, but no person claiming to vote pursuant to this Article shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Office not less than forty-eight (48) hours before the time for holding the meeting at which he wishes to vote.

Voting rights  
of Members

Voting rights  
of Members of  
unsound mind

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- |     |  |                                   |
|-----|--|-----------------------------------|
| 95) | If two (2) or more persons are jointly entitled to a share then in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.  | Voting rights<br>of joint holders |
| 96) | Save as expressly provided herein or in the Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting.  | Right to vote                     |
| 97) | Any instrument appointing a proxy shall be in writing in the common form approved by the Directors under the hand of the appointor or his attorney duly authorised in writing or, if the appointer is a corporation, under seal or under the hand of its attorney duly authorised and the Company shall accept as valid in all respects the form of proxy approved by the Directors for use at the date relevant to the general meeting in question. The instrument appointing a proxy shall be deemed to confer authority generally to act at the meeting for the Member giving the proxy.  | Instrument of<br>proxy            |
| 98) | <p>(1) A Member may not appoint more than two proxies to attend and vote at the same general meeting. A proxy or attorney need not be a Member.</p> <p>(2) If the Member is a Depositor, the Company shall be entitled:</p> <p style="margin-left: 40px;">a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at the cut-off time (as defined in Article 93(3)) as certified by the Depository to the Company; and</p> <p style="margin-left: 40px;">b) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in the Securities Account of that Depositor as at the cut-off time 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.</p> <p>(3) Where a Member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any subsequent named proxy as an alternate to the earlier named.</p> <p>(4) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.</p> | Appointment<br>of proxies         |

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## APPENDIX D – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- (5) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case of a Depositor, standing to the credit of his Securities Account, such proxy may not exercise any of the votes or rights of shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor’s Securities Account as the case may be, as at the cut-off time.
- 99) An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed. Instrument appointing proxy valid at adjourned meeting
- 100) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Office or at such other place within Singapore as is specified for that purpose in the notice convening the meeting at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be; otherwise the person so named shall not be entitled to vote in respect thereof unless the Directors otherwise determine. Deposit of instrument of proxy
- 101) Unless otherwise directed by the Chairman of the meeting, a vote given in accordance with the terms of an instrument of proxy shall be treated as valid notwithstanding the previous death or insanity 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 Always That no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used. Intervening death or insanity of Member
- 102) 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 meeting of the Company 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 could exercise if it were an individual Member. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Article. Corporations acting via representative
- 103) No objection shall be raised to the qualification of any voter except at the meeting or adjourned 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 as to its validity shall be final and conclusive. Objections

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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Company Registration No. 198200079M

PEC Ltd. and its subsidiaries

Annual Financial Statements  
30 June 2024



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## **APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024**

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### **PEC Ltd. and its subsidiaries**

#### **General information**

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##### **Directors**

Edna Ko Poh Thim  
Robert Dompeling  
Wong Peng  
Tan Whei Mien, Joy  
Pek Hak Bin  
Ngan Wan Sing Winston  
Tan Peck Hong Yvonne (Appointed on 8 September 2023)

##### **Secretary**

Siau Kuei Lian

##### **Registered Office**

14 International Business Park  
Singapore 609922

##### **Principal Bankers**

Oversea-Chinese Banking Corporation Limited  
The Hongkong and Shanghai Banking Corporation Ltd

##### **Share Registrar**

In.Corp Corporate Services Pte. Ltd.  
30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712

##### **Auditor**

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Partner in charge: Adrian Koh (Date of appointment: since financial year ended 30 June 2022)

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

General information

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Independent auditor's report	9
Consolidated statement of comprehensive income	15
Balance sheets	16
Consolidated statement of changes in equity	18
Consolidated cash flow statement	22
Notes to the financial statements	24

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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### PEC Ltd. and its subsidiaries

#### Directors' statement

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The directors present their statement to the members together with the audited consolidated financial statements of PEC Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 30 June 2024.

#### **Opinion of the directors**

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **Directors**

The directors of the Company in office at the date of this statement are:

Edna Ko Poh Thim  
Robert Dompeling  
Wong Peng  
Tan Whei Mien, Joy  
Pek Hak Bin  
Ngan Wan Sing Winston  
Tan Peck Hong Yvonne

(Appointed 8 September 2023)

#### **Arrangements to enable directors to acquire shares and debentures**

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

### PEC Ltd. and its subsidiaries

#### Directors' statement

#### Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<b>Ordinary shares of the Company</b>				
Edna Ko Poh Thim	35,545,930	35,575,995	85,750,000	85,750,000
Robert Dompeling	1,765,930	1,795,995	—	—
Wong Peng	4,594,056	4,594,056	—	—

Except as disclosed in this report, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

By virtue of Ms. Edna Ko's interest of not less than 20% of the issued share capital of the Company, she is deemed to have an interest in the shares of all subsidiary corporations to the extent held by the Company.

#### PEC Performance Share Plan (The "Plan")

(Unless otherwise defined herein capitalised terms shall have the meanings ascribed in the circular to shareholders dated 12 October 2022).

The Plan was approved for a period of 10 years at an Extraordinary General Meeting ("EGM") held on 25 October 2013, for granting awards to eligible full-time employees and Executive Directors. During the EGM held on 27 October 2022, the Shareholders had approved the extension of the Plan for a further duration of ten years to 24 October 2032.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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### PEC Ltd. and its subsidiaries

#### Directors' statement

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### PEC Performance Share Plan (The "Plan") (cont'd)

#### *Principal Terms of the Plan*

##### *Eligibility*

The following persons shall be eligible to participate in the Plan subject to the absolute sole discretion of the Committee:

- (a) full time employees who are confirmed in their employment with the Company or any subsidiary as at 30 June of the financial year prior to the Award Date and have been with the Company or its subsidiary for at least twelve (12) months or such shorter period as the Committee may determine on or prior to the Award Date; and
- (b) Executive Directors.

Provided always that any of the aforesaid persons:

- (i) have attained the age of twenty-one (21) years on or before the Award Date; and
- (ii) are not undischarged bankrupts.

Subject to the separate approval by independent Shareholders for their participation in the Plan, Controlling Shareholders and their associates within the above categories are eligible to participate in the Plan.

##### *Awards*

Awards represent the right of a Participant to receive fully paid shares, free of charge, upon the satisfaction of the prescribed Performance Conditions within the Performance Period. Participants will be granted an Award, under which Shares will be Vested and Released at the end of the Performance Period once the Committee is, at its sole discretion, satisfied that the Performance Conditions have been achieved.

##### *Grant of Awards*

Under the rules of the Plan, there are no fixed periods for the grant of Awards. As such, offers for the Awards may be made at any time from time to time at the discretion of the Committee. In considering an award to be granted to a Participant, the Committee may take into account, inter alia, the Participant's rank, job performance, seniority, creativity, innovativeness, entrepreneurship, potential for future development, length of service, contribution to the success and development of the Group and if applicable, the extent of effort and resourcefulness required to achieve the Performance Conditions within the performance period.

##### *Vesting of Awards*

Awards will typically vest only after the satisfactory completion of the Performance Conditions within the Performance Period. No minimum vesting periods are prescribed under the Plan, and the length of the vesting period(s) in respect of each Award will be determined by the Committee on a case-by-case basis.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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### PEC Ltd. and its subsidiaries

#### Directors' statement

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### PEC Performance Share Plan (The “Plan”) (cont'd)

#### *Principal Terms of the Plan (cont'd)*

##### *Size of the Plan*

The aggregate number of Shares to be delivered pursuant to the Vesting of the Awards on any date, when added to the number of Shares issued and issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the total issued share capital excluding treasury shares of the Company on the day preceding the relevant Award Date.

The aggregate number of Shares available to eligible Controlling Shareholders and their associates under the Plan shall not exceed twenty five per cent (25%) of the shares available under the Plan. In addition, the aggregate number of Shares available to each Controlling Shareholder or his Associates shall not exceed ten per cent (10%) of the Shares available under the Plan.

##### *Duration of the Plan*

The Plan shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Plan is adopted by the Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. The termination or discontinuance of the Plan shall be without prejudice to the rights accrued to any participant who has been granted Awards, whether such Awards have been vested (whether fully or partially) or not.

The Plan is administered by the Committee consisting of all the Board members, namely, Ms Edna Ko Poh Thim, Mr Robert Dompeling, Mr Wong Peng, Ms Tan Whei Mien, Joy, Mr Pek Hak Bin, Mr Ngan Wan Sing Winston and Ms Tan Peck Hong Yvonne. However, Edna Ko and Robert Dompeling have abstained from participating in the Committee's deliberations for the proposed grant of EK Award and RD Award.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

**Directors' statement**

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**PEC Performance Share Plan (The “Plan”) (cont'd)**

***Principal Terms of the Plan (cont'd)***

As at 30 June 2024, the aggregate number of shares comprised in Awards granted pursuant to the Plan which have been released are as stated below:

	Award date	Aggregate number of Shares under Awards granted	Aggregate number of Shares released upon vesting
<b>For directors of the Company:</b>			
Edna Ko Poh Thim	15 February 2016	Up to 282,812	The first tranche, the second tranche and the third tranche of the Award, in respect of 62,338 Shares, 46,753 Shares and 46,753 Shares respectively, have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Robert Dompeling	15 February 2016	Up to 282,812	The first tranche, the second tranche and the third tranche of the Award, in respect of 62,338 Shares, 46,753 Shares, and 46,753 Shares respectively, have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
Wong Peng	15 February 2016	Up to 282,812	The first tranche, the second tranche and the third tranche of the Award, in respect of 57,662 Shares, 43,247 Shares, and 43,247 Shares respectively, have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Directors' statement

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PEC Performance Share Plan (The “Plan”) (cont'd)

*Principal Terms of the Plan (cont'd)*

	Award date	Aggregate number of shares under Awards granted	Aggregate number of Shares released upon vesting
<b>For other employees of the Company</b>	15 February 2016	Up to 6,943,772	The first tranche, the second tranche and the third tranche of the Award, in respect of 1,309,854 Shares, 960,194 Shares and 910,734 Shares respectively, have been released on 15 February 2017, 14 February 2018 and 15 February 2019 respectively.
<b>For directors of the Company:</b>			
Edna Ko Poh Thim	1 December 2016	Up to 199,177	Forfeited
Robert Dompeling	1 December 2016	Up to 199,177	Forfeited
Wong Peng	1 December 2016	Up to 199,177	Forfeited
<b>For other employees of the Company</b>	1 December 2016	Up to 4,958,025	Forfeited
<b>For directors of the Company:</b>			
Edna Ko Poh Thim	1 December 2017	Up to 154,222	Forfeited
Robert Dompeling	1 December 2017	Up to 154,222	Forfeited
<b>For the other employees of the Company</b>	1 December 2017	Up to 4,569,604	Forfeited
<b>For directors of the Company:</b>			
Edna Ko Poh Thim	3 December 2018	Up to 174,604	Forfeited
Robert Dompeling	3 December 2018	Up to 174,604	Forfeited
<b>For the other employees of the Company</b>	3 December 2018	Up to 4,778,997	Forfeited
<b>For directors of the Company:</b>			
Edna Ko Poh Thim	2 December 2019	Up to 168,152	Forfeited
Robert Dompeling	2 December 2019	Up to 168,152	Forfeited
<b>For the other employees of the Company</b>	2 December 2019	Up to 4,836,110	Forfeited

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

### Directors' statement

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#### PEC Performance Share Plan (The “Plan”) (cont'd)

##### *Principal Terms of the Plan (cont'd)*

	Award date	Aggregate number of shares under Awards granted	Aggregate number of Shares released upon vesting
<b>For directors of the Company:</b>			
Edna Ko Poh Thim	1 December 2021	Up to 190,512	The first tranche and the second tranche of the Award in respect of 40,086 Shares and 30,086 Shares respectively, have been released on 1 December 2022 and 1 December 2023 respectively.
Robert Dompeling	1 December 2021	Up to 190,512	The first tranche and the second tranche of the Award in respect of 40,086 Shares and 30,086 Shares respectively, have been released on 1 December 2022 and 1 December 2023 respectively.
<b>For the other employees of the Company</b>	1 December 2021	Up to 5,024,381	The first tranche and the second tranche of the Award in respect of 1,140,328 Shares and 827,549 Shares respectively, have been released on 1 December 2022 and 1 December 2023 respectively.
<b>For directors of the Company:</b>			
Edna Ko Poh Thim	1 December 2022	Up to 164,794	Forfeited
Robert Dompeling	1 December 2022	Up to 164,794	Forfeited
<b>For the other employees of the Company</b>	1 December 2022	Up to 4,789,463	Forfeited

Since the commencement of the Plan till the end of the year, no eligible participant has received shares pursuant to the release of Awards granted which, in aggregate, represents 5% or more of the aggregate number of shares available under the Plan.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Directors' statement

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**Audit and Risk Management Committee ("ARMC")**

The ARMC comprises entirely non-executive independent directors, namely, Mr Ngan Wan Sing Winston (Chairman), Ms Tan Whei Mien, Joy, Mr Pek Hak Bin and Ms Tan Peck Hong Yvonne. Save for Ms Tan Peck Hong Yvonne, who was appointed as a member of ARMC on 8 September 2023, all the ARMC has performed the primary functions in accordance with section 201B (5) of the Singapore Companies Act 1967, details of which appeared in the Corporate Governance Report.

**Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,



Edna Ko Poh Thim  
Director



Robert Dompeling  
Director

Singapore  
25 September 2024

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Independent auditor's report  
For the financial year ended 30 June 2024

Independent auditor's report to the members of PEC Ltd.

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### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of PEC Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Independent auditor's report  
For the financial year ended 30 June 2024

Independent auditor's report to the members of PEC Ltd.

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### Key audit matters (cont'd)

#### Accounting for contract revenue

Contract revenue comprises the initial amount of revenue agreed in the contracts and variation orders. The Group recognises certain contract revenue over time, based on the contract costs incurred to date as a proportion of the estimated total contract costs to be incurred ("cost-based input method"). For such contract revenue, a contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer. During the year, the Group recognised \$260,034,875 of revenue from project works and as at year end, the Group has \$57,313,362 of contract assets and \$3,827,175 of contract liabilities. Significant management assumptions are required in estimating the total contract costs and the recoverable amount of variation works that affect the completion progress and the amount of revenue and profit recognised. The subjectivity involved in these assessments means that any changes in the assumptions used could have a significant impact on the results of the Group. As such, we determined this to be a key audit matter.

As part of our audit, we, amongst other procedures:

- Obtained an understanding of internal controls with respect to project management, project results estimation process and accounting for project contracts.
- Discussed the status of projects in progress with the management and project managers. With the knowledge gained from those discussions and the results of our audit procedures, we assessed the reasonability of the forecasted results of the projects, including the effect of variation orders.
- Assessed the mathematical accuracy of the revenue and profit computations using the cost-based input method.
- Evaluated assumptions used by management in determining completion progress of the projects, estimations to revenue and costs, and provisions for projects with expected losses and liquidated damages, where applicable.
- Obtained an understanding of the progress of the construction contracts by reviewing correspondences between the Group and the customers.
- Evaluated the presentation and disclosure of significant accounting policies for construction contracts, contract assets, contract liabilities and their related disclosures in Note 2.13 *Contract revenue* and Note 4 *Revenue*.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Independent auditor's report  
For the financial year ended 30 June 2024

Independent auditor's report to the members of PEC Ltd.

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### Key audit matters (cont'd)

#### Impairment of trade receivables

The gross balance of the Group's trade receivables as at 30 June 2024 is \$100,788,681, against which an allowance for expected credit loss ("ECL") of \$32,422,066 was made. The collectability of trade receivables and related credit losses are key elements of the Group's working capital management, which is managed on an ongoing basis by local management of the respective subsidiaries.

The Group determines ECL by making debtor-specific assessment for long overdue trade receivables and using an allowance matrix for the remaining trade receivables that is based on its historical credit loss experience. In addition, management has also considered forward-looking adjustments to the historical default rate to take into consideration the current market condition. As disclosed in Note 3 *Key accounting estimates, assumptions and judgments* to the financial statements, these assessments involved significant management judgment and estimates. Accordingly, we determined that this is a key audit matter.

As part of our audit, we, amongst others:

- Obtained an understanding of the Group's processes and controls relating to the monitoring of trade receivables and review collection risks of trade receivables.
- Discussed with management on their assessment of the collectability of trade receivables. Where applicable, we reviewed customers' payment history and correspondences between the Group and the customers on expected settlement dates.
- Evaluated management's assumptions and inputs used in the computation of historical credit loss rates. We reviewed the data and information used by management to make forward-looking adjustments and loss given default rates analysed in accordance to days past due by grouping customers based on customer profiles, taking into consideration the economic situation and external information in determining the provision rates.
- Assessed management's assumptions used to determine ECL for long overdue trade receivables through testing of the accuracy of ageing of the trade receivables and using aging analyses and consider their specific profiles and risks.
- Assessed the adequacy of the Group's disclosures in Note 3.2 *Key Sources of Estimation Uncertainty*, Note 16 *Trade receivables* and Note 37 *Financial Risk Management Objectives and Policies (a) Credit risk*.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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**PEC Ltd. and its subsidiaries**

**Independent auditor's report  
For the financial year ended 30 June 2024**

**Independent auditor's report to the members of PEC Ltd.**

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### **Information other than the financial statements and auditor's report thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

---

**PEC Ltd. and its subsidiaries**

**Independent auditor's report  
For the financial year ended 30 June 2024**

**Independent auditor's report to the members of PEC Ltd.**

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### **Auditor's responsibilities for the audit of the financial statements (cont'd)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Independent auditor's report  
For the financial year ended 30 June 2024

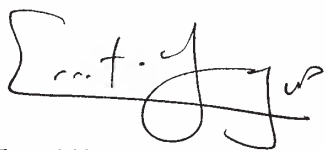
Independent auditor's report to the members of PEC Ltd.

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### Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Koh.



Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

25 September 2024

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

### PEC Ltd. and its subsidiaries

#### Consolidated statement of comprehensive income For the financial year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Revenue</b>	4	491,033,711	430,939,256
Cost of sales		(376,039,781)	(344,669,576)
<b>Gross profit</b>		114,993,930	86,269,680
Other operating income	5	6,369,099	3,994,837
<b>Other items of expenses</b>			
Administrative expenses		(35,908,206)	(29,989,076)
(Allowance for)/write-back of expected credit losses on trade receivables and contract assets	7	(144,563)	4,865,751
Other operating expenses		(57,816,969)	(52,128,872)
Finance expenses	6	(2,087,152)	(1,576,420)
<b>Profit before tax</b>	7	25,406,139	11,435,900
Income tax expense	8	(6,722,756)	(3,362,966)
<b>Profit for the year</b>		18,683,383	8,072,934
<b>Profit for the year attributable to:</b>			
Owners of the Company		15,996,760	6,768,606
Non-controlling interests		2,686,623	1,304,328
		18,683,383	8,072,934
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		(657,154)	(5,905,900)
<b>Other comprehensive income for the year, net of tax</b>		(657,154)	(5,905,900)
<b>Total comprehensive income for the year</b>		18,026,229	2,167,034
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		15,359,534	1,360,228
Non-controlling interests		2,666,695	806,806
		18,026,229	2,167,034
<b>Earnings per share (cents per share)</b>			
Basic	32	6.3	2.7
Diluted	32	6.2	2.6

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

### PEC Ltd. and its subsidiaries

#### Balance sheets As at 30 June 2024

		Group		Company	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
<b>Non-current assets</b>					
Property, plant and equipment	9	72,239,299	74,124,053	27,940,551	33,145,524
Right-of-use assets	10	38,310,437	39,238,526	13,581,439	14,313,090
Investment properties	11	2,812,412	2,900,138	—	—
Intangible assets	12	37,454	40,833	37,454	40,833
Investment in subsidiaries	14	—	—	44,269,466	53,285,193
Investment securities	15	1,143	1,143	1,143	1,143
Prepayments		687,362	797,083	—	—
Deferred tax assets	25	2,932,981	3,018,937	2,937,564	2,053,477
		117,021,088	120,120,713	88,767,617	102,839,260
<b>Current assets</b>					
Assets held for sale	11	635,293	1,411,286	—	—
Contract assets	4	57,313,362	48,104,594	26,632,924	26,006,125
Inventories	17	505,884	601,004	—	—
Prepayments		1,799,338	1,731,149	700,366	735,826
Capitalised contract costs	4	2,004,909	5,879,513	—	—
Trade receivables	16	68,366,615	98,637,275	42,875,198	67,182,088
Other receivables and deposits	18	7,330,180	8,230,733	2,250,097	2,878,842
Loans due from subsidiaries	19	—	—	25,935,630	19,915,589
Cash and short-term deposits	20	146,602,981	126,142,101	65,287,602	42,695,552
		284,558,562	290,737,655	163,681,817	159,414,022
<b>Total assets</b>		401,579,650	410,858,368	252,449,434	262,253,282
<b>Current liabilities</b>					
Contract liabilities	4	3,827,175	5,941,027	690,738	1,986,738
Provisions	21	5,730,570	10,284,351	1,860,736	2,244,804
Income tax payable		4,012,653	1,335,599	2,065,505	774,539
Loans and borrowings	22	1,750,230	3,988,443	1,458,390	2,708,370
Trade payables	23	19,247,846	36,934,125	13,754,533	16,570,843
Other payables and accruals	24	65,393,211	64,226,559	34,308,673	33,834,328
Lease liabilities	10	3,412,452	3,033,833	1,152,930	1,129,199
		103,374,137	125,743,937	55,291,505	59,248,821
<b>Net current assets</b>		181,184,425	164,993,718	108,390,312	100,165,201

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Balance sheets  
As at 30 June 2024

	Note	Group		Company	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>Non-current liabilities</b>					
Provisions	21	4,959,617	3,058,089	4,798,663	2,902,713
Deferred tax liabilities	25	161,164	143,403	–	–
Loans and borrowings	22	1,911,545	2,306,512	–	–
Lease liabilities	10	36,645,839	37,148,039	13,333,090	13,950,315
		43,678,165	42,656,043	18,131,753	16,853,028
<b>Total liabilities</b>		147,052,302	168,399,980	73,423,258	76,101,849
<b>Net assets</b>		254,527,348	242,458,388	179,026,176	186,151,433
<b>Equity attributable to owners of the Company</b>					
Share capital	26	58,835,589	58,835,589	58,835,589	58,835,589
Treasury shares	26	(1,755,562)	(1,075,648)	(1,755,562)	(1,075,648)
Statutory reserve	27	2,480,427	2,480,427	–	–
Retained earnings		193,739,362	182,858,127	120,919,471	127,803,862
Fair value reserve	28	(12,082)	(12,082)	(12,082)	(12,082)
Premium paid on acquisition of non-controlling interests	29	(4,841,041)	(4,841,041)	–	–
Foreign currency translation reserve	30	(5,964,248)	(5,327,022)	–	–
Share-based compensation reserve		1,038,760	599,712	1,038,760	599,712
		243,521,205	233,518,062	179,026,176	186,151,433
<b>Non-controlling interests</b>		11,006,143	8,940,326	–	–
<b>Total equity</b>		254,527,348	242,458,388	179,026,176	186,151,433
<b>Total equity and liabilities</b>		401,579,650	410,858,368	252,449,434	262,253,282

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

## PEC Ltd. and its subsidiaries

### Consolidated statement of changes in equity For the financial year ended 30 June 2024

	Note	Attributable to owners of the Company									
		Share capital	Treasury shares	Statutory reserve	Retained earnings	Fair value reserve	Premium paid on acquisition	Share-based compensation reserve	Foreign currency translation reserve	Equity attributable to owners of the Company, total	Non-controlling interests
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Group Contributions by and distributions to owners</b>											
Dividends on ordinary shares	31	—	—	—	(5,075,136)	—	—	—	—	(5,075,136)	—
Dividends paid to NCI by subsidiaries		—	—	—	—	—	—	—	—	—	(600,878)
Treasury shares reissued pursuant to performance share plan		—	544,174	—	(40,389)	—	—	(503,785)	—	—	—
Share buyback		—	(1,224,088)	—	—	—	—	—	—	(1,224,088)	—
Grant of performance shares to employees	33	—	—	—	—	—	—	942,833	—	942,833	—
<b>Total transactions with owners in their capacity as owners</b>		—	(679,914)	—	(5,115,525)	—	—	439,048	—	(5,356,391)	(600,878)
<b>At 30 June 2024</b>		58,835,589	(1,755,562)	2,480,427	193,739,362	(12,082)	(4,841,041)	1,038,760	(5,964,248)	243,521,205	11,006,143
										254,527,348	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

### PEC Ltd. and its subsidiaries

#### Consolidated statement of changes in equity For the financial year ended 30 June 2024

	Attributable to owners of the Company							
	Share Capital \$	Treasury shares \$	Statutory reserve \$	Retained earnings \$	Fair value reserve \$	Premium paid on acquisition		Equity attributable to owners of the Company, total \$
						Share-based compensation reserve \$	Foreign currency translation reserve \$	
Group								
At 1 July 2022	58,835,589	(575,953)	2,481,085	184,989,047	(12,082)	608,910	81,356	241,566,911
Profit for the year	–	–	–	6,768,606	–	–	–	8,544,865
Other comprehensive income								
Foreign currency translation	–	–	–	–	–	–	(5,408,378)	(497,522)
Other comprehensive income for the year, net of tax	–	–	–	–	–	–	(5,408,378)	(5,905,900)
Total comprehensive income for the year	–	–	–	6,768,606	–	–	(5,408,378)	1,360,228
								806,806
								2,167,034

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

## PEC Ltd. and its subsidiaries

### Consolidated statement of changes in equity For the financial year ended 30 June 2024

	Note	Attributable to owners of the Company										
		Share capital \$	Treasury shares \$	Statutory reserve \$	Retained earnings \$	Fair value reserve \$	Premium paid on acquisition of non-controlling interests \$	Share-based compensation reserve \$	Foreign currency translation reserve \$	Equity attributable to owners of the Company, total \$	Non-controlling interests \$	Equity, total \$
Group Contributions by and distributions to owners												
Dividends on ordinary shares	31	—	—	—	(8,907,284)	—	—	—	—	(8,907,284)	—	(8,907,284)
Dividends paid to NCI by subsidiaries		—	—	—	—	—	—	—	—	—	(411,345)	(411,345)
Treasury shares reissued pursuant to performance share plan		—	669,620	—	7,758	—	—	(677,378)	—	—	—	—
Share buyback		—	(1,169,315)	—	—	—	—	—	—	(1,169,315)	—	(1,169,315)
Grant of performance shares to employees	33	—	—	—	—	—	—	668,180	—	668,180	—	668,180
Total transactions with owners in their capacity as owners		—	(499,695)	—	(8,899,526)	—	—	(9,198)	—	(9,408,419)	(411,345)	(9,819,764)
Changes in ownership interests in subsidiaries												
Liquidation of a subsidiary		—	—	(658)	—	—	—	—	—	(658)	—	(658)
At 30 June 2023		58,835,589	(1,075,648)	2,480,427	182,858,127	(12,082)	(4,841,041)	599,712	(5,327,022)	233,518,062	8,940,326	242,458,388

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

**Consolidated cash flow statement**  
**For the financial year ended 30 June 2024**

	Note	2024 \$	2023 \$
<b>Operating activities:</b>			
Profit before tax		25,406,139	11,435,900
Adjustments for:			
Interest income	5	(3,130,775)	(1,834,232)
Loss/(gain) on disposal of property, plant and equipment, net		77,433	(253,923)
Loss on de-recognition of leases	7	3,614	–
Gain on disposal of assets held for sale	5	(67,304)	–
Gain on disposal of investment properties	5	–	(276,559)
Net loss on liquidation of a subsidiary	7	–	18,037
Interest expense	6	2,087,152	1,576,420
Amortisation of intangible assets	7	8,379	7,850
Amortisation of capitalised contract costs	4	3,949,927	981,576
Depreciation of property, plant and equipment	7	13,464,554	11,523,295
Depreciation of right-of-use assets	7	3,833,637	2,824,278
Depreciation of investment properties	7	86,875	117,118
Allowance for/(write-back) of expected credit losses on trade receivables and contract assets	7	144,563	(4,865,751)
Provisions, net		(4,469,965)	3,002,438
Share-based payment	33	942,833	668,180
Unrealised exchange differences		(151,906)	396,961
<b>Operating cash flows before changes in working capital</b>		42,185,156	25,321,588
Increase in contract assets		(9,501,683)	(1,256,594)
Decrease in contract liabilities		(2,113,852)	(1,776,424)
Increase in capitalised contract costs		(75,284)	(6,819,841)
Decrease in inventories		95,068	455,402
Decrease/(increase) in trade receivables, other receivables and deposits, and prepayments		30,989,587	(18,979,034)
(Decrease)/increase in trade payables, other payables and accruals		(16,192,942)	13,223,003
<b>Cash flows generated from operations</b>		45,386,050	10,168,100
Interest paid		(2,447,261)	(1,013,287)
Interest received		3,130,775	1,834,232
Tax paid		(3,950,384)	(10,822,829)
<b>Net cash flows generated from operating activities</b>		42,119,180	166,216

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

**Consolidated cash flow statement**  
**For the financial year ended 30 June 2024**

	Note	2024 \$	2023 \$
<b>Investing activities:</b>			
Purchase of property, plant and equipment		(10,680,342)	(9,687,956)
Acquisition of intangible asset	12	(5,000)	–
Proceeds from disposal of property, plant and equipment		170,157	482,686
Proceeds from disposal of right-of-use asset		56,500	–
Proceeds from disposal of investment property		–	943,200
Proceeds from disposal of assets held for sale		832,429	–
<b>Net cash flows used in investing activities</b>		<b>(9,626,256)</b>	<b>(8,262,070)</b>
<b>Financing activities:</b>			
Purchase of treasury shares		(1,224,088)	(1,169,315)
Dividends paid on ordinary shares	31	(5,075,136)	(8,907,284)
Dividends paid to non-controlling interest		(600,878)	(411,345)
Proceeds from borrowings	22	546,331	2,474,587
Repayment of borrowings	22	(3,169,388)	(9,679,646)
Payment of principal portion of lease liabilities	10	(2,600,903)	(2,304,536)
<b>Net cash flows used in financing activities</b>		<b>(12,124,062)</b>	<b>(19,997,539)</b>
Net increase/(decrease) in cash and cash equivalents		20,368,862	(28,093,393)
Effect of exchange rate changes on cash and cash equivalents		92,018	(3,409,821)
Cash and cash equivalents at 1 July		126,142,101	157,645,315
<b>Cash and cash equivalents at 30 June</b>	20	<b>146,602,981</b>	<b>126,142,101</b>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 1. Corporate information

PEC Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 14 International Business Park, Singapore 609922

The principal activities of the Company are the provision of mechanical engineering and contracting services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

### 2. Material accounting policy information

#### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements are presented in Singapore Dollars ("SGD" or "\$"), and have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards that are effective for annual financial periods beginning on or after 1 July 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

#### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.4 Basis of consolidation and business combinations

##### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

##### (b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.4 Basis of consolidation and business combinations (cont'd)

##### (b) Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.9 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

#### 2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

##### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

##### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

#### 2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	– 14 to 50 years
Plant machinery and site equipment	– 3 to 15 years
Motor vehicles	– 5 to 10 years
Office equipment, furniture and fittings, and renovation	– 3 to 5 years

Construction in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.7 *Property, plant and equipment (cont'd)*

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the financial year the asset is de-recognised.

#### 2.8 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the shorter of its estimated useful life or remaining lease term as set out in Note 11 to the financial statements.

Investment properties are de-recognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

#### 2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

- (a) Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

##### *Club membership*

The club membership is amortised on a straight-line basis over its finite useful life of 10 years.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.9 Intangible assets (cont'd)

- (b) Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. Subsequent to initial recognition, the intangible assets are measured at cost less accumulated impairment losses. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

##### *Goodwill*

Goodwill that arises upon the acquisition of subsidiary is included in intangible assets. Impairment losses are reviewed at the end of each reporting period and adjusted if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

#### 2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

#### 2.11 Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.12 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

#### 2.13 *Contract revenue*

Contract revenue and contract costs are recognised over time by measuring the progress towards complete satisfaction of performance obligations. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The Group is restricted contractually from directing the assets for another use as they are being constructed and has enforceable rights to payment for performance completed to date. The revenue is recognised over time, based on the contract costs incurred to date as a proportion of estimated total contract costs to be incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

The contract assets relate to unbilled work-in-progress and have substantially the same characteristics as the trade receivables for the same type of contracts. The impairment policy as explained in Note 2.16 to the financial statements also applies to contract assets.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.13 Contract revenue (cont'd)

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

#### 2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### 2.15 Financial instruments

##### (a) Financial assets

###### *Initial recognition and measurement*

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of external party, if the trade receivables do not contain a significant financing component at initial recognition.

###### *Subsequent measurement*

###### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.15 Financial instruments (cont'd)

##### (a) Financial assets (cont'd)

###### *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

###### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

###### *De-recognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

##### (b) Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

###### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

###### *De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.16 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "lifetime ECL").

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 2.17 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand, and fixed deposits, highly liquid investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

#### 2.18 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.18 Provisions (cont'd)

##### *Warranty provisions*

Provision for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

##### *Provision for onerous contracts*

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. Before a separate provision for an onerous contract is established, the Group recognised any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of the cost of fulfilling it and any compensation of penalties arising from failure to fulfil it.

##### *Provision for reinstatement costs*

Reinstatement costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the provision for reinstatement costs. The unwinding of the discount is expensed as incurred and recognised in the profit or loss as a finance cost. The estimated future costs of restoration are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of the asset.

#### 2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 2.20 Employee benefits

##### (a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

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### 2. Material accounting policy information (cont'd)

#### 2.20 Employee benefits (cont'd)

##### (b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

##### (c) Equity compensation plans

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

The Company has implemented Performance Share Plan for the award of fully paid ordinary shares to eligible full-time employees and Executive Directors, after pre-determined performance and service conditions are accomplished.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share awards are granted.

This cost is recognised in profit or loss as share-based compensation expenses, with a corresponding increase in the share-based compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expenses recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest.

The share-based compensation reserve is transferred to retained earnings upon cancellation or expiry of the awards. When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued to settle the awards, or to treasury shares if awards are satisfied by the re-issuance of treasury shares.

#### 2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

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### 2. Material accounting policy information (cont'd)

#### 2.21 Leases (cont'd)

*As lessee (cont'd)*

##### (a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold land	– 2 to 34 years
Land use rights	– 30 to 59 years
Offices and dormitories	– 1 to 7 years
Motor vehicles and others	– 1 to 8 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.12 to the financial statements.

##### (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
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### 2. Material accounting policy information (cont'd)

#### 2.21 Leases (cont'd)

*As lessee (cont'd)*

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of office and storage space (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain an option to extend). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of external parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Project works*

Contract revenue from project works consist of revenue recognised by reference to the stage of completion of the contract activity at the end of the reporting period as the performance obligations are satisfied over time. The accounting policy for contract revenue is set out in Note 2.13 to the financial statements.

The Group also provides certain ancillary services in relation to project works. Such services are recognised at a point in time, upon completion of the services.

(b) *Plant maintenance and related services*

Revenue from maintenance services is recognised when the services are rendered and all criteria for acceptance have been satisfied. The Group have both unit-rated as well as fixed-price maintenance contracts.

For fixed-price maintenance contracts, revenue is recognised based on the actual services provided at the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.22 Revenue (cont'd)

(b) *Plant maintenance and related services (cont'd)*

Unit-rated maintenance contracts are recognised at a point in time based on the actual hours of services provided, multiply by the contracted rate upon rendering of the services.

(c) *Rental income*

Rental income arising from operating leases on investment properties are accounted for on a straight-line basis over the lease term.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

Dividend is recognised when the Group's right to receive the payment is established.

#### 2.23 Government grants

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

#### 2.24 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.24 Taxes (cont'd)

##### (b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries and associate, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investment in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

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For the financial year ended 30 June 2024

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### 2. Material accounting policy information (cont'd)

#### 2.24 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

#### 2.25 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

#### 2.26 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

#### 2.27 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

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For the financial year ended 30 June 2024

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### 3. Key accounting estimates, assumptions and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### 3.1 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management has not made any significant judgments, which have a significant effect on the carrying amounts of assets and liabilities recognised in the financial statements within the next financial period.

#### 3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### *Recognition of contract revenue*

Contract revenue comprises the initial amount of revenue agreed in the contracts, including variation orders. The Group recognises certain contract revenue over time, based on the contract costs incurred to date as a proportion of the estimated total contract costs to be incurred. Significant assumptions are required in determining the total contract costs and the recoverable amount of variation works that affect the completion progress and the amount of revenue recognised. In making these estimates, management has relied on past experience and knowledge of the project managers. The carrying amounts of contract assets and contract liabilities arising from contract revenue at the end of each reporting period are disclosed in Note 4 to the financial statements.

##### *Allowance for expected credit losses on trade receivables*

The Group uses an allowance matrix to calculate ECLs for trade receivables. The allowance rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The ECLs also incorporate forward-looking information relating to the oil and gas industry.

The assessment of the historical observed default rates and forward-looking information involves significant estimates and judgement. The Group's historical credit loss experience and forward-looking information may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 37(a) to the financial statements.

## PEC Ltd. and its subsidiaries

**Notes to the financial statements**  
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Notes to the financial statements  
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### 4. Revenue (cont'd)

#### (b) Contract balances

Information about receivables, contract assets, contract liabilities and capitalised contract costs from contracts with customers is disclosed as follows:

			<b>Group</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>1 July 2022</b>
		\$	\$	\$
Receivables from contracts with customers	16	68,366,615	98,637,275	76,303,045
Contract assets		57,313,362	48,104,594	47,081,043
Capitalised contract costs		2,004,909	5,879,513	44,199
Contract liabilities		3,827,175	5,941,027	7,717,451

			<b>Company</b>	
		<b>2024</b>	<b>2023</b>	<b>1 July 2022</b>
		\$	\$	\$
Receivables from contracts with customers	16	42,875,198	67,182,088	45,025,611
Contract assets		26,632,924	26,006,125	16,349,665
Contract liabilities		690,738	1,986,738	762,788

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for project works. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received consideration from customers for project works. Contract liabilities are recognised as revenue as the Group performs under the contract.

#### **Expected credit losses**

The movement in allowance for expected credit losses of contract assets computed based on lifetime ECL are as follows:

	<b>Note</b>	<b>Group</b>	
		<b>2024</b>	<b>2023</b>
		\$	\$
At 1 July		2,367,589	2,335,305
Charge for the year	7	–	32,284
At 30 June		2,367,589	2,367,589

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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### 4. Revenue (cont'd)

#### (b) Contract balances (cont'd)

(i) Significant changes in contract assets are explained as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Contract assets reclassified to receivables	48,104,594	47,081,043	26,006,125	16,349,665

(ii) Significant changes in contract liabilities are explained as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	5,941,027	7,717,451	1,986,738	762,788

(iii) Capitalised contract costs

	Group	
	2024	2023
	\$	\$
At 1 July	5,879,513	44,199
Additions	75,284	6,819,840
Amortisation	(3,949,927)	(981,576)
Currency realignment	39	(2,950)
At 30 June	2,004,909	5,879,513

The capitalised contract cost as at 30 June 2024 and 2023 relates to fulfilment costs for construction projects.

#### (c) Transaction price allocated to remaining performance obligations

As of the reporting date, the aggregate amount of transaction prices allocated to performance obligations that were unsatisfied or partially unsatisfied amounted to \$52,500,000 (2023: \$191,300,000).

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PEC Ltd. and its subsidiaries

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### 5. Other operating income

	Note	Group 2024 \$	2023 \$
Gain on disposal of property, plant and equipment, net		—	253,923
Gain on disposal of investment properties		—	276,559
Gain on disposal of assets held for sale		67,304	—
Insurance claims		850,349	523,471
Income from sale of scrap materials		217,954	248,320
Government grants		234,090	257,411
Interest income from cash and short-term deposits		3,130,775	1,834,232
Rental income from investment property (commercial)	11	251,536	268,908
Training income		245,630	191,154
Exchange gain, net		1,127,678	—
Sundry income		243,783	140,859
		6,369,099	3,994,837

### 6. Finance expenses

	Note	Group 2024 \$	2023 \$
Interest expense on:			
- Accretion of interest on reinstatement cost	21	101,528	98,010
- Bank loans carried at amortised cost		134,331	254,400
- Lease liabilities	10(c)	1,851,293	1,224,010
		2,087,152	1,576,420

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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Notes to the financial statements  
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### 7. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	2024 \$	Group 2023 \$
Audit fees:			
- Auditors of the Company		207,400	233,900
- Other auditors		131,036	148,020
Non-audit fees:			
- Auditors of the Company		78,570	59,502
Employee benefits expenses (including directors' remuneration):			
- Wages, salaries and bonuses		168,733,350	149,030,721
- Defined contribution expense		5,082,758	5,142,690
- Other short-term employee benefits		13,062,396	13,823,101
- Share-based payment expenses	33	942,833	668,180
Allowance for/(write-back) of expected credit losses on:			
- Trade receivables	16	144,563	(4,898,035)
- Contract assets	4	-	32,284
		144,563	(4,865,751)
- Loss on de-recognition of leases, net	10	3,614	-
- Net loss on liquidation of a subsidiary		-	18,037
- Depreciation of property, plant and equipment	9	13,464,554	11,523,295
- Depreciation of right-of-use assets	10	3,833,637	2,824,278
- Depreciation of investment properties	11	86,875	117,118
- Amortisation of intangible assets	12	8,379	7,850
- Expenses relating to short-term leases	10	27,920,107	19,950,961
- Exchange (gain)/loss, net		(1,127,678)	441,648
- Insurance		4,602,953	3,828,524
- Maintenance, upkeep and repair of plant and		4,395,132	4,319,019
- Transport expenses		2,763,207	2,595,205
- Personal protective equipment		1,975,789	2,550,856

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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Notes to the financial statements  
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### 8. Income tax expense

#### Major components of income tax expense

The major components of income tax expense for the financial years ended 30 June are:

	Note	Group 2024 \$	2023 \$
<b>Consolidated statement of comprehensive income:</b>			
Current income tax:			
- Current income tax		6,152,042	2,087,741
- (Over)/under provision in respect of prior years		(723,567)	400,240
		5,428,475	2,487,981
Deferred income tax:			
- Origination and reversal of temporary differences	25	(293,155)	785,803
- Under/(over) provision in respect of prior years	25	397,874	(543,860)
		104,719	241,943
Withholding tax expense		1,189,562	633,042
Income tax expense recognised in profit or loss		6,722,756	3,362,966

#### Reconciliation between tax expense and accounting profit

The reconciliation between the tax expense and product of accounting profit multiplied by the applicable tax rate for the financial years ended 30 June is as follows:

	Group 2024 \$	2023 \$
Profit before tax	25,406,139	11,435,900
Tax at statutory tax rate of 17% (2023: 17%)	4,319,044	1,944,103
Adjustments:		
Non-deductible expenses	1,703,645	1,211,910
Income not subject to taxation	(149,216)	(1,122,918)
Effect of differences in statutory tax rates	414,758	693,936
Utilisation of previously unrecognised deferred tax assets	(140,576)	–
Over provision in respect of prior years	(325,693)	(143,620)
Effect of partial tax exemption and tax relief	(1,130,419)	(324,735)
Withholding tax on foreign sourced income	1,189,562	633,042
Undistributed earnings of a subsidiary	161,299	187,095
Deferred tax assets not recognised	668,426	272,534
Others	11,926	11,619
Income tax expense recognised in profit or loss	6,722,756	3,362,966

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**PEC Ltd. and its subsidiaries**

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**9. Property, plant and equipment**

Group	Buildings \$	Plant machinery and site equipment \$	Motor vehicles \$	Office equipment, furniture and fixtures, and renovation \$	Construction- in-progress \$	Total \$
<b>Cost:</b>						
At 1 July 2022	89,227,576	96,990,753	21,381,033	23,574,002	160,740	231,334,104
Additions	16,253	3,322,366	945,169	2,024,385	3,379,783	9,687,956
Disposals	–	(4,094,938)	(1,262,458)	(646,768)	–	(6,004,164)
Currency realignment	(1,493,999)	(2,510,241)	(315,703)	(221,437)	(22,699)	(4,564,079)
At 30 June 2023 and 1 July 2023	87,749,830	93,707,940	20,748,041	24,730,182	3,517,824	230,453,817
Additions	1,865,717	2,318,794	215,389	657,417	7,423,025	12,480,342
Disposals	(496,531)	(3,692,550)	(484,287)	(1,190,232)	–	(5,863,600)
Currency realignment	(566,367)	(143,602)	(46,449)	(243,191)	60,676	(938,933)
At 30 June 2024	88,552,649	92,190,582	20,432,694	23,954,176	11,001,525	236,131,626
<b>Accumulated depreciation and impairment loss:</b>						
At 1 July 2022	41,931,888	74,795,528	16,232,179	20,117,785	–	153,077,380
Depreciation charge for the year	4,004,595	4,561,995	1,055,955	1,900,750	–	11,523,295
Disposals	–	(3,948,070)	(1,182,640)	(644,691)	–	(5,775,401)
Currency realignment	(519,840)	(1,615,229)	(207,237)	(153,204)	–	(2,495,510)
At 30 June 2023 and 1 July 2023	45,416,643	73,794,224	15,898,257	21,220,640	–	156,329,764
Depreciation charge for the year	5,755,302	4,715,901	1,038,641	1,954,710	–	13,464,554
Disposals	(489,359)	(3,449,324)	(493,650)	(1,183,677)	–	(5,616,010)
Currency realignment	(125,243)	(74,133)	(40,649)	(45,956)	–	(285,981)
At 30 June 2024	50,557,343	74,986,668	16,402,599	21,945,717	–	163,892,327
<b>Net carrying amount:</b>						
At 30 June 2023	42,333,187	19,913,716	4,849,784	3,509,542	3,517,824	74,124,053
At 30 June 2024	37,995,306	17,203,914	4,030,095	2,008,459	11,001,525	72,239,299

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**PEC Ltd. and its subsidiaries**

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**For the financial year ended 30 June 2024**

**9. Property, plant and equipment (cont'd)**

Company	Buildings \$	Plant machinery and site equipment \$	Motor vehicles \$	Office equipment, furniture and fittings, and renovation \$	Total \$
<b>Cost:</b>					
At 1 July 2022	54,181,566	43,376,635	15,422,555	16,956,346	129,937,102
Additions	–	2,371,485	416,361	1,166,930	3,954,776
Disposals	–	(1,897,072)	(1,196,684)	(606,349)	(3,700,105)
At 30 June 2023 and 1 July 2023	54,181,566	43,851,048	14,642,232	17,516,927	130,191,773
Additions	1,800,000	937,782	–	347,273	3,085,055
Disposals	–	(762,826)	(266,705)	(671,965)	(1,701,496)
At 30 June 2024	55,981,566	44,026,004	14,375,527	17,192,235	131,575,332
<b>Accumulated depreciation:</b>					
At 1 July 2022	30,617,584	37,136,211	12,221,382	14,316,679	94,291,856
Charge for the year	2,615,753	1,662,041	587,420	1,488,861	6,354,075
Disposals	–	(1,870,371)	(1,123,444)	(605,867)	(3,599,682)
At 30 June 2023 and 1 July 2023	33,233,337	36,927,881	11,685,358	15,199,673	97,046,249
Charge for the year	4,415,752	1,703,625	571,742	1,479,792	8,170,911
Disposals	–	(658,451)	(253,766)	(670,162)	(1,582,379)
At 30 June 2024	37,649,089	37,973,055	12,003,334	16,009,303	103,634,781
<b>Net carrying amount:</b>					
At 30 June 2023	20,948,229	6,923,167	2,956,874	2,317,254	33,145,524
At 30 June 2024	18,332,477	6,052,949	2,372,193	1,182,932	27,940,551

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### 9. Property, plant and equipment (cont'd)

#### *Assets pledged as security*

One of the Group's buildings with a carrying amount of \$5,537,750 (2023: \$5,883,859) is mortgaged to secure one of the Group's bank loans as disclosed in Note 22 to the financial statements.

### 10. Leases

#### Group as a lessee

The Group has lease contracts for various items of leasehold land, offices and dormitories, motor vehicles and office equipment used in its operations.

Leases of leasehold land and land use rights generally have lease terms between 2 years to 59 years, while the leases for offices and dormitories have lease terms between 1 year to 7 years. Leases of motor vehicles and office equipment generally have lease terms between 1 year and 8 years. The Group's obligation under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

#### (a) Carrying amounts of right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Leasehold land \$	Land use rights \$	Offices and dormitories \$	Motor vehicles and others \$	Total \$
<b>Cost:</b>					
At 1 July 2022	18,722,351	950,291	4,602,465	1,151,850	25,426,957
Additions	1,199,742	—	20,856,447	299,882	22,356,071
Disposals	(243,307)	—	(252,064)	(287,740)	(783,111)
Lease modifications	—	—	(31,420)	—	(31,420)
Currency realignment	—	(95,534)	(263,182)	(2,459)	(361,175)
At 30 June 2023 and 1 July 2023	19,678,786	854,757	24,912,246	1,161,533	46,607,322
Additions	547,904	—	2,441,511	—	2,989,415
Disposals	—	—	(720,077)	(71,000)	(791,077)
Currency realignment	—	(463)	38,755	(2,087)	36,205
At 30 June 2024	20,226,690	854,294	26,672,435	1,088,446	48,841,865

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PEC Ltd. and its subsidiaries

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For the financial year ended 30 June 2024

### 10. Leases (cont'd)

#### (a) Carrying amounts of right-of-use assets (cont'd)

Group	Leasehold land \$	Land use rights \$	Offices and dormitories \$	Motor vehicles and others \$	Total \$
<b>Accumulated depreciation:</b>					
At 1 July 2022	3,152,888	398,695	1,178,371	674,908	5,404,862
Charge for the year	1,254,288	23,408	1,408,535	138,047	2,824,278
Disposals	(243,307)	–	(252,064)	(287,519)	(782,890)
Currency realignment	–	(41,179)	(34,934)	(1,341)	(77,454)
At 30 June 2023 and 1 July 2023	4,163,869	380,924	2,299,908	524,095	7,368,796
Charge for the year	1,306,980	22,260	2,374,749	129,648	3,833,637
Disposals	–	–	(664,726)	(12,432)	(677,158)
Currency realignment	–	(169)	7,980	(1,658)	6,153
At 30 June 2024	5,470,849	403,015	4,017,911	639,653	10,531,428
<b>Net carrying amount:</b>					
At 30 June 2023	15,514,917	473,833	22,612,338	637,438	39,238,526
At 30 June 2024	14,755,841	451,279	22,654,524	448,793	38,310,437

The details on land use rights are disclosed in Note 13 to the financial statements.

Company	Leasehold land \$	Office equipment \$	Total \$
<b>Cost:</b>			
At 1 July 2022	16,989,978	277,521	17,267,499
Additions	1,153,233	284,822	1,438,055
Disposals	(243,307)	(277,520)	(520,827)
At 30 June 2023 and 1 July 2023	17,899,904	284,823	18,184,727
Additions	547,904	–	547,904
At 30 June 2024	18,447,808	284,823	18,732,631

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Notes to the financial statements  
For the financial year ended 30 June 2024

### 10. Leases (cont'd)

#### (a) Carrying amounts of right-of-use assets (cont'd)

Company	Leasehold land \$	Office equipment \$	Total \$
<b>Accumulated depreciation:</b>			
At 1 July 2022	2,906,869	253,187	3,160,056
Charge for the year	1,170,098	62,311	1,232,409
Disposals	(243,307)	(277,521)	(520,828)
At 30 June 2023 and 1 July 2023	3,833,660	37,977	3,871,637
Charge for the year	1,222,591	56,964	1,279,555
At 30 June 2024	5,056,251	94,941	5,151,192
<b>Net carrying amount:</b>			
At 30 June 2023	14,066,244	246,846	14,313,090
At 30 June 2024	13,391,557	189,882	13,581,439

#### (b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed as follow:

	Group		Company	
	2024 \$	2023 \$	2024 \$	2023 \$
At 1 July	40,181,872	19,928,524	15,079,514	14,699,623
Additions	2,989,415	22,328,977	547,904	1,438,055
Accretion of interest	1,851,293	1,224,010	529,078	532,292
Payments	(4,899,960)	(3,063,422)	(1,670,476)	(1,590,456)
Lease modifications	—	(31,420)	—	—
Disposals	(89,950)	—	—	—
Currency realignment	25,621	(204,797)	—	—
At 30 June	40,058,291	40,181,872	14,486,020	15,079,514
Current	3,412,452	3,033,833	1,152,930	1,129,199
Non-current	36,645,839	37,148,039	13,333,090	13,950,315
	40,058,291	40,181,872	14,486,020	15,079,514

The maturity analysis of lease liabilities is disclosed in Note 37(b) to the financial statements.

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### 10. Leases (cont'd)

#### (c) Amounts recognised in profit or loss

	Note	Group 2024 \$	2023 \$
Depreciation of right-of-use assets	7	3,833,637	2,824,278
Interest expense on lease liabilities	6	1,851,293	1,224,010
Expense relating to short-term leases	7	27,920,107	19,950,961
Loss on de-recognition of leases	7	3,614	–
Total amount recognised in profit and loss		33,608,651	23,999,249

#### (d) Total cash outflow

The Group's total cash outflows relating to leases amounted to \$32,820,067 (2023: \$23,014,383), which included principal repayments of \$2,600,903 (2023: \$2,304,356).

The leases for leasehold land, offices and dormitories contain extension options for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations.

#### Group as a lessor

The Group has entered into commercial leases on office space as lessor. These non-cancellable leases have remaining lease term of two months to three years (2023: two months to two years).

Future minimum rental receivable under non-cancellable operating leases as at the end of each reporting period are as follows:

	Group 2024 \$	2023 \$
Within one year	187,515	117,120
Later than one year but not later than five years	214,338	23,365
	401,853	140,485

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### 11. Investment properties

	2024 \$	Group 2023 \$
<b>Balance sheet</b>		
<b>Cost:</b>		
At 1 July	3,718,895	6,558,943
Disposals	–	(844,590)
Transfer to assets held for sale	–	(1,818,608)
Currency realignment	(904)	(176,850)
At 30 June	3,717,991	3,718,895
<b>Accumulated depreciation:</b>		
At 1 July	818,757	1,323,431
Charge for the year	86,875	117,118
Disposals	–	(177,949)
Transfer to assets held for sale	–	(407,322)
Currency realignment	(53)	(36,521)
At 30 June	905,579	818,757
<b>Net carrying amount:</b>	2,812,412	2,900,138

	Note	2024 \$	Group 2023 \$
<b>Income statement</b>			
Rental income from investment properties classified as:			
- Revenue		–	29,190
- Other operating income	5	251,536	268,908
Total minimum lease payments		251,536	298,098
Direct operating expenses (including repairs and maintenance) arising from:			
- Rental generating property		142,946	324,775

The Group has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Fair value of the investment properties amounted to \$4,210,000 (2023: \$4,310,000) by reference to comparable market transactions that consider recent sale of similar properties that have been transacted in the open market.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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### 11. Investment properties (cont'd)

The investment properties held by the Group are as follows:

Description and location	Existing Use	Tenure	Unexpired lease term	
			2024	2023
8 (2023: 8) strata-titled factory units of a light industrial development known as The Elitist, Singapore	Office premises	Leasehold	32	33
29 (2023: 64) units of residential apartment at block C3 Seri Mengkuang, Malaysia	Residential	Leasehold	—*	—*
B0524 block B EKO Galleria Jalan EKO Botani Taman EKO Botani 79100 Iskandar Puteri Johor Darul Takzim	Office premises	Freehold	NA	NA

\* On 13 February 2023, S&P for 64 units of residential apartment at block C3 Seri Mengkuang, Malaysia held by Majujaya Wira Sdn Bhd has been signed. As at 30 June 2023, the Group has reclassified the 64 units of residential apartments held by Majujaya Wira Sdn Bhd, with a carrying amount of \$1,411,286 as assets held for sale.

During the financial year ended 30 June 2024, the disposal of 35 units of residential apartments was completed for cash consideration of \$832,429, with a gain on disposal of \$67,304 recognised in the statement of profit or loss. The remaining 29 units with a carrying amount of \$635,293 as at 30 June 2024 is expected to be completed in the next financial year.

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### 12. Intangible assets

Group	Goodwill \$	Club membership \$	Total \$
<b>Cost:</b>			
At 1 July 2022, 30 June 2023 and 1 July 2023	1,561,952	207,640	1,769,592
Addition	–	5,000	5,000
At 30 June 2024	1,561,952	212,640	1,774,592
<b>Accumulated amortisation and impairment loss:</b>			
At 1 July 2022	1,561,952	158,957	1,720,909
Amortisation for the year	–	7,850	7,850
At 30 June 2023 and 1 July 2023	1,561,952	166,807	1,728,759
Amortisation for the year	–	8,379	8,379
At 30 June 2024	1,561,952	175,186	1,737,138
<b>Net carrying amount:</b>			
At 30 June 2023	–	40,833	40,833
At 30 June 2024	–	37,454	37,454

	Club membership \$
<b>Company</b>	
<b>Cost:</b>	
At 1 July 2022, 30 June 2023 and 1 July 2023	207,640
Addition	5,000
At 30 June 2024	212,640
<b>Accumulated amortisation:</b>	
At 1 July 2022	158,957
Amortisation for the year	7,850
At 30 June 2023 and 1 July 2023	166,807
Amortisation for the year	8,379
At 30 June 2024	175,186
<b>Net carrying amount:</b>	
At 30 June 2023	40,833
At 30 June 2024	37,454

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### 13. Land use rights

The Group has land use rights over three plots of state-owned land in People's Republic of China ("PRC") where the Group's PRC office and hostel for employees reside. Amortisation expenses are included in "Other operating expense" line item in profit or loss.

As at 30 June 2024, the land use rights are transferrable upon approval from local government and have a remaining tenure of 30 to 59 years (2023: 31 to 60 years). The carrying amount of land use rights is disclosed in Note 10 to the financial statements.

### 14. Investment in subsidiaries

	Company	
	2024	2023
	\$	\$
Unquoted shares, at cost	53,732,956	53,732,956
Loan to a subsidiary	–	9,015,727
Impairment losses	(9,463,490)	(9,463,490)
	<u>44,269,466</u>	<u>53,285,193</u>

#### (a) Composition of the Group

Name of subsidiaries	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024	2023
			%	%
<b>Held by the Company:</b>				
(1) Audex Pte. Ltd.	Singapore	Engineering, procurement, construction and project management services	100	100
(3) Huizhou Tianxin Petrochemical Engineering Co., Ltd.	People's Republic of China	Engineering design, procurement, construction and maintenance services	75	75
(1) IT Re-Engineering Pte. Ltd.	Singapore	Information technology and consultancy services	100	100
(6) PEC Construction Equipment Leasing Company (Huizhou) Limited	People's Republic of China	Heavy machineries and equipment leasing services	100	100

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Notes to the financial statements  
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### 14. Investment in subsidiaries (cont'd)

#### (a) Composition of the Group (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024 %	2023 %
Held by the Company (cont'd):				
(1) PEC International Investments Pte. Ltd.	Singapore	Investment company	100	100
(2) PEC (Malaysia) Sdn. Bhd.	Malaysia	Civil, mechanical and electrical engineering project services	100	100
(1) Plant General Services Pte. Ltd.	Singapore	Blasting and painting, scaffolding, insulation services	100	100
(1) Testing Inspection & Solution Pte. Ltd.	Singapore	Heat treatment services	100	100
(1) EBT Engineering Pte. Ltd.	Singapore	Provision of painting and blasting services in the oil and gas industry	55	55
(1) ISOTECH Pte. Ltd.	Singapore	Marketing and provision of CAR-BER tools & services	100	100
(4), (7) Majujaya Wira Sdn Bhd	Malaysia	Property Investment and Dormitory services	49	49
(2) PEC (Myanmar) Ltd	Myanmar	Engineering, procurement, construction and management services	99	99
(2) PECI (Myanmar) Ltd	Myanmar	Engineering, procurement, construction and management services	80	80
(8) PECI Vietnam Ltd	Vietnam	Engineering, procurement, construction and management services	100	100
(6) Plant Engtech Private Limited	India	Consultancy and design services	90	90
(1) Plant Electrical Instrumentation Pte. Ltd. ("PEI")	Singapore	Engineering services and installation of electrical and scientific instruments	100	100

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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Notes to the financial statements  
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### 14. Investment in subsidiaries (cont'd)

#### (a) Composition of the Group (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2024 %	2023 %
Held through a subsidiary:				
<sup>(10)</sup> Audex Fujairah LL FZE.	United Arab Emirates	Engineering, procurement, construction and project management services	100	100
<sup>(5), (7)</sup> PECL-Thai Company Limited	Thailand	Engineering, procurement, construction and maintenance services	49	49
<sup>(1)</sup> PEC Process Systems Pte. Ltd.	Singapore	Engineering, procurement, construction and Commissioning of Modular Process Solutions	100	100
<sup>(9)</sup> PEC International LLC	Oman	Engineering, procurement, construction and maintenance services	100	100

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

<sup>(2)</sup> Audited by member firms of Ernst & Young Global in the respective countries

<sup>(3)</sup> Audited by Huizhou Fangzheng Certified Public Accountants

<sup>(4)</sup> Audited by Gow & Tan, Chartered Accountants Malaysia

<sup>(5)</sup> Audited by EX-CL Consulting Business Company Limited, Thailand

<sup>(6)</sup> Not material to the Group and not required to be disclosed under SGX Listing Rule 717

<sup>(7)</sup> Although the Group owns less than half of the shareholding interests in Majujaya Wira Sdn. Bhd. and PECL-Thai Company Limited, it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. Consequently, the Group consolidates its investment in these entities.

<sup>(8)</sup> Audited by KMF Auditing Company Limited

<sup>(9)</sup> Audited by Rödl Middle East Co. LLC

<sup>(10)</sup> Audited by MBG Corporate Services, United Arab Emirates for the financial year ended 30 June 2024. The financial statements for the year ended 30 June 2023 was audited by a member firm of Ernst & Young Global in the respective country.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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Notes to the financial statements  
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### 14. Investment in subsidiaries (cont'd)

#### (b) *Interest in subsidiaries with material non-controlling interest ("NCI")*

The Group has the following subsidiaries that have NCI that are material to the Group as at 30 June 2024.

	EBT Engineering Pte. Ltd. ("EBT")		Huizhou Tianxin Petrochemical Engineering Co., Ltd ("HTX")	
	2024	2023	2024	2023
	\$	\$	\$	\$
Proportion of ownership interest held by NCI	45%	45%	25%	25%
Accumulated NCI at the end of the financial year	4,181,374	4,111,822	4,882,194	3,806,601
Profit after tax allocated to NCI during the financial year	69,552	51,831	1,675,716	915,262

There are no restrictions on the Group's ability to use or access assets and settle liabilities of these subsidiaries with material non-controlling interests.

#### (c) *Summarised financial information about subsidiaries with material NCI*

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

	EBT		HTX	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Summarised balance sheets</b>				
Non-current assets	8,605,475	8,622,395	8,962,996	9,727,521
Current assets	6,612,801	6,422,613	23,877,831	17,637,172
Non-current liabilities	(3,783,080)	(4,061,524)	—	—
Current liabilities	(2,143,255)	(1,846,102)	(13,312,050)	(12,138,288)
Net assets	9,291,941	9,137,382	19,528,777	15,226,405

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### 14. Investment in subsidiaries (cont'd)

#### (c) Summarised financial information about subsidiaries with material NCI (cont'd)

	EBT		HTX	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Summarised statement of comprehensive income</b>				
Revenue	7,193,211	7,783,003	66,112,855	46,741,190
Profit for the year	154,559	115,180	6,702,863	3,661,047
Other comprehensive income	—	—	3,022	(1,588,174)
Total comprehensive income	154,559	115,180	6,705,885	2,072,873
<b>Other summarised information</b>				
Dividends paid to NCI	—	(177,595)	(600,878)	(233,750)
	EBT		HTX	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Summarised cash flow information</b>				
Operating	1,972,823	609,297	6,298,894	2,921,349
Investing	(255,565)	(222,833)	(800,903)	130,890
Financing	(743,023)	(2,625,726)	(2,512,398)	(4,740,525)
Exchange differences	—	—	(3,157)	(839,694)
Net increase/(decrease) in cash and cash equivalents	974,235	(2,239,262)	2,982,436	(2,527,980)

#### (d) Loan to a subsidiary

The loan to a subsidiary is unsecured, bears interest at 2.0% (2023: 2.0%) per annum and has no fixed repayment date. The repayment date is determined by the subsidiary based on the availability of funds and there is no contractual obligations for the subsidiary to repay the loan. The loan was fully settled during the year.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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### 15. Investment securities

	Group and Company 2024	2023
	\$	\$
<b>Non-current</b>		
At fair value through other comprehensive income		
- Equity securities (quoted) listed in Singapore	1,143	1,143

The Group has elected to measure the equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity instruments as long-term investments.

There were no dividend arising from the investment securities for the financial year ended 30 June 2024 and 2023.

### 16. Trade receivables

	Note	Group 2024	2023	Company 2024	2023
		\$	\$	\$	\$
Trade receivables:					
- External parties		100,777,330	131,748,272	28,708,554	56,821,192
- Related parties		11,351	18,803	—	—
- Subsidiaries		—	—	14,178,307	10,372,559
		100,788,681	131,767,075	42,886,861	67,193,751
Allowance for impairment:					
- External parties		(32,422,066)	(33,129,800)	(11,663)	(11,663)
	18	68,366,615	98,637,275	42,875,198	67,182,088

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 120 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Included in trade receivables are retention receivables amounting to \$3,033,827 (2023: \$4,609,402) that are expected to be settled within a year.

Amounts due from related parties and subsidiaries are unsecured, non-interest bearing, repayable upon demand and to be settled in cash.

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### 16. Trade receivables (cont'd)

Trade receivables denominated in foreign currencies at 30 June are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
United States Dollar	25,596,099	17,411,443	2,389,547	788,070

#### *Expected credit losses*

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Note	Group	
		2024	2023
		\$	\$
At 1 July		33,129,800	38,191,997
Charge/(written back) for the year	7	144,563	(4,898,035)
Utilisation		(917,510)	—
Currency realignment		65,213	(164,162)
At 30 June		32,422,066	33,129,800

### 17. Inventories

	Group	
	2024	2023
	\$	\$
<b>Balance sheet:</b>		
Finished goods, at lower of cost and net realisable value	505,884	601,004
<b>Consolidated statement of comprehensive income:</b>		
Inventories recognised as an expense in cost of sales	4,013,950	4,669,504

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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### 18. Other receivables and deposits

		Group		Company	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Other receivables		3,773,830	4,077,103	357,344	366,889
Refundable deposits		3,556,350	4,153,630	1,892,753	2,511,953
		<u>7,330,180</u>	<u>8,230,733</u>	<u>2,250,097</u>	<u>2,878,842</u>
Other receivables and deposits		7,330,180	8,230,733	2,250,097	2,878,842
Trade receivables	16	68,366,615	98,637,275	42,875,198	67,182,088
Loans due from subsidiaries	19	—	—	25,935,630	19,915,589
Cash and short-term deposits	20	146,602,981	126,142,101	65,287,602	42,695,552
Total financial assets carried at amortised cost		<u>222,299,776</u>	<u>233,010,109</u>	<u>136,348,527</u>	<u>132,672,071</u>

Other receivables are non-trade in nature, unsecured, non-interest bearing and payable upon demand.

Refundable deposits are short-term in nature, unsecured and non-interest bearing.

Other receivables and deposits denominated in foreign currencies are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Renminbi	—	32,954	—	32,954
United States Dollar	1,584,181	962,921	—	372,051

### 19. Loans due from subsidiaries

	Company	
	2024	2023
	\$	\$
Loans due from subsidiaries	25,935,630	19,915,589

The loans due from subsidiaries are unsecured, bear interest from 5% to 6.05% (2023: 4.37% to 5%) per annum, repayable on demand and are to be settled in cash.

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### 20. Cash and short-term deposits

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Note	Group		Company	
		2024	2023	2024	2023
		\$	\$	\$	\$
Cash at banks and on hand		58,131,488	92,402,415	16,492,724	29,889,380
Fixed deposits		88,471,493	33,739,686	48,794,878	12,806,172
Cash and short-term deposits, representing cash and cash equivalents	18	146,602,981	126,142,101	65,287,602	42,695,552

Certain cash at bank earns interest at floating rate based on daily bank deposit rates.

Fixed deposits are placed for 1 to 6 months (2023: 1 to 6 months). The interest rate of fixed deposits ranges from approximately 1.62% to 5.43% (2023: 1.75% to 5.5%) per annum.

Cash and short-term deposits denominated in foreign currencies as at 30 June are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Arab Emirates Dirham	38,260	27,387	3	3
Euro	50,376	149,966	47,873	147,426
Malaysian Ringgit	853,954	839,038	853,954	839,038
Renminbi	1,594,472	1,536,249	1,594,472	1,536,249
United States Dollar	62,052,441	60,933,221	25,209,171	13,776,094

### 21. Provisions

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Current:</b>				
Provision for unutilised leave	2,730,614	3,131,837	1,830,736	2,125,245
Provision for warranty	1,543,565	1,645,955	30,000	119,559
Provision for liquidated damages	1,353,877	2,853,877	–	–
Provision for onerous contracts	102,514	2,652,682	–	–
	5,730,570	10,284,351	1,860,736	2,244,804
<b>Non-current:</b>				
Provision for reinstatement cost	4,959,617	3,058,089	4,798,663	2,902,713
	10,690,187	13,342,440	6,659,399	5,147,517

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For the financial year ended 30 June 2024

### 21. Provisions (cont'd)

	Group				
	Provision for unutilised leave	Provision for warranty and liquidated damages	Provision for onerous contracts	Provision for reinstatement cost	Total
	\$	\$	\$	\$	\$
At 1 July 2022	3,087,326	4,852,960	–	2,960,079	10,900,365
Arose during the financial year	582,909	2,253,357	2,652,682	–	5,488,948
Utilised during the year	(108,979)	(469,259)	–	–	(578,238)
Accretion of interest	–	–	–	98,010	98,010
Unused amounts reversed	(414,810)	(2,071,700)	–	–	(2,486,510)
Currency realignment	(14,609)	(65,526)	–	–	(80,135)
At 30 June 2023 and 1 July 2023	3,131,837	4,499,832	2,652,682	3,058,089	13,342,440
Arose during the financial year	599,011	235,552	–	1,800,000	2,634,563
Utilised during the year	–	(89,954)	–	–	(89,954)
Accretion of interest	–	–	–	101,528	101,528
Unused amounts reversed	(1,004,766)	(1,749,594)	(2,550,168)	–	(5,304,528)
Currency realignment	4,532	1,606	–	–	6,138
At 30 June 2024	2,730,614	2,897,442	102,514	4,959,617	10,690,187

### 22. Loans and borrowings

			Group		Company	
	Maturity	Note	2024	2023	2024	2023
			\$	\$	\$	\$
Current:						
Bank loan 1	2024-2025		291,840	177,290	–	–
Bank loan 2	2024-2025		1,458,390	2,708,370	1,458,390	2,708,370
Bank loan 3	2024-2025		–	190,135	–	–
Bank loan 4	2024-2025		–	912,648	–	–
			1,750,230	3,988,443	1,458,390	2,708,370
Non-current:						
Bank loan 1	2025-2035		1,911,545	2,306,512	–	–
Total loans and borrowings		24	3,661,775	6,294,955	1,458,390	2,708,370

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### 22. Loans and borrowings (cont'd)

#### Bank loan 1

This loan is denominated in SGD, bears an interest of 2.25% below the Bank's Commercial Financing Rate, (2023: fixed interest rate of 1.5%) per annum and is secured by a legal mortgage over a factory building (Note 9), a personal guarantee by a director of a subsidiary within the Group and a corporate guarantee.

#### Bank loan 2

This loan is denominated in SGD, unsecured and bears interest of 2.0% (2023: 2.0%) per annum.

#### Bank loan 3

This loan was denominated in Thai Baht ("THB"), unsecured and bears interest of 3.59% per annum and was fully settled during the year.

#### Bank loan 4

This loan was denominated in Thai Baht ("THB"), unsecured and bears interest of 2.72%-3.53% per annum and was fully settled during the year.

A reconciliation of liabilities arising from financing activities is as follows:

	1.7.2023	Cash proceeds/ (repayments)	Non-cash changes		30.6.2024
	\$	\$	Currency realignment	Other	\$
			\$	\$	
<b>Loans</b>					
- Current	3,988,443	(2,623,057)	(10,123)	394,967	1,750,230
- Non-current	2,306,512	—	—	(394,967)	1,911,545
<b>Total</b>	<b>6,294,955</b>	<b>(2,623,057)</b>	<b>(10,123)</b>	<b>—</b>	<b>3,661,775</b>

	1.7.2022	Cash proceeds/ (repayments)	Non-cash changes		30.6.2023
	\$	\$	Currency realignment	Other	\$
			\$	\$	
<b>Loans</b>					
- Current	9,539,229	(7,205,059)	(23,725)	1,677,998	3,988,443
- Non-current	3,984,510	—	—	(1,677,998)	2,306,512
<b>Total</b>	<b>13,523,739</b>	<b>(7,205,059)</b>	<b>(23,725)</b>	<b>—</b>	<b>6,294,955</b>

The 'other' column relates to reclassification of non-current portion of loans and borrowings to current due to the passage of time.

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### 23. Trade payables

		Group		Company	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Trade payables:					
- External parties		17,903,242	33,831,454	5,368,172	6,054,908
- Subsidiaries		—	—	5,702,942	7,189,483
	24	17,903,242	33,831,454	11,071,114	13,244,391
Net GST payables		1,344,604	3,102,671	2,683,419	3,326,452
		19,247,846	36,934,125	13,754,533	16,570,843

Trade payables are unsecured, non-interest bearing and are normally settled on 60-days' terms.

Amounts due to subsidiaries are unsecured, non-interest bearing, repayable on demand and to be settled in cash.

Trade payables denominated in foreign currencies are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Euro	—	25,108	—	—
United States Dollar	2,371,295	7,713,633	991,211	1,297,892

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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Notes to the financial statements  
For the financial year ended 30 June 2024

### 24. Other payables and accruals

		Group		Company	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Accrued operating expenses		43,377,722	42,853,501	22,651,680	21,550,958
Accrued staff benefit expenses		17,343,103	17,806,667	11,563,495	12,172,901
Accrued directors' fees		75,763	90,833	75,763	75,833
Other payables		4,596,623	3,475,558	17,735	34,636
		<u>65,393,211</u>	<u>64,226,559</u>	<u>34,308,673</u>	<u>33,834,328</u>
Other payables and accruals		65,393,211	64,226,559	34,308,673	33,834,328
Loans and borrowings	22	3,661,775	6,294,955	1,458,390	2,708,370
Trade payables (excluding net GST payables)	23	17,903,242	33,831,454	11,071,114	13,244,391
Total financial liabilities carried at amortised cost		<u>86,958,228</u>	<u>104,352,968</u>	<u>46,838,177</u>	<u>49,787,089</u>

Other payables have an average term of 6 (2023: 6) months.

Other payables and accruals denominated in foreign currencies are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
United States Dollar	3,844,897	41,987	350,532	—

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### 25. Deferred tax (assets)/liabilities

Deferred tax assets/liabilities as at 30 June relates to the following:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Deferred tax liabilities</b>				
Differences in depreciation and amortisation for tax purposes	–	293,321	–	–
Foreign sourced income not received in Singapore	83,464	83,464	83,464	83,464
Undistributed earnings of a subsidiary	456,099	294,800	–	–
<b>Deferred tax assets</b>				
Differences in depreciation and amortisation for tax purposes	(552,862)	–	(966,800)	(82,498)
Provisions	(2,716,824)	(2,755,814)	(2,054,228)	(2,054,443)
Unutilised tax losses	(41,694)	(791,305)	–	–
	<u>(2,771,817)</u>	<u>(2,875,534)</u>	<u>(2,937,564)</u>	<u>(2,053,477)</u>
<b>Presented as:</b>				
Deferred tax assets	(2,932,981)	(3,018,937)	(2,937,564)	(2,053,477)
Deferred tax liabilities	161,164	143,403	–	–
	<u>(2,771,817)</u>	<u>(2,875,534)</u>	<u>(2,937,564)</u>	<u>(2,053,477)</u>

An analysis of the net deferred taxes is as follows:

		Group	
	Note	2024	2023
		\$	\$
At 1 July		(2,875,534)	(3,106,197)
Movements in deferred taxes			
- Current financial year	8	(293,155)	785,803
- Under/(over) provision in respect of prior years	8	397,874	(543,860)
- Currency realignment		(1,002)	(11,280)
At 30 June		<u>(2,771,817)</u>	<u>(2,875,534)</u>

#### Unrecognised tax losses and deductible temporary differences

The Group has unutilised tax losses and deductible temporary differences of approximately \$9,479,000 (2023: \$1,246,000) and \$4,175,000 (2023: \$10,072,000) respectively that are available for offset against future taxable incomes of the companies in which the tax losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and deductible temporary differences are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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Notes to the financial statements  
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### 25. Deferred tax (assets)/liabilities (cont'd)

#### *Temporary differences relating to investments in subsidiaries*

In the current financial year, \$161,299 (2023: \$155,515) deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of one of the Group's subsidiaries.

No deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregated to \$53,834,000 (2023: \$44,170,000). The deferred tax liability is estimated to be \$9,152,000 (2023: \$7,508,000).

#### *Tax consequences of proposed dividends*

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 31).

### 26. Share capital and treasury shares

#### (a) Share capital

	Group and Company			
	2024		2023	
	No. of shares	\$	No. of shares	\$
At 1 July and 30 June	255,714,763	58,835,589	255,714,763	58,835,589

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

#### (b) Treasury shares

	Group and Company			
	2024		2023	
	No. of shares	\$	No. of shares	\$
At 1 July and 30 June	3,030,916	1,755,562	1,796,637	1,075,648

Treasury shares relate to ordinary shares of the Company that is held by the Company.

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#### Notes to the financial statements For the financial year ended 30 June 2024

#### 27. Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China ("PRC"), the Group's subsidiaries are required to make appropriations to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

The SRF has reached 50% of the subsidiaries' registered capital. Accordingly, no appropriations were made in the financial years ended 30 June 2024 and 2023.

#### 28. Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets measured at fair value through other comprehensive income (Note 15) until they are disposed of or impaired.

#### 29. Premium paid on acquisition of non-controlling interests

This represents the difference between consideration paid and the carrying value of additional non-controlling interests acquired.

#### 30. Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of the foreign operations (including foreign branches of the Company) whose functional currencies are different from that of the Group's and Company's presentation currency.

#### 31. Dividends

	Group and Company 2024	2023
	\$	\$
<b><i>Declared and paid during the financial year:</i></b>		
<i>Dividends on ordinary shares:</i>		
Final exempt dividend for 2023: 2.0 (2022: 2.5) cents per share	5,075,136	6,360,846
Special exempt dividend for 2023: Nil (2022: 1.0) cents per share	–	2,546,438
	<hr/>	<hr/>
<b><i>Proposed but not recognised as a liability as at 30 June:</i></b>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
Final exempt dividend for 2024: 2.0 (2023: 2.0) cents per share	5,053,677	5,078,363
Special exempt dividend for 2024: 1.5 (2023: Nil) cents per share	3,790,258	–
	<hr/>	<hr/>

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

### PEC Ltd. and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 June 2024

### 32. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit from operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the statement of comprehensive income and share data used in the computation of basic and diluted earnings per share for the financial years ended 30 June:

	Group	
	2024	2023
	\$	\$
Profit for the year attributable to owners of the Company	15,996,760	6,768,606
Weighted average number of ordinary shares for basic earnings per share computation	253,536,360	254,818,966
Effect of dilution:		
- Performance Share Plan	2,965,581	1,830,772
Weighted average number of ordinary shares for diluted earnings per share computation	256,501,941	256,649,738
<b>Earnings per share (cents per share)</b>		
- Basic	6.3	2.7
- Diluted	6.2	2.6

### 33. Share-based compensation

#### *PEC Performance share plan (the "Plan")*

The Plan was approved at an Extraordinary General Meeting ("EGM") held on 25 October 2013, for granting awards to eligible full-time employees and Executive Directors. Details of the PSP are disclosed in the Directors' statement.

Under the Plan, approximately 3 million shares and 3.5 million were granted on 1 December 2021 and 1 December 2023 respectively, which will be vested over a period of 3 years based on the following release schedule:

- (a) 40% of the shares will be vested on the first anniversary of grant date;
- (b) 30% of the shares will be vested on the second anniversary of grant date; and
- (c) 30% of the shares will be vested on the third anniversary of grant date.

The expense arising from this equity-settled share-based payment in current financial year is \$942,833 (2023: \$668,180).

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### 33. Share-based compensation (cont'd)

Inputs to the Forward Pricing model used for the Plan is as follows:

	Group	
<u>Share Awards granted on 1 December 2023</u>	2024	2023
Weighted average fair values at the measurement date	\$0.51	—
Dividend yield (%)	4.80	—
Risk-free interest rate (%)	4.06	—
Share price at the measurement date	\$0.52	—

	Group	
<u>Share Awards granted on 1 December 2021</u>	2024	2023
Weighted average fair values at the measurement date	\$0.52	\$0.52
Dividend yield (%)	3.40	3.40
Risk-free interest rate (%)	0.44	0.44
Share price at the measurement date	\$0.56	\$0.56

### 34. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

#### (a) *Sale and purchase of goods and services*

	Group	
	2024	2023
	\$	\$
<i>Related parties:</i>		
Revenue from sale of information systems	9,004	23,177
Revenue from system installation	30,181	24,053

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### 34. Related party disclosures (cont'd)

#### (b) Compensation of key management personnel

	Group	
	2024	2023
	\$	\$
Directors' fees	299,071	286,417
Salaries and bonuses	5,748,151	3,837,365
Short-term employee benefits	3,312	1,915
Central Provident Fund contributions	95,312	96,810
Share-based compensation expense	184,364	140,849
Total compensation paid to key management personnel	6,330,210	4,363,356
Comprise amounts paid to		
- Directors of the Company	4,045,883	2,264,415
- Other key management personnel	2,284,327	2,098,941
	6,330,210	4,363,356

### 35. Commitments and contingencies

#### Contingent liabilities

##### Corporate guarantee

The Company has provided corporate guarantees to banks amounting to \$28,021,000 (2023: \$32,106,000) for credit facilities taken by its subsidiaries as disclosed in Note 22 to the financial statements.

##### Continuing financial support

As at the end of the financial year, the Company has given undertakings to provide continuing financial support to certain subsidiaries to enable them to operate on a going concern basis and to meet their obligations as and when they fall due for at least 12 months from the end of financial year.

At the end of the reporting period, these subsidiaries have net current liabilities totalling \$19,728,359 (2023: \$18,006,556). The amount due from these subsidiaries to the Company amounted to \$33,786,000 (2023: \$25,055,000).

In the opinion of the directors, no loss is anticipated from these contingent liabilities.

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### 36. Fair value of assets and liabilities

#### A. Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### B. Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets carried at fair value by level of fair value hierarchy:

	Note	Quoted prices in active markets (Level 1) \$
<b>Group</b>		
<b>2024</b>		
<u>Financial assets:</u>		
Equity instruments at FVOCI		
- Investment securities (quoted)	15	1,143
<b>2023</b>		
<u>Financial assets:</u>		
Equity instruments at FVOCI		
- Investment securities (quoted)	15	1,143

#### Determination of fair value

*Investment securities (Note 15):* Fair value is determined directly by reference to their published market bid price at the end of the reporting period.

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### 36. Fair value of assets and liabilities (cont'd)

#### C. *Assets and liabilities not carried at fair value but for which fair value is disclosed*

The following table shows an analysis of the Group's assets not measured at fair value at the end of the reporting period but for which fair value is disclosed:

		Fair value measurements at the end of the reporting period using		
	Note	Significant observable inputs other than quoted prices (Level 2) \$	Significant unobservable inputs (Level 3) \$	Carrying amount \$
<b>2024</b>				
<b>Non-financial assets</b>				
Investment properties	11	4,210,000	—	2,812,412
<b>Financial liabilities</b>				
Loans and borrowings		—	1,519,368	1,911,545
<b>2023</b>				
<b>Non-financial assets</b>				
Investment properties	11	4,310,000	—	2,900,138
<b>Financial liabilities</b>				
Loans and borrowings		—	2,287,012	2,306,512

#### Determination of fair value

*Investment properties (Note 11):* Investment properties are based on comparable market transactions that consider recent sale of similar properties that have been transacted in the open market.

*Loans and borrowings (Note 22):* The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending, borrowing or leasing arrangement at the end of the reporting period.

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### 37. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Finance Director. The Audit and Risk Management Committee provides independent oversight of the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken, except for the use of hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, bank deposits pledged, and cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy external parties. It is the Group's practice that all new customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within 90 to 120 days, depending on the geographical location, when they fall due, which are derived based on the Group's historical information, and other qualitative factors.

The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and the Company and changes in the operating results of the debtor.

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### 37. Financial risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

Regardless of the analysis above, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial re-organisation;
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group and Company categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments beyond the contractual date due and there is no indication nor arrangement that payment will be received. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group and Company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for trade receivables and contract assets.

#### *Trade receivables and contract assets*

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using an allowance matrix. The allowance rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on profile/geographical region. The loss allowance as at 30 June 2024 and 2023 as follows also incorporate forward-looking information such as forecasted default rate of oil and gas industry.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 37. Financial risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

*Trade receivables and contract assets (cont'd)*

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using allowance matrix, grouped by geographical region:

Singapore:

30 June 2024	Contract assets	Current	Less than 30 days due	30 to 60 days due	61 to 90 days due	More than 90 days due	Total
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	34,812,800	29,664,314	3,849,648	120,867	29,749	1,192,057	69,669,435
Loss Allowance provision	—	—	—	—	—	(1,149,845)	(1,149,845)
	34,812,800	29,664,314	3,849,648	120,867	29,749	42,212	68,519,590

Middle East:

30 June 2024	Contract assets	Current	Less than 30 days due	30 to 60 days due	61 to 90 days due	More than 90 days due	Total
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	3,162,558	1,273,542	724,191	—	—	50,452,969	55,613,260
Loss Allowance provision	(2,367,589)	—	—	—	—	(30,647,980)	(33,015,569)
	794,969	1,273,542	724,191	—	—	19,804,989	22,597,691

Other geographical areas:

30 June 2024	Contract assets	Current	Less than 30 days due	30 to 60 days due	61 to 90 days due	More than 90 days due	Total
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	21,705,593	10,563,261	1,105,004	229,081	58,332	1,525,666	35,186,937
Loss Allowance provision	—	—	—	—	—	(624,241)	(624,241)
	21,705,593	10,563,261	1,105,004	229,081	58,332	901,425	34,562,696

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 37. Financial risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

*Trade receivables and contract assets (cont'd)*

Singapore:

30 June 2023	Contract assets	Current	Less than 30 days due	30 to 60 days due	61 to 90 days due	More than 90 days due	Total
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	31,477,728	73,801,422	3,887,759	286,794	443,462	2,801,317	112,698,482
Loss Allowance provision	—	—	—	—	—	(2,586,334)	(2,586,334)
	31,477,728	73,801,422	3,887,759	286,794	443,462	214,983	110,112,148

Middle East:

30 June 2023	Contract assets	Current	Less than 30 days due	30 to 60 days due	61 to 90 days due	More than 90 days due	Total
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	4,418,875	833,811	701,398	132,836	195,444	29,679,962	35,962,326
Loss Allowance provision	(2,367,589)	—	(568,323)	—	—	(28,724,121)	(31,660,033)
	2,051,286	833,811	133,075	132,836	195,444	955,841	4,302,293

Other geographical areas:

30 June 2023	Contract assets	Current	Less than 30 days due	30 to 60 days due	61 to 90 days due	More than 90 days due	Total
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	14,575,580	12,812,931	3,811,754	29,354	95,119	2,253,712	33,578,450
Loss Allowance provision	—	(138,799)	(29,420)	—	(20,495)	(1,062,308)	(1,251,022)
	14,575,580	12,674,132	3,782,334	29,354	74,624	1,191,404	32,327,428

Information regarding loss allowance movement of contract assets and trade receivables are disclosed in Notes 4 and 16 to the financial statements respectively.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 37. Financial risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

##### *Other receivables*

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the loss allowance using 12-month ECL and determined it to be insignificant.

##### *Credit risk concentration profile*

The Group determines concentration of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2024		2023	
	\$	% of total	\$	% of total
<b>By country:</b>				
Singapore	33,816,991	50%	73,424,926	74%
United Arab Emirates	21,807,662	32%	2,251,008	2%
Malaysia	883,327	1%	2,854,717	3%
Vietnam	2,590,106	4%	5,353,487	5%
People's Republic of China	5,735,708	8%	5,904,979	6%
Other countries	3,532,821	5%	8,848,158	10%
	68,366,615	100%	98,637,275	100%

At the end of the reporting period, approximately 50% (2023: 66%) of the Group's trade receivables was due from 7 major customers.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 37. Financial risk management objectives and policies (cont'd)

#### (b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and Company manages its liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments. At the end of the reporting period, approximately 47.8% (2023: 63.4%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The Group assessed the concentration of risk with respect to refinancing its debts and concluded it to be low. The Group has assessed that its access to sources of funding is sufficiently available.

#### *Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
<b>Group</b>				
<b>2024</b>				
<b><i>Financial assets</i></b>				
Trade receivables	68,366,615	–	–	68,366,615
Other receivables and deposits	7,330,180	–	–	7,330,180
Cash and short-term deposits	146,602,981	–	–	146,602,981
Total undiscounted financial assets	222,299,776	–	–	222,299,776
<b><i>Financial liabilities</i></b>				
Trade payables	17,903,242	–	–	17,903,242
Other payables and accruals	65,393,211	–	–	65,393,211
Loans and borrowings	1,848,729	1,498,656	642,856	3,990,241
Lease liabilities	3,877,203	11,752,458	56,688,970	72,318,631
Total undiscounted financial liabilities	89,022,385	13,251,114	57,331,826	159,605,325
Total net undiscounted financial assets/(liabilities)	133,277,391	(13,251,114)	(57,331,826)	62,694,451

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 37. Financial risk management objectives and policies (cont'd)

#### (b) Liquidity risk (cont'd)

	1 year or less	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
<b>Group</b>				
<b>2023</b>				
<b>Financial assets</b>				
Trade receivables	98,637,275	—	—	98,637,275
Other receivables and deposits	8,230,733	—	—	8,230,733
Cash and short-term deposits	126,142,101	—	—	126,142,101
Total undiscounted financial assets	233,010,109	—	—	233,010,109
<b>Financial liabilities</b>				
Trade payables	33,831,454	—	—	33,831,454
Other payables and accruals	64,226,559	—	—	64,226,559
Loans and borrowings	4,226,492	1,498,656	1,017,520	6,742,668
Lease liabilities	3,181,363	11,784,078	58,267,790	73,233,231
Total undiscounted financial liabilities	105,465,868	13,282,734	59,285,310	178,033,912
Total net undiscounted financial assets/(liabilities)	127,544,241	(13,282,734)	(59,285,310)	54,976,197
<b>Company</b>				
<b>2024</b>				
<b>Financial assets</b>				
Trade receivables	42,875,198	—	—	42,875,198
Other receivables and deposits	2,250,097	—	—	2,250,097
Loans due from subsidiaries	27,089,412	—	—	27,089,412
Cash and short-term deposits	65,287,602	—	—	65,287,602
Total undiscounted financial assets	137,502,309	—	—	137,502,309
<b>Financial liabilities</b>				
Trade payables	11,071,114	—	—	11,071,114
Other payables and accruals	34,308,673	—	—	34,308,673
Loans and borrowings	1,474,065	—	—	1,474,065
Lease liabilities	1,650,093	5,219,684	15,399,975	22,269,752
Total undiscounted financial liabilities	48,503,945	5,219,684	15,399,975	69,123,604
Total net undiscounted financial assets/(liabilities)	88,998,364	(5,219,684)	(15,399,975)	68,378,705

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 37. Financial risk management objectives and policies (cont'd)

#### (b) Liquidity risk (cont'd)

	1 year or less	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
<b>Company 2023</b>				
<b>Financial assets</b>				
Trade receivables	67,182,088	—	—	67,182,088
Other receivables and deposits	2,878,842	—	—	2,878,842
Loans due from subsidiaries	20,700,137	—	—	20,700,137
Cash and short-term deposits	42,695,552	—	—	42,695,552
Total undiscounted financial assets	133,456,619	—	—	133,456,619
<b>Financial liabilities</b>				
Trade payables	13,244,391	—	—	13,244,391
Other payables and accruals	33,834,328	—	—	33,834,328
Loans and borrowings	2,749,044	—	—	2,749,044
Lease liabilities	1,650,093	5,750,307	15,633,442	23,033,842
Total undiscounted financial liabilities	51,477,856	5,750,307	15,633,442	72,861,605
Total net undiscounted financial assets/(liabilities)	81,978,763	(5,750,307)	(15,633,442)	60,595,014

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 37. Financial risk management objectives and policies (cont'd)

#### (c) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD, United Arab Emirates Dirhams ("AED") and United States Dollars ("USD"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD"). Approximately 19% (2023: 21%) of the Group's revenue are denominated in foreign currencies.

The Group and the Company also hold cash and short-term deposits, denominated in foreign currencies, mainly USD, RMB and MYR, for working capital purposes.

The Group is also exposed to currency translation risk arising mainly from its net investments in foreign operations, including Malaysia, United Arab Emirates and the People's Republic of China ("PRC"). The Group's net investments are not hedged as currency positions in MYR, AED and RMB are considered to be long-term in nature.

#### *Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity to a reasonably possible change in the USD, RMB and AED exchange rates against the respective functional currencies of the Group entities, with all other variables held constant, on the Group's profit before tax as at the end of the reporting period.

		Group	
		2024	2023
		Profit before tax	
		Increase (+)/ (decrease) (-)	
		\$'000	\$'000
USD/SGD - strengthened 3%	(2023: 3%)	+1,040	+1,021
- weakened 3%	(2023: 3%)	-1,040	-1,021
USD/AED - strengthened 3%	(2023: 3%)	+1,116	+886
- weakened 3%	(2023: 3%)	-1,116	-886
RMB/SGD - strengthened 3%	(2023: 3%)	+48	+47
- weakened 3%	(2023: 3%)	-48	-47

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 38. Capital management

The Group's objectives when managing capital are:

- (i) to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- (ii) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group aims to obtain an optimal capital structure by balancing capital efficiency and financial flexibility. The Group manages its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares or raise funds through the debt market.

As disclosed in Note 27 to the financial statements, subsidiaries of the Group that are incorporated in the PRC are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the PRC incorporated subsidiaries for the relevant financial years.

Management monitors capital employed based on the gearing ratio. The gearing ratio is defined as the sum of total external borrowings divided by the sum of total capital employed. Total borrowings comprise finance leases and finance loans. Total capital employed is calculated as equity attributable to owners of the Company, including the above-mentioned restricted statutory reserve fund and borrowings. The Group has complied with all externally imposed capital requirement.

		Group	
	Note	2024	2023
		\$	\$
Total loans and borrowings	22	3,661,775	6,294,955
Total lease liabilities	10	40,058,291	40,181,872
		43,720,066	46,476,827
Total equity attributable to the owners of the Company		243,521,205	233,518,062
Total capital employed		287,241,271	279,994,889
Gearing ratio		15.22%	16.6%

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## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

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PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

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### 39. Segment information

For management purposes, the Group is organised into business units as the Group's risks and rates of return are affected predominantly by differences in the services and projects carried out. The operating businesses are organised and managed separately according to the nature of the projects and services carried out, with each segment representing a strategic business unit that offers different services and serves different markets. The Group has three reportable segments as follows:

- (i) The project works segment relates to provision of engineering, procurement and construction services for certain aspects of plant projects, such as tankage and/or piping work, procurement to the oil and gas, pharmaceutical and oil and chemical terminal industries.
- (ii) The plant maintenance and related services segment relates to a full discipline of maintenance services provided to the oil and gas, pharmaceutical and oil and chemical terminal industries, usually for a fixed three to five year term, under which various maintenance services and their relevant rates would be itemised.
- (iii) The other operations segment relates to services provided through the Company's subsidiaries whereby heat treatment, information technology services/products and construction equipment leasing services are provided. It also relates to construction equipment leasing services provided by the Group.

Except as indicated above, no operating segments have been aggregated to form the above reportable business segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

#### *Allocation basis and transfer pricing*

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with external parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 39. Segment information (cont'd)

#### (a) Business segments

	Project works \$	Plant maintenance and related services \$	Other operations \$	Eliminations \$	Total \$
<b>2024</b>					
Revenue	260,034,875	230,498,437	500,399	–	491,033,711
Inter-segment sales	25,048,299	33,224,393	2,055,457	(60,328,149)	–
Total revenue	285,083,174	263,722,830	2,555,856	(60,328,149)	491,033,711
<b>Gross profit:</b>					
Segment results	64,717,831	50,167,658	108,441	–	114,993,930
Unallocated expenses and income, net					(73,093,406)
Interest income					3,130,775
Depreciation and amortisation	(10,938,977)	(1,813,417)	(81,232)	–	(12,833,626)
Unallocated depreciation and amortisation					(4,559,819)
(Allowance for)/write-back of expected credit losses on trade receivables and contract assets	(768,378)	623,815	–	–	(144,563)
Finance expenses					(2,087,152)
Profit before tax					25,406,139
Income tax expense					(6,722,756)
Profit for the year					18,683,383
<b>Assets:</b>					
Additions to property, plant and equipment	10,578,522	1,796,526	105,294	–	12,480,342

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 39. Segment information (cont'd)

#### (a) Business segments (cont'd)

	Project works \$	Plant maintenance and related services \$	Other operations \$	Eliminations \$	Total \$
<b>2023</b>					
Revenue	219,656,733	210,965,016	317,507	—	430,939,256
Inter-segment sales	33,193,403	16,134,514	2,699,193	(52,027,110)	—
Total revenue	252,850,136	227,099,530	3,016,700	(52,027,110)	430,939,256
<b>Gross profit:</b>					
Segment results	38,221,181	48,010,480	38,019	—	86,269,680
Unallocated expenses and income, net					(65,484,802)
Interest income					1,834,232
Depreciation and amortisation	(7,376,719)	(1,911,943)	(107,060)	—	(9,395,722)
Unallocated depreciation and amortisation					(5,076,819)
Write-back of expected credit losses on trade receivables and contract assets	4,850,694	15,057	—	—	4,865,751
Finance expenses					(1,576,420)
Profit before tax					11,435,900
Income tax expense					(3,362,966)
Profit for the year					8,072,934
<b>Assets:</b>					
Additions to property, plant and equipment	5,570,705	1,797,954	2,319,297	—	9,687,956

## APPENDIX E – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR FY2024

PEC Ltd. and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 June 2024

### 39. Segment information (cont'd)

#### (b) Geographical segments

The Group's geographical segments are based on the operational sites' geographical location.

	Singapore \$	China \$	Middle East \$	South Asia \$	Eliminations \$	Total \$
<b>2024</b>						
Revenue	284,265,052	66,112,855	60,107,781	80,548,023	–	491,033,711
Inter-segment sales	20,320,587	–	8,983,798	31,023,764	(60,328,149)	–
Segment revenue	304,585,639	66,112,855	69,091,579	111,571,787	(60,328,149)	491,033,711
<b>2023</b>						
Revenue	312,517,774	46,741,190	20,203,510	51,476,782	–	430,939,256
Inter-segment sales	21,586,787	–	16,478,418	13,961,905	(52,027,110)	–
Segment revenue	334,104,561	46,741,190	36,681,928	65,438,687	(52,027,110)	430,939,256
<b>2024</b>						
Non-current assets	102,940,139	8,962,996	35,059,142	12,774,205	(45,649,518)	114,086,964
<b>2023</b>						
Non-current assets	119,396,079	9,727,934	28,909,606	14,502,012	(55,434,998)	117,100,633

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets and prepayments as presented in the consolidated balance sheet.

#### Information about major customers

Revenue from two major customers amounted to approximately \$110,000,000 (2023: \$102,600,000), arising from both project works and plant maintenance and related services business segments.

### 40. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 25 September 2024.

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## **APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025**

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### **PEC LTD.**

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Co. Reg. No: 198200079M

## **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**

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## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025



### PEC LTD.

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#### A. Condensed interim consolidated statement of profit or loss and other comprehensive income

Results for first half ("1H") ended 31 December 2024:

Note	Group		Change
	1H 2025	1H 2024	
	S\$'000	S\$'000	%
<b>Revenue</b>	186,846	287,021	(35%)
Cost of sales	(141,484)	(230,576)	(39%)
<b>Gross profit</b>	<b>45,362</b>	<b>56,445</b>	(20%)
Gross profit margin	24%	20%	
Other operating income	2,995	2,351	27%
Administrative expenses	(16,452)	(17,824)	(8%)
Write back on financial assets and contract assets	332	28	NM
Other operating expenses	(25,519)	(31,492)	(19%)
Finance expenses	(1,001)	(1,042)	(4%)
<b>Profit before taxation</b>	<b>5,717</b>	<b>8,466</b>	(32%)
Income tax expense	(2,040)	(1,585)	29%
<b>Profit after taxation</b>	<b>3,677</b>	<b>6,881</b>	(47%)
<b>Profit for the period attributable to:</b>			
Owners of the Company	2,850	5,208	(45%)
Non-controlling interests	827	1,673	(51%)
	<b>3,677</b>	<b>6,881</b>	(47%)
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	549	(2,198)	NM
<i>Items that will not be reclassified to profit or loss:</i>			
Net fair value changes on equity instrument at fair value through other comprehensive income	12	—	NM
<b>Total other comprehensive income for the period, net of tax</b>	<b>561</b>	<b>(2,198)</b>	NM
<b>Total comprehensive income for the period</b>	<b>4,238</b>	<b>4,683</b>	(10%)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	3,358	3,062	10%
Non-controlling interests	880	1,621	(46%)
	<b>4,238</b>	<b>4,683</b>	(10%)
<b>Earnings per share:</b>			
Basic and diluted (SGD in cent)	1.1	2.0	

Denotes: NM – not meaningful

## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025



### PEC LTD.

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#### B. Condensed interim statements of financial position

	Group		Company	
Note	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	68,418	72,239	25,419	27,941
Investment property	2,776	2,812	–	–
Investment securities	–	1	–	1
Investment in subsidiaries	–	–	44,269	44,270
Intangible assets	33	37	33	37
Prepayments	665	688	–	–
Deferred tax assets	2,911	2,933	2,959	2,938
Right-of-use assets	36,396	38,311	12,911	13,581
	<u>111,199</u>	<u>117,021</u>	<u>85,591</u>	<u>88,768</u>
<b>Current assets</b>				
Asset held for sale	301	635	–	–
Contract assets	46,836	57,313	18,104	26,633
Inventories	571	506	–	–
Trade receivables	86,558	68,367	48,589	42,875
Other receivables and deposits	8,080	7,330	2,425	2,250
Prepayments	2,308	1,799	1,125	700
Capitalised contract costs	2,005	2,005	–	–
Amounts due from subsidiaries	–	–	24,591	25,936
Cash and short-term deposits	145,420	146,603	62,186	65,288
	<u>292,079</u>	<u>284,558</u>	<u>157,020</u>	<u>163,682</u>
<b>Total Assets</b>	<b>403,278</b>	<b>401,579</b>	<b>242,611</b>	<b>252,450</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Contract liabilities	5,868	3,827	2,415	691
Trade payables	23,970	19,248	12,615	13,755
Other payables and accruals	65,109	65,393	31,094	34,308
Provisions	6,305	5,731	1,996	1,861
Loans and borrowings	1,687	1,750	833	1,458
Lease liabilities	3,136	3,412	1,111	1,153
Income tax payable	4,071	4,013	1,762	2,066
	<u>110,146</u>	<u>103,374</u>	<u>51,826</u>	<u>55,292</u>
<b>Net current assets</b>	<b>181,933</b>	<b>181,184</b>	<b>105,194</b>	<b>108,390</b>
<b>Non-current liabilities</b>				
Provisions	4,991	4,959	4,827	4,799
Loans and borrowings	1,761	1,912	–	–
Lease liabilities	35,880	36,646	12,761	13,333
Deferred tax liabilities	169	161	–	–
	<u>42,801</u>	<u>43,678</u>	<u>17,588</u>	<u>18,132</u>
<b>Total Liabilities</b>	<b>152,947</b>	<b>147,052</b>	<b>69,414</b>	<b>73,424</b>
<b>Net assets</b>	<b>250,331</b>	<b>254,527</b>	<b>173,197</b>	<b>179,026</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	58,836	58,836	58,836	58,836
Treasury shares	(472)	(1,756)	(472)	(1,756)
Statutory reserve	2,480	2,480	–	–
Fair value reserve	–	(12)	–	(12)
Retained earnings	187,656	193,739	114,579	120,919
Premium paid on acquisition of non-controlling interests	(4,841)	(4,841)	–	–
Foreign currency translation reserve	(5,468)	(5,964)	–	–
Share-based compensation reserve	254	1,039	254	1,039
	<u>238,445</u>	<u>243,521</u>	<u>173,197</u>	<u>179,026</u>
<b>Non-controlling interests</b>	<b>11,886</b>	<b>11,006</b>	<b>–</b>	<b>–</b>
<b>Total Equity</b>	<b>250,331</b>	<b>254,527</b>	<b>173,197</b>	<b>179,026</b>
<b>Total equity and liabilities</b>	<b>403,278</b>	<b>401,579</b>	<b>242,611</b>	<b>252,450</b>



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### C. Condensed interim statements of changes in equity GROUP

GROUP	Attributable to owners of the Company										
	Share Capital	Treasury shares	Statutory Reserve	Retained earnings	Fair value reserve	Premium paid on acquisition of non-controlling interests	Share-based compensation reserve	Foreign currency translation reserve	Equity attributable to owners of the company, total	Non-controlling interests	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2023	58,836	(1,756)	2,480	193,739	(12)	(4,841)	1,039	(5,964)	243,521	11,006	254,527
Total comprehensive income	-	-	-	2,850	12	-	-	496	3,358	880	4,238
Dividends on ordinary shares	-	-	-	(8,844)	-	-	-	-	(8,844)	-	(8,844)
Treasury shares reissued pursuant to performance share plan	-	1,284	-	(89)	-	-	(1,195)	-	-	-	-
Grant of performance shares to employees	-	-	-	-	-	-	410	-	410	-	410
At 31 December 2024	58,836	(472)	2,480	187,656	-	(4,841)	254	(5,468)	238,445	11,886	250,331

### GROUP

GROUP	Attributable to owners of the Company										
	Premium										
	Share Capital	Treasury shares	Statutory Reserve	Retained earnings	Fair value reserve	Premium paid on acquisition of non-controlling interests	Share-based compensation reserve	Foreign currency translation reserve	Equity attributable to owners of the company, total	Non-controlling interests	Equity, total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2023	58,836	(1,076)	2,480	182,858	(12)	(4,841)	600	(5,327)	233,518	8,940	242,458
Total comprehensive income	—	—	—	5,208	—	—	—	(2,146)	3,062	1,621	4,683
Dividends on ordinary shares	—	—	—	(5,075)	—	—	—	—	(5,075)	—	(5,075)
Treasury shares reissued pursuant to performance share plan	—	520	—	(39)	—	—	(481)	—	—	—	—
Purchase of treasury shares	—	(318)	—	—	—	—	—	—	(318)	—	(318)
Grant of performance shares to employees	—	—	—	—	—	—	320	—	320	(232)	88
At 31 December 2023	58,836	(874)	2,480	182,952	(12)	(4,841)	1,080	(7,473)	231,507	10,329	241,836



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### C. Condensed interim statements of changes in equity (cont'd)

<u>COMPANY</u>	Share Capital	Treasury shares	Retained earnings	Share-based compensation reserve	Fair value reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 July 2024</b>						
Total comprehensive income	58,836	(1,756)	120,919	1,039	(12)	179,026
Dividends on ordinary shares	-	-	2,594	-	12	2,604
Treasury shares reissued pursuant to performance share plan	-	-	(8,844)	-	-	(8,844)
Grant of performance shares to employees	-	1,284	(89)	(1,195)	-	-
	-	-	-	410	-	410
<b>At 31 December 2024</b>	<b>58,836</b>	<b>(472)</b>	<b>114,579</b>	<b>254</b>	<b>-</b>	<b>173,197</b>

<u>COMPANY</u>	Share Capital	Treasury shares	Retained earnings	Share-based compensation reserve	Fair value reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 July 2023</b>						
Total comprehensive income	58,836	(1,076)	127,804	600	(12)	186,152
Dividends on ordinary shares	-	-	(1,669)	-	-	(1,669)
Treasury shares reissued pursuant to performance share plan	-	-	(5,075)	-	-	(5,075)
Purchase of treasury shares	-	520	(39)	(481)	-	-
Grant of performance shares to employees	-	(318)	-	-	-	(318)
	-	-	-	320	-	320
<b>At 31 December 2023</b>	<b>58,836</b>	<b>(874)</b>	<b>121,021</b>	<b>439</b>	<b>(12)</b>	<b>179,410</b>

## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025



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#### D. Condensed interim consolidated statement of cash flows

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	5,717	8,466
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	5,322	5,695
Depreciation of investment properties	44	43
(Gain)/loss on disposal of property, plant and equipment, net	(69)	37
Gain on disposal of asset held for sale	(32)	—
Loss on disposal of investment	13	—
Loss on de-recognition of leases	1	—
Write back on financial assets and contract assets	(332)	(28)
Provision, net	609	(982)
Unrealised exchange differences	(75)	(199)
Amortisation of intangible assets	4	4
Amortisation of capitalised contract costs	—	1,811
Depreciation of right-of-use assets	1,938	1,670
Share-based payment expense	410	320
Interest income	(1,672)	(1,363)
Interest expense	1,001	1,042
<b>Operating cash flows before working capital changes</b>	<b>12,879</b>	<b>16,516</b>
Decrease/(increase) in contract assets	10,756	(8,207)
Increase in contract liabilities	2,041	20,320
Increase in capitalised contract costs	—	(419)
(Increase)/decrease in inventories	(65)	107
Increase in trade receivables, other receivables and deposits, and prepayments	(18,641)	(29,100)
Increase in trade and other payables and accruals	3,994	6,246
<b>Cash flows generated from operations</b>	<b>10,964</b>	<b>5,463</b>
Tax paid	(1,939)	(728)
Interest paid	(950)	(1,249)
Interest received	1,672	1,363
<b>Net cash flows generated from operating activities</b>	<b>9,747</b>	<b>4,849</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	208	144
Acquisition of intangible assets	—	(5)
Proceeds from disposal of asset held for sale	397	—
Purchase of property, plant and equipment	(1,559)	(8,896)
<b>Net cash flows used in investing activities</b>	<b>(954)</b>	<b>(8,757)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	713	553
Repayment of loans and borrowings	(943)	(2,422)
Purchase of treasury shares	—	(318)
Dividends paid on ordinary shares	(8,844)	(5,075)
Payment of principal portion of lease liabilities	(1,089)	(1,036)
<b>Net cash flows used in financing activities</b>	<b>(10,163)</b>	<b>(8,298)</b>
Net decrease in cash and cash equivalents	(1,370)	(12,206)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>187</b>	<b>(1,602)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>146,603</b>	<b>126,142</b>
<b>Cash and cash equivalents at end of the period</b>	<b>145,420</b>	<b>112,334</b>

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#### E. Notes to the condensed interim consolidated financial statements

##### 1. CORPORATE INFORMATION

PEC Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the Group).

The registered office and principal place of business of the Company is located at 14 International Business Park, Singapore 609922.

The principal activities of the Company are the provision of mechanical engineering and contracting services.

##### 2. Basis of preparation

In accordance with Rule 705(3A), the condensed interim consolidated financial statements for the six months ended 31 December 2024 of the Group and the balance sheet of the Company have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2024.

The condensed interim consolidated financial statements are presented in Singapore Dollars (SGD or \$), and have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

##### 3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, management has not made any significant judgments, which have a significant effect on the carrying amounts of assets and liabilities recognised in the financial statements within the next financial period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

###### a) *Recognition of contract revenue*

Contract revenue comprises the initial amount of revenue agreed in the contracts, including variation orders. The Group recognises certain contract revenue over time, based on the contract costs incurred to date as a proportion of the estimated total contract costs to be incurred. Significant assumptions are required in determining the total contract costs and the recoverable amount of variation works that affect the completion progress and the amount of revenue recognised. In making these estimates, management has relied on past experience and knowledge of the project managers.

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#### 3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (cont'd)

##### b) *Provision for expected credit losses on trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The ECLs also incorporate forward-looking information such as forecasted oil prices.

The assessment of the historical observed default rates and forward-looking information involves significant estimates and judgement. The Group's historical credit loss experience and the forecasted oil prices may also not be representative of customer's actual default in the future.

#### 4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

#### 5. Segment information

Segmented results for business or geographical segments (of the Group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediate preceding year.

The Group's segmental results for the period ended 31 December 2024 is as follows:

These operating segments are reported in a manner consistent with internal reporting provided to the Executive Directors who are responsible for allocating resources and assessing performance of the operating segments.

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#### 5. Segment information (cont'd)

##### A) Business Segment

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Elimina- tions S\$'000	Total S\$'000
<b>1H 2025</b>					
Revenue	82,778	103,371	697	–	186,846
Inter-segment sales	7,551	3,948	1,570	(13,069)	–
<b>Total revenue</b>	<b>90,329</b>	<b>107,319</b>	<b>2,267</b>	<b>(13,069)</b>	<b>186,846</b>
<b>Gross profit:</b>					
Segment results	21,212	23,909	241	–	45,362
Unallocated expenses and income, net					(33,340)
Interest income					1,672
Depreciation and amortisation	(3,577)	(863)	(16)	–	(4,456)
Unallocated depreciation and amortisation					(2,852)
Write back on financial assets and contract assets, net	332	–	–	–	332
Finance expenses					(1,001)
Profit before taxation					5,717
Income tax expense					(2,040)
<b>Profit for the period</b>					<b>3,677</b>
<b>Assets:</b>					
Additions to property, plant and equipment	893	624	41	–	1,558
<b>1H 2024</b>					
Revenue	153,353	133,487	181	–	287,021
Inter-segment sales	14,312	24,170	946	(39,428)	–
<b>Total revenue</b>	<b>167,665</b>	<b>157,657</b>	<b>1,127</b>	<b>(39,428)</b>	<b>287,021</b>
<b>Gross profit:</b>					
Segment results	27,933	28,478	34	–	56,445
Unallocated expenses and income, net					(40,916)
Interest income					1,363
Depreciation and amortisation	(4,212)	(899)	(40)	–	(5,151)
Unallocated depreciation and amortisation					(2,261)
Write back on financial assets and contract assets, net	36	–	(8)	–	28
Finance expenses					(1,042)
Profit before taxation					8,466
Income tax expense					(1,585)
<b>Profit for the period</b>					<b>6,881</b>
<b>Assets:</b>					
Additions to property, plant and equipment	7,288	1,540	68	–	8,896

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#### 5. Segment information (cont'd)

##### B) Geographical Segment

	Singapore S\$'000	China S\$'000	Middle East S\$'000	South Asia S\$'000	Elimina- tions S\$'000	Total S\$'000
<b>1H 2025</b>						
Revenue	131,533	25,784	11,898	17,631	–	186,846
Inter-segment sales	9,940	–	258	2,871	(13,069)	–
<b>Segment Revenue</b>	<b>141,473</b>	<b>25,784</b>	<b>12,156</b>	<b>20,502</b>	<b>(13,069)</b>	<b>186,846</b>
<b>Assets:</b>						
Non-current assets	98,445	8,461	34,643	12,389	(45,650)	108,288
<b>1H 2024</b>						
Revenue	162,662	39,595	28,196	56,568	–	287,021
Inter-segment sales	11,915	–	4,875	22,638	(39,428)	–
<b>Segment Revenue</b>	<b>174,577</b>	<b>39,595</b>	<b>33,071</b>	<b>79,206</b>	<b>(39,428)</b>	<b>287,021</b>
<b>Assets:</b>						
Non-current assets	115,428	9,660	33,627	12,774	(55,188)	116,301

#### 6. Dissaggregation of revenue

	Project works S\$'000	Plant maintenance and related services S\$'000	Other operations S\$'000	Total S\$'000
<b>1H 2025</b>				
<b>Primary geographical markets</b>				
Singapore	63,248	67,594	691	131,533
Middle East	9,568	2,330	–	11,898
China	–	25,784	–	25,784
South Asia	9,962	7,663	6	17,631
	<b>82,778</b>	<b>103,371</b>	<b>697</b>	<b>186,846</b>
<b>Timing of transfer of goods and services</b>				
At a point in time	13,360	101,041	697	115,098
Over time	69,418	2,330	–	71,748
	<b>82,778</b>	<b>103,371</b>	<b>697</b>	<b>186,846</b>
<b>1H 2024</b>				
<b>Primary geographical markets</b>				
Singapore	102,338	60,155	169	162,662
Middle East	23,946	4,250	–	28,196
China	–	39,595	–	39,595
South Asia	27,069	29,487	12	56,568
	<b>153,353</b>	<b>133,487</b>	<b>181</b>	<b>287,021</b>
<b>Timing of transfer of goods and services</b>				
At a point in time	7,097	129,237	181	136,515
Over time	146,256	4,250	–	150,506
	<b>153,353</b>	<b>133,487</b>	<b>181</b>	<b>287,021</b>

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#### 7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 30 June 2024.

	Group		Company	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets</b>				
At fair value through other comprehensive income (FVOCI )				
- Investment securities	–	1	–	1
At amortised costs				
- Trade receivables, other receivables and deposits, loan due from subsidiaries and cash and short-term deposits	240,058	222,300	134,698	137,502
<b>Financial Liabilities</b>				
At amortised costs				
- Trade and other payables, lease liabilities, loans and borrowings	156,884	159,605	60,460	69,124

#### 8. Profit before taxation

Significant items

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Depreciation of right-of-use assets	(1,938)	(1,670)
Amortisation of intangible assets	(4)	(4)
Depreciation of property, plant and equipment	(5,322)	(5,695)
Depreciation of investment property	(44)	(43)
Write back on financial assets and contract assets	332	28
Interest expense on loans	(54)	(71)
Interest expense on lease liabilities	(896)	(920)
Interest expense on reinstatement cost	(51)	(51)
Exchange gain/(loss), net	972	(46)
Gain/(loss) on disposal of property, plant and equipment, net	69	(37)
Gain on disposal of asset held for sale	32	–
Insurance claim	257	357
Interest income	1,672	1,363
Sundry income	422	444

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#### 9. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
<i>Related parties:</i>		
Revenue from sale of information systems	34	8
Revenue from system installation	39	27

#### 10. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Current year tax expense	1,971	1,159
Origination and reversal of deferred tax	3	1
Withholding tax	66	425
	2,040	1,585

#### 11. Dividends

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
Ordinary dividends paid:		
Final exempt 2024 dividend of 2.0 (2023: 2.0) cents per share	5,054	5,075
Special exempt 2024 dividend of 1.5 (2023: NIL) cents per share	3,790	–

#### 12. Net asset value

	Group		Company	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
Net asset value per ordinary share based on issued shares at the end of the respective periods (in cents)	93.5	96.4	67.9	70.8
No. of shares in computing NAV ('000)	254,923	252,684	254,923	252,684

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#### 13. Fair value measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

The following table shows an analysis of each class of assets carried at fair value by level of fair value hierarchy:

	Group	
	1H 2025	1H 2024
	S\$'000	S\$'000
<b>Financial assets:</b>		
Equity instruments at FVOCI		
- Investment securities (quoted prices in active markets) (Level 1)	NIL	1

#### 14. Property, plant and equipment

During the six months ended 31 December 2024, the Group acquired assets amounting to about \$1,559,000 (31 December 2023: \$8,896,000) and disposed of assets amounting to about \$139,000 (31 December 2023: \$181,000)

#### 15. Investment properties

Investment properties are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Fair value of the investment properties amounted to \$4,130,000 as at 31 December 2024 (31 December 2023: \$4,104,000) by reference to comparable market transactions that consider recent sale of similar properties that have been transacted in the open market.

#### 16. Aggregate amount of Group's borrowings and debt securities

##### Amount repayable in one year or less, or on demand

As at 31 Dec 2024		As at 30 Jun 2024	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,990	833	3,704	1,458

##### Amount repayable after one year

As at 31 Dec 2024		As at 30 Jun 2024	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
37,641	—	38,558	—

##### Detail of any collateral

The Group's borrowings include loans and borrowings as well as lease liabilities. Certain of the Group's loans and borrowings were secured over corporate guarantee and certain property, plant and equipment.

## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025



### PEC LTD.

14 International Business Park, Singapore 609922  
Tel: 6268 9788 Fax: 6268 9488 www.peceng.com  
Co. Reg. No: 198200079M

#### 17. Share capital

	The Group and the Company			
	31 Dec 2024		30 Jun 2024	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares:				
As at beginning and end of the financial year	255,715	58,836	255,715	58,836

The company hold 791,886 treasury shares as at 31 December 2024.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 30 June 2024.

#### 18. Acquisition or sale of shares in associate or subsidiary

Not applicable.

#### 19. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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**APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE COMPANY FOR HY2025**

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**PEC LTD.**

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**OTHER INFORMATION REQUIRED BY LISTING  
RULE APPENDIX 7.2**

## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025



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20. Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	
	As at 31 Dec 2024	As at 31 Dec 2023
Issued and fully paid ordinary shares:		
As at beginning of period	252,683,847	253,918,126
Purchase of treasury shares	-	(582,400)
Reissued of treasury shares	2,239,030	867,571
As at end of period	<u>254,922,877</u>	<u>254,203,297</u>

21. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	As at 31 Dec 2024	As at 30 Jun 2024
Total number of issued shares excluding treasury shares	<u>254,922,877</u>	<u>252,683,847</u>

22. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period report on.

	Number of Shares	
	As at 31 Dec 2024	As at 31 Dec 2023
Treasury shares:		
As at beginning of period	3,030,916	1,796,637
Purchase of treasury share	-	582,400
Reissued of treasury shares	(2,239,030)	(867,571)
As at end of period	<u>791,886</u>	<u>1,511,466</u>

23. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of PEC Ltd and its subsidiaries as at 31 December 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

24. Where the figures have been audited or reviewed, the auditors' report (including any qualifications, disclaimer of opinion, adverse opinion or emphasis of a matter).

Not applicable.

## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025



### PEC LTD.

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25. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**  
 (a) Updates on the efforts taken to resolve each outstanding audit issue.  
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.  
 This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

26. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards that are effective for annual financial periods beginning on or after 1 July 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

27. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None.

28. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	1H 2025	1H 2024
Weighted average number of ordinary shares for basic earnings per share computation ('000)	253,119	254,389
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	255,324	255,352
Earnings per share (cents per share)		
- Basic	1.1	2.0
- Diluted	1.1	2.0

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## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025

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### PEC LTD.

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#### 29. Review of performance of the Group

A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

#### Financial performance review for 1H FY2025

##### Revenue

The Group's revenue decreased by S\$100.2 million from S\$287.0 million in 1HFY2024 to S\$186.8 million in 1HFY2025. This was mainly due to work volume decrease in projects and maintenance works across the regions.

##### Cost of sales

The Group's cost of sales decreased by S\$89.1 million from S\$230.6 million in 1HFY2024 to S\$141.5 million in 1HFY2025. This was mainly due to a decrease in labour, subcontractors, materials and other direct costs.

##### Gross profit and gross profit margin

The Group's gross profit decreased by S\$11.0 million from S\$56.4 million in 1HFY2024 to S\$45.4 million in 1HFY2025. This was mainly due to a decrease in profit contribution from project works and maintenance services resulting from the decrease in revenue.

The increase in Group's profit margin from 20% in 1HFY2024 to 24% in 1HFY2025 was mainly attributable to settlement of project claims in 1HFY2025.

##### Other operating income

Other operating income increased by S\$0.6 million from S\$2.4 million in 1HFY2024 to S\$3.0 million in 1HFY2025. This was mainly due to an increase in interest income, gain on disposal of assets, grant and incentive received. The increase was partially offset by a decrease in insurance claim.

##### Administrative expenses

Administrative expenses decreased by S\$1.3 million from S\$17.8 million in 1HFY2024 to S\$16.5 million in 1HFY2025. This was mainly due to a decrease in salary remuneration, utilities and general administrative expenses.

##### Write back on financial assets and contract assets

The write back on financial assets of S\$0.3 million in 1HFY2025 was due mainly to recovery of debts which had been previously provided for.

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## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025

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#### 29. Review of performance of the Group (cont'd)

##### Other operating expenses

Other operating expenses decreased by S\$6.0 million from S\$31.5 million in 1H FY2024 to S\$25.5 million in 1H FY2025. This was mainly due to gain on forex and decrease in direct operating expenses such as workers accommodation, insurance, transport, travelling and freight forwarding expenses.

##### Finance expenses

The decrease in finance expenses was mainly due to decrease in interest on loans and lease liabilities

##### Taxation

The Group's effective tax rate increased from 18.7% in 1H FY2024 to 35.7% in 1H FY2025. The increase in effective tax rate was mainly due to certain loss-making entities within the Group which, upon consolidation, reduced the overall profitability of the Group, and therefore increased the effective tax rate.

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## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025

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#### 29. Review of performance of the Group (cont'd)

##### **Balance Sheet Review**

The Group's non-current assets decreased by S\$5.8 million from S\$117.0 million in 1HFY2024 to S\$111.2 million in 1HFY2025. This was mainly due to a decrease in right-of-use assets, property, plant and equipment.

The Group's current assets increased by S\$7.5 million from S\$284.6 million in 1HFY2024 to S\$292.1 million in 1HFY2025. The increase was mainly due to an increase in trade receivables, prepayments, other receivables and deposits. The increase was partially offset by a decrease in assets held for sale, contract assets, cash and short-term deposits.

The Group's current liabilities increased by S\$6.7 million from S\$103.4 million in 1HFY2024 to S\$110.1 million in 1HFY2025. This was mainly due to an increase in contract liabilities, trade payables and provision. The increase was partially offset by a decrease in lease liabilities.

The Group's non-current liabilities decreased by S\$0.9 million from S\$43.7 million in 1HFY2024 to S\$42.8 million in 1HFY2025. This was mainly due to a decrease in lease liabilities, loans and borrowings.

##### **Cash Flow Review**

Net cash generated from operating activities for the Group in 1HFY2025 was S\$9.7 million.

The Group had used S\$0.9 million in investing activities in 1HFY2025. This was mainly attributable to investment in property, plant and equipment to support the business operation. The amount was partially offset by proceeds from disposal of assets.

The Group had used S\$10.2 million in financing activities in 1HFY2025 which was mainly due to net repayment of loans and borrowings, dividend payment to shareholders and payment of lease liabilities.

As a result of the above, there was a decrease in cash and cash equivalents of S\$1.4 million to S\$145.4 million in 1HFY2025.

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## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025

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- 30. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not Applicable.

- 31. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The environment for energy and chemical industries is expected to remain challenging, amid slower growth, geopolitical tensions and macroeconomic uncertainties. In Singapore, cost pressures and declining demand for refined products are expected to constrain capital expenditures in the sector, leading to delays in the launch of some new projects and intensified competition for contract renewals and project tenders. Additionally, a shortage of engineers and skilled labour amid stringent regulations on foreign manpower will continue to exert cost pressure on local players.

The Middle East remains a growing market, as the region advances its economic diversification and industrial decarbonisation efforts, driven by state-owned energy and petrochemical companies. These developments will drive demand for engineering, procurement, and construction (EPC) services and modular projects in this region.

The Group continues to bid actively for projects in the Middle East, leveraging its existing capabilities and facilities to capture emerging opportunities.

The Group will continue to maintain a strong focus on cost control and operational efficiency as it navigates the complex web of opportunities and challenges to sustain competitiveness and long-term growth.

As at 31 December 2024, the Group's order book stood at S\$45.8 million, excluding maintenance contracts.

- 32. Dividend**

**If a decision regarding dividend has been made: -**

- (a) Whether an interim (final) dividend has been declared (recommended); and

The Directors proposed to declare a dividend for the current financial year reported as follows:

No interim dividend has been declared/recommended.

- (b) Corresponding Period of the Immediate Preceding Financial Year

NIL.

- (c) The date the dividend is payable

Not applicable.

- (d) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

- 33. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

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## APPENDIX F – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR HY2025

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**34. Interested person transaction**

No general mandate has been obtained from shareholders for interested person transaction.

**35. Relating to an announcement of interim financial statements (quarterly or half-yearly), confirmation from directors under Rule 705(5)**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to our attention which may render the interim financial statements of the Company and of the Group for the half year ended 31 December 2024 to be false or misleading in any material aspect.

**36. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST.

**37. Disclosure on Acquisitions and Realisations Pursuant to Rule 706A**

During the half year ended 31 December 2024:

- a) There was neither acquisition nor sale of:
  - (i) shares resulting in a company becoming or ceasing to be a subsidiary or an associated company of the Company.
  - (ii) shares resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or an associated company.

**BY ORDER OF THE BOARD**

**Edna Ko Poh Thim**  
Executive Chairman  
13<sup>th</sup> February 2025

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## APPENDIX G – VALUATION SUMMARY LETTERS

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04 April 2025

PEC LTD  
14 International Business Park  
Singapore 609922

Dear Sirs

### VALUATION OF

- (1) 11 NEYTHAL ROAD SINGAPORE 628577
- (2) 14 INTERNATIONAL BUSINESS PARK SINGAPORE 609922
- (3) 19 TUAS AVENUE 8 SINGAPORE 639234
- (4) 20 BENOI LANE SINGAPORE 627810

### Instructions

We refer to your instructions for a formal valuation to be carried out in respect of the abovementioned properties (individually referred to as the "Property" or collectively referred to as the "Properties") for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

We have specifically been instructed to provide our opinion of the Market Value of each Property, as at 13 February 2025.

We have, in accordance with the instructions, issued four formal comprehensive Valuation Reports and this Valuation Summary Letter, in accordance with the terms of engagement entered into between Knight Frank Pte Ltd and PEC Ltd., dated 17 December 2024.

Our valuation is our opinion of the Market Value, which we would define as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In preparing this valuation, we have relied on information provided by PEC Ltd., particularly in respect of such matters as key terms of the gross floor areas, land area, property tax, tenure, tenancy information, year of completion, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

**Knight Frank Pte Ltd**  
10 Collyer Quay #08-01 Ocean Financial Centre, Singapore 049315  
Tel: +65 6222 1333 Fax: 6224 5843 UEN: 198205243Z CEA Licence: L3005536J  
[knightfrank.com.sg](http://knightfrank.com.sg)

Other Offices:  
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre, Singapore 049315  
Knight Frank Property & Facilities Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar, Singapore 409022

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## APPENDIX G – VALUATION SUMMARY LETTERS

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All works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

Unless otherwise stated, all valuation figures herein are stated on a net of GST basis.

We have carried out site inspections, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to shareholders of PEC Ltd. (the "Circular"), for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers. The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuation in respect to the Properties, market conditions and available data.

### Reliance on This Letter

We have prepared this Letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This Letter alone does not contain all the necessary data and supporting information included in our Valuation Reports.

Knight Frank Pte Ltd has provided PEC Ltd. comprehensive Valuation Reports for the Properties. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

- (a) The estimated values are based upon the factual information provided by PEC Ltd. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by PEC Ltd. (primarily legal information relating to the Properties) or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every recipient of the Circular should review the Valuation Reports to understand the complexity of the methodology and the many variables involved.
- (b) The primary method used by Knight Frank Pte Ltd in valuing the Properties is the Direct Comparison Method. The method is summarised in the Valuation Rationale section of this Letter.
- (c) The Valuation Reports were undertaken based upon information available as of December 2024 / January 2025. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information such as the key terms of the gross floor areas, land area, tenure, tenancy information, property tax, year of completion, etc. or market conditions.

The Valuation Reports and Valuation Summary Letter may only be relied upon by PEC Ltd. for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

### The Properties

The following provide a brief summary of the Properties.

#### **11 Neythal Road, Singapore 628577**

The Property is a single-storey detached factory with a 3-storey ancillary office and a single-storey metal open shed. The Property was originally completed in 1986. Addition/alteration works were completed in 2016.

#### **14 International Business Park, Singapore 609922**

The Property is a part three/four-storey business park building with a basement carpark accommodating a total of 61 car park lots and one loading/unloading bay. The Property was completed in 1997.

## APPENDIX G – VALUATION SUMMARY LETTERS



### **19 Tuas Avenue 8, Singapore 639234**

The Property is a single-storey detached factory with mezzanine level. The Property was originally completed in 1984. Addition/alteration works were completed in 2007.

### **20 Benoi Lane, Singapore 627810**

The Property consists of a three-storey dormitory block, a single-storey fabrication shop, a five-storey ancillary building accommodating a total of 24 car park lots and nine lorry parking spaces and laydown yard. A guardhouse and diesel, acetylene and fuel storage area are available within the Property. The Property was completed in 2008.

Briefly, the property details of the Properties are detailed as follows:

No.	Property	Tenure/Remaining Land Lease Term	Land Area (sm)	Gross Floor Area (sm)
1	11 Neythal Road, Singapore 628577	Leasehold 30 years with effect from 16 August 2010 (Balance of about 15.5 years as at 13 February 2025)	5,235.4	4,446.59
2	14 International Business Park, Singapore 609922	Leasehold 30 + 30 years with effect from 1 March 1996 (Balance of about 31.0 years as at 13 February 2025)	8,838.8	10,121.45
3	19 Tuas Avenue 8, Singapore 639234	Leasehold 30 years with effect from 16 May 2020 (Balance of about 25.2 years as at 13 February 2025)	5,831.7	3,598.28
4	20 Benoi Lane, Singapore 627810	Leasehold 27 years with effect from 16 November 2003 (Balance of about 5.7 years as at 13 February 2025)	24,353.4	13,326.98

### **Valuation Rationale**

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Property by using the Direct Comparison Method

In this method, a comparison is made with sales of similar properties in the vicinity and other locations. Adjustments are made, where appropriate, for differences in location, tenure, size, age, number of storeys,

## APPENDIX G – VALUATION SUMMARY LETTERS



### Market Values

We are of the opinion that the total Market Value of the unencumbered remaining leasehold interest in the Property, on an "as is" basis, with vacant possession and for existing usage, at the valuation date, are:

No.	Property	Market Value As At 13 February 2025
1	11 Neythal Road, Singapore 628577	SGD 50,100,000
2	14 International Business Park, Singapore 609922	
3	19 Tuas Avenue 8, Singapore 639234	
4	20 Benoi Lane, Singapore 627810	

### Disclaimer


We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary Letter.

Knight Frank Pte Ltd has relied upon property data supplied by PEC Ltd., which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by PEC Ltd. and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party or parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the clients, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We certify that the valuers at Knight Frank Pte Ltd undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully

Signed by:  
  
B6BF7AD38488443...

Perry Khoo  
Senior Director  
Valuation & Advisory  
B.Sc.(Real Estate) Hons.,MSISV  
Appraiser's Licence No: AD 041-2009340A  
For and on behalf of Knight Frank Pte Ltd

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## APPENDIX G – VALUATION SUMMARY LETTERS

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### General Scope of Valuation Work

As required by the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines / International Valuation Standards this General Scope of Valuation Work describes information we will rely on, the investigations that we will undertake, the limits that will apply to those investigations and the assumptions we will make, unless we are provided with or find information to the contrary.

#### Definitions

**"Assumption"** is something which it is agreed the valuer can reasonably accept as being true without specific investigation or verification.

**"Property"** is the interest which we are instructed to value in land including any buildings or other improvements constructed upon it.

**"Valuation"** shall mean any valuation report, valuation certificate, supplementary report or subsequent/update report, produced pursuant to this engagement and any other replies or information we produce in respect of any such report and/or any relevant property.

#### 1. Property to be valued

1.1 We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the address provided in your instructions, is the Property inspected by us and included within our Valuation. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our Valuation.

1.2 We are entitled to rely upon the information provided to us, by the sources listed in the Valuation, relating to the Property to be valued, including details of tenure, tenancies, and sub-tenancies, other third-party interests, planning consents and other relevant matters, as summarised in our Valuation. For the avoidance of doubt, we are not obliged to, and will not conduct any checks with any government departments, and/or any other regulatory authorities on the legality of the structures, approved gross floor area or any other information that has been so provided to us. We will not make or commission any investigations to verify any of this information. In particular, we will not investigate or verify that:

- (a) all title information relied upon and referred to in our Valuation is complete and correct,
- (b) all documentation is satisfactorily drawn,
- (c) there are no undisclosed onerous conditions or restrictions that could impact on the marketability of the Property valued, and
- (d) there is no material litigation pending, relating to the Property valued.

We shall not be held liable for any loss, and/or damage of any kind that may relate to or arise from any such information that was provided to us, being found to be unreliable, and/or inaccurate in any way.

1.3 Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities.

1.4 Where we provide a plan of the Property in our Valuation this is for identification only. While the plan, and the extent of the Property outlined in the plan is based on our understanding of the information provided to us, and/or our understanding of the boundaries of the Property, it must not be relied upon to define boundaries, title or easements.

1.5 Our Valuation will include those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the Property on a sale or letting. We will exclude all other items of process plant, machinery, trade fixtures and equipment, chattels, vehicles, stock and loose tools, and any tenant's fixtures and fittings.

1.6 Unless agreed otherwise in writing we will neither investigate nor include in our Valuation any unproven or unquantified mineral deposits, felled timber, airspace or any other matter which may or may not be found to be part of the Property, but which would not be known to a buyer or seller on the valuation date.

1.7 Unless agreed otherwise our Valuation will make the Assumption that all parts of the Property occupied by the current owner on the valuation date would be transferred with vacant possession and any tenancies, sub-tenancies or other third-party interests existing on the valuation date will continue.

1.8 Where requested legal title and tenancy information is not provided in full, in the absence of any information provided to the contrary, our Valuation will make the Assumption that the subject Property has good title and is free from any onerous restrictions and/or encumbrances or any such matter which would diminish its value.

#### 2. Portfolios

2.1 Where instructed to value a portfolio of properties, unless specifically agreed with you otherwise, we will value each Property separately on the basis that it is offered individually to the market.

#### 3. Building age, specification and condition

3.1 Where the age of the building is estimated, this is for guidance only.

3.2 We will note the general condition of any building and any building defect brought to our attention and reflect this in our Valuation. We will not undertake a detailed investigation of the materials or methods of construction or of the condition of any specific building element. We will not test or commission a test of service installations. Unless we become aware during our normal investigations of anything to the contrary and mention this in our Valuation, our Valuation will, make the Assumption that:

- (a) any building is in a condition commensurate with its age, use and design and is free from significant defect,
- (b) no construction materials have been used that are deleterious, or likely to give rise to structural defects,
- (c) no potentially hazardous or harmful materials are present, including asbestos,
- (d) all relevant statutory requirements relating to use, construction and fire safety have been complied with,
- (e) any building services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction and

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## APPENDIX G – VALUATION SUMMARY LETTERS

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- (f) the supply to the building of electricity, data cable network and water, are sufficient for the stated use and occupancy.
- 3.3 If you require information on the structure or condition of any building our specialist building surveyors can provide a suitable report as a separate service.
- 4. Environment and sustainability**
- 4.1 Our Valuation will reflect the market's perception of the environmental performance of the Property and any identified environmental risks as at the valuation date. This may include reflecting information you provide to us that has been prepared by suitably qualified consultants on compliance of existing or proposed buildings with recognised sustainability metrics. Where appropriate we will research any freely available information issued by public bodies on the energy performance of existing buildings.
- 4.2 We will investigate whether the Property has a current Energy Performance Certificate on the relevant government register and report our findings. As part of our valuation service, we will not advise on the extent to which the Property complies with any other Environmental, Social or Governance (ESG) metrics or to what extent the building, structure, technical services, ground conditions, will be impacted by future climate change events, such as extreme weather, or legislation aimed at mitigating the impact of such events. If required KF may be able to advise on ESG considerations and their long-term impact on a Property as a separate service.
- 5. Ground conditions and contamination**
- 5.1 We will only rely on any information you may provide to us about the findings and conclusions of any specialist investigations into ground conditions or any contamination that may affect the Property. Where such information is not provided to us by you for the purposes of the Valuation, we are not obliged to, and will not conduct any independent investigation into these matters.
- 5.2 Unless specifically instructed by you to do so, we will not commission specialist investigations into past or present uses either of the Property or any neighbouring property to establish whether there is contamination or potential for contamination, or any other potential environmental risk. Neither will we be able to advise on any remedial or preventive measures.
- 5.3 Where we have been instructed by you to commission any investigation in accordance with Clause 5.2 above, we will comment on our findings and any relevant information discovered during our investigations in our Valuation.
- 5.4 Unless we become aware of anything to the contrary and mention this in our Valuation, for each Property valued our Valuation will make the Assumption that:
- (a) the site is physically capable of development or redevelopment, when appropriate, and that no extraordinary costs will be incurred in providing foundations and infrastructure,
  - (b) there are no archaeological remains on or under the land which could adversely impact on value,
  - (c) the Property is not adversely affected by any form of pollution or contamination,
  - (d) there is no abnormal risk of flooding,
  - (e) there are no high voltage overhead cables or large electrical supply equipment affecting the Property,
  - (f) the Property does not have levels of radon gas that will require mitigation work, and
  - (g) there are no invasive species present at the Property or within close proximity to the Property.
  - (h) There are no protected species which could adversely affect the use of the Property.
- 6. Planning and highway enquiries**
- 6.1 We may, but are not obliged to research freely available information on planning history and relevant current policies or proposals relating to any Property being valued using the appropriate authorities' website. Our Valuation will make the Assumption that any information obtained from any such research, if conducted, will be correct, but our findings should not be relied on for any contractual purpose. We are not obliged to, and will not commission a formal local search.
- 6.2 Unless we obtain information from you to the contrary, Our Valuation will make the Assumption that:
- (a) the use to which the Property is put is lawful and that there is no pending enforcement action,
  - (b) there are no local authority proposals that might involve the use of compulsory purchase powers or otherwise directly affect the Property.
- 6.3 We do not undertake searches to establish whether any road or pathways providing access to the Property are publicly adopted. Unless we receive information to the contrary or have other reason to suspect an adjoining road or other access route is not adopted, our Valuation will make the Assumption that all such routes are publicly adopted.
- 7. Other statutory and regulatory requirements**
- 7.1 A property owner or occupier may be subject to statutory regulations depending on their use. Depending on how a particular owner or occupier uses a building, the applicable regulations may require alterations to be made to buildings. Our valuation service does not include identifying or otherwise advising on works that may be required by a specific user in order to comply with any regulations applicable to the current or a proposed use of the Property. Unless it is clear that similar alterations would be required by most prospective buyers in the market for a property, our Valuation will make the Assumption that no work would be required by a prospective owner or occupier to comply with regulatory requirements relating to their intended use.
- 7.2 We are not obliged to, and will not investigate or comment on licences, permits, and/or approvals of any kind that may be required by the current or any potential users of the Property relating to their use or occupation.
- 8. Measurements**
- 8.1 Where building floor areas are required for our valuation, unless we have agreed to rely on floor areas provided by you or a third party, we will take measurements and calculate the appropriate floor areas for the buildings in accordance with the appropriate standard. These measurements will either be wholly taken by us during our inspection or from scaled drawings provided to us and checked by sample measurements on site. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction.
- 9. Investment properties**
- 9.1 Where the Property valued is subject to a tenancy or tenancies, we will have regard to the market's likely perception of the financial status and reliability of tenants in arriving at our Valuation. We will not undertake detailed investigations into the financial standing of any tenant. Unless we are provided with information by you to the contrary our Valuation will make the Assumption that

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## APPENDIX G – VALUATION SUMMARY LETTERS

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there are no material rent arrears or breaches of other lease obligations.

### 10. Development properties

10.1 If we are instructed to value Property for which development, redevelopment or substantial refurbishment is proposed or in progress, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We shall be entitled to rely on such information in preparing our valuation. If a professional estimate of build costs is not made available, we will rely on published build cost data, but this must be recognised as being less reliable as it cannot account for variations in site conditions and design. This is particularly true for refurbishment work or energy efficiency and environmental upgrades. In the absence of a professionally produced cost estimate for the specific project we may need to qualify our report and the reliance that can be placed on our Valuation, all of which will be set out in our Valuation.

10.2 For Property in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We will have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

### 11. GST, taxation and costs

11.1 The reported valuation will be our estimate of the price that would be agreed with no adjustment made for costs that would be incurred by the parties in any transaction, including any liability for GST, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

### 12. Property insurance

12.1 Except to the limited extent provided in clause 3 and clause 4 above we do not investigate or comment on how potential risks would be viewed by the insurance market. Our Valuation will be on the Assumption that each Property would, in all respects, be insurable against all usual risks including fire, terrorism, ground instability, extreme weather events, flooding and rising water table at normal, commercially acceptable premiums.

### 13. Reinstatement cost estimates

13.1 We can only accept a request to provide a building reinstatement cost estimate for insurance purposes alongside our Valuation of the Property interest on the following conditions:

- (a) the assessment provided is indicative, without liability and only for comparison with the current sum insured, and
- (b) the building is not specialised or listed as being of architectural or historic importance.

13.2 Otherwise, we can provide an assessment of the rebuilding cost by our specialist building surveyors as a separate service.

### 14. Legal advice

14.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as valuation surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice. Further, and without prejudice to the generality of this Clause 14.1:

- (a) Where reassurance is required on planning matters, we recommend that, amongst other things, formal written enquiries should be undertaken by your legal advisers.
- (b) Unless instructed to the contrary, we will not read title or lease documentation and will make the Assumption that summary tenure and tenancy information provided is accurate and includes all material factors that could impact value.
- (c) If we indicate what we consider the effect of any provision in the Property's title documents, leases or other legal requirements may have on value, we strongly recommend that this be reviewed by a qualified lawyer before you take any action relying on our Valuation.

### 15. Loan security

15.1 If we are requested to comment on the suitability of the Property as a loan security, we are only able to comment on any risk to the reported value that is inherent in either its physical attributes or the interest valued. We will not comment on the degree and adequacy of capital and income cover for an existing or proposed loan or on the borrower's ability to service payments.

### 16. Attendance in court

16.1 The valuer is not obliged to give evidence, appear in Court, or participate in any proceedings, whether legal or otherwise, involving you and/or any other party, arising from, or in connection with the contents of the valuation report and/or certificate, and/or the Property. If the valuer's assistance is required for the purposes of any such proceedings, the necessary arrangements shall be discussed, and the valuer's, and Company's consent, shall be obtained in writing.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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### General Terms of Business for Valuation Services

#### Important Notice

If you have any queries relating to this Agreement, please let us know as soon as possible and in any event before signing the Terms of Engagement Letter and/or giving us instructions to proceed.

Your instructions to proceed (howsoever received, whether orally or in writing) will constitute your offer to purchase our services on the terms of the Agreement.

Accordingly, our commencement of work pursuant to your instructions shall constitute acceptance of your offer and as such establish the contract between us on the terms of the Agreement.

These General Terms of Business for Valuation Services (the "General Terms"), the General Scope of Valuation Work (the "General Scope of Work") and our Terms of Engagement Letter (the "Engagement Letter") together form the agreement between you and us (the "Agreement"). References to "you", "your" etc. are to persons or entities who are our client and, without prejudice to clauses 3 and 4 below, to any persons purporting to rely on our Valuation.

Unless the context otherwise requires, all other terms and expressions used but not defined herein shall have the meaning ascribed to them in the Engagement Letter.

When used within these General Terms, the General Scope of Work and/or in the Engagement Letter, the term "Valuation" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to our engagement and any other replies or information we produce in respect of any such report and/or any relevant property. Any words following the terms "including", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All of the terms set out in these General Terms shall survive termination of the Agreement.

In the event of any inconsistency between these General Terms, the Scope of Work and the Engagement Letter, the order of precedence should be as follows: (1) the Engagement Letter, (2) the Scope of Work and (3) these General Terms.

#### **1. Knight Frank**

- 1.1 Knight Frank Pte Ltd ("Knight Frank", "Company", "our", "us", or "we") is a privately owned company with registration number 198205243Z. Knight Frank is a corporate body which has employees and not partners. Any work done by an employee of Knight Frank pursuant to this Agreement is done in the capacity as an employee of the Company.
- 1.2 Knight Frank's registered office is at 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315 where a list of employees may be inspected.
- 1.3 The term "Knight Frank Person" shall, when used in this Agreement shall mean any employee of Knight Frank.
- 1.4 Our GST registration number is M2-0058829-X.
- 1.5 The details of our professional indemnity insurance will be provided to you on request made in writing.
- 1.6 Valuations will be carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS).

#### **2. Governing law and jurisdiction**

- 2.1 The Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation or any Valuation shall be governed by and construed in accordance with Singapore law.

- 2.2 The courts of Singapore shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation or any Valuation. This will apply wherever the relevant property or the client, or any relevant third party, is located or the service is provided.

#### **3. Limitations on liability**

- 3.1 Subject to clause 3.8, the maximum total liability of Knight Frank for any direct loss or damage, arising out of or in connection with this Agreement and/or its subject matter and/or the Valuation, is limited to the lower of S\$1 million or 3 times the fees payable to Knight Frank pursuant to this Agreement.
- 3.2 Subject to clause 3.8, Knight Frank shall not be liable for any loss of profits, loss of data, loss of chance, loss of goodwill, or any indirect or consequential loss of any kind.
- 3.3 Knight Frank's liability to you shall be reduced to the extent that we prove that we would have been able to claim a contribution, whether pursuant to the **Contributory Negligence and Personal Injuries Act** or otherwise at law, from one or more of the other professionals instructed by you in relation to any relevant property and/or the Purpose (and in each case if, as a result of an exclusion or limitation of liability in your agreement with such professional, the amount of such contribution would be reduced, our liability to you shall be further reduced by the amount by which the contribution we would be entitled to claim from such professional is reduced).
- 3.4 Subject to clause 3.8, any limitation on our liability will apply however such liability is or would otherwise have been incurred, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise.
- 3.5 Except as set out in clauses 3.6 and 4.7 and 4.8 below no third party shall have any right to enforce any of the terms of this Agreement, whether under the **Contracts (Rights of Third Parties) Act 2001**, or otherwise.
- 3.6 No claim arising out of or in connection with this Agreement may be brought against any Knight Frank Person. Those individuals will not have a personal duty of care to you or any other person and any such claim for losses must be brought against Knight Frank. Any Knight Frank Person may enforce this clause under the **Contracts (Rights of Third Parties) Act 2001**, but the terms of this Agreement may be varied by agreement between the client and Knight Frank at any time without the need for any Knight Frank Person to consent.
- 3.7 No claim, action or proceedings arising out of or in connection with the Agreement and/or any Valuation shall be commenced against us after the expiry of the earlier of (a) six years from the Valuation Date (as set-out in the relevant Valuation) or (b) any limitation period prescribed by law.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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- 3.8 Whether or not specifically qualified by reference to this clause, nothing in the Agreement shall exclude or limit our liability in respect of fraud, or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be so excluded or limited as a matter of applicable law.
- 4. Purpose, reliance and disclosure**
- 4.1 The Valuation is prepared and provided solely for the stated purpose. Unless expressly agreed by us in writing, it cannot be relied upon, and must not be used, for any other purpose and, subject to clause 3.8, we will not be liable for any such use.
- 4.2 Without prejudice to clause 4.1 above, the Valuation may only be relied on by our Client. Unless expressly agreed by us in writing the Valuation may not be relied on by any third party and we will not be liable for any such purported reliance.
- 4.3 Subject to clause 4.4 below, the Valuation is confidential to our Client and must not be disclosed, in whole or in part, to any third party without our express written consent (to be granted or withheld in our absolute discretion). Subject to clause 3.8, Knight Frank shall not be liable for any loss or damage of any kind to any third party for the whole or any part of any Valuation disclosed in breach of this clause.
- 4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose documents to the minimum extent required by any court of competent jurisdiction or any other competent judicial or governmental body or the laws of Singapore.
- 4.5 Neither the whole nor any part of the Valuation and/or any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any website) without our prior written consent and approval of the form and context in which it may appear.
- 4.6 Where permission is given for the publication of a Valuation neither the whole nor any part thereof, nor any reference thereto, may be used in any publication or transaction that may have the effect of exposing us to liability for actual or alleged violations of the Securities Act 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or securities law or similar federal, state provincial, municipal or local law, regulation or order in either the United States of America or Canada or any of their respective territories or protectorates (the "**Relevant Securities Laws**"), unless in each case we give specific written consent, expressly referring to the Relevant Securities Laws.
- 4.7 You agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly, you agree that we and/or any Knight Frank Person may be entitled to the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause.
- 4.8 You agree to indemnify and keep fully indemnified us, and each relevant Knight Frank Person, from and against all liabilities, claims, costs (including legal and professional costs), expenses, damages and losses arising from or in connection with any breach of this clause 4 and/or from the actions or omissions of any person to whom you have disclosed (or otherwise caused to be made available) our Valuation otherwise than in accordance with this clause 4.
- 4.9 You warrant and represent that all information provided to us shall be accurate, complete and up-to-date and can be relied upon by us for the purposes of the Agreement and you shall be liable to us or any other third party for any such information provided by you that is not accurate, complete or up-to-date.
- 5. Knight Frank network**
- 5.1 Knight Frank is a member of an international network of independent firms which may use the "Knight Frank" name and/or logos as part of their business name and operate in jurisdictions outside Singapore (each such firm, an "**Associated Knight Frank Entity**").
- 5.2 Unless specifically agreed otherwise, in writing, between you and us: (i) no Associated Knight Frank Entity is our agent or has authority to enter into any legal relations and/or binding contracts on our behalf; and (ii) we will not supervise, monitor or be liable for any Associated Knight Frank Entity or for the work or actions or omissions of any Associated Knight Frank Entity, irrespective of whether we introduced the Associated Knight Frank Entity to you.
- 5.3 You are responsible for entering into your own agreement with any relevant Associated Knight Frank Entity.
- 5.4 This document has been originally prepared in the English language. If this document has been translated and to the extent there is any ambiguity between the English language version of this document and any translation thereof, the English language version as prepared by us shall take precedence.
- 6. Severance**
- 6.1 If any provision of the Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision. If express agreement regarding the modification or meaning or any provision affected by this clause is not reached, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.
- 7. Entire agreement**
- 7.1 The Agreement, together with any Valuation produced pursuant to it (the Agreement and such documents together, the "**Contractual Documents**") constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and us, whether written or oral, relating to its subject matter.
- 7.2 Subject to clause 3.8 above, you agree that in entering into the Agreement you do not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in the Contractual Documents. You further agree that you shall have no claim for innocent or negligent misrepresentation based on any statement set out in the Contractual Documents.
- 7.3 The Engagement Letter, the Scope of Work and these General Terms shall apply to and be incorporated in the contract between us and will prevail over any inconsistent terms or conditions contained or referred to in your communications or publications or which would otherwise be implied. Your standard terms and conditions (if any) shall not govern or be incorporated into the contract between us.
- 7.4 Subject to clause 3.8 and clause 6, no addition to, variation of, exclusion or attempted exclusion of any of the terms of the Contractual Documents will be valid or

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## APPENDIX G – VALUATION SUMMARY LETTERS

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binding unless recorded in writing and signed by duly authorised representatives on behalf of the parties.

### 8. Assignment

You shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of the rights and obligations under the Agreement without our prior written consent (such consent to be granted or withheld in our absolute discretion).

### 9. Force majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control.

### 10. Our fees

10.1 Without prejudice to clause 10.3 below, you become liable to pay our fees upon issuance of the Valuation. For the avoidance of doubt, unless expressly agreed otherwise in writing, the payment of our fees is not conditional on any other events or conditions precedent.

10.2 If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 1.5% per month.

10.3 If we should find it necessary to use legal representatives or collection agents to recover monies due, you shall, to the extent permitted by law, be liable for any, and all costs, and expenses incurred by Knight Frank in doing so.

10.4 If before the Valuation is concluded you end this instruction, we shall be entitled to charge abortive fees (calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred), with a minimum charge of 50% of the full fee if we have already inspected the property (or any property, if the instruction relates to more than one).

10.5 If you delay the instruction by more than 30 days or materially alter the instruction which resulted to additional work required at any stage or if we are instructed to carry out additional work that we consider (in our reasonable opinion) to be either beyond the scope of providing the Valuation or to have been requested after we have finalised our Valuation (including, but not limited to, commenting on reports on title), we shall be entitled to charge additional fees for this work. Such additional fees will be calculated on the basis of reasonable time and expenses incurred, and be notified to you in writing.

10.6 Where the valuation is for loan security purposes, Knight Frank shall not be bound by any term of any loan arrangement between the client and the borrower, whether in relation to the party responsible for payment of fees to Knight Frank, or any other conditions relating to such payment, whether or not notice of any such term has been brought to Knight Frank's notice.

### 11. Anti-bribery, corruption & Modern Slavery

11.1 We agree that throughout the term of our appointment we shall:

- (a) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption

including but not limited to the Prevention of Corruption Act, (the "Relevant Requirements");

- (b) not engage in any activity, practice or conduct which would constitute an offence under Prevention of Corruption Act if such activity, practice or conduct had been carried out in Singapore;

- (c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and

- (d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

11.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Anti-Slavery Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force.

### 12. Data Protection

12.1 For the purposes of this clause "Data Protection Legislation" means: the **Personal Data Protection Act**, and any regulations and secondary legislation, as amended or updated from time to time, in Singapore. The terms "Personal Data", "Data Processor" and "Data Subject" shall have the meanings ascribed to them in the Data Protection Legislation.

12.2 You and we shall comply with applicable requirements of the Data Protection Legislation.

12.3 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

12.4 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. We will only transfer such Personal Data where we have a lawful basis for doing so and have complied with the specific requirements of the Data Protection Legislation.

12.5 Full details of how we use Personal Data can be found in our Privacy Statement at <http://www.knightfrank.com/legals/privacy-statement>.

### 13. Waiver

13.1 Failure to exercise, or a delay in exercising, a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents the further exercise of the right or remedy or the exercise of another right or remedy. A waiver of a breach of this Agreement does not constitute a waiver of a subsequent or prior breach of this Agreement.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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4 April 2025

PEC Ltd.  
14 International Business Park  
Singapore 609922

Dear Sirs

### VALUATION OF

- (1) AN INDUSTRIAL COMPLEX LOCATED AT NO. 360-2 SHIHUA ROAD, AOTOU, DAYA BAY, HUIZHOU, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA
- (2) NO. 187 SHATIAN DONG, AOTOU, DAYA BAY, HUIZHOU, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA
- (3) NO. 187-1 SHATIAN DONG, AOTOU, DAYA BAY, HUIZHOU, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA

### Instructions

We refer to your instructions for a formal valuation to be carried out in respect of the abovementioned properties (individually referred to as the "Property" or collectively referred to as the "Properties") for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

We have specifically been instructed to provide our opinion of the Market Value of each Property, as at 13 February 2025.

We have, in accordance with the instructions, issued ten formal comprehensive Valuation Reports and this Valuation Summary Letter, in accordance with the terms of engagement entered into between Knight Frank Pte Ltd and PEC Ltd., dated 17 December 2024.

Our valuation is our opinion of the Market Value, which we would define as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In preparing this valuation, we have relied on information provided by PEC Ltd., particularly in respect of such matters as key terms of the site and floor areas, building uses, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

This valuation has been undertaken in accordance with the current editions of "The RICS Valuation – Global Standards" (the "Red Book") issued by the Royal Institute of Chartered Surveyors ("RICS"), which incorporate the International Valuation Standards (the "IVS").

[knightfrank.com.hk](http://knightfrank.com.hk)

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Knight Frank Petty Limited EAA Lic No C-010431  
C P Property Management Limited

Knight Frank Hong Kong Limited EAA Lic No C-013197  
Knight Frank Asset Appraisal Limited

Your partners in property

Regulated by RICS

Knight Frank (Services) Limited EAA Lic No C-012848

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## APPENDIX G – VALUATION SUMMARY LETTERS

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Unless otherwise stated, all valuation figures herein are stated on a net of VAT basis.

We have carried out site inspections, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to shareholders of PEC Ltd. (the "Circular"), for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers. The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuation in respect to the Properties, market conditions and available data.

### Reliance on This Letter

We have prepared this Letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This Letter alone does not contain all the necessary data and supporting information included in our Valuation Reports. Knight Frank Pte Ltd has provided PEC Ltd. comprehensive Valuation Reports for the Properties. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

- (a) The estimated values are based upon the factual information provided by PEC Ltd. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by PEC Ltd. or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every recipient of the Circular, should review the Valuation Reports to understand the complexity of the methodology and the many variables involved.
- (b) The primary method used by Knight Frank Pte Ltd in valuing the Properties is the Direct Comparison Method. This method is summarised in the Valuation Rationale section of this Letter.
- (c) The Valuation Reports were undertaken based upon information available as of December 2024 / January 2025. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information such as the key terms of the gross floor areas, tenure, tenancy information, property tax, year of completion, etc. or market conditions.

The Valuation Reports, Valuation Summary Letter and Valuation Certificates may only be relied upon by PEC Ltd. for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

### The Properties

The following provides a brief summary of the Properties.

#### **An Industrial Complex located at No. 360-2 Shihua Road, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China**

The Property comprises an industrial complex comprising a single-storey factory, a 5-storey office building and various ancillary facilities erected on a parcel of land with a site area of approximately 20,000.00 sq m. The Property has a total gross floor area of approximately 8,587.73 sq m. The Property was completed in 2009.

## APPENDIX G – VALUATION SUMMARY LETTERS



### **No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China**

The Property comprises a 8-storey residential building erected on a land parcel with a site area of approximately 176.00 sq m. The Property was completed in 2009 with a total gross floor area of approximately 1,453.35 sq m.

### **No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China**

The Property comprises a 6-storey residential building erected on a land parcel with a site area of approximately 143.30 sq m. The Property was completed in 2018 with a total gross floor area of approximately 715.86 sq m.

Briefly, the property details of the Properties are detailed as follows:

	Property	Tenure/Remaining Land Lease Term	Land Area (sm)	Gross Floor Area (sm)
1.	An Industrial Complex located at No. 360-2 Shihua Road, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	Leasehold for a term expiring on 6 November 2053 (Balance of about 28.7 years as at 13 February 2025)	20,000.00	8,587.73
2.	No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	Leasehold for a term expiring on 8 May 2078 (Balance of about 53.2 years as at 13 February 2025)	176.00	1,453.35
3.	No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	Leasehold for a term expiring on 5 July 2082 (Balance of about 53.2 years as at 13 February 2025)	143.30	715.86

### **Valuation Rationale**

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued Property 1 using both the Market Approach and the Cost Approach, while Properties 2 and 3 have been valued using the Market Approach.

### **Market Approach**

Market Approach is the most common and reliable valuation approach for valuing property by referencing to comparable market transactions or similar properties. The rationale of this method is to directly relate the market comparable transactions with the subject property to determine the market value. Adjustments will be applied to the said comparable transactions to adjust for differences between the subject property and the comparable transactions.

## APPENDIX G – VALUATION SUMMARY LETTERS



### Cost Approach

Our valuation has been undertaken using the cost approach. The DRC method is based on an estimate of the Market Value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence (including those related to ESG) and optimisation. The Cost Approach is used for certain types of properties which are rarely, if ever, sold in the open market, except by way of a sale of the business of which they are a part (called the business in occupation), due to their uniqueness arising from the specialised nature and design of the buildings, their configuration, size, location or otherwise.

### Market Values

We are of the opinion that the total Market Value of the unencumbered remaining leasehold interest in the Property, on an “as is” basis, with vacant possession and for existing usage, at the valuation date are:

Property	Market Value as at in existing usage 13 February 2025
An Industrial Complex located at No. 360-2 Shihua Road, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	RMB33,600,000
No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	
No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China	

### Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter and the enclosed Valuation Certificates. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary Letter or in the Valuation Certificates.

Knight Frank Pte Ltd has relied upon property data supplied by PEC Ltd., which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by PEC Ltd. and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party or parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the clients, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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We certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully  
For and on behalf of  
Knight Frank Petty Limited

A handwritten signature in blue ink, appearing to read "Gary Lau".

**Gary Lau**

MHKIS MRICS RPS(GP) FRICS Registered Valuer  
Senior Director  
Valuation & Advisory

Reviewed (but not undertaken) by:

A handwritten signature in blue ink, appearing to read "Cyrus Fong".

**Cyrus Fong**  
FRICS FHKIS RPS(GP) MCIREA RICS Registered Valuer  
Executive Director  
Head of Valuation & Advisory, Greater China

## APPENDIX G – VALUATION SUMMARY LETTERS



### Valuation Certificate

Property	:	An Industrial Complex located at No. 360-2 Shihua Road, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China ("the Property")
Instructing Party/Relying Party	:	PEC Ltd.
Purpose of Valuation	:	Our valuation has been prepared solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers
Legal Descriptions	:	Pursuant to the State-owned Land Use Rights Certificate Hui Wan Guo Yong (2006) Di No. 13210300286 issued by The People's Government of Huizhou City dated 30 April 2006, the land use right of a parcel of land with a site area of approximately 20,000.00 sq m was vested in Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司) for a term expiring on 6 November 2053 for industrial use. Pursuant to two Real Estate Title Certificates Yue Fang Di Zheng Zi Di Nos. C5805727 and C5805728 both issued by The People's Government of Huizhou City dated 26 November 2009, the Property with a total gross floor area of approximately 7,386.73 sq m was vested in Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司) for factory and office uses respectively.
Tenure	:	Leasehold
Interest to be valued	:	100% interest of the Property
Basis of Valuation	:	Market Value
Registered Owner	:	Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司)
Master Plan Zoning	:	M2 Industrial Land (M2 二类工业用地)
Description	:	The Property comprises an industrial complex comprising a single-storey factory, a 5-storey office building and various ancillary facilities erected on a parcel of land with a site area of approximately 20,000.00 sq m. The Property has a total gross floor area of approximately 8,587.73 sq m. The Property was completed in 2009.
Site Area	:	Approximately 20,000.00 sq m
Total Gross Floor Area (GFA)	:	Approximately 8,587.73 sq m
Valuation Methodology	:	Market Approach and Cost Approach
Inspection Date	:	24 December 2024
Valuation Date	:	13 February 2025
Issue Date	:	4 April 2025
Market Value in existing usage	:	

Valuation Method	Weighting (%)	Market Value in existing usage (RMB)
Market Approach	50	26,000,000
Cost Approach	50	27,100,000
<b>Adopted Market Value (RMB)*</b>	<b>26,600,000 (TWENTY-SIX MILLION SIX HUNDRED THOUSAND)</b>	

\* Adopted Market Value is rounded to the nearest hundred thousand

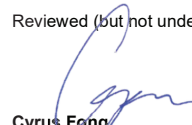
Market Value in sq m	:	RMB3,097 per sq m in GFA
Assumptions, Disclaimers, Limitations & Qualifications	:	In the course of our valuation, we have made certain assumptions which collectively may have a material impact on our valuation and these are noted as follows: - <ul style="list-style-type: none"> <li>Information Provided. Subject to having made reasonable enquiries, exercising our judgment on the reasonable use of such information and finding no reason to doubt the accuracy or reliability of the information, we have relied on the information provided by the Client and have accepted advice given to us on such matters as the identification of the Property, site and floor areas, building uses and other relevant matters. We were advised by the Client that no material facts have been omitted from the information provided.</li> <li>Proper Legal Title. We have assumed that the Property has proper legal titles and all land premium had been fully settled. It is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value, including but not limited to mortgage loan and other financing tools.</li> <li>Alienation. We have assumed that the Property is freely disposable and transferable in the market for its designated use, whether as a whole or on strata-title basis, to local or overseas purchasers.</li> <li>We have assumed that the design and construction of the Property is in compliance with local planning regulations and have been approved by the relevant government authorities.</li> <li>Our valuation is prepared on the basis that the Property is available for sale in the market in existing state basis.</li> <li>We have assumed that the Property is accessed to water supply, electricity supply, road access, telecommunication facilities, and gas supply and land levelling.</li> </ul>

The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation.

Yours faithfully  
For and on behalf of  
Knight Frank Petty Limited

  
**Gary Lau** MHKIS  
MRICS RPS(GP) RICS Registered Valuer  
Senior Director  
Valuation & Advisory

Reviewed (but not undertaken) by:

  
**Cyrus Fong**  
FRICS FHKIS RPS(GP) MCIREA RICS Registered Valuer  
Executive Director  
Head of Valuation & Advisory, Greater China

## APPENDIX G – VALUATION SUMMARY LETTERS



### Valuation Certificate

Property	: No. 187 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China ("the Property")
Instructing Party/Relying Party	: PEC Ltd.
Purpose of Valuation	: Our valuation has been prepared solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers
Legal Descriptions	: Pursuant to the State-owned Land Use Rights Certificate Hui Wan Guo Yong (2008) Di No. 13210300966 issued by The People's Government of Huizhou City dated 1 August 2008, the land use right of a parcel of land with a site area of approximately 176.00 sq m was vested in Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司) for a term expiring on 8 May 2078 for residential use. Pursuant to Real Estate Title Certificate Yue Fang Di Zheng Zi Di No. C5815362 issued by The People's Government of Huizhou City dated 26 November 2009, the Property with a total gross floor area of approximately 1,453.35 sq m was vested in Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司) for residential use.
Tenure	: Leasehold
Interest to be valued	: 100% interest of the Property
Basis of Valuation	: Market Value
Registered Owner	: Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司)
Master Plan Zoning	: R2 Residential Land (R2 二类居住用地)
Description	: The Property comprises a 8-storey residential building erected on a land parcel with a site area of approximately 176.00 sq m. The Property was completed in 2009 with a total gross floor area of approximately 1,453.35 sq m.
Site Area	: Approximately 176.00 sq m
Total Gross Floor Area (GFA)	: Approximately 1,453.35 sq m
Valuation Methodology	: Market Approach
Inspection Date	: 24 December 2024
Valuation Date	: 13 February 2025
Issue Date	: 4 April 2025
Market Value in existing usage	: RMB4,500,000 (RENMINBI FOUR MILLION AND FIVE HUNDRED THOUSAND)
Market Value in sq m	: RMB3,096 per sq m in GFA
Assumptions, Disclaimers, Limitations & Qualifications	: In the course of our valuation, we have made certain assumptions which collectively may have a material impact on our valuation and these are noted as follows: - <ul style="list-style-type: none"> <li>• Information Provided. Subject to having made reasonable enquiries, exercising our judgment on the reasonable use of such information and finding no reason to doubt the accuracy or reliability of the information, we have relied on the information provided by the Client and have accepted advice given to us on such matters as the identification of the Property, site and floor areas, building uses and other relevant matters. We were advised by the Client that no material facts have been omitted from the information provided.</li> <li>• Proper Legal Title. We have assumed that the Property has proper legal titles and all land premium had been fully settled. It is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature that could affect its value, including but not limited to mortgage loan and other financing tools.</li> <li>• Alienation. We have assumed that the Property is freely disposable and transferable in the market for its designated use, whether as a whole or on strata-title basis, to local or overseas purchasers.</li> <li>• We have assumed that the design and construction of the Property is in compliance with local planning regulations and have been approved by the relevant government authorities.</li> <li>• Our valuation is prepared on the basis that the Property is available for sale in the market in existing state basis.</li> <li>• We have assumed that the Property is accessed to water supply, electricity supply, road access, telecommunication facilities, and gas supply and land levelling.</li> </ul> <p>The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation.</p>

Yours faithfully  
For and on behalf of  
Knight Frank Petty Limited

**Gary Lau**  
MHKIS MRICS RPS(GP) RICS Registered Valuer  
Senior Director  
Valuation & Advisory

Reviewed (but not undertaken) by:

**Cyrus Fong**  
FRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer  
Executive Director  
Head of Valuation & Advisory, Greater China

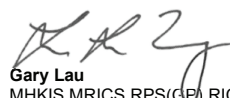
## APPENDIX G – VALUATION SUMMARY LETTERS



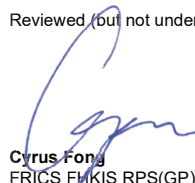
### Valuation Certificate

Property	: No. 187-1 Shatian Dong, Aotou, Daya Bay, Huizhou, Guangdong Province, the People's Republic of China ("the Property")
Instructing Party/Relying Party	: PEC Ltd.
Purpose of Valuation	: Our valuation has been prepared solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers
Legal Descriptions	: Pursuant to Real Estate Title Certificate Yue (2019) Hui Zhou Shi Bu Dong Chan Quan Di No. 4106360 issued by The Land and Resources Bureau of Huizhou City dated 3 December 2019, the Property with a site area of approximately 173.30 and a gross floor area of approximately 715.86 sq m was vested in Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司) for a land use rights term of expiring on 5 July 2082 for residential use.
Tenure	: Leasehold
Interest to be valued	: 100% interest of the Property
Basis of Valuation	: Market Value
Registered Owner	: Huizhou Tianxin Petrochemical Engineering Co., Ltd. (惠州天鑫石化工程有限公司)
Master Plan Zoning	: R2 Residential Land (R2 二类居住用地)
Description	: The Property comprises a 6-storey residential building erected on a land parcel with a site area of approximately 143.30 sq m. The Property was completed in 2018 with a total gross floor area of approximately 715.86 sq m.
Site Area	: Approximately 143.30 sq m
Total Gross Floor Area (GFA)	: Approximately 715.86 sq m
Valuation Methodology	: Market Approach
Inspection Date	: 24 December 2024
Valuation Date	: 13 February 2025
Issue Date	: 4 April 2025
Market Value in existing usage	: RMB2,500,000 (RENMINBI TWO MILLION AND FIVE HUNDRED THOUSAND)
Market Value in sq m	: RMB3,492 per sq m in GFA
Assumptions, Disclaimers, Limitations & Qualifications	: In the course of our valuation, we have made certain assumptions which collectively may have a material impact on our valuation and these are noted as follows: - <ul style="list-style-type: none"><li>• Information Provided. Subject to having made reasonable enquiries, exercising our judgment on the reasonable use of such information and finding no reason to doubt the accuracy or reliability of the information, we have relied on the information provided by the Client and have accepted advice given to us on such matters as the identification of the Property, site and floor areas, building uses and other relevant matters. We were advised by the Client that no material facts have been omitted from the information provided.</li><li>• Proper Legal Title. We have assumed that the Property has proper legal titles and all land premium had been fully settled. It is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature that could affect its value, including but not limited to mortgage loan and other financing tools.</li><li>• Alienation. We have assumed that the Property is freely disposable and transferable in the market for its designated use, whether as a whole or on strata-title basis, to local or overseas purchasers.</li><li>• We have assumed that the design and construction of the Property is in compliance with local planning regulations and have been approved by the relevant government authorities.</li><li>• Our valuation is prepared on the basis that the Property is available for sale in the market in existing state basis.</li><li>• We have assumed that the Property is accessed to water supply, electricity supply, road access, telecommunication facilities, and gas supply and land levelling.</li></ul> The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation.

Yours faithfully  
For and on behalf of  
Knight Frank Petty Limited

  
**Gary Lau**  
MHKIS MRICS RPS(GP) RICS Registered Valuer  
Senior Director  
Valuation & Advisory

Reviewed (but not undertaken) by:

  
**Cyrus Fong**  
FRICS FHKIS RPS(GP) MCIREA RICS Registered Valuer  
Executive Director  
Head of Valuation & Advisory, Greater China

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## APPENDIX G – VALUATION SUMMARY LETTERS

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04 April 2025

PEC Ltd.  
14 International Business Park  
Singapore 609922

Dear Sirs

### **VALUATION OF AN INDUSTRIAL FACILITIES LOCATED WITHIN NO.2 INDUSTRIAL PARK OF NGHI SON ECONOMIC ZONE, HAI YEN COMMUNE, TINH GIA DISTRICT, THANH HOA PROVINCE, VIETNAM**

#### **Instructions**

We refer to your instructions for a formal valuation to be carried out in respect of the abovementioned properties (individually referred to as the “Property” or collectively referred to as the “Properties”) for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers. Knight Frank Vietnam & NLP only provide consultation on the market value of assets in Vietnam and are not involved in or participate in any consultation regarding the delisting program of PEC Ltd. on the SGX Stock Exchange. This valuation purpose is under the General Term set out in Schedule 6 of the Contract. It may not be used for any other purpose without our express written consent.

We have specifically been instructed to provide our opinion of the Market Value of each Property, as at 13 February 2025.

We have, in accordance with the instructions, issued a formal comprehensive Valuation Report and this Valuation Summary Letter, in accordance with the terms of engagement entered into between PEC Ltd., (“the Client”), Knight Frank Pte Ltd (“the intrusting party”), Knight Frank Vietnam Property Services Co., Ltd (“Knight Frank Vietnam”), and NLP Valuation Services Company Limited (“NLP”) dated 18 December 2024.

Our valuation is our opinion of the Market Value, which we would define as follows:

“Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In preparing this valuation, we have relied on information provided by PEC Ltd., and Knight Frank Pte Ltd particularly in respect of such matters as key terms of certified land area, the gross floor areas, tenancy information, year of completion, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

All works are carried out in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards (the “Red Book”) and the International Valuation Standards (the “IVS”), and all codes, standards and requirements of professionalism have been met.

Unless otherwise stated, all valuation figures herein are stated on a net of VAT basis.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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We have carried out site inspection, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to shareholders of PEC Ltd. (the "Circular"), for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers. KFVN & NLP only provide consultation on the market value of assets in Vietnam and are not involved in or participate in any consultation regarding the delisting program of PEC Ltd. on the SGX Stock Exchange. This valuation purpose is under the General Term set out in Schedule 6 of the Contract. It may not be used for any other purpose without our express written consent. The value conclusions reflect all information known by the valuers of NLP Valuation Services Company Limited who worked on the valuation in respect to the Properties, market conditions and available data.

### Reliance on This Letter

We have prepared this Letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This Letter alone does not contain all the necessary data and supporting information included in our Valuation Reports. NLP Valuation Services Company Limited has provided PEC Ltd. a comprehensive Valuation Report for the Property. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

- (a) The estimated values are based upon the factual information provided by PEC Ltd. Whilst Knight Frank Pte Ltd, Knight Frank Vietnam and NLP have endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by PEC Ltd., (primarily legal information relating to the subject property). We believe that every recipient of the Circular, should review the Valuation Reports to understand the complexity of the methodology and the many variables involved.
- (b) The primary method used by NLP in valuing the Property is the Direct Comparison Method plus Depreciated Replacement Cost Method. These methods are summarised in the Valuation Rationale section of this Letter.
- (c) The Valuation Report was undertaken based upon information available as of December 2024 / January 2025. We accept no responsibility for subsequent changes in information such as the key terms of certified land area, the gross floor areas, tenure, tenancy information, year of completion, etc. or market conditions.

The Valuation Report, Valuation Summary Letter and Valuation Certificate may only be relied upon by PEC Ltd. for solely in connection with the the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers. KFVN & NLP only provide consultation on the market value of assets in Vietnam and are not involved in or participate in any consultation regarding the delisting program of PEC Ltd. on the SGX Stock Exchange. This valuation purpose is under the General Term set out in Schedule 6 of the Contract. It may not be used for any other purpose without our express written consent.

### The Property

The following provides a brief summary of the Property.

**No.2 Industrial Park of Nghi Son Economic Zone, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province, Vietnam.**

The subject property is an operating factory including workshops, office and supporting facilities. The entire improvements were completely built in May 2019.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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Briefly, the property details of the Subject Property are detailed as follows:

Property	Tenure/Remaining Land Lease Term	Land Area (sqm)	Gross Floor Area (sqm)
No.2 Industrial Park of Nghi Son Economic Zone, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province, Vietnam	A 42.8-year leasehold remaining until 07 November 2067	53,317	27,168.3

### Valuation Rationale

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Property primarily by using the Direct Comparison Method plus Depreciated Replacement Cost Method.

#### Direct Comparison Method

In this method, a comparison is made with sales of similar properties in the vicinity and other locations. Adjustments are made, where appropriate, for differences in location, tenure, size, age number of storeys, specifications, frontage, etc., before arriving at the value of the Property.

#### Depreciated Replacement Cost Method

Depreciated Replacement Cost is based on an estimate of the current replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization

### Market Values

We are of the opinion that the Market Values of the unencumbered remaining leasehold interest in the Property, on an “as is” basis, with vacant possession and for existing usage, at the valuation date, is:

Property	Market Value As At 13 February 2025
An Industrial Facilities located within No.2 Industrial Park of Nghi Son Economic Zone, Hai Yen Commune, Tinh Gia District, Thanh Hoa Province, Vietnam	\$9,410,000

### Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaims liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Vietnam and NLP in this Valuation Summary Letter.

Knight Frank Vietnam and NLP have relied upon property data supplied by PEC Ltd., and Knight Frank Pte Ltd which we assume to be true and accurate. Knight Frank Vietnam and NLP take no responsibility for inaccurate data supplied by PEC Ltd., Knight Frank Pte Ltd and subsequent conclusions related to such data.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Property and have no personal interest or bias with respect to the party or parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the clients, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We certify that our valuers undertaking the valuation advisories are authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully

The report has been prepared by:



**Huynh Thi Thanh Truc**  
MOF Registered Valuer - Card No. XIII18.2080  
Valuation Senior Manager

For and on behalf of NLP Valuation Services Co., Ltd

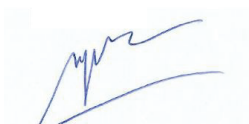
This report has been reviewed, but not undertaken, by:



**Nguyen Thi Lan Phuong**  
MOF Registered Valuer - Card No. XI16.1578  
Valuation Director

For and on behalf of NLP Valuation Services Co., Ltd

This report/ certificate has been vetted to be aligned with the guidelines of Knight Frank for the best practice of adhering to the latest edition of RICS Valuation Global Standards, which incorporate the International Valuation Standards ("Red Book Global"), but not undertaken, by:



**Tuyen Huynh MRICS**  
RICS Registered Valuer No. 6701115  
Director, Head of Valuation and Advisory  
For and on behalf of Knight Frank Vietnam



**Hien Chu**  
Senior Analyst

For and on behalf of Knight Frank Vietnam

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## APPENDIX G – VALUATION SUMMARY LETTERS

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04 April 2025

PEC Ltd.  
14 International Business Park  
Singapore 609922

Dear Sirs

### VALUATION OF

- (1) Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates
- (2) AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirate

### Instructions

We refer to your instructions to Knight Frank Pte Ltd for a formal valuation to be carried out in respect of the abovementioned properties (individually referred to as the "Property" or collectively referred to as the "Properties") for the purpose solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

We have specifically been instructed by Knight Frank Pte Ltd to provide our opinion of the Market Value of each Property, as at 13 February 2025.

We have, in accordance with Knight Frank Pte Ltd instructions in accordance with the our sub-consultancy agreement entered into between Knight Frank Middle East Limited and Knight Frank Pte Ltd dated 25 February 2025, issued two formal comprehensive Valuation Reports and this Valuation Summary Letter.

Our valuation is our opinion of the Market Value, which we would define as follows:

Market Value is defined in International Valuation Standards ("IVS") 104 paragraph 30.1 as:

*'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'*

In preparing this valuation, we have relied on information provided by PEC Ltd., your advisors or other third parties as received by Knight Frank Pte Ltd, particularly in respect of such matters as key terms of the built-up areas, site areas, etc. We have relied upon this information as being materially correct in all aspects. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

All works are carried out in accordance with the current editions of RICS Valuation - Global Standards (the "Red Book"), which incorporate the International Valuation Standards (IVS) and the Abu Dhabi Valuation Standards 2018 (ADVS).

We have carried out site inspections, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to shareholders of PEC Ltd. (the "Circular"), for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

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## APPENDIX G – VALUATION SUMMARY LETTERS

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The value conclusions reflect all information known by the valuers of Knight Frank Middle East Limited- Abu Dhabi who worked on the valuation in respect to the Properties, market conditions and available data based on the information provided.

### Reliance on This Letter

We have prepared this Letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This Letter alone does not contain all the necessary data and supporting information included in our Valuation Reports.

The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

- (a) The estimated values are based upon the factual information provided by Knight Frank Pte Ltd on behalf of PEC Ltd. Whilst Knight Frank Middle East Limited- Abu Dhabi has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by Knight Frank Pte Ltd on behalf of PEC Ltd. Knight Frank Middle East Limited- Abu Dhabi believes that every recipient of the Circular, should review the Valuation Reports to understand the complexity of the methodology and the many variables involved.
- (b) The primary method used by Knight Frank Middle East Limited- Abu Dhabi in valuing the Properties is the Market Approach (Comparable Method). This method is summarised in the Valuation Rationale section of this Letter.
- (c) The Valuation Reports were undertaken based upon information available as of December 2024 / January 2025. Knight Frank Middle East Limited- Abu Dhabi accepts no responsibility for subsequent changes in information such as the key terms of the built-up areas, site areas, tenure, tenancy information, year of completion, etc. or market conditions.

The Valuation Reports and Valuation Summary Letter may only be relied upon by PEC Ltd. for solely in connection with the proposed privatisation of PEC Ltd. by Alliance Energy Services Pte. Ltd. by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore and the Singapore Code on Take-overs and Mergers.

### The Properties

The following provides a brief summary of the Properties.

#### **Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates**

The Property comprises an industrial facility located in Khalifa Port, Abu Dhabi, UAE. Located within proximity to the coastline, the Property is accessible via Al Warqa Street in Abu Dhabi and is approximately 8 km away from the E11 highway.

#### **AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirates**

The Property comprises an industrial facility located in Al Hayl Industrial Area, Fujairah, UAE. The Property is accessible via internal streets in Fujairah Free Zone and is approximately 23 km away from the Fujairah International Airport. We have summarised the Property details in the table below.

## APPENDIX G – VALUATION SUMMARY LETTERS



Briefly, the details of the Properties are detailed as follows:

Property	Tenure/ Land Lease Term	Land Area (sq m)	Built-Up Area (sq m)
Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates	Leasehold 30 years with effect from 14 October and 9 November 2022.	60,000.00	8,006.10
AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirates	Leasehold 20 years with effect from 1 July 2010.	30,000.00	8,166.76

### Valuation Rationale

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Properties primarily by using the **Market Approach (Comparable Method)**

#### Market Approach (Comparable Method)

In undertaking our valuation of the Properties, we have made our assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinities of the Properties. With the benefit of such transactions, we have then applied these to the Properties, taking into account their respective size, location, aspect, ESG-related factors and other material factors.

### Market Values

We are of the opinion that the Aggregate Market Value of the leasehold interest in the Properties for the existing use, with vacant possession, at 13 February 2025 is:

Properties	Aggregate Market Value As At 13 February 2025 (AED)
Audex Abu Dhabi – Khalifa Port, Abu Dhabi, United Arab Emirates & AFJ – Free Zone 3, Al Hayl Industrial Area, Fujairah, United Arab Emirates	37,740,000

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## APPENDIX G – VALUATION SUMMARY LETTERS

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### Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Middle East Limited in this Valuation Summary Letter.

Knight Frank Middle East Limited- Abu Dhabi has relied upon property data supplied by Knight Frank Pte Ltd on behalf of PEC Ltd., which we assume to be true and accurate. Knight Frank Middle East Limited- Abu Dhabi takes no responsibility for inaccurate data supplied. and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party or parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the clients, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully

A handwritten signature in blue ink, appearing to read "O. Chadwick".

**Oliver Chadwick MRICS**

**Senior Manager**

For and on behalf of Knight Frank Middle East Limited

**Oliver.Chadwick@me.knightfrank.com**

**+971 56 414 8951**

This report has been reviewed, but not undertaken, by:

A handwritten signature in blue ink, appearing to read "T. Holmes".

**Tim Holmes MRICS**

**Partner**

**Valuation & Advisory**

For and on behalf of Knight Frank Middle East Limited



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## APPENDIX H – OFFEROR WARRANTIES

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*All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.*

The Offeror represents and warrants to the Company that:

**1. Incorporation**

The Offeror is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation. As of the date of the Implementation Agreement, the sole shareholder of the Offeror is Liberty Energy Solutions Limited, which holds 1 ordinary share in the capital of the Offeror.

**2. Power**

The Offeror has the corporate power and authority to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

**3. Authority**

The Offeror has taken all necessary corporate action and obtained all necessary corporate approval to authorise entry into the Implementation Agreement and the performance of the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

**4. Consents**

Save as expressly provided in the Implementation Agreement, all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties) in order to enable the Offeror lawfully to enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement have been taken, fulfilled and done.

**5. Binding obligation**

The Offeror's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

**6. No breach**

Save as expressly provided in the Implementation Agreement, the execution and performance by the Offeror of the Implementation Agreement or any transaction contemplated under the Implementation Agreement will not violate any provision of:

- (a) its constitutive documents; or
- (b) any order, writ, judgement, injunction or decree of any Governmental Agency applicable to the Offeror or its assets.

**7. No litigation**

No litigation, arbitration or administrative proceeding against it is current or pending to restrain its entry into, the exercise of its rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.

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## APPENDIX I – COMPANY WARRANTIES

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*All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.*

The Company represents and warrants to the Offeror that:

### **1. Incorporation, authority, capacity, etc**

#### **1.1 Incorporation**

Each of the Group Companies is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

The particulars of each of the Group Companies set out in Schedule 1 of the Implementation Agreement are true and accurate and not misleading, and all the shares in each of the subsidiaries are legally and beneficially owned as shown in Schedule 1 of the Implementation Agreement, free from all Encumbrances.

#### **1.2 Shares**

All the issued Shares of the Company have been duly authorised and validly issued, are fully paid-up and rank *pari passu* in all respects with each other. All the issued shares of each of the other Group Companies have been duly authorised and validly issued, are fully paid-up and rank *pari passu* in all respects with each other. Other than any issue of Shares in accordance with the Company's performance share plan for granting awards to eligible full-time employees and executive directors, no Group Company is subject to any actual or contingent obligation to issue or convert securities, and no Group Company is subject to any obligation to declare or pay any dividend or make any distribution to any shareholder except as permitted under the Implementation Agreement.

#### **1.3 Power**

The Company has the corporate power and authority to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

#### **1.4 Authority**

The Company has taken all necessary corporate action to authorise entry into the Implementation Agreement and has taken or will take all necessary corporate action to authorise the performance of the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

#### **1.5 Consents**

- (a) Save as expressly provided in the Implementation Agreement, all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties) in order to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement have been taken, fulfilled and done.

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## APPENDIX I – COMPANY WARRANTIES

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- (b) The execution and performance of the Implementation Agreement by the Company will not violate any provision of, result in a breach of, entitle a third party to exercise any right under, relieve a third party from any liability or obligation under or give rise to or increase any liability or obligation of any Group Company under:
  - (i) any customer contract entered into by a Group Company and which is material to the Group (taken as a whole);
  - (ii) any supplier contract entered into by a Group Company and which is material to the Group (taken as a whole); and
  - (iii) any leases in respect of any properties which are material to the Group (taken as a whole).

### 1.6 Binding obligation

The Company's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

### 1.7 No breach

Save as expressly provided in the Implementation Agreement, the execution and performance by the Company of the Implementation Agreement or any transaction contemplated under the Implementation Agreement will not violate any provision of:

- (a) the constitutive documents of any Group Company; or
- (b) any order, writ, judgement, injunction or decree of any Governmental Agency applicable to any Group Company or its assets.

### 1.8 All charges registered

All Encumbrances granted to or by the Company have (if appropriate) been registered in accordance with the Companies Act or comply with all necessary formalities as to registration or otherwise in any foreign jurisdiction.

## 2. Books and records and supply of information

- 2.1 The registers, statutory books, books of account and other records of whatsoever kind of each Group Company are up-to-date, maintained in accordance with Applicable Laws on a proper and consistent basis, and contain in all material respects complete and accurate records of all matters required to be dealt with in such books and records.
- 2.2 All title deeds relating to the material assets of any Group Company and an executed copy of all material agreements to which any Group Company is a party are in its possession.
- 2.3 All information contained in the Implementation Agreement and all Due Diligence Information was when given, true and correct and not misleading in all material respects, and none of the above documents and information contains any untrue statement of fact or omit to state a fact necessary to make the statement contained therein, in light of the circumstances under which they are made, not misleading, and to the best knowledge of the Company, there is no fact, matter or circumstance which could render or renders or will reasonably render any such document or information untrue, inaccurate or misleading in any material respect.

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## APPENDIX I – COMPANY WARRANTIES

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- 2.4 The Company is in compliance with its continuing disclosure requirements in the Listing Manual (including the disclosure of any material information relating to the Group) and the information disclosed in the Company's announcements on SGXNet is true, accurate and not misleading in any material respect at the time of the making of the relevant announcements.

### 3. Accounts

#### 3.1 Accounts

- (a) The Audited Accounts have been properly drawn up in accordance with the Companies Act and the Singapore Financial Reporting Standards, and give a true and fair view of the financial position of the Group and the Company as at the Audited Accounts Date and the financial performance, changes in equity and cash flows of the Group for the financial year ended the Audited Accounts Date. Save for any changes in accounting policies that have been adopted by the Company, the Audited Accounts have been prepared on a basis consistent with that adopted in preparing the audited accounts for the preceding financial year.
- (b) Having regard to the purpose for which the Interim Financial Results Announcement was prepared, the Interim Financial Results Announcement:
  - (i) has been prepared on a basis consistent with that adopted in preparing the Audited Accounts and in accordance with the requirements of Listing Rule 705 and Appendix 7.2 of the Listing Manual (Mainboard Rules); and
  - (ii) is fair and not misleading and does not materially misstate the financial position and assets and liabilities, and profit or loss, of the Group as at and for the period in respect of which it has been prepared.

#### 3.2 Changes since the Accounts Date

Save as announced by the Company, to the best knowledge of the Company, there have been no material adverse changes in the financial trading position of the Group taken as a whole since the Accounts Date, and, in particular:

- (a) each Group Company's business has been carried on solely in the usual and ordinary course of its trade, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern, save and except for events that may occur as a result of an act of God;
- (b) no Group Company has entered into any transaction or assumed or made any payment or given any guarantee, indemnity or suretyship not provided for in the Audited Accounts and the Interim Financial Results Announcement except in the usual and ordinary course of its trade;
- (c) no Group Company's cash and bank balances have been affected by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms and in the usual and ordinary course of its trade;

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## APPENDIX I – COMPANY WARRANTIES

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- (d) no Group Company has entered into any unusual, long-term and onerous commitments and contracts;
- (e) no Group Company has entered into or proposed to enter into any capital or operating lease or contingent commitment other than in the usual and ordinary course of its trade; and
- (f) no Group Company has disposed of or assigned any material assets other than in the usual and ordinary course of its trade.

### 3.3 No undisclosed liabilities

To the best knowledge of the Company, there are no material liabilities (including contingent liabilities) of any of the Group Companies which are outstanding on the part of any Group Company, other than (a) liabilities disclosed or provided for in the Audited Accounts and the Interim Financial Results Announcement; (b) liabilities incurred after the Accounts Date in the usual and ordinary course of its trade; or (c) liabilities disclosed elsewhere in the Implementation Agreement.

### 3.4 Off-balance sheet financing

None of the Group Companies has factored, discounted or securitised any of its receivables, nor has it engaged in any financing of any type which would not be required to be shown or reflected in the Audited Accounts.

## 4. Legal matters

### 4.1 Compliance with laws

- (a) Each Group Company has carried on and is carrying on its business and operations so that there have been no breaches in any material respect of Applicable Laws.
- (b) There have not been and there are no material breaches by any Group Company of its constitutional documents or any order, decree or judgement of any court or any Governmental Agency or regulatory authority.
- (c) Each Group Company is in compliance with applicable anti-bribery laws and rules and regulations thereunder (including without limitation, the Prevention of Corruption Act 1960 of Singapore) and no Group Company nor, to the best knowledge of the Company, any employee, agent, director, or officer or other person associated with or acting on behalf of such Group Company has engaged in any conduct or activity on behalf of such Group Company which would violate such laws.

### 4.2 Licences and consents

- (a) Each Group Company has obtained all licences, approvals, permissions, authorisations and consents required for carrying on its business and operations as now carried on (the “**Licences**”).
- (b) The Licences are in full force and effect and all conditions applicable to such Licences have been and are being complied with in all material respects.

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## APPENDIX I – COMPANY WARRANTIES

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- (c) To the best knowledge of the Company, there is no investigation, enquiry or proceeding outstanding or threatened which will or is likely to result in the suspension, cancellation, modification, revocation or non-renewal of any of the Licences, and there are no circumstances which indicate that any of the Licences will or is likely to be suspended, cancelled, modified, revoked or not renewed, in whole or in part (whether as a result of entering into the Implementation Agreement or the implementation of the Scheme or otherwise).

### 4.3 No litigation

- (a) No litigation, arbitration or administrative proceeding is current, pending or, to the best knowledge of the Company, threatened which could restrain the entry into, the exercise of the Company's rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.
- (b) No litigation, arbitration or administrative proceeding is current, pending or, to the best knowledge of the Company, threatened, by or against any Group Company.
- (c) There is no outstanding or, to the best knowledge of the Company, anticipated investigation, audit, examination or enquiry by, or order, decree, decision or judgment of, any court, tribunal, arbitrator, Governmental Agency or regulatory body against any Group Company.

### 4.4 Insolvency

- (a) None of the Group Companies is insolvent or unable to pay its debts as they fall due.
- (b) No order has been made, petition presented, meeting convened or resolution passed for the winding up or administration of or for the appointment of a provisional liquidator, judicial manager, administrator, receiver or other similar officer of any Group Company, nor to the best knowledge of the Company, are there any grounds on which any person would be entitled to have any Group Company wound up or placed in administration, nor has any person threatened to present such a petition or convened or threatened to convene a meeting of any Group Company to consider a resolution for any of the foregoing.

## 5. Contractual matters

### 5.1 Effect of executing the Implementation Agreement

The execution of and compliance with the terms of the Implementation Agreement will not:

- (a) conflict with or result in a breach of the terms of any subsisting agreement, arrangement or instrument binding on any Group Company or its assets, in each case which is material to the business of the Group (taken as a whole);
- (b) cause any Group Company to lose the benefit of any right, licence or privilege it enjoys at present or cause any person who normally does business with it not to continue to do so on the same basis as previously;

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## APPENDIX I – COMPANY WARRANTIES

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- (c) relieve any person of any obligation to any Group Company (whether contractual or otherwise) or enable any person to determine such obligation or any right or benefit enjoyed by the Group Company or to exercise any right whether under an agreement with or otherwise in respect of the Group Company, in each case which is material to the business of the Group (taken as a whole);
- (d) result in any Encumbrance or liability of any Group Company being created or increased;
- (e) result in any present or future indebtedness of any Group Company becoming due or payable or capable of being declared due and payable prior to its date of maturity; or
- (f) result in the breach of any order, judgement or decree of any court, Governmental Agency or regulatory body to which any Group Company is a party or by which any Group Company of any of its assets is bound.

### 5.2 Significant customers

- (a) No significant customers. No customer (including any person connected in any way with any such customer) accounts for more than 10% (ten per cent.) of the aggregate value of all sales of the Group taken as a whole for the financial year ended on the Audited Accounts Date.
- (b) No loss of significant customers. No significant customer of the Group (that is to say a customer whose purchases from the Group as a whole of goods or services have represented more than 10% (ten per cent.) in value of all purchases from the Group as a whole for the financial year ended on the Audited Accounts Date) has, during the period of twelve (12) months prior to the Implementation Agreement, ceased to trade with, or indicated an intention to cease to trade with, the Group. During the period of twelve (12) months prior to the date of the Implementation Agreement, the terms of trade of the Group with each significant customer (as described above) have not significantly changed to the detriment of any Group Company. To the best knowledge of the Company, no cessation or substantial reduction in trade or change in terms of dealing as described above is likely after the execution or completion of the Implementation Agreement.

### 5.3 Related Party Transactions

- (a) The Company is not a party to any contract or other arrangement (including any outstanding liability) with any Related Party (any such contract or other arrangements a **“Related Party Transaction”**) that are when aggregated together with the Related Party Transactions with the same Related Party or its Associates, amount to more than S\$1,000,000.00 in contract value, for the financial year ending 30 June 2025.
- (b) The Company has not undertaken, and is not party to, any Related Party Transaction that is not on arm’s length and/or market terms.

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## APPENDIX I – COMPANY WARRANTIES

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### 5.4 Compliance with contractual terms

All contracts, leases, tenancies, licences, concessions and agreements to which any Group Company is a party are valid, binding and enforceable obligations of the relevant Group Company, and the terms thereof have been complied with in all material respects by the relevant Group Company. To the best knowledge of the Company, there are no circumstances which will give rise to any breach of such terms, none of the Group Companies has done or omitted to do anything which gives rise to grounds for rescission, avoidance, repudiation or termination of any of such contracts, leases, tenancies, licences, concessions or agreements and no notice of termination or amendment or of intention to terminate or amend has been received by any Group Company in respect of such contracts, leases, tenancies, licences, concessions or agreements.

## 6. Tax matters

### 6.1 Residence

Each Group Company has been resident for Tax purposes in its country of incorporation and nowhere else at all times for the period commencing on the later of the Group Company's financial year ended 30 June 2022 or the date of its incorporation or constitution (as the case may be) of such Group Company, up to the date of the Implementation Agreement, and will be so resident as at the Effective Date.

### 6.2 Tax, records and returns

- (a) To the best of the Company's knowledge, all returns, computations, notices and information which are required to be made, given or delivered by each Group Company for any Taxation purpose, for the period commencing on the later of the Group Company's financial year ended 30 June 2022 or the date of its incorporation or constitution (as the case may be) of such Group Company, up to the date of the Implementation Agreement, (i) have been duly made, given or delivered within the requisite periods or within permitted extensions of such periods and in accordance with the applicable statute (e.g., the Income Tax Act 1947 of Singapore, Goods and Services Tax Act 1993 of Singapore, etc.); (ii) are up-to-date, complete and accurate in all material respects and made on a proper basis; and (iii) none of them is the subject of any dispute with any Taxation Authority.
- (b) Each Group Company has paid, withheld, deducted and accounted to the relevant Taxation Authorities for, all Tax which it has become liable to pay, withhold, deduct or account for the period commencing on the later of the Group Company's financial year ended 30 June 2022 or the date of its incorporation or constitution (as the case may be) of such Group Company, up to the date of the Implementation Agreement, and each Group Company has not paid or become liable to pay any fine, penalty, surcharge or interest in relation to Tax.
- (c) The Audited Accounts and the Interim Financial Results Announcement reflect an adequate reserve (in accordance with the Singapore Financial Reporting Standards) for all material Taxes payable by each Group Company through the Audited Accounts Date and all material unpaid Taxes of each Group Company for all tax periods commencing after the Audited Accounts Date arose in the usual and ordinary course of its trade consistent with past practice.

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## APPENDIX I – COMPANY WARRANTIES

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### 6.3 Tax incentives

- (a) All the Tax incentives enjoyed by the Group Companies as at the date of the Implementation Agreement will not, to the best knowledge of the Company, be affected, varied, withdrawn or revoked as a result of the Acquisition and/or the Scheme. To the best knowledge of the Company, each Group Company has complied with all conditions subject to which such Tax incentives have been granted to such Group Company.
- (b) To the best knowledge of the Company, no material relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from or against or in respect of any Tax has been claimed and/or given to any Group Company for the period commencing on the later of the Group Company's financial year ended 30 June 2022 or the date of its incorporation or constitution (as the case may be) of such Group Company, up to the date of the Implementation Agreement, which would be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act or omission by any Group Company or as a result of the Acquisition and/or the Scheme.

### 6.4 Tax audit

To the best knowledge of the Company, no Taxes with respect to any Group Company for the period commencing on the later of the Group Company's financial year ended 30 June 2022 or the date of its incorporation or constitution (as the case may be) of such Group Company, up to the date of the Implementation Agreement, is under enquiry, audit, examination or investigation by any Taxation Authority other than queries raised by a Taxation Authority in its usual review of such Taxes and no Group Company has a pending request for a Tax ruling from any Taxation Authority, and no Taxation Authority has asserted in writing any deficiency, claim or issue with respect to Taxes or any adjustment to Taxes against any Group Company which deficiency, claim or issue remains pending.

## 7. Assets (including properties)

### 7.1 Title to assets

- (a) All assets (including the real properties) which are included in the Audited Accounts and the Interim Financial Results Announcement are the absolute property of the relevant Group Company and all such assets and properties and all debts which have subsequently been acquired or arisen are the absolute property of the relevant Group Company.
- (b) Each Group Company has good and valid title to all owned assets (including the real properties) free from Encumbrances, save for Encumbrances in the ordinary and usual course of carrying on its business.
- (c) Any real property in Singapore and elsewhere which is held under lease by any Group Company is held under a valid, subsisting and enforceable lease or tenancy agreement with such exceptions as do not materially interfere with the use or proposed use of such property and buildings.
- (d) All such owned or leased assets (including the real properties) are, where capable of possession, in the possession of or under the control of the relevant Group Company, or the relevant Group Company is entitled to take possession or control of such assets.

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## APPENDIX I – COMPANY WARRANTIES

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### 8. Employment

#### 8.1 Disputes

There has been no strike, work to rule, work stoppage, work interference activity, material grievances or arbitrations or other industrial action (official or unofficial) by any employee of any Group Company, threatened or ongoing.

#### 8.2 Compliance

Each Group Company has, in relation to its employees, complied in all material respects with:

- (a) all obligations imposed on it by all statutes, regulations and codes of conduct relevant to the relations between it and its employees, including without limitation, making deductions and payments in respect of contributions (including employer's contributions) to any relevant competent authority;
- (b) all employment agreements and other conditions of service of its employees; and
- (c) all relevant orders and awards made under any relevant statute, regulation or code of conduct affecting the conditions of service of its employees.

### 9. INTELLECTUAL PROPERTY

9.1 Each of the Intellectual Property used or required by each Group Company in connection with its business (including all and any products manufactured, assembled and/or sold or leased or rented by it) and which is material in the context of the business of the Group, is:

- (a) in full force and effect and valid and enforceable;
- (b) legally and beneficially owned by or validly granted or licensed to, each Group Company alone, free from Encumbrances;
- (c) to the best knowledge of the Company, not the subject of a claim or opposition from a person (including an employee of each Group Company) as to title, validity or enforceability; and
- (d) where registration is possible, registered with the Group Company as proprietor in the territories listed in Schedule 5 of the Implementation Agreement.

9.2 Without prejudice to paragraph 9.1, to the best knowledge of the Company, each Group Company has copyright in all drawings and design rights in all designs relating to the business and all such drawings and designs are in its possession and it has not supplied copies of any such drawings or designs to any other person.

9.3 Schedule 5 of the Implementation Agreement contains a complete and accurate list of all:

- (a) Registered Intellectual Property; and
- (b) the licences of Intellectual Property which have been granted to any Group Company (the **"Licences In"**) and the licences of Intellectual Property which have been granted by any Group Company to third parties (including to any other Group Company) (the **"Licences Out"**),

which are material in the context of the business of the Group.

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## APPENDIX I – COMPANY WARRANTIES

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### 9.4 Registered Intellectual Property

- (a) All fees relating to the Registered Intellectual Property have been paid in full.
- (b) All the Registered Intellectual Property is legally and beneficially owned by the relevant Group Company and is free from Encumbrances.
- (c) The material particulars as to registration of (and applications to register) the Registered Intellectual Property (including priority and renewal dates) are set out in Schedule 5 of the Implementation Agreement and the relevant Group Company is the sole registered proprietor of the Registered Intellectual Property.
- (d) Neither the validity or subsistence of the Registered Intellectual Property, nor the right, title and interest of the relevant Group Company in the Registered Intellectual Property, is the subject of any current, pending, or to the best knowledge of the Company, threatened challenge, claim or proceedings (including for opposition, cancellation, revocation or rectification) nor has it been in the last six years. To the best knowledge of the Company, there are no facts or matters which might give rise to any such challenge, claim or proceedings.

### 9.5 Rights to use

- (a) The Intellectual Property owned by the relevant Group Company is not the subject of any Licences Out except as set out in Schedule 5 of the Implementation Agreement. The Licences Out do not restrict the Group Companies from using the Intellectual Property to which they relate.
- (b) The Group owns or has authority to use all the Intellectual Property it requires to carry on its business following the Effective Date as such business has been carried on during the last two years and such rights and the ability of the Group Companies to use such rights will not be affected by the Company's entry into the Implementation Agreement or the implementation of the Scheme.
- (c) Any person commissioned by any Group Company who, either alone or with others, creates, develops, invents or has created, developed or invented, Intellectual Property for such Group Company, and all employees as a matter of course, have entered into a written agreement with such Group Company which obliges them to disclose and to assign such Intellectual Property to it.
- (d) Each Group Company has obtained all waivers of moral rights (or equivalent rights) which are needed in connection with the use of any Intellectual Property in connection with its business.

### 9.6 Infringement

- (a) No claim has been made by a third party which alleges that the operations of any Group Company infringe or misuse or are likely to infringe or misuse the Intellectual Property of a third party or which otherwise disputes the right of the Group Company to use the Intellectual Property owned or used by it. To the best knowledge of the Company, no circumstances exist which are likely to give rise to such a claim.

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## APPENDIX I – COMPANY WARRANTIES

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- (b) No claim has been made by any Group Company which alleges that a third party is infringing or misusing or is likely to infringe or misuse the Intellectual Property owned or used by such Group Company. To the best knowledge of the Company, no circumstances exist which are likely to give rise to such a claim.
- (c) To the best knowledge of the Company, no Group Company is engaged in any activities which involve the misuse of any Confidential Information belonging to any third party, nor does any Group Company otherwise have in its possession or control any such Confidential Information without licence or authority of the relevant owner.

### 9.7 Licences

The Licences In and Licences Out which, in each case, are material in the context of the business of the Group, are binding and in force. None of the Licences In which are material in the context of the business of the Group are due to expire on or before 31 December 2026. None of the parties to the Licences In and the Licences Out which, in each case, are material in the context of the business of the Group, is in default, all royalties and other payments have been paid when due and to the best knowledge of the Company, there are no grounds on which they might be terminated. No disputes have arisen, or, to the best knowledge of the Company, are foreseeable in connection with them.

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## APPENDIX J – SCHEME CONDITIONS

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*All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.*

Pursuant to Clause 3.1 of the Implementation Agreement, the Acquisition is conditional upon the following:

1. **Shareholders' approval**: the approval of the Scheme by the Shareholders in compliance with the requirements under Section 210(3AB) of the Companies Act;
2. **Special Dividend approval**: the approval of the Special Dividend by the Shareholders at the EGM;
3. **Court Order**: the grant of the Scheme Court Order by the Court and such Scheme Court Order having become final;
4. **ACRA registration**: the lodgement of the Scheme Court Order with ACRA pursuant to Section 210(5) of the Companies Act;
5. **Regulatory Approvals**: the receipt of the following approvals or confirmations (the "**Regulatory Approvals**") prior to the Despatch Date:
  - (a) SIC: confirmation from the SIC that (1) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme, (2) it has no objections to the Scheme Conditions, and (3) the proposed Management Reinvestment Arrangements for the Key Management Personnel will not be regarded as prohibited special deals under the Code and will not prevent such Key Management Personnel from voting their Shares at the Court Meeting, in each case subject to any conditions the SIC may deem fit to impose; and
  - (b) SGX-ST: approval-in-principle from the SGX-ST for the Scheme Document and the proposed delisting of the Shares from the SGX-ST,such approvals not being revoked or withdrawn on or before the Relevant Date;
6. **Authorisations**: in addition to the Regulatory Approvals mentioned in paragraph 5 above, in relation to the Company, all authorisations, consents, clearances, permissions, waivers and/or approvals as are necessary or required by the Group from identified banks under bank facilities extended to certain Group Companies and (if any) all Governmental Agencies under any Applicable Laws, for or in respect of the implementation of the Scheme (collectively, the "**Authorisations**") having been obtained prior to the Despatch Date, and not having been withdrawn or revoked (if applicable) on or before the Relevant Date, and if any such Authorisations are subject to any conditions or require any actions or obligations to be taken or performed, all such actions having been duly taken or performed on or prior to the Relevant Date;
7. **No Offeror's Prescribed Occurrence**: from the date of the Implementation Agreement to the Relevant Date, no Prescribed Occurrence (as set out in Appendix K to this Scheme Document) in relation to the Offeror having occurred;
8. **No Group Company's Prescribed Occurrence**: from the date of the Implementation Agreement to the Relevant Date, no Prescribed Occurrence (as set out in Appendix K to this Scheme Document) in relation to the Company having occurred;

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## APPENDIX J – SCHEME CONDITIONS

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9. **No Legal or Regulatory Restraint:** between the date of the Implementation Agreement and up to the Relevant Date, there being no issuance of any order, injunction, judgment, decree or ruling by any Governmental Agencies or by any court of competent jurisdiction preventing the consummation of the Acquisition or the implementation of the Scheme, being in effect as at the Relevant Date;
10. **Company's Warranties:** there having been no breach of the Company Warranties set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date as if they had been made on and as at each such date, except to the extent any such Company Warranty expressly relates to an earlier date (in which case as at such earlier date);
11. **Offeror's Warranties:** there having been no breach of the Offeror Warranties set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date as though made on and as at each such date except to the extent any such Offeror Warranty expressly relates to an earlier date (in which case as at such earlier date);
12. **Material Adverse Effect:** there being no event or series of events occurring from the date of the Implementation Agreement which will result, or be reasonably likely to result, in a Material Adverse Effect. For the purposes of the Implementation Agreement, a "**Material Adverse Effect**" means a diminution in the consolidated net asset value of the Group (as reflected in the latest publicly released consolidated financial statements of the Group prior to the Relevant Date) by more than S\$38,179,102, being 15% of the audited consolidated net asset value of the Group as at 30 June 2024 as reflected in the Audited Accounts (i.e. S\$254,527,348), provided that:
  - (a) the following shall not to be taken into account in determining if there has been, or reasonably likely to result in, a Material Adverse Effect:
    - (i) the tax exempt one-tier final dividend declared by the Company on 10 October 2024 and paid on 25 November 2024, of 2.0 Singapore cents per Share and amounting to an aggregate of S\$5,053,676.94; and
    - (ii) the tax exempt special dividend declared by the Company on 10 October 2024 and paid on 25 November 2024, of 1.5 Singapore cents per Share and amounting to an aggregate of S\$3,790,257.71; and
  - (b) any effect resulting from any of the following matters shall be excluded in determining such diminution:
    - (i) any act or omission of the Offeror;
    - (ii) any matter disclosed or provided for under the terms of the Implementation Agreement;
    - (iii) any matter or thing hereafter done or omitted to be done as required, contemplated or permitted under the Implementation Agreement or otherwise at the written request of the Offeror or with the written approval of the Offeror; and
    - (iv) the Acquisition or any transaction contemplated under the Implementation Agreement and any announcement or pendency of any of the foregoing.

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## APPENDIX K – PRESCRIBED OCCURRENCES

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*All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.*

### Part 1 – The Offeror’s Prescribed Occurrences

For the purpose of this Scheme Document, “**Prescribed Occurrence**”, in relation to the Offeror, means any of the following:

- (a) **Injunction:** (i) an injunction or other order issued by any court or (ii) a legal restraint or prohibition by any Governmental Agency, in each case having proper jurisdiction over the Scheme or the Acquisition, preventing the Scheme from becoming effective or the completion of the Acquisition (or an integral part of the Acquisition which is not severable from the Acquisition as a whole), and such injunction or order or legal restraint or prohibition being in full force and effect as at the Relevant Date;
- (b) **Resolution for winding up:** the Offeror resolving that it be wound up;
- (c) **Appointment of liquidator and judicial manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Offeror;
- (d) **Order of court for winding up:** the making of an order by a court of competent jurisdiction for the winding up of the Offeror;
- (e) **Composition:** the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- (f) **Appointment of receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Offeror;
- (g) **Insolvency:** the Offeror becoming or being deemed by law or a court of competent jurisdiction to be insolvent or being unable to pay its debts when they fall due or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due;
- (h) **Investigations and proceedings:** if the Offeror or any of its directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding; or
- (i) **Analogous event:** any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

### Part 2 – The Group’s Prescribed Occurrences

For the purpose of this Scheme Document, “**Prescribed Occurrence**”, in relation to the Company or any Group Company (as the case may be), means any of the following other than (i) as required under this Agreement or the Scheme or (ii) as consented to in writing by the Offeror:

- (a) **Conversion of shares:** any Group Company converting all or any of its shares into a larger or smaller number of shares;

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## APPENDIX K – PRESCRIBED OCCURRENCES

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- (b) **Share buy-back:** any Group Company (a) undertaking any share buy-backs pursuant to its existing share buy-back mandate, or (b) entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
- (c) **Alteration of share capital:** any Group Company resolving to reduce or otherwise alter its share capital in any way;
- (d) **Allotment of shares:** any Group Company making or agreeing to make an allotment of, or granting or agreeing to grant an option to subscribe for, any shares or securities convertible into shares;
- (e) **Issuance of debt securities:** any Group Company issuing, or agreeing to issue, convertible notes or other debt securities;
- (f) **Acceleration of indebtedness:** any moneys borrowed by, or indebtedness (actual or contingent) of, any Group Company becoming repayable or capable of being declared repayable immediately or earlier than the stated repayment date;
- (g) **Borrowings and indebtedness:** any Group Company incurring any additional borrowings or indebtedness outside of the usual and ordinary course of the relevant Group Company's trade, including by way of the issuance of bonds, notes or other debt securities (whether or not convertible or exchangeable into shares or units and whether or not accounted for as equity), which in aggregate amounts to more than S\$5,000,000 for the financial year ending 30 June 2025;
- (h) **Dividends:** any Group Company declaring, making or paying any dividends or any other form of distribution to its shareholders other than the Special Dividend;
- (i) **Capital expenditure:** any Group Company making or incurring any capital expenditure save for (i) any capital expenditure which does not exceed S\$10,000,000 and (ii) any capital expenditure arising from or relating to cases of emergency;
- (j) **Acquisitions and disposals:** any Group Company (i) entering into, undertaking or completing any acquisition or disposal which would or is reasonably likely to result in a Material Adverse Effect or (ii) creating any Encumbrance (except for any Encumbrances under existing debt financing) over its assets which would or is reasonably likely to result in a Material Adverse Effect, other than an acquisition or disposal of assets, or the creation of an Encumbrance that is in the usual and ordinary course of the relevant Group Company's trade;
- (k) **Injunction:** (i) an injunction or other order issued by any court or (ii) a legal restraint or prohibition by any Governmental Agency, in each case having proper jurisdiction over the Scheme or the Acquisition, preventing the Scheme from becoming effective or the completion of the Acquisition (or an integral part of the Acquisition which is not severable from the Acquisition as a whole), and such injunction or order or legal restraint or prohibition being in full force and effect as at the Relevant Date;
- (l) **Resolution for winding up:** save for PEC Construction Equipment Leasing Company (Huizhou) Limited and PEC (Myanmar) Limited, any Group Company resolving that it be wound up;

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## APPENDIX K – PRESCRIBED OCCURRENCES

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- (m) **Appointment of liquidator and judicial manager:** save for PEC Construction Equipment Leasing Company (Huizhou) Limited and PEC (Myanmar) Limited, the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of any Group Company;
- (n) **Order of court for winding up:** the making of an order by a court of competent jurisdiction for the winding up of any Group Company;
- (o) **Composition:** any Group Company entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- (p) **Appointment of receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of any Group Company;
- (q) **Enforcement of security:** any security interest over any part of the business, property or assets of any Group Company becoming enforceable;
- (r) **Insolvency:** any Group Company becoming or being deemed by law or a court of competent jurisdiction to be insolvent or being unable to pay its debts when they fall due or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due;
- (s) **Investigations and proceedings:** if any Group Company or any of its directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding;
- (t) **Redesignation or termination of employment of Key Management Personnel:** the redesignation or termination of the employment of any Key Management Personnel, such that the relevant Key Management Personnel is no longer in any executive capacity with respect to the Company;
- (u) **Cessation of business:** save for PEC Construction Equipment Leasing Company (Huizhou) Limited and PEC (Myanmar) Limited, any Group Company ceases or threatens to cease for any reason to carry on business in the usual and ordinary course; or
- (v) **Analogous event:** 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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## APPENDIX L – MANNER OF CONVENING COURT MEETING

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The manner of convening the Court Meeting as ordered by the Court under the Court Meeting Court Order is set out below:

### Convening, holding or conducting of the Court Meeting

1. The Company shall be at liberty to convene the Court Meeting at a date, and time and/or location to be determined by the Company.
2. The minutes of the Court Meeting (including the responses to the substantial and relevant questions which are addressed during the Court Meeting) shall be published on the website of the Singapore Exchange Securities Trading Limited (“**SGXNet**”) and the website of the Company within one month after the date of the Court Meeting.

### Right or entitlement to speak on a resolution at the Court Meeting

3. The Company may require that a Shareholder shall, before the Court Meeting, send to the Company, by post to the Company’s registered office, electronic mail (“**e-mail**”) and/or such other electronic means as the Company considers appropriate, the matters which the Shareholder wishes to raise at the Court Meeting, and each such matter, if substantial and relevant and sent within a reasonable time before the Court Meeting, is to be responded to at or before the Court Meeting in any manner the Company determines appropriate.

### Quorum at the Court Meeting

4. A quorum may be formed by two (2) Shareholders attending in person or by proxy.

### Voting at the Court Meeting

5. Each Shareholder entitled to attend and vote at the Court Meeting may attend in person or shall be entitled to appoint a proxy(ies). The proxy need not be a Shareholder and may be the Chairman of the Court Meeting.
6. Each Shareholder who wishes to appoint a proxy(ies) must complete the Proxy Form A (Court Meeting) in accordance with the instructions printed thereon and lodge it with the Share Registrar of the Company, In.Corp Corporate Services Pte. Ltd., via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia) or by post at 36 Robinson Road, #20-01 City House, Singapore 068877, in either case, not less than 48 hours before the time fixed for the Court Meeting.
7. A Shareholder entitled to attend and vote at the Court Meeting and who is not a Relevant Intermediary:
  - (a) is entitled to appoint only one proxy to attend and vote at the Court Meeting; and
  - (b) may only cast all the votes it uses at the Court Meeting (whether in person or by proxy) in one way, and may only:
    - (i) cast all its votes “**for**” the Scheme;
    - (ii) cast all its votes “**against**” the Scheme; or
    - (iii) abstain from voting.

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## APPENDIX L – MANNER OF CONVENING COURT MEETING

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8. In relation to a Shareholder who is a Relevant Intermediary:
- (a) subject to paragraph 8(b) below, a Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that (i) each vote is exercised in relation to a different Share; and (ii) the voting rights attached to all or any of the Shares in each sub-account maintained by the Relevant Intermediary may only be cast at the Court Meeting in one way, but, for the avoidance of doubt the voting rights of the Shares in one sub-account need not be cast in the same way as the Shares in another sub-account maintained by such Relevant Intermediary; and
  - (b) a Shareholder who is a Relevant Intermediary may appoint more than two (2) proxies in relation to the Court Meeting to exercise all or any of the Shareholder's rights to attend and to speak and vote at the Court Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the Shareholder (which number and class of shares must be specified) provided that no more than one proxy may be given in respect of each sub-account maintained by the Relevant Intermediary which holds Shares. Where a proxy is appointed in accordance with this paragraph 8(b) of only one sub-account holder, such proxy may only cast all the votes it uses at the Court Meeting in one (1) way.
9. For the purposes of determining whether the condition under Section 210(3AB)(a) of the Companies Act is satisfied, unless the Court orders otherwise:
- (a) the Company shall treat each proxy appointed in accordance with paragraph 7 and who casts a vote in respect of its Shares for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy of more than one (1) Shareholder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing Shareholders;
  - (b) the Company shall treat each proxy appointed in accordance with paragraph 8(b) and who casts a vote in respect of its Shares for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy in accordance with paragraph 8(b) of more than one sub-account holder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing sub-account holders;
  - (c) subject to paragraph 9(d) below, where a Shareholder is a Relevant Intermediary, the Company shall treat each sub-account holder on whose behalf the Relevant Intermediary holds Shares, and which casts a vote in respect of the Shares in such sub-account for or against the Scheme, as casting one vote in number.

The Shareholder which is a Relevant Intermediary shall submit to the Share Registrar the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares). Each sub-account holder may only vote one way in respect of all or any part of the Shares in such sub-account; and

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## APPENDIX L – MANNER OF CONVENING COURT MEETING

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- (d) where a Shareholder who is a Relevant Intermediary casts votes both for and against the Scheme otherwise than in accordance with paragraph 8(b) above and without submitting to the Share Registrar the information required under paragraph 9(c) above, without prejudice to the treatment of any proxies appointed in accordance with paragraph 8(b) above:
  - (i) the Relevant Intermediary shall be treated as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
  - (ii) the Relevant Intermediary shall be treated as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
  - (iii) the Relevant Intermediary shall be treated as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.
- 10. If any Shareholder fails to submit a Proxy Form A (Court Meeting) (if applicable) in the manner and within the period stated therein or if the Proxy Form A (Court Meeting) (if applicable) is incomplete, improperly completed, illegible or where the true intentions of the Shareholder are not ascertainable from the instructions of the Shareholder specified in the Proxy Form A (Court Meeting) (if applicable), the Shareholders and the proxy of such Shareholder (if applicable) may only be admitted to the Court Meeting at the discretion of the Chairman. Any such Shareholder shall, nonetheless, be bound by the terms of the Scheme in the event that it becomes effective.
- 11. For purposes of voting at the Court Meeting, the Company shall be entitled to reject any Proxy Form A (Court Meeting) lodged by a Shareholder if the Shareholder is not shown to be a shareholder of the Company in the Company's Register of Members or the Depository Register (collectively, the "**Registers**") as at 48 hours before the time of the Court Meeting.

### Laying and production of documents at the Court Meeting

- 12. The Scheme Document and any other document to be laid or produced before the Court Meeting may be so laid or produced by being sent or published in the manner provided in paragraph 14 below.
- 13. Shareholders may also obtain printed copies of the Scheme Document by submitting the Request Form to the Share Registrar of the Company, In.Corp Corporate Services Pte. Ltd., by post or via e-mail. Printed copies of the Scheme Document will be sent by ordinary post to the Shareholder's last known Singapore address as appearing in the Registers, up to three (3) Market Days prior to the date of the Court Meeting.

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## APPENDIX L – MANNER OF CONVENING COURT MEETING

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### Giving of Notice of the Court Meeting

14. The Court Meeting (including any adjourned or postponed meeting) may be called by notice in writing of not less than 14 clear days (i.e. not inclusive of the day on which the Notice of Court Meeting is served, and the day of the Court Meeting), in all of the following manners, as may be determined by the Company:
- (a) either: (i) by ordinary post to or left at the Shareholder's last known Singapore address as appearing in the Registers, or in the case of joint Shareholders, the joint Shareholder named first in the Registers at such person's address as appearing in the Registers; or (ii) by e-mail to the Shareholder's last known e-mail address as appearing in the Company's records, or in the case of joint Shareholders, the joint Shareholder named first in the Registers at such person's e-mail address as appearing in the Company's records;
  - (b) by way of advertisement in the Straits Times or Business Times;
  - (c) by way of announcement on SGXNet; and
  - (d) by way of publication on the Company's website,

subject to any potential restrictions on sending the Scheme Document to any overseas jurisdiction. The Company shall not be liable for any mistake with respect to each Shareholder's address or e-mail as how it is recorded in the Registers or the Company's records, including but not limited to the said address or e-mail address being outdated or that the Shareholder no longer resides at said address or utilises said e-mail address.

15. The Notice of Court Meeting:
- (a) shall set out the date, time and venue of the Court Meeting;
  - (b) shall provide instructions on how the Shareholders can locate the Scheme Document electronically;
  - (c) shall set out how a Shareholder may vote (either in person or by proxy) at the Scheme;
  - (d) shall state how a Shareholder may submit questions in advance of the Court Meeting or during the Court Meeting; and
  - (e) may be accompanied by any other documents relevant to the Court Meeting.

### Others

16. Ms Edna Ko Poh Thim, or failing her, any other director of the Company present at the Court Meeting, shall be appointed to act as Chairman of the Court Meeting and to report the voting results of the Court Meeting to the Court.
17. Save where expressly provided herein, the provisions of the Company's Constitution in relation to meetings of Shareholders may be applied in respect of the Court Meeting as appropriate at the discretion of the Chairman of the Court Meeting.

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## APPENDIX L – MANNER OF CONVENING COURT MEETING

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18. The Chairman of the Court Meeting shall be at liberty to adjourn the Court Meeting for such period as he shall deem appropriate.
19. Not less than 14 days before the day appointed for the Court Meeting, a document (the “**Scheme Document**”) consisting of, *inter alia*, the following:
- (a) a Letter to Shareholders from the Company to the Shareholders containing details of, *inter alia*, the purpose of the Scheme Document and information relating to the Scheme;
  - (b) an Explanatory Statement which contains, *inter alia*, the information required to be disclosed under Section 211 of the Companies Act;
  - (c) a letter from Deloitte & Touche Corporate Finance Pte Ltd, as the independent financial adviser to the directors of the Company who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Scheme;
  - (d) a letter from the Offeror, Alliance Energy Services Pte. Ltd., to the Shareholders;
  - (e) the Notice of Court Meeting; and
  - (f) a proxy form for use at the Court Meeting,
- shall be published or sent in accordance with paragraphs 14(a), 14(c) and 14(d) above.
20. Any inadvertent omission to give any Shareholder the Notice of Court Meeting or the non-receipt of the Notice of Court Meeting by any Shareholder shall not invalidate the proceedings at the Court Meeting, unless otherwise ordered by the Court.
21. In this Appendix:
- (a) The term “**Depository Register**” shall have the meaning ascribed to it in Section 81SF of the SFA.
  - (b) “**Relevant Intermediary**” means:
    - (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
    - (ii) a person holding a capital markets services licence to provide custodial services for securities under the SFA, and who holds Shares in that capacity; or
    - (iii) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
  - (c) “**SFA**” means the Securities and Futures Act 2001 of Singapore.

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## **APPENDIX M – THE SCHEME**

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### **IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Case No.: HC/OA 295/2025

In the Matter of Section 210 of the  
Companies Act 1967

**PEC Ltd.**

(Company Registration No.: 198200079M)

...Applicant

### **SCHEME OF ARRANGEMENT**

#### **Under Section 210 of the Companies Act 1967**

Between

**PEC Ltd.**

And

**Shareholders**

(as defined herein)

And

**Alliance Energy Services Pte. Ltd.**

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## APPENDIX M – THE SCHEME

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In this Scheme of Arrangement, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings:

<b>“Acquisition”</b>	:	Has the meaning ascribed to it in Recital (B) of this Scheme
<b>“Business Day”</b>	:	A day other than a Saturday, Sunday and gazetted public holiday on which commercial banks are open for business in Singapore and Taiwan
<b>“Cash Consideration”</b>	:	The consideration for each Share to be paid by the Offeror to each Eligible Shareholder in accordance with the terms of this Scheme, being S\$0.64 in cash
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Companies Act”</b>	:	Companies Act 1967 of Singapore
<b>“Company”</b>	:	PEC Ltd.
<b>“Long-Stop Date”</b>	:	17 September 2025 (or such other date as the Parties may agree in writing)
<b>“Court”</b>	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Effective Date”</b>	:	The date on which the Scheme, if approved, becomes effective in accordance with its terms
<b>“Eligible Shareholders”</b>	:	Shareholders as at 5.00 p.m. on the Record Date
<b>“Encumbrances”</b>	:	Any liens, equities, mortgages, charges, encumbrances, security interests, hypothecations, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party or any agreements, arrangements and obligations to create any of the foregoing
<b>“Implementation Agreement”</b>	:	The implementation agreement dated 17 February 2025 entered into between the Offeror and the Company
<b>“Joint Announcement”</b>	:	The joint announcement by the Company and the Offeror dated 17 February 2025 in relation to, <i>inter alia</i> , the Acquisition and the Scheme

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<b>“Joint Announcement Date”</b>	:	17 February 2025, being the date of the Joint Announcement
<b>“Latest Practicable Date”</b>	:	4 April 2025, being the latest practicable date prior to the publication of the Scheme Document
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Offeror”</b>	:	Alliance Energy Services Pte. Ltd.
<b>“Record Date”</b>	:	The record date to be announced by the Company on which the transfer books and the Register of Members will be closed in order to determine the entitlements of the Shareholders in respect of the Scheme
<b>“Register of Members”</b>	:	The register of members of the Company
<b>“Scheme”</b>	:	This scheme of arrangement under Section 210 of the Companies Act dated 17 April 2025, in its present form or with or subject to any modification thereof or amendment or addition thereto in accordance with its terms or condition(s) approved or imposed by the Court
<b>“Special Dividend”</b>	:	The special dividend for each Share to be paid by the Company to each Eligible Shareholder in accordance with the terms of this Scheme, being S\$0.20 in cash
<b>“Scheme Document”</b>	:	The document dated 17 April 2025 and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
<b>“Securities Account”</b>	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>“SFA”</b>	:	The Securities and Futures Act 2001 of Singapore
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the Register of Members and Depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company

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

**Expressions.** Words importing the singular shall, where applicable, include the plural and vice versa and words indicating a specific gender shall, where applicable, include the other genders (male, female or neuter). References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Scheme Document are inserted for convenience only and shall be ignored in construing this Scheme Document.

**Rounding.** Any discrepancies in the figures included in this Scheme Document between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in totals in this Scheme Document may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to “**you**”, “**your**” and “**yours**” in this Scheme Document are, as the context so determines, to Shareholders (including persons whose Shares are deposited with CDP or who have purchased the Shares on the SGX-ST).

**Statutes.** Any reference in this Scheme Document to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended, modified, supplemented or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual or any modification thereof and not otherwise defined in this Scheme Document shall, where applicable, have the meaning ascribed to that word under the Companies Act, the Code, the Listing Manual or that modification, as the case may be, unless the context otherwise requires.

**Subsidiary and Related Corporations.** The expressions “subsidiary” and “related corporations” shall have the same meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Any reference to a time of day and date in this Scheme Document shall be a reference to Singapore time and date respectively, unless otherwise specified.

### RECITALS

- (A) The Company was incorporated in Singapore on 8 January 1982 and has been listed on the Mainboard of the SGX-ST since 7 August 2009. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$39,592,000 comprising 255,714,763 Shares, issue (of which 791,886 Shares are held as treasury shares).
- (B) The primary purpose of this Scheme is the acquisition by the Offeror of all the Shares (“**Acquisition**”).
- (C) The Company and the Offeror have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme.

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## **APPENDIX M – THE SCHEME**

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- (D) The Offeror has agreed to appear by legal counsel at the hearing of the Originating Application to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

### **PART I**

#### **SCHEME CONDITIONS**

1. This Scheme is conditional upon each condition precedent set out in clause 3.1 of the Implementation Agreement (as reproduced in Appendix J to the Scheme Document) being satisfied or, subject to the terms of the Implementation Agreement, being waived on or before the Long-Stop Date.

### **PART II**

#### **TRANSFER OF SHARES**

2. With effect from the Effective Date, all Shares held by the Eligible Shareholders as at the Record Date will be transferred to the Offeror fully paid up, free from all Encumbrances and together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, made or paid by the Company on or after the Joint Announcement Date (other than the Special Dividend).
3. For the purposes of giving effect to the transfer of the Shares provided for in Clause 2 of this Scheme:
  - (a) in the case of Eligible Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Eligible Shareholders an instrument or instruction of transfer of all the Shares held by such Eligible Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Eligible Shareholder; and
  - (b) in the case of the Eligible Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Eligible Shareholders, to debit, not later than seven Business Days after the Effective Date, all of the Shares standing to the credit of the Securities Accounts of such Eligible Shareholders and credit all of such Shares to the Securities Accounts of the Offeror.

### **PART III**

#### **PAYMENT OF SCHEME CONSIDERATION**

##### **The Cash Consideration**

4. In consideration for the transfer of the Shares to the Offeror under Clause 2 of this Scheme and subject to Clause 1 of this Scheme, the Offeror shall pay or procure that there shall be paid to each Eligible Shareholder the Cash Consideration of S\$0.64 for each Share.

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5. Not later than seven Business Days after the Effective Date, and against the transfer of Shares set out in Clause 2 of this Scheme, the Offeror shall pay cash to the Eligible Shareholders who are entitled to receive the Cash Consideration for their Shares as follows:

(a) **Eligible Shareholders whose Shares are not deposited with CDP**

Pay each Eligible Shareholder (not being a Depositor) by sending a cheque for the Cash Consideration payable to and made out in favour of each Eligible Shareholder by ordinary post to his/her/its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Eligible Shareholders, or in the case of joint Eligible Shareholders, to the first named Eligible Shareholder made out in favour of such Eligible Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Eligible Shareholders.

(b) **Eligible Shareholders whose Shares are not deposited with CDP**

Pay each Eligible Shareholder (being a Depositor) by making payment of the Cash Consideration payable to such Eligible Shareholder to CDP. CDP shall:

- (i) in the case of an Eligible Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Cash Consideration payable to such Eligible Shareholder, to the designated bank account of such Eligible Shareholder; and
- (ii) in the case of an Eligible Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Cash Consideration to such Eligible Shareholder's cash ledger and such Cash Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which are available from CDP.

6. The despatch of payment by the Offeror (in respect of the Cash Consideration) and the Company (in respect of the Special Dividend) to each Eligible Shareholder's address and/or CDP (as the case may be) in accordance with the terms of this Scheme shall discharge the Offeror and the Company (as the case may be) from any liability in respect of those payments.

7. (a) On and after the day being six calendar months after the posting of such cheques relating to the Special Dividend and Cash Consideration, the Offeror and/or Company (as the case may be) shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Company's name with a licensed bank in Singapore selected by the Company.

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## APPENDIX M – THE SCHEME

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- (b) The Company or its successor entity shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clauses 5 and 10 of this Scheme to persons who satisfy the Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in Clauses 5 and 10 of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to Clauses 4 and 9 of this Scheme.
  - (c) On the expiry of six years from the Effective Date, the Company and the Offeror shall be released from any further obligation to make any payments of the Special Dividend and Cash Consideration under this Scheme and the Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in Clause 7(a) of this Scheme including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.
  - (d) Clause 7(c) of this Scheme shall take effect subject to any prohibition or condition imposed by law.
8. From the Effective Date, each existing share certificate representing a former holding of Shares held by the Eligible Shareholders (not being Depositors) will cease to be evidence of title of the Shares represented thereby. The Eligible Shareholders (not being Depositors) shall be required to forward their existing share certificates relating to their Shares to the Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01, City House, Singapore 068877 as soon as possible, but not later than seven Business Days after the Effective Date for cancellation.

### **The Special Dividend**

9. In consideration for the transfer of the Shares to the Offeror under Clause 2 of this Scheme and subject to Clause 1 of this Scheme, the Company shall pay or procure that there shall be paid to each Eligible Shareholder the Special Dividend of S\$0.20 for each Share.
10. Not later than seven Business Days after the Effective Date, and against the transfer of Shares set out in Clause 2 of this Scheme, the Company shall pay the Special Dividend to the Eligible Shareholders who are entitled to receive the Cash Consideration for their Shares as follows:

(a) **Eligible Shareholders whose Shares are not deposited with CDP**

Pay each Eligible Shareholder (not being a Depositor) by sending a cheque for the Special Dividend payable to and made out in favour of each Eligible Shareholder by ordinary post to his/her/its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Eligible Shareholders, or in the case of joint Eligible Shareholders, to the first named Eligible Shareholder made out in favour of such Eligible Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Eligible Shareholders.

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## APPENDIX M – THE SCHEME

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### (b) Eligible Shareholders whose Shares are deposited with CDP

Pay each Eligible Shareholder (being a Depositor) by making payment of the Special Dividend payable to such Eligible Shareholder to CDP. CDP shall:

- (i) in the case of an Eligible Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Special Dividend payable to such Eligible Shareholder, to the designated bank account of such Eligible Shareholder; and
- (ii) in the case of an Eligible Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Special Dividend to such Eligible Shareholder's cash ledger and such Cash Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which are available from CDP.

## PART IV

### EFFECTIVE DATE

- 11. Subject to the satisfaction of the Scheme Conditions set out in Clause 1 of this Scheme, this Scheme shall become effective and binding upon a copy of the order of the Court sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with the Accounting and Corporate Regulatory Authority of Singapore for registration.
- 12. Unless this Scheme shall have become effective and binding as aforesaid on or before the Long-Stop Date (or such other date as the Court on the application of the Company or the Offeror may allow), this Scheme shall lapse.
- 13. The Company and the Offeror may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.
- 14. In the event that the Scheme does not become effective and binding for any reason, the expenses and costs incurred by the Company in connection with the Scheme will be paid out of the assets of the Company.
- 15. This Scheme shall be governed by, and construed in accordance with, the laws of Singapore, and the Company, the Offeror and the Shareholders submit to the non-exclusive jurisdiction of the courts of Singapore. A person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term or provision of this Scheme.

Dated 17 April 2025

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## **NOTICE OF COURT MEETING**

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### **IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Case No.: HC/OA 295/2025

In the Matter of Section 210  
of the Companies Act 1967

And

**PEC Ltd.**  
(Company Registration No.: 198200079M)

...Applicant

### **SCHEME OF ARRANGEMENT**

**Under Section 210 of the Companies Act 1967**

Between

**PEC Ltd.**

And

**Shareholders**  
(as defined herein)

And

**Alliance Energy Services Pte. Ltd.**

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## NOTICE OF COURT MEETING

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### PEC LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198200079M)

## NOTICE OF COURT MEETING

**NOTICE IS HEREBY GIVEN** that by an Order of Court made in the above matter, the High Court of the Republic of Singapore (the “**Court**”) has directed a meeting (the “**Court Meeting**”) of the shareholders (the “**Shareholders**”) of PEC Ltd (the “**Company**”) to be convened and such Court Meeting shall be held at 14 International Business Park, Singapore 609922 on 5 May 2025, 10.00 a.m. (Singapore time), for the purpose of considering and, if thought fit, approving the following resolution. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the Scheme Document dated 17 April 2025.

### THE SCHEME RESOLUTION

#### **RESOLVED THAT:**

- (a) subject to and contingent upon the passing of the Special Dividend Resolution at the extraordinary general meeting to be convened and held following the conclusion of this Court Meeting, the scheme of arrangement dated 17 April 2025 proposed to be made pursuant to Section 210 of the Companies Act 1967 of Singapore, between (i) the Company, (ii) Shareholders, and (iii) Alliance Energy Services Pte. Ltd., a copy of which has been circulated with the notice convening this Court Meeting, be and is hereby approved; and
- (b) the Directors of the Company be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents) as the Directors may consider expedient or necessary or in the interests of the Company to give effect to the Scheme.

#### **Notes:**

- 1. A copy of the said Scheme and a copy of the Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act 1967 of Singapore are incorporated in the Scheme Document of which this Notice forms part.
- 2. An electronic copy of the Scheme Document shall be made available at the website of the SGX-ST at least 14 clear days before the date of the Court Meeting (i.e. not inclusive of the day on which this Notice of Court Meeting is served, and the day of the Court Meeting). Shareholders (including Overseas Shareholders) may obtain copies of the Scheme Document by completing and returning the Request Form accompanying the Notices and Proxy Forms to the Share Registrar, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877, or via email at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia), which should reach the Share Registrar by no later than 24 April 2025, at 6.00 p.m.. A printed copy of the Scheme Document will be sent to the address in Singapore specified by the Shareholder at his/her/its own risk.
- 3. Arrangements relating to the conduct of the Court Meeting, including:
  - (a) attending the Court Meeting in person;
  - (b) submitting questions related to the Scheme Resolution to be tabled for approval at the Court Meeting, in advance of the Court Meeting or at the Court Meeting itself; and/or
  - (c) voting at the Court Meeting by the Shareholder (i) in person, or (ii) by his/her/its duly appointed proxy,are set out in this Notice of Court Meeting. Any reference to a time of day is made by reference to Singapore time.

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## NOTICE OF COURT MEETING

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Shareholders, including CPFIS Members and SRS Investors, or, where applicable, their appointed proxy who will be attending the Court Meeting in person should bring along their NRIC/passport so as to enable the verification of their identity on the day of the Court Meeting.

4. Shareholders are invited to attend physically at the Court Meeting. There will be no option for Shareholders to participate virtually.
5. Shareholders may submit questions related to the Scheme Resolution to be tabled for approval at the Court Meeting, in advance of the Court Meeting. To do so, all questions must be submitted in the following manner:
  - (a) if submitted by post, be lodged at the office of In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877; or
  - (b) if submitted electronically, be submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

All questions sent by any of the above means, must reach In.Corp Corporate Services Pte. Ltd. no later than 6.00 p.m. on 24 April 2025.

Shareholders who submit questions via email or post must provide the following information:

- (a) the Shareholder's full name;
  - (b) the Shareholder's address; and
  - (c) the manner in which the Shareholder holds Shares (e.g., via CDP, CPF or SRS).
6. Shareholders are strongly encouraged to submit their questions electronically via email.
7. The Company will endeavour to address all substantial and relevant questions received by it in advance of the Court Meeting from the Shareholders, prior to or during the Court Meeting and the Company's responses will be posted on SGXNet and the Company's corporate website. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
8. Shareholders or, where applicable, their appointed proxy may also ask the Chairman of the Court Meeting substantial and relevant questions related to the Scheme Resolution to be tabled for approval at the Court Meeting, at the Court Meeting.
9. The Company will publish the minutes of the Court Meeting on the Company's corporate website and on SGXNet within one (1) month from the date of the Court Meeting, and the minutes will include the responses to the substantial and relevant questions received from Shareholders which are addressed during the Court Meeting.
10. A form of proxy applicable for the Court Meeting (the "**Proxy Form A (Court Meeting)**") is enclosed with the Scheme Document, of which this Notice forms part.
11. Each Proxy Form A (Court Meeting) must be signed by the appointor or his attorney duly authorised in writing. Where a Proxy Form A (Court Meeting) is executed by a corporation, it must be either executed under its common seal or signed by its officer or attorney so authorised.
12. A corporation, being a Shareholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Court Meeting 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.
13. The Proxy Form A (Court Meeting) and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Share Registrar, In.Corp Corporate Services Pte. Ltd., in the following manner:
  - (a) if submitted by post, be lodged at the office of In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01, City House, Singapore 068877; or
  - (b) if submitted electronically, be submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

in either case, by 3 May 2025 at 10.00 a.m. (being not less than 48 hours before the time fixed for the Court Meeting). If a Shareholder fails to lodge a proxy form as stipulated, the proxy of such Shareholder shall not be entitled to vote at the Court Meeting. A person appointed to act as a proxy need not be a Shareholder.

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## NOTICE OF COURT MEETING

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A Shareholder who wishes to submit a Proxy Form A (Court Meeting) must first download, complete and sign the Proxy Form A (Court 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.

**Shareholders are strongly encouraged to submit the completed Proxy Form A (Court Meeting) electronically via email.**

14. Persons (including CPFIS Members and SRS Investors) who hold Shares through Relevant Intermediaries who wish to vote at the Court Meeting should not use the Proxy Form A (Court Meeting) and should instead approach their respective Relevant Intermediaries as soon as possible to specify voting instructions.

A “**Relevant Intermediary**” means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 who holds Shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
15. CPFIS Members and/or SRS Investors who wish to attend the Court Meeting are advised to consult their respective Relevant Intermediaries for further information as soon as possible by 10.00 a.m. (Singapore time) on 23 April 2025, being seven (7) Business Days before the date of the Court Meeting (5 May 2025).
16. In relation to voting at the Court Meeting, the resolution approving the Scheme would need to be passed by a majority in number of Shareholders representing at least three-fourths (75%) in value of the Shares held by the Shareholders or class of Shareholders present and voting either in person or by proxy at the Court Meeting to approve the Scheme.
17. A Shareholder entitled to attend and vote at the Court Meeting and who is not a Relevant Intermediary:
- (a) is entitled to appoint only one proxy to attend and vote at the Court Meeting; and
  - (b) may only cast all the votes it uses at the Court Meeting (whether in person or by proxy) in one way, and may only:
    - (i) cast all its votes “**for**” the Scheme;
    - (ii) cast all its votes “**against**” the Scheme; or
    - (iii) abstain from voting; and
18. In relation to a Shareholder who is a Relevant Intermediary:
- (a) subject to paragraph 18(b) below, a Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that (i) each vote is exercised in relation to a different Share; and (ii) the voting rights attached to all or any of the Shares in each sub-account maintained by the Relevant Intermediary may only be cast at the Court Meeting in one way, but, for the avoidance of doubt the voting rights of the Shares in one sub-account need not be cast in the same way as the Shares in another sub-account maintained by such Relevant Intermediary; and
  - (b) a Shareholder who is a Relevant Intermediary may appoint more than two (2) proxies in relation to the Court Meeting to exercise all or any of the Shareholder’s rights to attend and to speak and vote at the Court Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the Shareholder (which number and class of shares must be specified) provided that no more than one proxy may be given in respect of each sub-account maintained by the Relevant Intermediary which holds Shares. Where a proxy is appointed in accordance with this paragraph 18(b) of only one sub-account holder, such proxy may only cast all the votes it uses at the Court Meeting in one (1) way.

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## NOTICE OF COURT MEETING

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19. For the purposes of determining whether the condition under Section 210(3AB)(a) of the Companies Act 1967 of Singapore is satisfied:
- (a) the Company shall treat each proxy appointed in accordance with paragraph 17 and who casts a vote in respect of its Shares for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy of more than one (1) Shareholder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing Shareholders;
  - (b) the Company shall treat each proxy appointed in accordance with paragraph 18(b) and who casts a vote in respect of its Shares for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy in accordance with paragraph 18(b) of more than one sub-account holder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing sub-account holders;
  - (c) subject to paragraph 19(d) below, where a Shareholder is a Relevant Intermediary, the Company shall treat each sub-account holder on whose behalf the Relevant Intermediary holds Shares, and which casts a vote in respect of the Shares in such sub-account for or against the Scheme, as casting one vote in number.

The Shareholder which is a Relevant Intermediary shall submit to the Share Registrar the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares). Each sub-account holder may only vote one way in respect of all or any part of the Shares in such sub-account; and
  - (d) where a Shareholder who is a Relevant Intermediary casts votes both for and against the Scheme otherwise than in accordance with paragraph 18(b) above and without submitting to the Share Registrar the information required under paragraph 19(c) above, without prejudice to the treatment of any proxies appointed in accordance with paragraph 18(b) above:
    - (i) the Company shall treat the Relevant Intermediary as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
    - (ii) the Company shall treat the Relevant Intermediary as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
    - (iii) the Company shall treat the Relevant Intermediary as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.
20. If the Shareholder is a Depositor, the Company shall be entitled and bound: (i) to reject any Proxy Form A (Court Meeting) lodged if the Depositor is not shown to have any Shares entered against his name in the Depository Register as at 72 hours before the time of the Court Meeting as certified by the Depository to the Company; and (ii) to accept as the maximum number of votes which in aggregate the proxy appointed by the 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 Court Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any Proxy Form A (Court Meeting) executed by or on behalf of that Depositor.
21. In the case of joint Shareholders, any one of such persons may vote, but if more than one of such persons be present at the Court Meeting, the person whose name stands first in the Register of Members of the Company or, as the case may be, the Depository Register shall alone be entitled to vote.
22. By the said Order of Court, the Court has appointed Ms Edna Ko Poh Thim, or failing her, any other director of the Company, to act as Chairman of the Court Meeting and has directed the Chairman to report the voting results of the Court Meeting to the Court as soon as possible after the Court Meeting.
23. The said Scheme will be subject to, *inter alia*, the subsequent approval of the Court.
24. Please see the Scheme Document for more information.

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## NOTICE OF COURT MEETING

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### **Personal Data Privacy:**

By either (a) attending the Court Meeting, (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Court Meeting and/or any adjournment thereof, or (c) submitting any question in advance of, or at, the Court Meeting a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxies and representatives for the Court Meeting (including any adjournment thereof), the addressing of questions received from Shareholders in advance of or at the Court Meeting and, if necessary, the following up with the relevant Shareholders in relation to such questions, the preparation and compilation of the attendance lists, minutes and other documents relating to the Court Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request, (iv) agrees that the Shareholder will indemnify the Company (or its agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty, and (v) agrees and consents to such photographic, sound and/or video recordings of the Court Meeting as may be made by the Company (or its agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the Court Meeting. Accordingly, the personal data of the Shareholder (such as his/her name, his/her presence at the Court Meeting and any questions he/she may raise or motions he/she may propose/second) may be recorded by the Company (or its agents or service providers) for such purpose.

Dated this 17th day of April 2025

By Order of the Court

**PEC Ltd.**

14 International Business Park  
Singapore 609922

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**PROXY FORM A (COURT MEETING)**

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**IN THE GENERAL DIVISION OF THE HIGH COURT  
OF THE REPUBLIC OF SINGAPORE**

Case No.: HC/OA 295/2025

In the Matter of Section 210  
of the Companies Act 1967

And

**PEC Ltd.**  
(Company Registration No.: 198200079M)

...Applicant

**SCHEME OF ARRANGEMENT**

**Under Section 210 of the Companies Act 1967**

Between

**PEC Ltd.**

And

**Shareholders**  
(as defined herein)

And

**Alliance Energy Services Pte. Ltd.**

## PROXY FORM A (COURT MEETING)

### PEC LTD.

(Incorporated in Singapore)  
(Registration No. 198200079M)

### PROXY FORM A (COURT MEETING)

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

##### CPFIS/SRS Investors

1. This Proxy Form A (Court Meeting) is not valid for use by persons who hold Shares through Relevant Intermediaries and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPFIS Members and SRS Investors who wish to vote at the Court Meeting should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) Business Days prior to the date of the Court Meeting.

##### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy and/or representative, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Court Meeting dated 17 April 2025.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number/Company Regn. No.)  
of \_\_\_\_\_ (Address)  
being a member/members of PEC LTD. (the “Company”), hereby appoint:

Name	NRIC/Passport No.	Shareholdings <i>(to be completed by a Relevant Intermediary, if applicable)</i>	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Court Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Court Meeting of the Company held at 14 International Business Park, Singapore 609922 on 5 May 2025 at 10.00 a.m. and at any adjournment thereof, for the purpose of considering and, if thought fit, approving the Scheme of Arrangement referred to in the notice convening the Court Meeting, and at such Court Meeting (or at any adjournment thereof) to vote for me/us and in my/our name(s) for the said Scheme or against the said Scheme as hereunder indicated.

The proxy shall vote for or against from voting on the Scheme Resolution to be proposed at the Court Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Court Meeting and at any adjournment thereof, the proxy (except where the Chairman of the Court Meeting is appointed as proxy) may vote or abstain from voting at his/their discretion. If the Chairman of the Court Meeting is appointed as proxy and no specific direction as to voting is given, the appointment will be treated as invalid. Capitalised terms used hereunder shall have the same meanings ascribed to them in the scheme document dated 17 April 2025.

	For*	Against*	Abstain*
<b>Resolution</b> To approve the proposed Scheme			

#### Notes:

##### A Shareholder who is not a Relevant Intermediary

If you are a Shareholder (other than a Relevant Intermediary), you may only appoint one proxy and cast all the votes you use at the Court Meeting in one way. **DO NOT TICK MORE THAN ONE BOX.**

- (i) If you wish to direct your proxy to vote “**For**” or “**Against**” the Scheme Resolution, please indicate with a “√” in the space provided under “**For**” or “**Against**”.
- (ii) If you wish to direct your proxy to abstain from voting on the Scheme Resolution, please indicate a “√” in the space provided under “**Abstain**”.

##### A Shareholder who is a Relevant Intermediary

If you are a Relevant Intermediary:

- (i) please fill in the total number of Shares and the corresponding percentage of your aggregate shareholding which is represented by this proxy form; and
- (ii) please indicate (i) the number of votes “**For**” or “**Against**” your proxy is directed to cast under “**For**” or “**Against**” and (ii) the number of Shares your proxy is directed to abstain from voting under “**Abstain**”.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

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

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**

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## PROXY FORM A (COURT MEETING)

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### Notes:

1. The Court Meeting will be convened and held in a wholly physical format. There will be no option for Shareholders to participate virtually. The Notice of Court Meeting dated 17 April 2025 and this accompanying Proxy Form A (Court Meeting) will be sent by post to members. At the same time, these documents will also be published on the Company's website at the URL <https://www.peceng.com> and on the SGX website at the URL <https://sgx.com/securities/company-announcements>.
2. 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 Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
3. A member of the Company (other than a Relevant Intermediary), entitled to attend and vote at the Court Meeting may only appoint one (1) proxy to attend and vote in his stead and may only cast all the votes he uses at the Court Meeting (whether in person or proxy) in one (1) way. A proxy need not be a member of the Company. Where a member of the Company (other than a Relevant Intermediary) appoints more than one proxy, such additional appointments shall be invalid.
4. In relation to a Shareholder who is a Relevant Intermediary:
  - (a) subject to paragraph 4(b) below, a Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that (i) each vote is exercised in relation to a different Share; and (ii) the voting rights attached to all or any of the Shares in each sub-account maintained by the Relevant Intermediary may only be cast at the Court Meeting in one way, but, for the avoidance of doubt the voting rights of the Shares in one sub-account need not be cast in the same way as the Shares in another sub-account maintained by such Relevant Intermediary; and
  - (b) a Shareholder who is a Relevant Intermediary may appoint more than two (2) proxies in relation to the Court Meeting to exercise all or any of the Shareholder's rights to attend and to speak and vote at the Court Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the Shareholder (which number and class of shares must be specified) provided that no more than one proxy may be given in respect of each sub-account maintained by the Relevant Intermediary which holds Shares. Where a proxy is appointed in accordance with this paragraph 4(b) of only one sub-account holder, such proxy may only cast all the votes it uses at the Court Meeting in one (1) way.
5. For the purposes of satisfying the condition under section 210(3AB)(a) of the Companies Act:
  - (a) the Company shall treat each proxy appointed in accordance with paragraph 3 and who casts a vote in respect of its Shares for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy of more than one (1) Shareholder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing Shareholders;
  - (b) the Company shall treat each proxy appointed in accordance with paragraph 4(b) and who casts a vote in respect of its Shares for or against the Scheme as casting one (1) vote. Where a person has been appointed as proxy in accordance with paragraph 4(b) of more than one sub-account holder to vote at the Court Meeting, the votes of such person shall be counted as the votes of the number of appointing sub-account holders;
  - (c) subject to paragraph 5(d) below, where a Shareholder is a Relevant Intermediary, the Company shall treat each sub-account holder on whose behalf the Relevant Intermediary holds Shares, and which casts a vote in respect of the Shares in such sub-account for or against the Scheme, as casting one vote in number;
  - (d) the Shareholder which is a Relevant Intermediary shall submit to the Share Registrar the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares). Each sub-account holder may only vote one way in respect of all or any part of the Shares in such sub-account; and
  - (e) where a Shareholder who is a Relevant Intermediary casts votes both for and against the Scheme otherwise than in accordance with paragraph 4(b) above and without submitting to the Share Registrar the information required under paragraph 5(c) above, without prejudice to the treatment of any proxies appointed in accordance with paragraph 4(b) above:
    - (i) the Company shall treat the Relevant Intermediary as casting one (1) vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
    - (ii) the Company shall treat the Relevant Intermediary as casting one (1) vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
    - (iii) the Company shall treat the Relevant Intermediary as casting one (1) vote for and one (1) vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.
6. A member (whether individual or corporate) must submit his/her/its Proxy Form A (Court Meeting) as his/her/its proxy (including the Chairman if he is appointed as proxy) to attend, speak and vote on his/her/its behalf at the Court Meeting if such member wishes to exercise his/her/its voting rights at the Court Meeting. Where a member (whether individual or corporate) appoints the Chairman of the Court Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form A (Court Meeting), failing which the appointment of the proxy or Chairman of the Court Meeting as proxy for that resolution will be treated as invalid.

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## PROXY FORM A (COURT MEETING)

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7. The instrument appointing a proxy or the Chairman of the Court Meeting as proxy must be deposited at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 or submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia), in each case, not less than 48 hours before the time for holding the Court Meeting and at any adjournment thereof and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign Proxy Form A (Court 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.

8. Persons (including CPF Investors and SRS Investors) who hold Shares through Relevant Intermediaries should not make use of this Proxy Form A (Court Meeting) and instead approach their respective Relevant Intermediary to specify voting instructions. CPF Investors and SRS Investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes as soon as possible by 10.00 a.m. on 23 April 2025, being seven (7) Business Days prior to the date of the Court Meeting on 5 May 2025.
9. The instrument appointing the proxy or the Chairman of the Court Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or the Chairman of the Court Meeting as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy or the Chairman of the Court Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. 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 Court 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.
11. A "Relevant Intermediary" is:
- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

### General:

The Company shall be entitled to reject the instrument appointing the proxy or the Chairman of the Court Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or the Chairman of the Court Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the proxy or the Chairman of the Court Meeting as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

### Personal Data Privacy:

By submitting an instrument appointing the proxy or the Chairman of the Court Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Court Meeting dated 17 April 2025.

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## NOTICE OF EGM

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### PEC LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198200079M)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING (“**EGM**”) of the holders of Shares (the “**Shareholders**”) of PEC Ltd. (the “**Company**”) will be held at 14 International Business Park, Singapore 609922 on 5 May 2025 at 10.30 a.m. (Singapore time) (or as soon thereafter following the conclusion of the meeting of shareholders directed by the High Court of the Republic of Singapore to be convened which is to be held at 10.00 a.m. (Singapore time) on the same day and at the same venue (the “**Court Meeting**”), whichever is later) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

#### THE SPECIAL DIVIDEND (ORDINARY RESOLUTION)

That:

- (a) subject to and contingent upon the passing of the Scheme Resolution at the Court Meeting, approval be and is hereby given for the payment of a one-tier tax exempt special dividend of 0.20 cents per share (the “**Special Dividend Resolution**”); and
- (b) any Director of the Company be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as such Director may consider expedient or necessary or in the interests of the Company to give effect to the Special Dividend Resolution.

By Order of the Board of Directors

Cheok Hui Yee  
Chin Yee Seng  
Company Secretaries

**Singapore**  
**17 April 2025**

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## NOTICE OF EGM

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### Important Notice:

- (1) Arrangements relating to the conduct of the EGM, including:
- (a) attending the EGM in person;
  - (b) submitting questions related to the Special Dividend Resolution to be tabled for approval at the EGM, in advance of the EGM or at the EGM itself; and/or
  - (c) voting at the EGM by the Shareholder (i) in person, or (ii) by his/her/its duly appointed proxy,

are set out in this Notice of EGM. Any reference to a time of day is made by reference to Singapore time.

Shareholders, including CPFIS Members and SRS Investors, or, where applicable, their appointed proxy who will be attending the EGM in person should bring along their NRIC/passport so as to enable the verification of their identity on the day of the EGM.

- (2) Shareholders are invited to attend physically at the EGM. There will be no option for Shareholders to participate virtually.
- (3) Shareholders may submit questions related to the Special Dividend Resolution to be tabled for approval at the EGM, in advance of the EGM. To do so, all questions must be submitted in the following manner:
- (a) if submitted by post, be lodged at the office of In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877; or
  - (b) if submitted electronically, be submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

All questions sent by any of the above means, must reach In.Corp Corporate Services Pte. Ltd. no later than 6.00 p.m. on 24 April 2025.

Shareholders who submit questions via email or post must provide the following information:

- (a) the Shareholder's full name;
  - (b) the Shareholder's address; and
  - (c) the manner in which the Shareholder holds Shares (e.g., via CDP, CPF or SRS).
- (4) Shareholders are strongly encouraged to submit their questions electronically via email.
- (5) The Company will endeavour to address all substantial and relevant questions received by it in advance of the EGM from the Shareholders, prior to or during the EGM and the Company's responses will be posted on SGXNet and the Company's corporate website. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- (6) Shareholders or, where applicable, their appointed proxy may also ask the Chairman of the EGM substantial and relevant questions related to the Special Dividend Resolution to be tabled for approval at the EGM, at the EGM.
- (7) The Company will publish the minutes of the EGM on the Company's corporate website and on SGXNet within one (1) month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions received from Shareholders which are addressed during the EGM.
- (8) A Shareholder who is not a Relevant Intermediary is entitled to appoint up to two (2) proxies to attend, speak and vote at the EGM. Where a Shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she/they specifies in the instrument of appointment (the "**Proxy Form B (EGM)**") the proportion of his/her/their Shares (expressed as a percentage of the whole) to be represented by each proxy.
- (9) A Shareholder who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM. Each proxy appointed must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than two (2) proxies, the appointments shall be invalid unless the Shareholder specifies in the Proxy Form B (EGM) the number of Shares in relation to which each proxy has been appointed.

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## NOTICE OF EGM

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**“Relevant Intermediary”** means: (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity; (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Shares in that capacity; or (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

- (10) A proxy need not be a Shareholder.
- (11) The Proxy Form B (EGM) must be completed, signed and deposited with the Share Registrar, In.Corp Corporate Services Pte. Ltd., in the following manner:
- (a) if submitted by post, be lodged at the office of In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877; or
  - (b) if submitted electronically, be submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia),

in either case, by 3 May 2025 at 10.30 a.m., being not less than 48 hours before the time fixed for the EGM. If a Shareholder fails to lodge a proxy form as stipulated, the proxy of such Shareholder shall not be entitled to vote at the EGM.

A Shareholder who wishes to submit a Proxy Form B (EGM) must first download, complete and sign the Proxy Form B (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.

**Shareholders are strongly encouraged to submit the completed Proxy Form B (EGM) electronically via email.**

- (12) Ms Edna Ko Poh Thim, or failing her, any other director of the Company, shall be appointed to act as Chairman of the EGM.
- (13) Persons (including CPFIS Members and SRS Investors) who hold Shares through Relevant Intermediaries who wish to vote at the EGM should not use the Proxy Form B (EGM) and should instead approach their respective Relevant Intermediaries as soon as possible to specify voting instructions.
- (14) CPFIS Members and/or SRS Investors who wish to attend the EGM are advised to consult their respective Relevant Intermediaries for further information as soon as possible by 10.30 a.m. on 23 April 2025, being seven (7) Business Days before the date of the EGM (5 May 2025).

### **Personal Data Privacy:**

By either (a) attending the EGM, (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, or (c) submitting any question in advance of, or at, the EGM, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxies and representatives for the EGM (including any adjournment thereof), the addressing of questions received from Shareholders in advance of or at the EGM and, if necessary, the following up with the relevant Shareholders in relation to such questions, the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **“Purposes”**), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request, (iv) agrees that the Shareholder will indemnify the Company (or its agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty, and (v) agrees and consents to such photographic, sound and/or video recordings of the EGM as may be made by the Company (or its agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of the Shareholder (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she may propose/second) may be recorded by the Company (or its agents or service providers) for such purpose.

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## PROXY FORM B (EGM)

### PEC LTD.

(Incorporated in Singapore)  
(Registration No. 198200079M)

### PROXY FORM B (EGM)

(Please see notes overleaf before completing this Form)

#### IMPORTANT:

##### CPFIS/SRS Investors

1. This Proxy Form B (EGM) is not valid for use by persons who hold Shares through Relevant Intermediaries and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPFIS Members and SRS Investors who wish to vote at the EGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) Business Days prior to the date of the EGM.

#### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy and/or representative, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 17 April 2025.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number/Company Regn. No.)  
of \_\_\_\_\_ (Address)  
being a member/members of PEC LTD. (the “Company”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the EGM as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company held at 14 International Business Park, Singapore 609922 on 5 May 2025, at 10.30 a.m. (or as soon thereafter following the conclusion of the meeting of shareholders directed by the High Court of the Republic of Singapore to be convened which is to be held at 10.00 a.m. (Singapore time) on the same day and at the same venue, whichever is later) and at any adjournment thereof.

The proxy/proxies shall vote for or against from voting on the Special Dividend Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the EGM is appointed as proxy) may vote or abstain from voting at his/their discretion. Capitalised terms used hereunder shall have the same meanings ascribed to them in the scheme document dated 17 April 2025.

	For*	Against*	Abstain*
<b>SPECIAL BUSINESS</b>			
<b>Ordinary Resolution</b> To approve the Special Dividend			

\* If you wish your proxy/proxies or Chairman of the EGM as proxy to cast all your votes for or against the Special Dividend Resolution, please indicate with a “√” in the space provided under “For” or “Against”. If you wish your proxy/proxies or Chairman of the EGM as proxy to abstain from voting on a Resolution, please indicate with a “√” in the space provided under “Abstain”. Alternatively, please indicate the number of shares that your proxy/proxies or Chairman of the EGM as your proxy is directed to vote “For” or “Against” or “Abstain” from voting. In the absence of specific directions, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

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

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**

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## PROXY FORM B (EGM)

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### 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 Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary), entitled to attend and vote at a meeting of the Company is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member (other than a Relevant Intermediary) appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM in his stead. Each proxy appointed must be appointed to exercise the rights attached to a different share or shares held by such member. Where a member appoints more than two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Each Shareholder who is a Relevant Intermediary:
  - (a) subject to note 4(b) below, need not cast all of the votes it uses in the same way provided that each vote is exercised in relation to a different share; and
  - (b) may appoint more than two (2) proxies in relation to the EGM to exercise all or any of the member's rights to attend and to speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by the member (which number and class of shares must be specified). Each proxy appointed in accordance with this note 4(b) may only cast all the votes it uses at the EGM in one (1) way.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. 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 the instrument of proxy to the EGM.
6. The Scheme Document, the Notice of EGM and this Proxy Form B (EGM) will be published on the Company's website at the URL <https://www.peceng.com> and on the SGX website at the URL <https://sgx.com/securities/company-announcements>.

A member (whether individual or corporate) must submit his/her/its Proxy Form B (EGM) as his/her/its proxy (including the Chairman if he is appointed as proxy) to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of the resolution in Proxy Form B (EGM), failing which the appointment of the proxy or Chairman of the EGM as proxy for that resolution will be treated as invalid.
7. The instrument appointing a proxy, proxies or the Chairman of the EGM as proxy must be deposited at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 or submitted via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia), in each case, not less than 48 hours before the time for holding the EGM and at any adjournment thereof and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign Proxy Form B (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.
8. Persons (including CPF Investors and SRS Investors) who hold Shares through Relevant Intermediaries should not make use of this Proxy Form B (EGM) and instead approach their respective Relevant Intermediary to specify voting instructions. CPF Investors and SRS Investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes as soon as possible by 10.30 a.m. on 23 April 2025, being seven (7) Business Days prior to the date of the EGM on 5 May 2025.
9. The instrument appointing the proxy, proxies or the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy, proxies or the Chairman of the EGM as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy, proxies or the Chairman of the EGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. 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.

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## PROXY FORM B (EGM)

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11. A “**Relevant Intermediary**” is:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**General:**

The Company shall be entitled to reject the instrument appointing the proxy/proxies or the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy/proxies or the Chairman of the EGM as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the proxy/proxies or the Chairman of the EGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing the proxy/proxies or the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 17 April 2025.

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