CIRCULAR DATED 10 JUNE 2019

THIS CIRCULAR IS ISSUED BY 800 SUPER HOLDINGS LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF NOVUS CORPORATE FINANCE PTE. LTD. (AS THE INDEPENDENT FINANCIAL ADVISER). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

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

If you have sold or transferred all your Shares (as defined herein) held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser, the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. This Circular has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

800 SUPER HOLDINGS LIMITED

(Company Registration Number 201108701K)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

RHB SECURITIES SINGAPORE PTE. LTD.

(Company Registration Number 198701140E)
(Incorporated in the Republic of Singapore)

for and on behalf of

8S CAPITAL HOLDINGS PTE. LTD.

(Company Registration Number 201911611C)
(Incorporated in the Republic of Singapore)

to acquire all the Offer Shares (as defined herein)

Independent Financial Adviser to the Independent Directors

NOVUS CORPORATE FINANCE PTE. LTD.

(Company Registration Number 201723484W)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT ACCEPTANCES MUST BE RECEIVED BY THE CLOSE OF OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 24 JUNE 2019 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

"**3QFY2019**"	:	The third quarter ended 31 March 2019
"**9MFY2019**"	:	The nine-months period ended 31 March 2019
"**9MFY2019 Results**"	:	The unaudited third quarter financial statements of the Group for 3QFY2019 and 9MFY2019, which were issued by the Company on 24 May 2019, as set out in Appendix E
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**Auditor**"	:	Nexia TS Public Accounting Corporation, being the auditor of the Company
"**Auditor 9MFY2019 Results Report**"	:	The report issued by the Auditor in respect of the 9MFY2019 Results, as set out in Appendix E to this Circular
"**Auditor Forecast Statements Report**"	:	The report issued by the Auditor in respect of the Forecast Statements, as set out in Appendix H to this Circular
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 10 June 2019 in relation to the Offer, enclosing, *inter alia*, the IFA Letter
"**Closing Date**"	:	**5.30 p.m. (Singapore time) on 24 June 2019** or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances for the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore
"**Company**"	:	800 Super Holdings Limited
"**Company Securities**"	:	(a) Shares; and (b) convertible securities, warrants, options and derivatives in respect of the Shares
"**Constitution**"	:	The constitution of the Company
"**Directors**"	:	The directors of the Company (including the Independent Directors) as at the Latest Practicable Date

"**FAA**"	:	The Form of Acceptance and Authorisation for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
"**FAT**"	:	The Form of Acceptance and Transfer for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are not deposited with CDP and are registered in such Shareholder's name in the register of members maintained by the Registrar (as defined in the Offer Document)
"**Forecast Statements**"	:	Has the meaning ascribed to it in Appendix F to this Circular
"**FY**"	:	Financial year ended or ending (as the case may be) 30 June of a particular year as stated
"**Group**"	:	The Company and its subsidiaries
"**IFA**" or "**Novus**"	:	Novus Corporate Finance Pte. Ltd., being the independent financial adviser to the Independent Directors in connection with the Offer
"**IFA Letter**"	:	The letter dated 10 June 2019 from Novus to the Independent Directors in respect of the Offer as set out in Appendix A to this Circular
"**IFA 9MFY2019 Results Report**"	:	The report issued by the IFA in respect of the 9MFY2019 Results, as set out in Appendix E to this Circular
"**IFA Forecast Statements Report**"	:	The report issued by the IFA in respect of the Forecast Statements, as set out in Appendix G to this Circular
"**Independent Directors**"	:	The Directors who are considered to be independent for the purpose of making recommendations to the Shareholders in respect of the Offer, namely: (a) Mr. Ng Tiak Soon; (b) Mr. Foo Shiang Ping; (c) Mr. Lye Hoong Yip Raymond; and (d) Mr. Mah How Soon
"**Interested Person**"	:	As defined in Note on Rule 24.6 of the Code and read with Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or Substantial Shareholder of the company;

(b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company;

(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer, or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary;

(d) any company in which a director, the chief executive officer, or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% of more;

(e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or

(f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more

"**Irrevocable Undertakings**"	:	The irrevocable undertakings from each of the Promoters, to, *inter alia*, accept the Offer in respect of all Shares held by each of them respectively
"**Latest Practicable Date**"	:	31 May 2019, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	Listing Manual Section B: Rules of Catalist of the SGX-ST in force as at the Latest Practicable Date
"**Market Day**"	:	A day on which the SGX-ST is open for the trading of securities
"**RHBSEC**"	:	RHB Securities Singapore Pte. Ltd., being the financial adviser to the Offeror in connection with the Offer
"**Offer**"	:	The voluntary conditional cash offer by RHBSEC, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
"**Offer Announcement**"	:	The announcement released by RHBSEC, for and on behalf of the Offeror, on the Offer Announcement Date in relation to the Offeror's firm intention to make the Offer
"**Offer Announcement Date**"	:	6 May 2019, being the date of the Offer Announcement

"**Offer Document**"	:	The document dated 27 May 2019 issued by RHBSEC, for and on behalf of the Offeror, in respect of the Offer, including the FAA and the FAT, and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time
"**Offer Price**"	:	S$0.90 in cash for each Offer Share
"**Offer Shares**"	:	The Shares other than those Shares already held, directly or indirectly, by the Offeror as at the date of the Offer
"**Offeror**"	:	8S Capital Holdings Pte. Ltd.
"**Offer Securities**"	:	(a) The Offeror Shares; (b) securities which carry voting rights in the Offeror; and (c) convertible securities, warrants, options and derivatives in respect of the Offeror Shares or securities which carry voting rights in the Offeror
"**Offeror Shares**"	:	Issued and paid-up ordinary shares in the capital of the Offeror
"**Overseas Persons**"	:	Shareholders whose mailing addresses are outside Singapore as shown in the register of members of the Company or, as the case may be, in the records of CDP
"**Promoters**"	:	Mr. Lee Koh Yong, Mr. Lee Cheng Chye, Mr. Lee Hock Seong, Ms. Lee Kim Eng, Mr. Lee Chuan Heng, Mr. Lee Thiam Seng and Yong Seong Investment Pte. Ltd.
"**Record Date**"	:	In relation to any Distribution, the date on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such Distribution
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Holders of Shares (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST)
"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company

"**SIC**"	:	Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Investors**"	:	Investors who have purchased Shares using their SRS contributions pursuant to SRS
"**Subject Properties**"	:	The properties of the Group at the following locations: (a) 2 Tuas South Street 7, Singapore 636891; (b) 6 Tuas South Street 7, Singapore 636892; (c) 8 Tuas South Street 7, Singapore 637112; (d) 17A Senoko Way, Singapore 758056; (e) 80 Senoko Drive, Singapore 758244; (f) 56 Loyang Way, #06-05 Loyang Enterprise Building, Singapore 508775; and (g) 18 Sungei Kadut Street 4, Singapore 729046
"**Substantial Shareholder**"	:	A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
"**Valuation Report**"	:	The summary valuation report issued by the Valuer in respect of the Subject Properties in connection with the Offer, as set out in Appendix I to this Circular
"**Valuer**"	:	AVA Associates Limited, being the independent valuer appointed by the Independent Directors for the purposes of carrying out the valuation of the Subject Properties in connection with the Offer
"**YSI**"	:	Yong Seong Investment Pte. Ltd.
"**%**" or "**per cent.**"	:	Per centum or percentage

Acting in Concert and **Associated Company**. Unless otherwise defined, the expressions "**acting in concert**" and "**associated company**" shall have the meanings ascribed to them respectively in the Code.

Announcements and Notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Depository Related Terms. The terms "**depositor**", "**depository agent**" and "**depository register**" shall have the 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. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

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

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

Shareholders. References to "you", "your" and "yours" in this Circular are, as the context so determines, to Shareholders (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST).

Statutes. Any reference in this Circular 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 Code, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Code, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and **Related Corporations**. The terms "**subsidiary**" and "**related corporations**" shall have the 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 Circular is made by reference to Singapore time and date, respectively, unless otherwise stated.

Total Number of Issued Shares and Percentage as at the Latest Practicable Date. Any reference in this Circular to the total number of issued Shares is a reference to a total of 178,800,000 Shares in issue (the Company does not hold any treasury shares) as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA). Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 178,800,000 Shares in issue (the Company does not hold any treasury shares) as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA).

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter, the Valuation Report and the Constitution are set out in this Circular within quotes and in italics, and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter, the Valuation Report and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**aim**", "**seek**", "**expect**", "**anticipate**", "**believe**", "**estimate**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**if**", "**will**", "**would**", "**should**", "**could**", "**may**" and "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of despatch of the Offer Document	:	27 May 2019
Date of despatch of this Circular	:	10 June 2019
Closing Date	:	**5.30 p.m. (Singapore time) on 24 June 2019** or such later date(s) as may be announced from time to time by or on behalf of the Offeror.
Date of settlement of consideration for valid acceptances of the Offer	:	(a) In respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) Business Days of the date of the Offer becomes or is declared to be unconditional in all respects; or (b) In respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) Business Days of the date of such receipt. Please refer to Section 2 of Appendix IV of the Offer Document for further information.

LETTER TO SHAREHOLDERS

800 SUPER HOLDINGS LIMITED

(Company Registration Number 201108701K)
(Incorporated in the Republic of Singapore)

Directors:
Mr. Lee Koh Yong (*Executive Chairman*)
Mr. Lee Cheng Chye (*Chief Executive Officer and Executive Director*)
Mr. Ng Tiak Soon (*Lead Independent Director*)
Mr. Foo Shiang Ping (*Non-Executive and Non-Independent Director*)
Mr. Lye Hoong Yip Raymond (*Independent Director*)
Mr. Mah How Soon (*Independent Director*)

Registered Office:
17A Senoko Way
Singapore 758056

10 June 2019

To: The Shareholders of 800 Super Holdings Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY RHBSEC, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1. Offer Announcement

On 6 May 2019, RHBSEC, for and on behalf of the Offeror, announced that the Offeror intends to make a voluntary conditional cash offer for the Offer Shares at the Offer Price of S$0.90 for each Offer Share.

1.2. Offer Document

Shareholders should by now have received a copy of the Offer Document issued by RHBSEC, for and on behalf of the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. Shareholders are advised to read the terms and conditions contained therein carefully.

A copy of each of the Offer Announcement and the Offer Document is available on the website of SGX-ST at www.sgx.com.

1.3. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors on the Offer before deciding on whether to accept or reject the Offer. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. TERMS OF THE OFFER

2.1. Terms of the Offer

The Offer is made by RHBSEC, for and on behalf of the Offeror on the principal terms set out in Section 2 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"2.1 ***Consideration***

For each Offer Share: S$0.90 in cash (the "Offer Price").

The Offeror does not intend to increase the Offer Price*. Therefore, in accordance with Rule 20.2 of the Code,* ***the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way****.*

2.2 ***No Encumbrances***

*The Offer Shares will be acquired (a) fully paid-up; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the "**Encumbrances**"); and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital (the "**Distributions**"), which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).*

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

In the event any Distribution is or has been declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who validly accepts or has validly accepted the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by Shareholders pursuant to the Offer falls, as follows:

*(a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offeror shall pay the relevant accepting Shareholders the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or*

(b) if such settlement date falls after the Books Closure Date, the Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.

2.3 ***Conditional Offer***

*The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it either before or during the Offer and pursuant to the Offer or otherwise, will result in the Offeror and parties acting in concert with it holding such number of Shares carrying not less than 90% of the total voting rights attributable to the Shares as at the close of the Offer (the "**Acceptance Condition**").*

Accordingly, the Offer will not become or be capable of being declared to be unconditional as to acceptances unless, at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired before or during the Offer and pursuant to the Offer or otherwise, by or on behalf of the Offeror and parties acting in concert with the Offeror, will result in the Offeror and parties acting in concert with the Offeror holding such number of Shares carrying not less than 90% of the total voting rights attributable to the Shares as at the close of the Offer.

Save for the Acceptance Condition, the Offer will be unconditional in all other respects.

2.4 ***Warranty***

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up; (b) free from Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all Distributions which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

2.5 ***Closing Date***

Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances for a period of at least 28 days from the date of posting of this Offer Document.

***Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 24 June 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror**."*

2.2. Details of the Offer

The further details of the Offer are set out in Section 2.6 of the Offer Document and Appendix IV to the Offer Document, extracts of which are set out below.

"2.6 ***Details of the Offer***

APPENDIX IV *to this Offer Document sets out further details on (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement of the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer.*

...

APPENDIX IV

DETAILS OF THE OFFER

1. DURATION OF THE OFFER

(a) Closing Date

Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances for a period of at least 28 days from the date of posting of this Offer Document.

The Offer will close at 5.30 p.m. (Singapore time) on 24 June 2019 (the "Closing Date") or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

(b) Offer to remain open for 14 days after being declared unconditional as to acceptances

Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared to be unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed, in order to give those Shareholders who have not accepted the Offer the opportunity to do so. This requirement does not apply if, before the Offer becomes or is declared to be unconditional as to acceptances, the Offeror has given notice in writing to the Shareholders at least 14 days before the specified Closing Date that the Offer will not be open for acceptance beyond that date, provided that such notice may not be given, or if already given, shall not be capable of being enforced in a competitive situation.

(c) Final day rule

Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the date of posting of this Offer Document or of being kept open after the expiry of such period, unless it has previously become or been declared to be unconditional as to acceptances, except with the prior approval of the SIC. The SIC will consider granting such permission in circumstances, including but not limited to, where a competing offer has been announced.

(d) Revision

Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders including those who had previously accepted the Offer.

(e) Subsequent Closing Date(s)

If there is an extension of the Offer, pursuant to Rule 22.4 of the Code, any announcement of an extension will state the next closing date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, those Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed.

(f) No obligation to extend Offer

The Offeror is not obliged to extend the Offer if the Acceptance Condition is not fulfilled by 5.30 p.m. (Singapore time) on the Closing Date(s).

2. SETTLEMENT FOR THE OFFER

Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of valid acceptances, complete in all respects and in accordance with the instructions given in this Offer Document, the FAA, the FAT and/or the terms and conditions for Electronic Acceptance (as the case may be) and in the case of a depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time(s), remittances in the form of S$ cheques drawn on a bank in Singapore for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to the accepting Shareholder (or, in the case of a Shareholder holding share certificate(s) which is not deposited with CDP, his designated agent (if any)) by ordinary post and at the risk of the accepting Shareholder or in such manner as he may have agreed with CDP for payment of any cash distribution as soon as practicable but in any event:

(a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) business days of that date; or

(b) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) business days of the date of such receipt.

3. ANNOUNCEMENTS

*(a) Pursuant to Rule 28.1 of the Code, by 8.00 a.m. on the dealing day (the "**Relevant Day**") immediately after the day on which the Offer is due to expire, or becomes or is declared to be unconditional as to acceptances, or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):*

(i) in respect of which valid acceptances of the Offer have been received;

(ii) held by the Offeror and any person acting in concert with it before the Offer Period; and

(iii) acquired or agreed to be acquired by the Offeror and any person acting in concert with it during the Offer Period,

and will specify the percentages of the total number of Shares represented by such numbers.

(b) Under Note 5 to Rule 28.1 of the Code, purchases made through the SGX-ST by the Offeror and persons acting in concert with it with no pre-agreement or collusion between the parties to such transactions or their agents, may be counted towards satisfying the Acceptance Condition. All other purchases by the Offeror and persons acting in concert with it (i.e. off market purchases) may only be counted when fully completed and settled.

(c) Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with paragraph 3(a) above, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.

(d) In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by RHBSEC or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone or facsimile or through SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

(e) In computing the number of Offer Shares represented by acceptances, the Offeror will at the time of making an announcement take into account acceptances which are valid in all respects.

4. RIGHT OF WITHDRAWAL

(a) Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

(b) If the Offer has become or been declared unconditional as to acceptances, but the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. (Singapore time) on the Relevant Day, then immediately thereafter:

*(i) any Shareholder holding Offer Shares which are deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to **8S CAPITAL HOLDINGS PTE. LTD.** c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; and*

*(ii) any Shareholder holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to **8S CAPITAL HOLDINGS PTE. LTD.** c/o Tricor Barbinder Share Registration Services, 80 Robinson Road, #11-02, Singapore 068898.*

Such notice of withdrawal shall be effective only when actually received by the Offeror.

(c) Subject to Rule 22.9 of the Code, this right of withdrawal may be terminated not less than eight (8) days after the Relevant Day by the Offeror confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code. For the purpose of Rule 22.6 of the Code, the period of 14 days referred to therein will run from the date of such confirmation, or the date on which the Offer would otherwise have expired, whichever is later.

(d) A Shareholder who has tendered acceptances under the Offer will be entitled to withdraw his acceptance after 14 days from the first Closing Date, if the Offer has not by then become unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances.

*(e) In a competitive situation, if one (1) offer becomes unconditional as to acceptances, then Shareholders who have tendered their acceptances for the competing offer (the "**Unsuccessful Offer**") can, if they wish, immediately withdraw their acceptances for the Unsuccessful Offer.*

(f) A Shareholder who has tendered acceptances under the Offer may withdraw his acceptances within eight (8) days of notification by the Offeror of any revision of the Acceptance Condition."

2.3. Procedure for acceptance

Appendix V to the Offer Document sets out the procedures for acceptance of the Offer by a Shareholder.

3. INFORMATION ON THE OFFEROR, THE CONSORTIUM ARRANGEMENTS AND KKR

Section 4 of the Offer Document sets out certain information on the Offeror, the Consortium Arrangements and KKR, extracts of which are set out below. Additional information on the Offeror is extracted from Appendices I and III of the Offer Document and set out in Appendix C of this Circular.

*"4 **INFORMATION ON THE OFFEROR, THE CONSORTIUM AND KKR***

*4.1. **The Offeror***

*The Offeror is a private company limited by shares incorporated in Singapore. As at the Latest Practicable Date, the Offeror has an issued and paid-up capital of S$100.00, consisting of 100 ordinary shares. The Offeror is wholly-owned by special purpose vehicles (collectively, "**KKR HoldCo**") wholly-owned by funds, accounts and/or investment vehicles managed and/or advised by KKR Credit Advisors (US) LLC and its affiliates, which are themselves affiliates of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "**KKR**").*

*The board of Directors of the Offeror (the "**Offeror Board**") comprises Mr. Chengkang Yan, Mr. Devid Kennedy, Mr. Neal Kok, Mr. Lee Koh Yong ("**LKY**"), Mr. Lee Cheng Chye ("**LCC**"), Mr. Lee Hock Seong ("**LHS**"), Ms. Lee Kim Eng ("**LKE**"), Mr. Lee Thiam Seng ("**LTS**") and Mr. Lee Chuan Heng (Li Quanxing) ("**LCH**").*

4.2. ***KKR***

Established in 1976, KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. It has approximately US$200 billion of assets under management as at 31 March 2019 and a history of leadership, innovation and investment excellence. KKR consistently seeks to generate attractive investment returns by employing world-class people, following a patient and disciplined investment approach, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. KKR is also active in the Singapore market, having previously acquired MMI Holdings Limited in 2007, Unisteel Technology Limited in 2008 and Goodpack Limited in 2014, all by way of schemes of arrangement pursuant to Section 210 of the Companies Act. In 2018, KKR also made a minority equity investment in PropertyGuru Pte. Ltd.. Since 2005, KKR has invested or committed over US$3 billion in equity capital in Southeast Asia in 16 transactions, making KKR one of the most active private equity investors in the region.

4.3. ***The Promoters***

*LKY, LCC, LHS, LKE, LTS and LCH (collectively, the "**Lee Family Members**") own 100% of the shares in the capital of Yong Seong Investment Pte. Ltd. ("**YSI**", and together with the Lee Family Members, the "**Promoters**"). As at the Latest Practicable Date, the Promoters collectively own or control an aggregate of 138,789,700 Shares, representing approximately 77.62% of the total number of issued Shares in the following proportion:*

	Number of Shares	***Proportion of the total number of issued Shares[(1)]***
LKY	*5,002,200*	*2.80%*
LCC	*4,287,600*	*2.40%*
LHS	*5,002,200*	*2.80%*
LKE	*1,786,500*	*1.00%*
LTS	*1,071,900*	*0.60%*
LCH	*714,600*	*0.40%*
YSI[(2)]	*120,924,700*	*67.63%*
Total	*138,789,700*	*77.62%[(3)]*

Notes:

(1) Based on the Company's issued capital of 178,800,000 Shares as at the Latest Practicable Date.

(2) LKY's, LCC's, LHS', LKE's, LTS' and LCH's respective shareholdings in YSI are 28%, 24%, 28%, 10%, 6% and 4%.

(3) Discrepancy due to rounding.

The Lee Family Members are siblings. LKY, LCC and LHS are the founders of the Company. LKY and LCC are Executive Directors of the Company, while LHS, LKE, LTS and LCH are key management personnel of the Company with the following designations:

(a) LHS (Maintenance Director);

(b) LKE (Head of Admin & HR);

(c) LTS (Operation Manager); and

(d) LCH (Contract Manager).

4.4. ***Consortium Arrangements***

*(a) KKR and the Promoters have agreed to form a consortium through the Offeror to undertake the Offer and have on the Offer Announcement Date, entered into the following arrangements (collectively, the "**Consortium Arrangements**"):*

*(i) each of the Promoters has entered into a share subscription agreement with the Offeror (the "**Share Subscription Agreement**") to (A) regulate the conduct of the Offer; and (B) set out the terms and conditions under which the Promoters will subscribe for ordinary shares in the Offeror (the "**Offeror Ordinary Shares**") at a price equal to the Offer Price (the "**Subscription**") at the successful close of the Offer and completion of the compulsory acquisition process; and*

*(ii) each of the Promoters has provided an irrevocable undertaking (collectively, the "**Irrevocable Undertakings**") in favour of the Offeror and KKR to, inter alia:*

(A) accept, or procure the acceptance of, the Offer in respect of all the Shares held by him/her/it, including but not limited to such Shares held by him/her/it as at the Latest Practicable Date, details of which are set out in paragraph 4.3 above;

(B) waive his/her/its right under Rule 30 of the Code to receive any cash settlement or payment for acceptance of the Offer; and

*(C) subscribe for Offeror Ordinary Shares at the Offer Price in accordance with the terms of the Share Subscription Agreement and pay for the subscription amount in respect of such Offeror Ordinary Shares by setting off in full such subscription amount against the proceeds that would otherwise be payable by the Offeror as consideration pursuant to acceptance of the Offer by each Promoter (the "**Set-Off Amount**"), on a one-for-one basis.*

(b) Pursuant to the Consortium Arrangements, the Promoters have undertaken to KKR that, save with the prior written consent of KKR and the SIC (if applicable):

*(i) each of them shall not dispose of or otherwise encumber any of their Offeror Ordinary Shares during the period commencing on the completion date of their Subscription and ending on the date falling six (6) months thereafter (the "**Moratorium Period**"); and*

(ii) for another six (6) months from the expiry of the Moratorium Period:

(A) each Promoter shall not dispose of or otherwise encumber all (as opposed to some only) of its Offeror Ordinary Shares;

(B) the Promoters shall maintain their shareholdings in the Offeror in (as nearly as may be) their respective shareholding proportions inter se immediately following completion of their Subscription; and

(C) the Promoters shall collectively continue to hold and maintain in aggregate at least 75% of the Offeror Ordinary Shares issued to them pursuant to the Subscription;

(iii) they shall procure the Offeror to buy back any or all of the Offeror Ordinary Shares held by KKR, at the subscription amount paid by KKR for the Offeror Ordinary Shares, within one (1) month after the delivery of such share buy-back request by KKR to the Offeror; and

(iv) subject always to the provisions set out in paragraphs 4.4(b)(i) and 4.4(b)(ii) above, any buyback of the Offeror Ordinary Shares from the Promoters shall be done at a price per Offeror Ordinary Share not exceeding the Offer Price, and shall be capped at S$20 million in aggregate.

The SIC has ruled that the Promoters will be regarded as joint offerors for the purpose of Rule 10 of the Code, and accordingly, the Consortium Arrangements do not constitute a special deal prohibited under Rule 10 of the Code and there is no requirement for the Offeror to offer the Offeror Ordinary Shares as consideration to the other Shareholders. The SIC has further confirmed that the confirmation of financial resources by RHBSEC as financial adviser to the Offeror in connection with the Offer may exclude the Set-Off Amount, subject to the Irrevocable Undertakings being in force during the Offer Period.

4.5. ***Offeror Funding Arrangements***

*KKR intends to fund the Offer (excluding the Set-Off Amount) by providing a hybrid combination of debt and structured equity financing to the Offeror primarily from pools of capital including KKR's Private Credit Opportunities II fund and proprietary investment vehicles. It is currently contemplated that such funds will be injected into the Offeror by way of the subscription of fixed rate bonds due 2023 to be issued by the Offeror (the "**Bonds**") and the subscription of 22,222,222 redeemable convertible exchangeable preference shares in the capital of the Offeror (the "**Class A RPS**" and together with the Bonds, the "**Funding Arrangements**"), which will take place immediately following the Offer becoming unconditional in all respects and prior to the first settlement date for the acceptances tendered in acceptance of the Offer.*

In connection with the foregoing Funding Arrangements:

(a) the Offeror has granted a share charge to a security agent for the benefit of the Bonds Subscribers and RPS Subscribers, over all the Shares to be owned by the Offeror pursuant to the successful close of the Offer and the completion of the compulsory acquisition process;

(b) *the Promoters have granted a share charge to a security agent for the benefit of the Bonds Subscribers and RPS Subscribers, over all the Offeror Ordinary Shares to be owned by the Promoters pursuant to the Share Subscription Agreement;*

(c) *a put and call option agreement has been entered into between the Promoters and the RPS Subscribers, under which the RPS Subscribers shall have a put option, and the Promoters shall have a call option, over the RPS Subscribers' Class A RPS; and*

(d) *a debenture has been entered into between the Offeror, as chargor, and a security agent for the benefit of the Bonds Subscribers and RPS Subscribers, over the whole of the Offeror's undertaking and all its property and assets.*

4.6. ***Resultant position***

Following the successful close of the Offer and completion of the compulsory acquisition process, it is envisaged that the shareholding in the Offeror post-Subscription will be as set out in the table below:

Name of shareholders in the Offeror	***Number of Offeror Ordinary Shares post-Subscription(1)(2)***	***Proportion of the total number of issued Offeror Ordinary Shares post-Subscription(1)***
KKR HoldCo	*100*	*n.m.*
LKY	*5,002,200*	*3.60%*
LCC	*4,287,600*	*3.09%*
LHS	*5,002,200*	*3.60%*
LKE	*1,786,500*	*1.29%*
LTS	*1,071,900*	*0.77%*
LCH	*714,600*	*0.51%*
YSI	*120,924,700*	*87.13%*
Total	*138,789,800*	*100.00%(3)*

Notes:

(1) Excludes 22,222,222 convertible preference shares which will be subscribed by KKR HoldCo to fund the Offer as set out in paragraph 4.5 above, equivalent to a minority stake in the Offeror on an as-converted and fully-diluted basis.

(2) This is based on the number of Shares held by the Promoters as at the Latest Practicable Date. In the event that the Promoters acquire any additional Shares after the Latest Practicable Date, those Shares will similarly be tendered into the Offer and the number of Offeror Ordinary Shares subscribed for under the Share Subscription Agreement will correspondingly increase on a one-for-one basis.

(3) Discrepancy due to rounding.

In connection with the above Subscription, the Offeror Board shall be reconstituted so as to achieve board representation in proportion to the Promoters' and KKR HoldCo's respective shareholdings in the Offeror on an as-converted and fully-diluted basis (provided that KKR HoldCo shall at all times be entitled to at least one (1) board seat).

4.7. ***Management Arrangements***

*As the Offeror intends and desires that there be continuity of management and minimal interruption of the business of the Group, the Offeror intends to establish a management incentive plan following the completion of the compulsory acquisition process (the "**Management Arrangements**"), for key management personnel as may be determined by the Offeror Board (including but not limited to LKY, LCC and LHS)."*

4. IRREVOCABLE UNDERTAKINGS

Section 5 of the Offer Document set out certain information relation to the Irrevocable Undertakings, extracts of which are set out below.

*"**5.** **IRREVOCABLE UNDERTAKINGS***

5.1 ***Details of Irrevocable Undertakings***

As at the Latest Practicable Date, the Promoters have provided Irrevocable Undertakings to inter alia, accept the Offer in respect of all the Shares held by him/her/it. As at the Latest Practicable Date, the Promoters hold an aggregate of 138,789,700 Shares, representing approximately 77.62% of the total number of issued Shares.

5.2 ***Termination of Irrevocable Undertakings***

Each Irrevocable Undertaking will terminate or lapse if the Offer is withdrawn or lapses, or fails to become or be declared to be unconditional in all respects for whatever reason, other than a breach by any of the Promoters of any of his or her obligations under the relevant Irrevocable Undertaking.

5.3 ***No other Irrevocable Undertakings***

Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any other person to accept or reject the Offer."

5. RATIONALE FOR THE OFFER

Section 6 of the Offer Document sets out certain information on the rationale for the Offer, extracts of which are set out below.

*"**6. RATIONALE FOR THE OFFER***

*6.1 **Offer Price at a premium to market price***

When compared to the benchmark prices of the Shares up to and including the Last Trading Day, the Offer Price represents a premium of approximately 30.6%, 31.2%, 25.3% and 17.6% over VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively.

The Offer Price also represents a premium of approximately 16.1% and 28.6% over the last transacted price per Share of S$0.775 on the Last Trading Day and the last transacted price per Share of S$0.700 on 25 April 2019, respectively.

The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

*6.2 **Greater management flexibility***

The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change.

*6.3 **Low trading liquidity of Shares***

The trading volume of the Shares has been low, with an average daily trading volume[1] of approximately 65,904 Shares, 37,641 Shares, 32,298 Shares and 85,590 Shares during the respective one (1)-month period, three (3)-month period, six (6)-month period and 12-month period, up to and including the Last Trading Day. Each of these represents less than 0.05% of the total number of issued Shares for any of the aforementioned relevant periods.

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices which would otherwise not be available given the low trading liquidity.

[1] Calculated by using the total volume of Shares traded divided by the number of Market Days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively, up to and including the Last Trading Day.

*6.4 **Compliance costs of maintaining listing***

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its operational matters amidst the competitive business landscape."

6. FINANCIAL EVALUATION OF THE OFFER

Section 7 of the Offer Document sets out certain information on the financial evaluation of the Offer, extracts of which are set out below.

*"7. **FINANCIAL EVALUATION OF THE OFFER***

The Offer Price represents the following premia over the historical traded prices of the Shares:

	Description	***Benchmark price (S$)[(1)(2)]***	***Premium of Offer Price over benchmark price[(3)](%)[(4)]***
(a)	*Last transacted price per Share on the Last Trading Day*	*0.775*	*16.1*
(b)	*Last transacted price per Share on 25 April 2019*	*0.700*	*28.6*
(c)	*VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Day*	*0.689*	*30.6*
(d)	*VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Trading Day*	*0.686*	*31.2*
(e)	*VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Trading Day*	*0.718*	*25.3*
(f)	*VWAP of the Shares traded on the SGX-ST for the 12-month period prior to and including the Last Trading Day*	*0.765*	*17.6*

Notes:

(1) Source: Bloomberg L.P.

(2) The VWAP is calculated based on the VWAP turnover divided by VWAP volume of the Shares of the relevant period as extracted from Bloomberg L.P.

(3) Computed based on the benchmark prices which were rounded to the nearest three (3) decimal places.

(4) Percentages rounded to the nearest one (1) decimal place.

7.1 ***The Offer Price compared to the NAV per Share of the Group is as follows:***

	As at 31 December 2018 (unaudited)[(1)]
NAV per Share of the Group	*S$0.486[(2)]*
Offer Price/NAV per Share of the Group[(3)]	*1.85 times[(4)]*

Notes:

(1) As at the Latest Practicable Date, the latest publicly available unaudited NAV per Share of the Group is as at 31 December 2018.

(2) The unaudited NAV of the Group as at 31 December 2018 was approximately S$86.882 million, computed based on the Company's announcement dated 12 February 2019 in relation to the financial results for the six (6) months ended 31 December 2018, and the unaudited NAV per Share of the Group was computed based on the Company's issued capital of 178,800,000 Shares as at the Latest Practicable Date.

(3) Computed based on the NAV per Share of the Group which was rounded to the nearest three (3) decimal places.

(4) Rounded to the nearest two (2) decimal places."

7. LISTING STATUS AND COMPULSORY ACQUISITION AND THE OFFEROR'S INTENTIONS

Section 8 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition and the Offeror's intentions for the Company, the full text of which have been extracted from the Offer Document and are set out in italics below.

8. *"**LISTING STATUS AND COMPULSORY ACQUISITION***

8.1 ***Listing status***

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 Shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact, and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be removed from the Official List.

8.2 ***Compulsory acquisition***

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

8.3 ***Offeror's intentions***

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules.

Subject to normal business conditions, the Offeror does not intend to (a) make major changes to the business of the Company or its management team; (b) re-deploy the fixed assets of the Group; or (c) discontinue the employment of the employees of the Group and of its subsidiaries, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror may regard to be in the interest of the Offeror and/or the Group."

8. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in Appendix B to this Circular.

9. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

9.1. IFA

Novus Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer.

9.2. Independent Directors

Mr. Ng Tiak Soon, Mr. Foo Shiang Ping, Mr. Lye Hoong Yip Raymond and Mr. Mah How Soon are independent for the purpose of the Offer and are required to make a recommendation to Shareholders.

The SIC has ruled that both Mr. Lee Koh Yong and Mr. Lee Cheng Chye are exempted from the requirement to make a recommendation to the Shareholders on the Offer, taking into account, among others, the Consortium Arrangements. However, they remain responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

9.3. Novus's Advice to the Independent Directors

The advice of Novus to the Independent Directors in respect of the Offer is set out in the Appendix A to this Circular ("**IFA Letter**"). Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has made certain recommendation to the Independent Directors as set out in paragraph 10 of the IFA Letter, an extract of which is reproduced below. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

"Having considered the aforesaid points including the various factors set out in this Letter and summarised in this paragraph, we are of the opinion that, on balance, the financial terms of the Offer are fair and reasonable. Accordingly, we would advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all the brokerage commissions or transactions costs in connection with open market transactions."

10. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Offer, and accordingly, recommend that Shareholders should accept the Offer, unless there is a superior offer or Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all the brokerage and transaction costs in connection with open market transactions.

Shareholders should note that the IFA's advice and the recommendation of the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer. In making their recommendation, both the IFA and the Independent Directors have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Shareholders should read and consider carefully this Circular, including the recommendation of the Independent Directors and the advice of the IFA in respect of the Offer as set out in Appendix A to this Circular in their entirety, before deciding whether to accept or reject the Offer. Shareholders are also urged to read the Offer Document carefully.

Shareholders should also note that there is no assurance that the market price of the Shares after the close or lapse of the Offer may be maintained at the current levels prevailing as at the Latest Practicable Date, and that the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

11. OVERSEAS PERSONS

Section 9 of the Offer Document sets out information in relation to Overseas Persons, extracts of which are set out below.

*"**9. OVERSEAS PERSONS***

*The availability of the Offer to, and the ability to accept the Offer of, Shareholders whose mailing addresses are outside of Singapore (as shown on the register of members of the Company or, as the case may be, in the records of CDP) (each, an "**Overseas Person**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, any Overseas Person should inform himself about and observe any applicable legal requirements in the relevant overseas jurisdictions, and exercise caution in relation to the Offer, as this Offer Document, the FAAs and the FATs have not been reviewed by any regulatory authority in any overseas jurisdiction.* ***Where there are potential restrictions on sending this Offer Document, the FAAs and/or the FATs to any overseas jurisdictions, the Offeror, RHBSEC and CDP each reserves the right not to send these documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom this Offer Document, the FAAs and/or the FATs have not been, or may not be, sent.***

*Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, means, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility.

Overseas Persons may, nonetheless, subject to compliance with applicable laws, obtain copies of this Offer Document, the FAAs and/or the FATs, during normal business hours and up to the Closing Date from:

(a) CDP (if he is a depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or

(b) the Share Registrar (if he is a scripholder), Tricor Barbinder Share Registration Services at its office located at 80 Robinson Road, #11-02, Singapore 068898.

Alternatively, an Overseas Person may, subject to compliance with applicable laws, write to:

(i) CDP (if he is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934; or

(ii) the Share Registrar (if he is a scripholder) at the address listed above,

to request for this Offer Document, the FAAs and/or the FATs to be sent to an address in Singapore by ordinary post at the Overseas Person's own risk, up to three (3) Market Days prior to the Closing Date.

It is the responsibility of any Overseas Person who wishes to (a) request for this Offer Document, the FAAs, the FATs and/or any related documents; and/or (b) accept the Offer, 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 and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Person shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including RHBSEC) shall be fully indemnified and held harmless by such Overseas Person for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including RHBSEC) may be required to pay. In (A) requesting for this Offer Document, the FAAs, the FATs and/or any related documents; and/or (B) accepting the Offer, the Overseas Person represents and warrants to the Offeror and RHBSEC 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. ***Any Overseas Person who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction****.*

The Offeror and RHBSEC each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Persons) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a 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 an Overseas Person) to receive or see such announcement, notice or advertisement."

12. INFORMATION PERTAINING TO SRS INVESTORS

Section 12.3 of the Offer Document sets out information in relation to SRS Investors, extracts of which are set out below.

"12.3 ***SRS Investors***

SRS Investors will receive further information on how to accept the Offer from the SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any

doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks. SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their SRS investment accounts."

13. ACTION TO BE TAKEN BY THE SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than **5.30 p.m. (Singapore time) on the Closing Date**, abiding by the procedures for the acceptance of the Offer as set out in Appendix V to the Offer Document, the FAA and/or the FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Registrar (as defined in the Offer Document) (in respect of the FAT), as the case may be, not later than **5.30 p.m. (Singapore time) on the Closing Date**.

The Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

14. VALIDITY OF THE 9MFY2019 RESULTS AND FORECAST STATEMENTS

14.1. Validity of the 9MFY2019 Results

As the 9MFY2019 Results are unaudited statements of interim results announced during the offer period (which for purposes of Rule 25 of the Code commences on the Offer Announcement Date and ends on the date the Offer is declared to have closed) and before the Offer has been publicly recommended by the Board, such statements constitute a "profit forecast" under Rule 25 of the Code. Accordingly, the Directors are of the view that the 9MFY2019 Results, which were announced on 24 May 2019, remains valid for the purpose of the Offer and the Auditor has no objection to the Auditor 9MFY2019 Results Report and the IFA has no objection to the IFA 9MFY2019 Results Report, each as set out in Appendix E, continuing to apply.

14.2. Forecast Statements

Appendix F further sets out the Forecast Statements previously made by the Company in its results announcements for the financial periods ended 30 June 2018, 30 September 2018 and 31 December 2018 respectively.

15. CONSENTS

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the IFA Letter in Appendix A of this Circular, the IFA 9MFY2019 Results Report in Appendix E of this Circular, and the IFA Forecast Statements Report in Appendix G of this Circular, and all references thereto in the form and context in which they appear in this Circular.

The Auditor has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the independent auditor's report in relation to the audited financial statements of the Group for FY2018, the Auditor 9MFY2019 Results Report in Appendix E of this Circular and the Auditor Forecast Statements Report in Appendix H of this Circular, and all references thereto in the form and context in which they appear in this Circular.

The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular and the Valuation Report set out in Appendix I of this Circular, and all references thereto in the form and context in which they appear in this Circular.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular are fair and accurate and that no material facts have been omitted from this Circular (the omission of which would render any statement in this Circular misleading in any material respect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document, the IFA Letter, the Auditor 9MFY2019 Results Report, the Auditor Forecast Statements Report, the IFA 9MFY2019 Results Report, the IFA Forecast Statements Report and the Valuation Report), the 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 Circular.

In respect of the IFA Letter, the Auditor 9MFY2019 Results Report, the Auditor Forecast Statements Report, the IFA 9MFY2019 Results Report, the IFA Forecast Statements Report and the Valuation Report, the responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

17. ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
800 SUPER HOLDINGS LIMITED

NG TIAK SOON
Lead Independent Director

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

NOVUS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201723484W)

9 Raffles Place
#17-05 Republic Plaza Tower 1
Singapore 048619

10 June 2019

To: The Independent Directors of 800 Super Holdings Limited (the "**Company**") (in respect of the Offer (as defined below))

Mr. Ng Tiak Soon
Mr. Foo Shiang Ping
Mr. Lye Hoong Yip Raymond
Mr. Mah How Soon

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE VOLUNTARY CONDITIONAL CASH OFFER

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 10 June 2019 (the "**Circular**") issued by the Company to the shareholders of the Company (the "**Shareholders**") shall have the same meanings herein.*

1. INTRODUCTION

On 6 May 2019 (the "**Offer Announcement Date**"), RHB Securities Singapore Pte. Ltd. ("**RHBSEC**") announced (the "**Offer Announcement**"), for and on behalf of 8S Capital Holdings Pte. Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") to acquire all the issued and paid-up ordinary shares in the capital of the Company, other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the "**Offer Shares**").

In connection with the Offer, Novus Corporate Finance Pte. Ltd. ("**NCF**") has been appointed by the Company as the independent financial adviser (the "**IFA**") to the directors of the Company (the "**Directors**") who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Offer (the "**Independent Directors**") as required under the Singapore Code on Take-overs and Mergers ("**Code**").

This letter ("**Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our evaluation of the financial terms of the Offer and our opinion and advice thereon, and forms part of the Circular providing, *inter alia*, details of the Offer and the recommendation of the Independent Directors.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors on the financial terms of the Offer in compliance with the provisions of the Code. We have confined our evaluation to the financial terms of the Offer and have not taken into account the strategic, legal, commercial risks and/or commercial merits of the Offer.

Our terms of reference do not require us to evaluate or comment on the rationale for or the strategic or long-term merits of the Offer or on the future prospects of the Company and its subsidiaries (collectively, the "**Group**") or the method and terms by which the Offer has been made or any other alternative methods by which the Offer may be made. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and advice as set out in this Letter.

We are not authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction that may be available to the Company (or the Shareholders) or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation of the financial terms of the Offer, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Group. We have also relied on information and representations, whether written or verbal, including relevant financial analyses, estimates and information contained in the Circular, provided by the management of the Company (the "**Management**"), the Directors and the Company's solicitors and/or auditors. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or representations. We have nevertheless made reasonable enquiries and exercised our judgement as we deemed necessary in assessing the information and representations provided to us and have found no reason to doubt the reliability of the information and representations.

We have relied upon the assurances of the Directors that, upon making all reasonable enquiries and to the best of their respective knowledge, information and belief, (a) all material information in connection with the Offer, the Company and/or the Group has been disclosed to us; (b) such information is true, complete and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

For the purposes of assessing the financial terms of the Offer and reaching our conclusion thereon, we have not conducted a comprehensive independent review of the business, operations or financial condition of the Group. We have also not relied upon any financial projections or forecasts in respect of the Company and/or the Group for the purpose of our evaluation of the Offer. We are not required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion and advice in this Letter.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group. As such, we have relied on the disclosures and representations made by the Company and the independent valuation report by AVA Associates Limited in relation to the valuation of the Revalued Properties (as defined herein).

Our analysis, opinion and advice as set out in this Letter are based on the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at, 31 May 2019 (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time, and we assume no responsibility to update, revise or reaffirm our opinion and advice in light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax status, risk profile or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profile, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. As such, our opinion and advice should not be the sole basis for any Shareholder in deciding whether or not to accept the Offer.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

Our opinion and advice in respect of the Offer, as set out in paragraph 10 of this Letter, should be considered in the context of the entirety of this Letter and the Circular.

3. THE OFFER

Shareholders should have by now received a copy of the offer document dated 27 May 2019 (the "**Offer Document**") that contains the formal offer by RHBSEC, for and on behalf of the Offeror, to acquire all the Offer Shares, subject to the terms and conditions of the Offer as set out in the Offer Document. The principal terms and conditions of the Offer are set out in section 2 of the Offer Document. Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

3.1. Offer Price

The consideration for each Offer Share is **S$0.90 in cash** (the "**Offer Price**").

The Offeror does not intend to increase the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.

3.2. No Encumbrances

Section 2.2 of the Offer Document states the following:

"*The Offer Shares will be acquired (a) fully paid-up; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the "**Encumbrances**"); and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital (the "**Distributions**"), which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).*

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

In the event any Distribution is or has been declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who validly accepts or has validly accepted the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by Shareholders pursuant to the Offer falls, as follows:

*(a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offeror shall pay the relevant accepting Shareholders the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or*

(b) if such settlement date falls after the Books Closure Date, the Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company."

3.3. Warranty

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up; (b) free from Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all Distributions which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

3.4. Conditional Offer

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it either before or during the Offer and pursuant to the Offer and otherwise, will result in the Offeror and parties acting in concert with it holding such number of Shares carrying not less than 90% of the total voting rights attributable to the Shares as at the close of the Offer (the "**Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared to be unconditional as to acceptances unless, at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which will result in the Offeror meeting the Acceptance Condition.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

The Promoters have provided Irrevocable Undertakings to, *inter alia*, accept the Offer in respect of all the Shares held by him/her/it, including but not limited to such Shares held by him/her/it as at 17 May 2019 (being the latest practicable date in the Offer Document). As at 17 May 2019, the Promoters hold an aggregate of 138,789,700 Shares, representing approximately 77.62% of the total number of issued Shares, details of which are set out in Appendix III to the Offer Document.

3.5. Closing Date

Except insofar as the Offer may be withdrawn with the consent of the Securities Industry Council (the "**SIC**") and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances for a period of at least 28 days from the date of posting of the Offer Document.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 24 June 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3.6. Details of the Offer

Further details of the Offer, including (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement on the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer, are set out in Appendix IV to the Offer Document.

Please refer to Appendix V to the Offer Document for the procedures for acceptance of the Offer.

4. INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from Section 4 of the Offer Document and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document. Please also refer to Appendix I to the Offer Document for additional information on the Offeror.

"***4. INFORMATION ON THE OFFEROR, THE CONSORTIUM AND KKR***

4.1 The Offeror

*The Offeror is a private company limited by shares incorporated in Singapore. As at the Latest Practicable Date, the Offeror has an issued and paid-up capital of S$100.00, consisting of 100 ordinary shares. The Offeror is wholly-owned by special purpose vehicles (collectively, "**KKR HoldCo**") wholly-owned by funds, accounts and/or investment vehicles managed and/or advised by KKR Credit Advisors (US) LLC and its affiliates, which are themselves affiliates of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "**KKR**").*

*The board of Directors of the Offeror (the "**Offeror Board**") comprises Mr. Chengkang Yan, Mr. Devid Kennedy, Mr. Neal Kok, Mr. Lee Koh Yong ("**LKY**"), Mr. Lee Cheng Chye ("**LCC**"), Mr. Lee Hock Seong ("**LHS**"), Ms. Lee Kim Eng ("**LKE**"), Mr. Lee Thiam Seng ("**LTS**") and Mr. Lee Chuan Heng (Li Quanxing) ("**LCH**").*

4.2 KKR

Established in 1976, KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. It has approximately US$200 billion of assets under management as at 31 March 2019 and a history of leadership, innovation and investment excellence. KKR consistently seeks to generate attractive investment returns by employing world-class people, following a patient and disciplined investment approach, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. KKR is also active in the Singapore market, having previously acquired MMI Holdings Limited in 2007, Unisteel Technology Limited in 2008 and Goodpack Limited in 2014, all by way of schemes of arrangement pursuant to Section 210 of the Companies Act. In 2018, KKR also made a minority equity investment in PropertyGuru Pte. Ltd.. Since 2005 KKR has invested or committed over US$3 billion in equity capital in Southeast Asia in 16 transactions, making KKR one of the most active private equity investors in the region.

4.3 The Promoters

*LKY, LCC, LHS, LKE, LTS and LCH (collectively, the "**Lee Family Members**") own 100% of the shares in the capital of Yong Seong Investment Pte. Ltd. ("**YSI**", and together with the Lee Family Members, the "**Promoters**"). As at the Latest Practicable Date, the Promoters collectively own or control an aggregate of 138,789,700 Shares, representing approximately 77.62% of the total number of issued Shares in the following proportion:*

	Number of Shares	***Proportion of the total number of issued Shares[(1)]***
LKY	*5,002,200*	*2.80%*
LCC	*4,287,600*	*2.40%*
LHS	*5,002,200*	*2.80%*
LKE	*1,786,500*	*1.00%*
LTS	*1,071,900*	*0.60%*
LCH	*714,600*	*0.40%*
YSI[(2)]	*120,924,700*	*67.63%*
Total	*138,789,700*	*77.62%[(3)]*

Notes:

(1) Based on the Company's issued capital of 178,800,000 Shares as at the Latest Practicable Date.

(2) LKY's, LCC's, LHS', LKE's, LTS' and LCH's respective shareholdings in YSI are 28%, 24%, 28%, 10%, 6% and 4%.

(3) Discrepancy due to rounding.

The Lee Family Members are siblings. LKY, LCC and LHS are the founders of the Company. LKY and LCC are Executive Directors of the Company, while LHS, LKE, LTS and LCH are key management personnel of the Company with the following designations:

(a) LHS (Maintenance Director);

(b) LKE (Head of Admin & HR);

(c) LTS (Operation Manager); and

(d) LCH (Contract Manager).

4.4 Consortium Arrangements

*(a) KKR and the Promoters have agreed to form a consortium through the Offeror to undertake the Offer and have on the Offer Announcement Date, entered into the following arrangements (collectively, the "**Consortium Arrangements**"):*

*(i) each of the Promoters has entered into a share subscription agreement with the Offeror (the "**Share Subscription Agreement**") to (A) regulate the conduct of the Offer; and (B) set out the terms and conditions under which the Promoters will subscribe for ordinary shares in the Offeror (the "**Offeror Ordinary Shares**") at a price equal to the Offer Price (the "**Subscription**") at the successful close of the Offer and completion of the compulsory acquisition process; and*

*(ii) each of the Promoters has provided an irrevocable undertaking (collectively, the "**Irrevocable Undertakings**") in favour of the Offeror and KKR to, inter alia:*

(A) accept, or procure the acceptance of, the Offer in respect of all the Shares held by him/her/it, including but not limited to such Shares held by him/her/it as at the Latest Practicable Date, details of which are set out in paragraph 4.3 above;

(B) waive his/her/its right under Rule 30 of the Code to receive any cash settlement or payment for acceptance of the Offer; and

*(C) subscribe for Offeror Ordinary Shares at the Offer Price in accordance with the terms of the Share Subscription Agreement and pay for the subscription amount in respect of such Offeror Ordinary Shares by setting off in full such subscription amount against the proceeds that would otherwise be payable by the Offeror as consideration pursuant to acceptance of the Offer by each Promoter (the "**Set-Off Amount**"), on a one-for-one basis.*

(b) Pursuant to the Consortium Arrangements, the Promoters have undertaken to KKR that, save with the prior written consent of KKR and the SIC (if applicable):

*(i) each of them shall not dispose of or otherwise encumber any of their Offeror Ordinary Shares during the period commencing on the completion date of their Subscription and ending on the date falling six (6) months thereafter (the "**Moratorium Period**"); and*

(ii) for another six (6) months from the expiry of the Moratorium Period:

(A) each Promoter shall not dispose of or otherwise encumber all (as opposed to some only) of its Offeror Ordinary Shares;

(B) the Promoters shall maintain their shareholdings in the Offeror in (as nearly as may be) their respective shareholding proportions inter se immediately following completion of their Subscription; and

(C) the Promoters shall collectively continue to hold and maintain in aggregate at least 75% of the Offeror Ordinary Shares issued to them pursuant to the Subscription;

(iii) they shall procure the Offeror to buy back any or all of the Offeror Ordinary Shares held by KKR, at the subscription amount paid by KKR for the Offeror Ordinary Shares, within one (1) month after the delivery of such share buy-back request by KKR to the Offeror; and

(iv) subject always to the provisions set out in paragraphs 4.4(b)(i) and 4.4(b)(ii) above, any buyback of the Offeror Ordinary Shares from the Promoters shall be done at a price per Offeror Ordinary Share not exceeding the Offer Price, and shall be capped at S$20 million in aggregate.

The SIC has ruled that the Promoters will be regarded as joint offerors for the purpose of Rule 10 of the Code, and accordingly, the Consortium Arrangements do not constitute a special deal prohibited under Rule 10 of the Code and there is no requirement for the Offeror to offer the Offeror Ordinary Shares as consideration to the other Shareholders. The SIC has further confirmed that the confirmation of financial resources by RHBSEC as financial adviser to the Offeror in connection with the Offer may exclude the Set-Off Amount, subject to the Irrevocable Undertakings being in force during the Offer Period."

5. IRREVOCABLE UNDERTAKINGS

The following information has been extracted from Section 5 of the Offer Document and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

"5. IRREVOCABLE UNDERTAKINGS

5.1 Details of Irrevocable Undertakings

As at the Latest Practicable Date, the Promoters have provided Irrevocable Undertakings to inter alia, accept the Offer in respect of all the Shares held by him/her/it. As at the Latest Practicable Date, the Promoters hold an aggregate of 138,789,700 Shares, representing approximately 77.62% of the total number of issued Shares.

5.2 Termination of Irrevocable Undertakings

Each Irrevocable Undertaking will terminate or lapse if the Offer is withdrawn or lapses, or fails to become or be declared to be unconditional in all respects for whatever reason, other than a breach by any of the Promoters of any of his or her obligations under the relevant Irrevocable Undertaking.

5.3 No other Irrevocable Undertakings

Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any other person to accept or reject the Offer."

6. INFORMATION ON THE COMPANY

The following information on the Company has been extracted from Section 3 of the Offer Document and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document. Please also refer to Appendix II to the Offer Document for additional information on the Company.

"***3. INFORMATION ON THE COMPANY***

3.1 Based on publicly available information, the Company was incorporated under the laws of Singapore on 11 April 2011 and was listed on the Catalist board of the SGX-ST on 15 July 2011. The Group is an established environmental services provider for both the public and private sectors in Singapore. The Group's environmental services include waste management and waste treatment, cleaning and conservancy, horticultural services and industrial laundry processing.

3.2 As at the Latest Practicable Date, based on publicly available information:

(a) the board of directors of the Company comprises:

(i) Mr. Lee Koh Yong (Executive Chairman);

(ii) Mr. Lee Cheng Chye (Chief Executive Officer and Executive Director);

(iii) Mr. Ng Tiak Soon (Lead Independent Director);

(iv) Mr. Foo Shiang Ping (Non-Executive and Non-Independent Director);

(v) Mr. Lye Hoong Yip Raymond (Independent Director); and

(vi) Mr. Mah How Soon (Independent Director);

(b) the total number of issued Shares of the Company is 178,800,000 Shares; and

(c) the Company does not hold any treasury shares."

7. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer has been extracted from Section 6 of the Offer Document and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

*"6. **RATIONALE FOR THE OFFER***

6.1 Offer Price at a premium to market price

When compared to the benchmark prices of the Shares up to and including the Last Trading Day, the Offer Price represents a premium of approximately 30.6%, 31.2%, 25.3% and 17.6% over VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively.

The Offer Price also represents a premium of approximately 16.1% and 28.6% over the last transacted price per Share of S$0.775 on the Last Trading Day and the last transacted price per Share of S$0.700 on 25 April 2019, respectively.

The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

6.2. Greater management flexibility

The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change.

6.3 Low trading liquidity of Shares

The trading volume of the Shares has been low, with an average daily trading volume[1] of approximately 65,904 Shares, 37,641 Shares, 32,298 Shares and 85,590 Shares during the respective one (1)-month period, three (3)-month period, six (6)-month period and 12-month period, up to and including the Last Trading Day. Each of these represents less than 0.05% of the total number of issued Shares for any of the aforementioned relevant periods.

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices which would otherwise not be available given the low trading liquidity.

[1] *Calculated by using the total volume of Shares traded divided by the number of Market Days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively, up to and including the Last Trading Day.*

6.4 Compliance costs of maintaining listing

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its operational matters amidst the competitive business landscape."

8. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the financial terms of the Offer, we have considered the following which we view as pertinent and having a significant bearing on our evaluation:

(a) Historical financial performance of the Group;

(b) Historical market price performance and trading activity of the Shares;

(c) Historical Share price performance relative to market index;

(d) Net asset value ("**NAV**"), net debt position and revalued net asset value ("**RNAV**") of the Group;

(e) Valuation ratios of selected companies listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") which are broadly comparable to those of the Group;

(f) Selected precedent privatisation and delisting transactions involving companies listed on the SGX-ST or the Catalist Board of the SGX-ST ("**SGX-Catalist**");

(g) Dividend track record of the Company and selected alternative investments; and

(h) Other relevant considerations.

The figures, underlying financial and market data used in our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from Thomson Reuters Eikon under Refinitiv (formerly the Thomson Reuters Financial & Risk business), the SGX-ST and other public filings as at the Latest Practicable Date or as provided by the Company where relevant. NCF makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

8.1. Historical Financial Performance of the Group

For the purpose of evaluating the financial terms of the Offer, we have considered the audited consolidated financial statements of the Group for the financial years ended 30 June 2016 ("**FY2016**"), 30 June 2017 ("**FY2017**") and 30 June 2018 ("**FY2018**"), as well as the unaudited interim condensed consolidated financial statements of the Group for the 9-month financial period ended 31 March 2019 ("**9M2019**") and its comparative figures for the 9-month financial period ended 31 March 2018 ("**9M2018**"). The following summary of the financial information should be read in conjunction with the full text of the Group's published financial statements for FY2016, FY2017, FY2018, 9M2018 and 9M2019 in respect of the relevant financial years/periods including the notes thereto.

Consolidated statement of comprehensive income

	Audited			Unaudited	
S$'000	FY2016[1]	FY2017[2]	FY2018	9M2018[3]	9M2019
Revenue	156,437	156,923	151,115	113,215	136,898
Profit before income tax	18,600	20,760	11,747	12,441	7,402
Net profit for the year/ period attributable to equity holders of the Company	16,729	17,121	9,155	10,809	5,557
Net profit margin (%)	10.7	10.9	6.1	9.5	4.1

Consolidated cash flow statement

	Audited			Unaudited	
S$'000	FY2016[1]	FY2017[2]	FY2018	9M2018[3]	9M2019
Net cash flows generated from operating activities	32,724	30,481	15,679	15,474	23,212
Net cash flows used in investing activities	(12,919)	(24,922)	(61,541)	(49,573)	(28,518)
Net cash flows generated from/ (used in) financing activities	(9,138)	(1,128)	26,298	20,921	9,639
Net increase/ (decrease) in cash and cash equivalents	10,667	4,431	(19,474)	(13,358)	4,333
Cash and cash equivalents at end of year/period	20,571	25,086	5,605	11,722	9,937

Source: *Annual reports of the Company for FY2017 and FY2018 and the unaudited consolidated financial statements of the Group for 9M2019 and its comparative figures in 9M2018*

Notes:

(1) Based on the figures reflected in the annual report of the Company for FY2017.

(2) Based on the figures reflected in the annual report of the Company for FY2018.

(3) Based on the figures reflected in the announcement of the unaudited financial statements of the Group for 9M2019.

Consolidated statement of comprehensive income

FY2016 vs FY2017

The revenue of the Group increased marginally by approximately S$0.5 million or 0.3% from S$156.4 million in FY2016 to S$156.9 million in FY2017, due to new contracts being awarded, notwithstanding the completion of certain cleaning contracts.

The profit before income tax of the Group increased by approximately S$2.2 million or 11.6% from S$18.6 million in FY2016 to S$20.8 million in FY2017, mainly attributable to a decrease in (a) purchases of supplies and disposal charges of approximately S$2.7 million or 10.2% from S$26.4 million in FY2016 to S$23.7 million in FY2017 mainly due to sustained cost management measures; (b) other expenses of approximately S$1.4 million or 6.2% from S$22.6 million in FY2016 to S$21.2 million in FY2017 mainly due to a decrease in foreign worker levies in line with a reduction in foreign worker headcount as a result of the completion of certain cleaning contracts and an increase in productivity from technological initiatives undertaken by the Company, as well as a decrease in motor vehicles expenses; and (c) sub-contractor charges of approximately S$0.3 million or 9.5% from S$3.1 million in FY2016 to S$2.8 million in FY2017 mainly due to lower dependency on sub-contractors for current projects. This was offset by an increase in (a) depreciation expenses of approximately S$0.8 million or 10.0% from S$8.2 million in FY2016 to S$9.0 million in FY2017 mainly due to the depreciation of a new truck depot and additional motor vehicles and machineries purchased to support the Group's business operations; and (b) employee benefits expenses of approximately S$2.2 million or 2.9% from S$76.7 million in FY2016 to S$78.9 million in FY2017 mainly due to a reduced level of government grant.

Income tax expense increased by approximately S$1.8 million or 95.9% from S$1.9 million in FY2016 to S$3.7 million in FY2017 mainly due to the higher taxable profits and an under provision of prior years' deferred tax of S$0.3 million in FY2017, as well as write-backs of over provision of prior years' income and deferred taxes which resulted in a lower income tax expense in FY2016.

As a result of the aforementioned, the net profit for the year attributable to equity holders of the Company increased by approximately S$0.4 million or 2.3% from S$16.7 million in FY2016 to S$17.1 million in FY2017. Accordingly, the Group's net profit margin increased marginally from 10.7% in FY2016 to 10.9% in FY2017.

FY2017 vs FY2018

The revenue of the Group decreased by approximately S$5.8 million or 3.7% from S$156.9 million in FY2017 to S$151.1 million in FY2018, mainly due to the completion of term contracts and the renewal of certain contracts at more competitive prices.

The profit before income tax of the Group decreased by approximately S$9.1 million or 43.4% from S$20.8 million in FY2017 to S$11.7 million in FY2018, mainly attributable to an increase in (a) purchases of suppliers and disposal charges of approximately S$3.2 million or 13.5% from S$23.7 million in FY2017 to S$26.9 million in FY2018 mainly due to (i) higher production levels for the plastic recycling plant; (ii) the acquisition of Iwash Laundry (Senoko) Pte. Ltd.("**Iwash**"), which was consolidated into the Group in the second quarter of 2018 (the "**Iwash Acquisition**"); and (iii) higher fuel costs impacted by a rise in fuel prices; (b) sub-contractor charges of approximately S$0.8 million or 28.6% from S$2.8 million in FY2017 to S$3.6 million in FY2018 mainly attributable to the Iwash Acquisition; (c) depreciation expenses of approximately S$1.1 million or 11.8% from S$9.0 million in FY2017 to S$10.1 million in FY2018 mainly relating to the Iwash Acquisition, investments in the Group's new operational biomass plant located in Tuas South and additional motor vehicles and machinery purchased to support the Group's business operations; and (d) other expenses of approximately S$3.4 million or 15.7% from S$21.2 million in FY2017 to S$24.6 million in FY2018 mainly due to the Iwash Acquisition, start-up and capability-upscaling costs for the new businesses and higher professional fees rendered for acquisition and business operations. This was partially offset by a decrease in employee benefits expenses of approximately S$5.3 million or 6.7% from S$78.9 million in FY2017 to S$73.6 million in FY2018 which was in line with the lower headcount of employee in FY2018 following the completion of term contracts.

Income tax expense decreased by approximately S$1.0 million or 28.3% from S$3.7 million in FY2017 to S$2.6 million in FY2018 mainly due to the lower taxable profits in FY2018.

As a result of the aforementioned, the net profit for the year attributable to equity holders of the Company decreased by approximately S$7.9 million or 46.5% from S$17.1 million in FY2017 to S$9.2 million in FY2018. Accordingly, the Group's net profit margin decreased from 10.9% in FY2017 to 6.1% in FY2018.

9M2018 vs 9M2019

The revenue of the Group increased by approximately S$23.7 million or 20.9% from S$113.2 million in 9M2018 to S$136.9 million in 9M2019, mainly due to contributions from new projects being the Pasir Ris-Bedok public waste collection sector, Iwash as well as the biomass plant and sludge treatment plant (the "**Waste Treatment Plants**").

The profit before income tax of the Group decreased by approximately S$5.0 million or 40.5% from S$12.4 million in 9M2018 to S$7.4 million in 9M2019, mainly attributable to an increase in (a) purchases of suppliers and disposal charges of approximately S$13.8 million or 72.3% from S$19.2 million in 9M2018 to S$33.0 million mainly due to expenses incurred in the operations of the public waste collection and laundry sectors as well as the Waste Treatment Plants; (b) depreciation expenses of approximately S$3.9 million or 55.0% from S$7.0 million in 9M2018 to S$10.9 million in 9M2019 mainly due to the newly acquired assets to support the various new projects; (c) other expenses of approximately S$2.7 million or 15.2% from S$17.5 million in 9M2018 to S$20.2 million in 9M2019 in line with additional sector operational activities in the public waste collection sector and the Waste Treatment Plants; (d) employee benefits expenses of approximately S$6.7 million or 12.4% from S$54.2 million in 9M2018 to S$60.9 million in 9M2019 mainly due to increased employee headcount following the commencement of operation activities of new projects; and (e) finance expenses of approximately S$1.6 million or 304.8% from S$0.5 million in 9M2018 to S$2.1 million in 9M2019 mainly due to higher borrowings to finance additional assets related to the new business contracts and finance costs for the Waste Treatment Plants.

Income tax expense increased by approximately S$0.2 million or 12.8% from S$1.7 million in 9M2018 to S$1.9 million in 9M2019 mainly due to non-deductible expenses and non-recognition of deferred tax assets from a subsidiary.

As a result of the aforementioned, the net profit for the year attributable to equity holders of the Company decreased by approximately S$5.2 million or 48.6% from S$10.8 million in 9M2018 to S$5.6 million in 9M2019. Accordingly, the Group's net profit margin decreased from 9.5% in 9M2018 to 4.1% in 9M2019.

Consolidated cash flow statement

The Group recorded net cash flows generated from operating activities of approximately S$32.7 million, S$30.5 million, S$15.7 million, S$15.5 million and S$23.2 million in FY2016, FY2017, FY2018, 9M2018 and 9M2019 respectively.

The Group recorded net cash flows generated from operating activities in FY2018 mainly due to operating cash flows before changes in working capital of approximately S$23.2 million, which was partially offset by an increase in trade and other receivables of approximately S$3.3 million, an increase in inventories of approximately S$0.7 million, an increase in other assets of approximately S$0.4 million, a decrease in trade and other payables of approximately S$0.6 million, as well as income tax paid of approximately S$2.5 million.

The Group recorded net cash flows generated from operating activities in 9M2019 mainly due to operating cash flows before changes in working capital of approximately S$20.4 million, an increase in trade and other payables of approximately S$7.4 million and a decrease in inventories of approximately S$0.2 million, which was partially offset by an increase in trade and other receivables of approximately S$3.0 million, an increase in other assets of approximately S$0.6 million and income tax paid of approximately S$1.1 million.

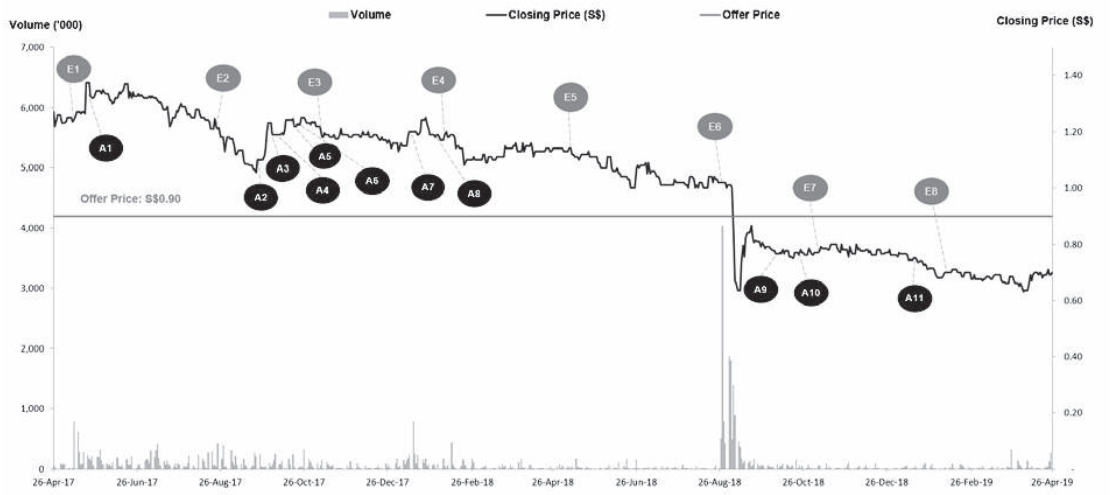
Taking into account (a) the cash and cash equivalents at the beginning of 9M2019 of approximately S$5.6 million and (b) the net increase in cash and cash equivalents of approximately S$4.3 million, the Group's cash and cash equivalents as at 31 March 2019 amounted to approximately S$9.9 million.

8.2. Historical Market Price Performance and Trading Activity of the Shares

We have compared the Offer Price to the daily closing prices for the 2-year period between 26 April 2017 and 26 April 2019 (the "**Last Trading Day**"), being the last full market day immediately prior to the Offer Announcement. We have also marked certain dates in the 2-year period where significant events occurred.

We note that the Company had, on 28 August 2017 and 28 August 2018, in conjunction with the release of its unaudited full year consolidated financial statements for FY2017 and FY2018 respectively, announced that the Directors were intending to propose a final dividend (tax exempt one-tier) of S$0.03 per Share in respect of FY2017 (the "**FY2017 Final Dividend**") and S$0.01 per Share in respect of FY2018 (the "**FY2018 Final Dividend**"). The FY2017 Final Dividend and FY2018 Final Dividend were subsequently approved by Shareholders at the Company's annual general meetings on 5 October 2017 and 11 October 2018, and paid out on 10 November 2017 and 16 November 2018. However we have not made any adjustments to the historical daily closing prices of the Shares for the FY2017 Final Dividend and the FY2018 Final Dividend as we note that there would not be any material difference in terms of our comparison of the Offer Price *vis-à-vis* the historical market price performance of the Shares.

Daily closing prices and daily trading volumes of the Shares for the 2-year period prior to and including the Last Trading Day



Source: *Thomson Reuters Eikon and Company announcements on the SGXNet*

Earnings announcements:

E1. **12 May 2017.** The Company announced its unaudited financial statements for the 9-month financial period ended 31 March 2017 ("**9M2017**") in which the Group's net profit attributable to equity holders of the Company increased by approximately S$1.9 million or 15.6% from S$12.5 million in the 9-month financial period ended 31 March 2016 to S$14.4 million in 9M2017, mainly due to (a) an increase in revenue; (b) a decrease in the purchase of suppliers and disposal charges due to better cost management; (c) a decrease in the sub-contractor charges due to lower dependency on sub-contractors for the current

projects; and (d) a reduction in other expenses relating to the foreign worker levies, which was offset by (a) an increase in depreciation expenses due to the depreciation of a new truck depot located in Tuas South and additional motor vehicles and machineries purchased to support the Group's expanding business operations; and (b) increase in the employee benefits expenses as a result of the reduction in government grant under the Wage Credit Scheme.

E2. **24 August 2017.** The Company announced its unaudited financial statements for FY2017 in which the Group's net profit attributable to equity holders of the Company increased slightly by approximately S$0.4 million or 2.3% from S$16.7 million in FY2016 to S$17.1 million in FY2017, mainly due to (a) a marginal increase in revenue arising from the completion of certain cleaning contracts, offset by new projects awarded during FY2017; (b) a decrease in the purchase of supplies and disposal charges as a result of sustained cost of management measures; (c) a decrease in the sub-contractor charges, due to lower dependency on sub-contractors for current projects; and (d) a decrease in other expenses due to (i) a decrease in foreign worker levies which is in line with a decrease in foreign worker headcount; and (ii) a decrease in motor vehicles expense, offset by (a) an increase in the depreciation expense associated to the depreciation of a new truck depot located in Tuas South and additional motor vehicles and machineries purchased to support the Group's business operations; (b) higher employee benefits expenses as a result of reduced level of government grant; and (c) increase in income tax expense due to higher taxable profits for FY2017 and under provision of prior years' income and deferred taxes.

E3. **10 November 2017.** The Company announced its unaudited financial statements for the 3-month financial period ended 30 September 2017 ("**3M2018**") in which the Group recorded a slightly lower net profit attributable to equity holders of the Company of approximately S$4.4 million as compared to a net profit attributable to equity holders of the Company of S$4.5 million for the 3-month financial period ended 30 September 2016, despite a slight increase in the revenue. The lower net profit attributable to equity holders of the Company recorded was due to the increase in other expenses, as a result of (a) an increase in legal and professional fees relating to the professional services rendered for mergers and acquisitions; (b) an increase in expenses relating to the upkeep of motor vehicles and machines; and (c) an increase in worker's welfare expenses, which was offset by the decrease in purchase of supplies and disposal charges due to sustained cost management measures.

E4. **9 February 2018.** The Company announced its unaudited financial statements for the 6-month financial period ended 31 December 2017 ("**HY2018**") in which the Group recorded a lower net profit attributable to equity holders of the Company of approximately S$6.9 million for HY2018 as compared to a net profit attributable to equity holders of the Company of S$8.1 million for the 6-month financial period ended 31 December 2016. Lower net profit attributable to equity holders of the Company was in line with the lower revenue generated in HY2018, which was due to the completion of term contracts and the renewal of certain contracts at more competitive prices. Accordingly, (a) purchases of supplies and disposal charges; (b) employee benefits expenses; and (c) income tax decreased following the completion of terms contracts. The decrease in expenses was offset by an increase in depreciation expenses as a result of additions of property, plant and equipment and an increase in other expenses due to the Iwash Acquisition and increase in licence and professional fees.

E5. **11 May 2018**. The Company announced its unaudited financial statements for 9M2018 in which the Group's net profit attributable to equity holders of the Company decreased significantly by approximately S$3.6 million or 24.9% from S$14.4 million in 9M2017 to S$10.8 million in 9M2018, mainly due to (a) a decrease in revenue arising from the completion of term contracts and the renewal of certain contracts at more competitive prices; (b) an increase in the purchase of supplies and disposal charges associated with the higher production levels for the plastic recycling plant and the Iwash Acquisition; (c) an increase in the sub-contractor charges, attributable to the Iwash Acquisition; and (d) an increase in other expenses relating to higher equipment leasing expenses for the waste-to-energy ("**WTE**") plant and the Iwash Acquisition, offset by a decrease in the employee benefits expenses due to lower employee headcount following the completion of term contracts.

E6. **28 August 2018.** The Company announced its unaudited financial statements for FY2018 in which the Group's net profit attributable to equity holders of the Company decreased significantly by approximately S$7.9 million or 46.5% from S$17.1 million in FY2017 to S$9.2 million in FY2018, mainly due to (a) a decrease in revenue arising from the completion of term contracts and the renewal of certain contracts at more competitive prices; (b) an increase in the purchase of supplies and disposal charges associated with (i) higher production levels for the plastic recycling plant; (ii) the Iwash Acquisition; and (iii) higher fuel costs impacted by a rise in fuel prices; (c) an increase in the sub-contractor charges, attributable to the Iwash Acquisition; and (d) an increase in the depreciation expense attributable to (i) the Iwash Acquisition; (ii) the WTE plant located in Tuas South becoming operational; and (iii) additional motor vehicles and machineries purchased to support the Group's business operations, offset by a decrease in the employee benefits expense due to lower employee headcount following the completion of term contracts.

E7. **9 November 2018.** The Company announced its unaudited financial statements for the 3-month financial period ended 30 September 2018 ("**3M2019**") in which the Group recorded a lower net profit attributable to equity holders of the Company of approximately S$1.7 million for 3M2019 as compared to a net profit attributable to equity holders of the Company of S$4.4 million for 3M2018. Lower net profit attributable to equity holders of the Company was recorded despite the slight increase in the revenue which was due to contribution from the Pasir Ris-Bedok public waste collection sector projects, the Iwash Acquisition and the Waste Treatment Plants during the corresponding periods, mainly attributable to (a) the increase in the purchase of supplies and disposal charges which was associated with the expenses incurred in relation to the Waste Treatment Plants, the Pasir Ris-Bedok public waste collection sector and laundry operations; (b) an increase in the depreciation expenses attributable to (i) the Iwash Acquisition; (ii) biomass plant; and (iii) the Pasir Ris-Bedok public waste collection sector; and (c) an increase in the other expenses relating to (i) the Iwash Acquisition; (ii) an increase in the operational activities of the Waste Treatment Plants; and (iii) the Pasir Ris-Bedok public waste collection sector.

E8. **12 February 2019.** The Company announced its unaudited financial statements for the 6-month financial period ended 31 December 2018 ("**HY2019**") in which the Group recorded a lower net profit attributable to equity holders of the Company of approximately S$3.6 million for HY2019 as compared to a net profit attributable to equity holders of the Company of S$6.9 million for HY2018. Lower net profit attributable to equity holders of the Company was recorded despite the increase in the revenue which was due to contribution from the Pasir Ris-Bedok public waste collection sector projects, the Iwash Acquisition and the Waste Treatment Plants during the corresponding periods, mainly due to (a) the increase in the purchase of supplies and disposal charges which was associated with the expenses incurred in relation to the Waste Treatment Plants, the Pasir Ris-Bedok public waste collection sector and laundry operations; (b) an increase in the sub-contractor charges associated with the inclusion of Pasir Ris-Bedok public waste collection sector; (c) an increase in the depreciation expense attributable to the newly acquired assets to support the various new projects; (d) an increase in other expenses, in line with the additional sector operational activities in the public waste collection sector and the Waste Treatment Plants; and (e) an increase in the employee benefits expenses associated with the higher employee headcount following the commencement of the operation activities of new projects.

Other significant announcements:

A1. **23 May 2017.** The Company announced it had increased the issued and paid-up capital of its wholly-owned subsidiary, 800 Landscape Pte Ltd ("**800 Landscape**") from S$250,000 to S$500,000 by subscribing additional 250,000 ordinary shares at S$1.00 per share, by way of a cash injection of S$250,000, to provide additional working capital for the operation of 800 Landscape.

A2. **25 September 2017.** The Company announced that it had incorporated a wholly-owned subsidiary, Wizwash Pte. Ltd. ("**Wizwash**") in Singapore, with a total issued and paid up share capital of S$1 million, comprising 1 million ordinary shares.

A3. **3 October 2017.** The Company announced that its wholly-owned subsidiary, Wizwash, has entered into a call and put option agreement with Fairlady Jewellers Private Limited, Lee Yok Sim, Chua Yun Chean and Tan Choon Huat (collectively, the "**Vendors**"), in which the Vendors have granted Wizwash an option to buy the entire issued and paid-up shares in Iwash held by the Vendors ("**Sale Shares**"); and (ii) Wizwash has granted each of the Vendors an option to sell to Wizwash the Sale Shares, in relation to the proposed Iwash Acquisition.

A4. **5 October 2017.** The Company announced the release of its annual report for FY2017.

A5. **19 October 2017.** The Company announced the completion of the Iwash Acquisition.

A6. **20 October 2017.** The Company announced the notice of Books Closure Date and payment date for the FY2017 Final Dividend that was approved by the Shareholders of the Company during the 2017 Annual General Meeting held on 20 October 2017.

A7. **12 January 2018.** The Company announced that its wholly-owned subsidiary, 800 Super Waste Management Pte Ltd ("**800 SWM**"), has been awarded a licence for a period of seven (7) years and four (4) months commencing from 1 July 2018 to 31 October 2025, to provide refuse collection services to domestic and trade premises in the Pasir Ris-Bedok sector in Singapore at an aggregate contract value of approximately S$193.5 million by the National Environment Agency on 8 January 2018.

A8. **2 February 2018.** The Company announced that its wholly-owned subsidiary, 800 SWM, has increased its issued and paid-up capital from S$3 million to S$6 million through the capitalisation of its retained earnings. Following which, the issued and paid-up share capital of 800 SWM would be increased to 6 million ordinary shares.

A9. **11 October 2018.** The Company announced the release of its annual report for FY2018.

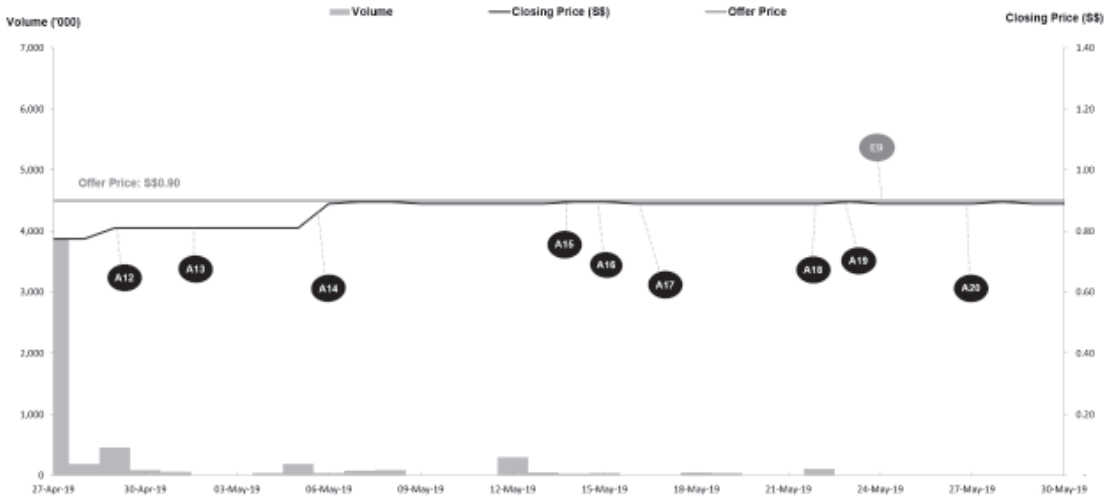
A10. **26 October 2018.** The Company announced the notice of Books Closure Date and payment date for the FY2018 Final Dividend that was approved by the Shareholders of the Company during the 2018 Annual General Meeting held on 26 October 2018.

A11. **17 January 2019.** The Company announced it had increased the issued and paid-up capital of its wholly-owned subsidiary, Iwash Laundry (Tuas) Pte. Ltd. ("**Iwash (Tuas)**") from S$50,000 to S$1 million by subscribing for an additional 950,000 ordinary shares at S$1.00 per share, to provide additional working capital for the operations of Iwash (Tuas).

Based on the above, we note that the closing prices of the Shares had historically traded at and/or above the Offer Price for the period between end April 2017 and end-August 2018. We further note that subsequently the closing prices of the Shares had generally trended downwards for the period between end-August 2018 and beginning-April 2019 (with Shares trading between a high of S$0.865 (on 10 September 2018) and a low of S$0.630 (on 28 March 2019)) before increasing to close at S$0.655 on 1 April 2019. Between 2 April 2019 and the Last Trading Day, the closing prices of the Shares had generally traded between a high of S$0.775 and a low of S$0.685. There was also a spike in the closing prices of the Shares to S$0.810 on 29 April 2019, which was the last transacted price of the Shares prior to the Company's request for trading halt on the Shares on 29 April 2019. We note that the closing prices of the Shares had not traded at or above the Offer Price of S$0.900 since 28 August 2018 up to and including the Last Trading Day.

The daily closing prices and daily trading volumes of the Shares from the Last Trading Day and up to the Latest Practicable Date are set out below:

Daily closing prices and daily trading volumes of the Shares from the Last Trading Day and up to the Latest Practicable Date



Source: *Thomson Reuters Eikon and Company announcements on the SGXNet*

Earnings announcements:

E9. **24 May 2019.** The Company announced its unaudited financial statements for 9M2019 in which the Group's net profit attributable to equity holders of the Company decreased significantly by approximately S$5.2 million or 48.6% from S$10.8 million in 9M2018 to S$5.6 million in 9M2019, despite an increase in revenue of S$23.7 million or 20.9% from S$113.2 in 9M2018 to S$136.9 million in 9M2019. This was mainly due to high expenses incurred in the operations of the public waste collection sectors and the Waste Treatment Plants as well as the increase in employee benefits expenses due to increased employee headcount following the commencement of operation activities of new projects.

Significant announcements:

A12. **29 April 2019.** At 9.47 a.m. (Singapore time), the Company requested for a trading halt on its shares, pending release of a material announcement.

A13. **2 May 2019.** The Company announced that following the consultation with the SGX-ST, the SGX-ST has agreed to an extension of the trading halt of an additional one (1) day until the end of 3 May 2019, pending the release of a material announcement.

A14. **6 May 2019**: At 7.55 a.m. (Singapore time), the Offer Announcement was made. Immediately after that at 7.55 a.m. (Singapore time) on the same day, the Company requested for lifting of the trading halt of the Shares.

A15. **14 May 2019**: The Company announced the appointment of the independent financial adviser in respect of the Offer.

A16. **15 May 2019.** The Company announced that it had submit an application to the SGX-ST for an extension of time to comply with Rule 705(2) to announce the 9M2019 financial results from 15 May 2019 to 24 May 2019, due to, amongst other, the voluntary conditional cash offer made by the Offeror and the appointment of the independent financial adviser.

A17. **16 May 2019.** The Company announced that it had obtained a waiver from the SGX-ST with regard to compliance with Rule 705(2), subject to the conditions set by the SGX-ST, to which the Company had complied to.

A18. **22 May 2019.** The Company announced the release of its sustainability report for FY2018.

A19. **23 May 2019.** The Company announced that its wholly-owned subsidiary, Wizwash had increased the issued and paid up capital in its wholly-own subsidiary, Iwash, from S$2.1 million to approximately S$3.8 million.

A20. **27 May 2019:** The Company announced the despatch of the Offer Document, together with the Form of Acceptance and Authorisation of Offer Shares and/or the Form of Acceptance and Transfer of Offer Shares to Shareholders.

Based on the above, we note that subsequent to the Offer Announcement and the lifting of the trading halt on the Shares, the closing prices of the Shares had risen to S$0.890 and had consistently traded at between S$0.890 to S$0.895 during the period after the Offer Announcement and up to the Latest Practicable Date.

We have also set out below the premia/(discounts) implied by the Offer Price over/(to) the historical volume-weighted average price ("**VWAP**") (a) for the 2-year period prior to and including the Last Trading Day; and (b) the period after the Last Trading Day and up to the Latest Practicable Date.

Premium/(discount) implied by the Offer Price over/(to) VWAP[1]						
	VWAP[1] (S$)	**Premium/ (discount) of Offer Price over/ (to) VWAP (%)**	**Highest closing price (S$)**	**Lowest closing price (S$)**	**Average daily trading volume[2] ("ADTV")**	**ADTV as a percentage of free float[2][3] (%)**
Periods prior to and including the Last Trading Day						
2-year	1.011	(11.0)	1.380	0.600	91,063	0.30
1-year	0.765	17.6	1.150	0.600	85,251	0.28
6-month	0.718	25.3	0.830	0.615	32,453	0.11
3-month	0.686	31.2	0.780	0.615	37,129	0.12
1-month	0.688	30.8	0.780	0.615	64,865	0.21
Last Trading Day[4]	0.755	19.2	0.780	0.700	268,800	0.88
Period after the Last Trading Day and up to the Latest Practicable Date						
After the Last Trading Day and up to the Latest Practicable Date	0.887	1.5	0.895	0.765	254,004	0.83
Latest Practicable Date	0.890	1.1	0.890[5]	0.890[5]	110,000	0.36

Source: *Thomson Reuters Eikon*

Notes:

(1) The VWAP has been weighted based on the average traded prices and traded volumes of the Shares for the relevant market days for each of the above periods.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the relevant period divided by the number of market days during that period.

(3) Free float refers to approximately 30.7 million Shares or 17.2% of the issued share capital of the Company held by the public (as defined in the Listing Manual) as at the date of the Offer Announcement and the Latest Practicable Date.

(4) The closing price of the Shares on the Last Trading Day was S$0.775 per Share. On the Last Trading Day, the highest intra-day traded price was S$0.780 and the lowest intra-day traded price was S$0.700.

(5) The closing price of the Shares on the Latest Practicable Date was S$0.890 per Share. On the Latest Practicable Date, the highest intra-day traded price was S$0.890 and the lowest intra-day traded price was S$0.890.

Based on the above, we note the following:

Periods prior to and including the Last Trading Day

(a) The daily closing prices of the Shares over the 2-year period prior to and including the Last Trading Day were between a low of S$0.600 per Share (on 29 August 2018) and a high of S$1.380 per Share (on 12 June 2017 and 19 June 2017);

(b) The Offer Price represents a discount of approximately 11.0% to the VWAP of the Shares for the 2-year period but is at a premium of approximately 17.6%, 25.3%, 31.2% and 30.8% over the VWAPs of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day respectively;

(c) The Offer Price represents a premium of approximately 16.1% and 19.2% to the closing price of the Shares and the VWAP of the Shares on the Last Trading Day respectively;

(d) During the 2-year period prior to and including the Last Trading Day, the ADTV of the Shares ranged from approximately 32,453 Shares to 268,800 Shares, representing approximately 0.30%, 0.28%, 0.11%, 0.12% and 0.21% of the Company's free float over each of the 2-year, 1-year, 6-month, 3-month and 1-month periods respectively. While there appears to be a ready market for the Shares as indicated by the regular frequency of transactions, the absolute trading volume of the Shares is nevertheless very thin which renders the Shares illiquid for investors who wish to undertake transactions in larger amounts of Shares;

(e) On the Last Trading Day, the Shares traded actively at an ADTV of approximately 268,800 Shares, representing approximately 0.88% of the Company's free float;

Period after the Last Trading Day and up to the Latest Practicable Date

(f) Between the Last Trading Day and up to the Latest Practicable Date, the Offer Price represents a premium of approximately 1.5% to the VWAP of the Shares of approximately S$0.887. The Offer Price also represents a premium of approximately 1.1% and 1.1% to the closing price of the Shares and the VWAP of the Shares on the Latest Practicable Date respectively; and

(g) Between the Last Trading Day and the Latest Practicable Date, the Shares were traded at an ADTV of 254,004 Shares, representing approximately 0.83% of the Company's free float.

Based on the above observations, it would appear that (a) notwithstanding that the Shares had traded above the Offer Price within the historical 2-year period prior to and including the Last Trading Day, the market prices of the Shares since 28 August 2018 have not traded at or above the Offer Price, which is reflective of the recent market valuation in relation to the Shares; and (b) the market prices of the Shares may be supported by the Offer subsequent to the Offer Announcement. Shareholders should note that there is no assurance that the market prices of the Shares after the close of the Offer may be maintained at the prevailing level as at the Latest Practicable Date, and the past trading performance of the Shares should not in any way be relied upon as an indication or a promise of its future trading performance.

We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the prevailing economic conditions, economic outlook, stock market conditions and sentiment, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time.

8.3. Historical Share price performance relative to market index

To gauge the market price performance of the Shares relative to the general share price performance of the Singapore equity market, we have compared the market price movement of the Shares against the FTSE ST Catalist Index (the "**Catalist Index**"), which is a market capitalisation-weighted index that tracks the performance of sponsored companies listed on SGX-Catalist.

The market price performance of the Shares relative to the rebased Catalist Index for the 2-year period prior to and including the Last Trading Day is illustrated below:

Share price performance against market index (rebased)



Source: *Thomson Reuters Eikon*

We have also set out in the table below the movements in the closing prices of the Shares and the Catalist Index between the Last Trading Day and the Latest Practicable Date:

	As at Last Trading Day	As at Latest Practicable Date	Percentage change (%)
Shares (S$)	0.775	0.890	14.8
Rebased Catalist Index (S$)	0.703	0.662	(5.8)

Source: *Thomson Reuters Eikon*

Based on the above, we note the following:

(a) prior to 28 August 2018, save for the periods between 11 September 2017 to 13 September 2017 and 15 February 2018 to 5 March 2018, the Shares had generally out-performed the rebased Catalist Index;

(b) since 28 August 2018 prior to the Last Trading Day, save for on 15 November 2018, 26 November 2018 and the periods between 11 December 2018 to 9 January 2019 as well as between 22 April 2019 to 24 April 2019, the Shares had generally under-performed the rebased Catalist Index; and

(c) between the Last Trading Day and the Latest Practicable Date, the closing prices of the Shares had increased by approximately 14.8% while the rebased Catalist Index had decreased by approximately 5.8%.

Based on the above, it would further appear that the market prices of the Shares may be supported by the Offer subsequent to the Offer Announcement. Shareholders should note that there is no assurance that the market prices of the Shares after the close of the Offer may be maintained at the prevailing level as at the Latest Practicable Date.

8.4. NAV, net debt position and RNAV of the Group

8.4.1. NAV of the Group

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

Notwithstanding the foregoing, Shareholders should note that an analysis based on the NAV of the Group provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional 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 Group 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.

A summary of the unaudited financial position of the Group as at 31 March 2019 is set out as follows:

	Unaudited as at 31 March 2019 (S$'000)
Non-current assets	
Other assets	882
Property, plant and equipment	191,245
Deferred income tax assets	211
Total non-current assets	**192,338**
Current assets	
Cash and cash equivalents	11,437
Trade and other receivables	37,677
Inventories	1,209
Other assets	2,844
Total current assets	53,167
Total assets	**245,505**
Current liabilities	
Trade and other payables	30,456
Current income tax liabilities	43
Borrowings	23,266

	Unaudited as at 31 March 2019 (S$'000)
Total current liabilities	**53,765**
Net current liabilities	**598**
Non-current liabilities	
Borrowings	97,219
Deferred income tax liabilities	5,696
Total non-current liabilities	102,915
Total liabilities	**156,680**
Net assets	**88,825**
Equity attributable to equity holders of the Company	
Share capital	22,772
Other reserves	3,070
Retained profits	63,042
Total equity	**88,884**
Non-controlling interests	(59)
Equity attributable to equity holders of the Company ("NAV")	**88,825**
Number of issued Shares as at 31 March 2019	178,800,000
NAV per Share (S$)	**0.497**
Premium of the Offer Price to the NAV per Share (%)	**81.1**
Price-to-NAV ("P/NAV") ratio as implied by the Offer Price (times)	**1.81**

As at 31 March 2019, the unaudited NAV attributable to equity holders of the Group amounted to approximately S$88.8 million or S$0.497 per Share based on 178,800,000 issued Shares. Accordingly, the Offer Price represents a significant premium of approximately 81.1% to the unaudited NAV per Share of the Group as at 31 March 2019 and would value the Group at a P/NAV ratio of 1.81 times.

8.4.2. Net debt position of the Group

As at 31 March 2019, the Group's cash and cash equivalents amounted to approximately S$11.4 million. Taking into account the total borrowings comprising bank loans and finance lease liabilities which amounted to an aggregate of approximately S$120.5 million, the Group would record a net debt position of approximately S$109.1 million. Accordingly, we have not compared the Offer Price *vis-à-vis* the NAV of the Group on an ex-cash basis.

8.4.3 RNAV of the Group

In connection with the Offer, the Company had commissioned AVA Associates Limited (the "**Valuer**") to advise on the current market valuations of its leasehold buildings recorded under property, plant and equipment on the Group's balance sheet (the "**Revalued**

Properties"). As at 31 March 2019, the aggregate valuation of the Revalued Properties as valued by the Valuer is approximately S$58.8 million while the aggregate net book value attributable to the Revalued Properties stands at approximately S$69.6 million, resulting in a revaluation deficit of approximately S$10.8 million.

Please refer to Appendix I of the Circular for more details on the valuation of the Revalued Properties.

Accordingly, we set out below the summary of adjustments which have been made to the unaudited NAV of the Group as at 31 March 2019 to determine the RNAV of the Group:

NAV adjustments for revaluation deficit (S$ million, unless otherwise indicated)	
Unaudited NAV of the Group as at 31 March 2019	**88.8**
Less: Revaluation deficit arising from the Revalued Properties	10.8
Less: Potential tax liability[(1)]	–
RNAV of the Group	78.0
Number of issued Shares as at the Latest Practicable Date (millions)	178.8
RNAV per Share (S$)	***0.436***

Source: *The valuation report attached as Appendix I of the Circular and Management's accounts*

Note:

(1) We note that as disclosed in Section 9.7 of Appendix B of the Circular, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Revalued Properties on an "as-is" basis is nil as any gains would be capital in nature.

Based on the above, we note that the Offer Price is at a premium of approximately 106.4% to the RNAV per Share of S$0.436. Shareholders should note that the above analysis on RNAV provides an estimate of the value of the Group assuming the hypothetical sale of the assets of the Group as at the Latest Practicable Date. However, such a hypothetical scenario is assumed to be made without considering factors such as, *inter alia*, time value of money, market conditions, professional fees, liquidation costs, contractual obligations, any other regulatory requirements and availability of potential buyers, which may in theory, alter the RNAV that can be realised.

Shareholders should be aware that the Group has not realised the loss or gain as set out in the adjustments to the NAV as at the Latest Practicable Date. There is no assurance that the actual loss or gain (if any) eventually recorded by the Group will be the same as that derived from the assessments made based on current market value, independent valuation and the Management's estimates.

In our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset other than the Revalued Properties which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 31 March 2019 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group or announced by the Company that are likely to impact the NAV of the Group as at 31 March 2019.

Apart from the Revalued Properties, the other assets of the Group, comprising mainly (a) other property, plant and equipment which mainly consist of land, motor vehicles and construction-in-progress; (b) trade and other receivables; and (c) cash and cash

equivalents amounted to an aggregate of approximately S$118.3 million or 48.2% of the total assets as at 31 March 2019, and have not been revalued for the purpose of determining the RNAV of the Group. The Directors have confirmed, to the best of their knowledge and belief as at the Latest Practicable Date, that (a) the other property, plant and equipment are primarily used in the operations of the Group in its ordinary course of business and that the Group does not have any current plans for an imminent material disposal and/or conversion of the use of the Group's assets and/or material change in the nature of the Group's business; and (b) no material provisions on the property, plant and equipment and trade and other receivables are required.

As set out in Section 8.3 of the Offer Document, subject to normal business conditions, the Offeror does not intend to (a) make major changes to the business of the Company or its management team; (b) re-deploy the fixed assets of the Group; or (c) discontinue the employment of the employees of the Group and of its subsidiaries, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror may regard to be in the interest of the Offeror and/or the Group.

In respect of the above, the Directors have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

(a) save as disclosed in this Letter, there are no material differences between the realisable values of the Group's assets and their respective book values as at the Latest Practicable Date which would have a material impact on the NAV of the Group as at 31 March 2019;

(b) there are no other contingent liabilities, bad or doubtful debts, impairment losses or material events which would likely have a material impact on the NAV of the Group as at 31 March 2019;

(c) there are no litigation, claim or proceedings pending or threatened against the Company or the Group or likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and/or the Group as at 31 March 2019;

(d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the SFRS(I) and which have not been so disclosed, where such intangible assets would have had a material impact on the overall financial position of the Group as at 31 March 2019;

(e) there are no material acquisitions or disposals of assets by the Group between 31 March 2019 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business; and

(f) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that recorded in the unaudited balance sheet of the Group as at 31 March 2019.

8.5. Valuation Ratios of Selected Companies Listed on the SGX-ST which are broadly comparable to the Group

For the purpose of our evaluation of the financial terms of the Offer, while we note that the Group is engaged in the business of providing (a) waste management and treatment,

cleaning and conservancy, and horticulture services ("**Environmental Services**"); and (b) industrial laundry services, we understand from the Management that Environmental Services was the largest contributor of the Group's revenue in FY2018 and 9M2019, and is expected to remain as such going forward. Accordingly, we have made reference to the valuation ratios of selected companies listed on the SGX-ST which are primarily engaged in WTE production, waste disposal and contract cleaning of commercial, industrial and/or residential sites (the "**Comparable Companies**"), which we consider to be broadly comparable to the principal business of the Group to obtain an indication of the current market expectations with regard to the perceived valuation of the Group.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no company listed on the SGX-ST which is identical to the Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different profitability objectives. Shareholders should note that any comparison made with respect to the Comparable Companies merely serves to provide an illustrative perceived market valuation of the Group as at the Latest Practicable Date.

A brief description of the Comparable Companies is as follows:

Company	Business description	Financial year-end
China Jinjiang Environment Holding Company Limited ("**China Jinjiang**")	China Jinjiang is a WTE operator that focuses on the development, construction, operation and management of WTE facilities in the People's Republic of China (the "**PRC**"), by applying its differential-density circulating fluidized bed ("**CFB**") technology and project operational and management. China Jinjiang operates through two (2) segments: WTE business, and project technical and management services and its energy management contract ("**EMC**") business. Through the WTE business, it processes municipal solid waste, under long-term concession agreements entered into with local governments, and sells electricity and steam generated during its WTE process. It provides EMC services to metallurgical, chemical and power generation companies. Such services include equipment selection, construction planning, residual heat utilisation, and optimisation of operations and maintenance. It also provides a range of energy-saving and residual heat utilisation solutions.	31 December

Company	Business description	Financial year-end
Ecowise Holdings Ltd ("**EcoWise**")	EcoWise is a Singapore-based investment holding company that provides management services to its subsidiaries. EcoWise operates through three (3) segments, which include (a) renewable energy, which designs, builds and operates biomass co-generation systems, generates power for sale, and provides services related to the applications of heat; (b) resource recovery, which processes, recycles and repurposes waste and salvageable materials into products for industrial applications, such as washed copper slag, compost and retreaded tires, and (c) integrated environmental management solutions, which is engaged in the provision of resource management and integrated environmental engineering solutions for industrial waste and energy management, including designing, optimising, engineering, procurement, fabricating, commissioning, managing, and maintenance of waste and energy management facilities. EcoWise's operations spans across various regions, such as the PRC, Malaysia and Singapore.	31 October
Colex Holdings Limited ("**Colex**")	Colex is an investment holding company. Colex's business segments include waste disposal and contract cleaning. The waste disposal segment is undertaken by Colex's subsidiary, Colex Environmental Pte. Ltd. and deals with waste disposal services for domestic, commercial and industrial waste, sale and rental of equipment to customers and repair of waste compactors. The contract cleaning segment is undertaken by its other subsidiary, Integrated Property Management Pte. Ltd., which provides cleaning services to industrial, commercial and residential properties. It specialises in waste disposal for a portfolio of clients, including commercial offices, shopping complexes, food courts, cineplexes, residential buildings and warehouses. Colex offers value-added services, which include the mechanised waste disposal vehicles and portable waste compactors. The principal activities of its subsidiaries are that of refuse disposal and contract cleaning.	31 December

Company	Business description	Financial year-end
Advancer Global Limited ("**Advancer Global**")	Advancer Global is an integrated services provider. Advancer Global operates through three (3) segments: building management services business, employment services business, and security services business. The building management services business segment provides integrated building facility management services including, but not limited to, cleaning and stewarding, waste management and landscape solutions and services to among others, hospitals, hotels, schools, residential, commercial and industrial properties, as well as pest control services. The employment services business segment provides one-stop shop services for sourcing, employment and training of foreign domestic workers to households, as well as sourcing and employment of foreign workers to corporations and organizations. The security services business segment is engaged in provision of manpower for security solutions and services to commercial, industrial and residential properties, as well as security escort services.	31 December
Metech International Limited ("**Metech**")	Metech is an investment holding company. The principal activities of its subsidiaries are the provision of a one-stop recycling and processing service center for the electronics industry and the trading of plastics and non-precious metal materials. Metech operates in the United States of America, Singapore, the PRC and Malaysia. Metech provides electronic waste management solutions that include recycling of electronic and electrical equipment, as well as precious metal recovery for enterprises, manufacturers and local communities. It is also engaged in business of refining and recycling metals, used components of computers and peripherals, and general wholesale trading, including general importers and exporters and wholesale on a fee or contract basis.	30 June

Company	Business description	Financial year-end
NSL Ltd. ("**NSL**")	NSL is a Singapore-based company, which is engaged in the provision of management services and investment holding. NSL's segments include precast and prefabricated bathroom unit ("**PBU**") and environmental services. The Company's precast and PBU division is engaged in the manufacturing of precast concrete components in Singapore, Malaysia and Dubai. The PBU business is a producer in Scandinavia. The environmental services division focuses on integrated environmental services in Singapore, covering the treatment and logistics services of oily and toxic waste for both land and marine sectors. The environmental services division is also a distributor of automotive diesel oil and other petroleum products in Singapore. The Company has operations in Singapore, Malaysia, the PRC and Hong Kong, Germany and other countries.	31 December

Source: *Thomson Reuters Eikon and annual reports of the Comparable Companies*

In our evaluation, we have adopted the following valuation measures:

Valuation ratio	Description
Price-earnings ratio ("**P/E**")	The P/E ratio or earnings multiple is the ratio of a company's market capitalisation divided by the historical consolidated full-year or last twelve-months ("**LTM**") net profit attributable to shareholders. The P/E ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. The P/E ratio illustrates the ratio of the market capitalisation of a company in relation to the historical net profit attributable to its shareholders. As such, it is affected by a company's capital structure, tax position and accounting policies relating to depreciation and intangible assets. We have considered the P/E ratios of the Comparable Companies based on their respective closing prices on the Latest Practicable Date and their latest full-year or LTM net earnings per share.

Valuation ratio	Description
Enterprise value-to-earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**")	EV refers to enterprise value, which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. EBITDA refers to the historical earnings before interest, taxes, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of a company's business in relation to its historical pre-tax operating cash flow performance. The EV/EBITDA ratio is an earnings-based valuation methodology. The difference between the EV/EBITDA ratio and the P/E ratio (described above) is that the former does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. We have considered the EV/EBITDA ratios of the Comparable Companies based on their respective closing prices on the Latest Practicable Date, latest-available balance sheet values and latest full-year or LTM EBITDA.
Price-to-net asset value ratio ("**P/NAV**")	P/NAV refers to the ratio of a company's share price divided by NAV per share. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company. We have considered the P/NAV ratios of the Comparable Companies based on their respective closing prices on the Latest Practicable Date and their latest-available NAV per share.

The valuation ratios of the Comparable Companies based on their respective last transacted share prices as at the Latest Practicable Date are set out below:

Comparable Companies	Market capitalisation (S$ million)	P/E		EV/EBITDA		P/NAV (times)
		FY2018 (times)	LTM (times)	FY2018 (times)	LTM (times)	
China Jinjiang[(1)]	851.5	7.6	7.5	8.8	8.6	0.77
Ecowise	26.8	n.a.[(2)]	n.a.[(2)]	24.8	22.5	0.72
Colex	31.8	9.8	9.8	1.2	1.2	0.77
Advancer Global	42.7	30.6	30.6	6.1	6.1	0.98
Metech[(3)]	9.9	n.a.[(2)]	n.a.[(2)]	n.a.[(4)]	n.a.[(4)]	1.81
NSL	403.4	n.a.[(2)]	n.a.[(2)]	13.8	20.9	0.72
Maximum		**30.6**	**30.6**	**24.8**	**22.5**	**1.81**
Minimum		**7.6**	**7.5**	**1.2**	**1.2**	**0.72**
Mean[(5)]		**16.0**	**16.0**	**10.9**	**11.9**	**0.96**
Median[(5)]		**9.8**	**9.8**	**8.8**	**8.6**	**0.77**
Company (as implied by the Offer Price)	**160.9**	**17.6**	**41.2**	**10.9**	**21.1**	**1.81[(6)]**

Source: *Thomson Reuters Eikon, annual reports and announcements on SGXNET of the Comparable Companies and NCF calculations*

Notes:

(1) China Jinjiang's functional currency is reported in RMB. As such the exchange rate used is S$1.0: RMB5.026 as at the Latest Practicable Date as extracted from Thomson Reuters Eikon.

(2) Denotes "not applicable" as the respective companies had recorded net losses attributable to equity holders of the company during their respective financial year or LTM (as the case may be).

(3) We note that Metech had disposed of its electronic waste management business during the most recent third financial quarter ended 31 March 2019. As at the Latest Practicable Date, Metech is principally engaged in the supply chain management business. For illustrative purposes only, we have computed the mean and median LTM P/E and EV/EBITDA ratios of Metech taking into account the relevant contributions from the discontinued operations, Notwithstanding, we note that regardless of whether the discontinued operations are taken into consideration, the mean and median LTM P/E and EV/EBITDA ratios of Metech would still be negative.

(4) Denotes "not applicable" as the respective companies had recorded negative EBITDA during their respective financial years or LTM (as the case may be).

(5) Excludes Ecowise as a statistical outlier in the mean and median computations of the FY2018 EV/EBITDA ratios.

(6) Based on the unaudited NAV per Share of the Group of S$0.497 as at 31 March 2019.

Based on the above, we note that:

(a) the FY2018 P/E ratio of the Company of 17.6 times (as implied by the Offer Price) is (i) within the range of the P/E ratios of the Comparable Companies; and (ii) higher than both the mean and median P/E ratios of 16.0 times and 9.8 times respectively;

(b) the LTM P/E ratio of the Company of 41.2 times (as implied by the Offer Price) is (i) above the range of the P/E ratios of the Comparable Companies; and (ii) higher than the mean and median P/E ratios of 16.0 times and 9.8 times respectively;

(c) the P/NAV ratio of the Company of 1.81 times (as implied by the Offer Price) is (i) within the range of the P/NAV ratios of the Comparable Companies; (ii) equal to the maximum P/NAV ratio of 1.81 times; and (iii) higher than both the mean and median P/NAV ratios of 0.96 times and 0.77 times respectively;

(d) the FY2018 EV/EBITDA ratio of the Company of 10.9 times (as implied by the Offer Price) is (i) within the range of the EV/EBITDA ratios of the Comparable Companies; (ii) equal to the mean EV/EBITDA ratio of 10.9 times; and (iii) higher than the median EV/EBITDA ratio of 8.8 times; and

(e) The LTM EV/EBITDA ratio of the Company of 21.1 times (as implied by the Offer Price) is (i) within the range of the EV/EBITDA ratios of the Comparable Companies; and (ii) higher than the mean and median EV/EBITDA ratios of 11.9 times and 8.6 times respectively.

8.6. Selected precedent privatisation and delisting transactions involving companies listed on the SGX-ST or SGX-Catalist

We note that it is the intention of the Offeror, and the purpose of the Offer, to privatise and delist the Company from the Official List of the SGX-ST. Accordingly, the Offeror, when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the Shares (excluding treasury shares) are held in public hands. For the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Offer Price *vis-à-vis* those in respect of recent successful privatisations (either by way of a general offer under the Code or a scheme of arrangement under Section 210 of the Companies Act where the offeror stated its intention to delist the target company from the SGX-ST) and successful delisting offers under Rule 1307 of the Listing Manual (collectively, the "**Precedent Privatisations**") as announced during the 2-year period prior to and including the Last Trading Day, and completed as at the Latest Practicable Date:

			Premium/(discount) of offer price over/(to)[1]				
Company	**Announcement date**	**Offer price (S$)**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**Offer price to NTA/ NAV (times)**
Kingboard Copper Foil Holdings Limited	4 April 2019	0.600	9.1	16.1	25.3	27.4	0.88[2]
Courts Asia Limited	18 January 2019	0.205	34.9	35.8	34.0	23.5	0.56[3]
Declout Limited[4]	7 January 2019	0.130	62.5	66.7	66.7	58.5	1.28[3]
PCI Limited[5]	4 January 2019	1.330	27.9	44.0	47.2	50.9	1.97[6]
Cityneon Holdings Limited	29 October 2018	1.300	3.2	6.9	11.9	15.7	4.50[6]
M1 Limited	27 September 2018	2.060	26.4	29.9	29.1	21.8	3.85[6]
Keppel Telecommunications & Transportation Ltd	27 September 2018	1.910	40.4	39.5	34.9	28.1	1.53[7]
Wheelock Properties (Singapore) Limited	19 July 2018	2.100	20.7	29.0	22.7	17.8	0.84[2]
Weiye Holdings Limited[8]	13 March 2018	0.650	31.3	40.7	44.1	44.4	0.30[2]

Company	Announcement date	Offer price (S$)	Premium/(discount) of offer price over/(to)[1]				Offer price to NTA/ NAV (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
Lee Metal Group Ltd[9]	21 February 2018	0.420	9.1	14.1	21.4	26.5	0.98[2]
LTC Corporation Limited[10]	9 February 2018	0.925	44.5	46.1	45.4	44.1	0.53[2]
Tat Hong Holdings Limited[11]	11 January 2018	0.550	42.9	47.5	49.1	40.3	0.72[6]
CWG International Ltd	28 December 2017	0.195	27.5	29.5	29.2	30.8	0.44[12]
Vard Holdings Limited[13]	13 November 2017	0.250	8.7	16.2	29.3	35.1	0.81[2]
Cogent Holdings Limited[14]	3 November 2017	1.020	164.9	160.2	167.9	177.6	1.19[2]
Rotary Engineering Limited	2 October 2017	0.460	21.1	21.9	25.1	19.3	1.25[2]
Poh Tiong Choon Logistics Limited[15]	20 September 2017	1.300	1.6	30.0	41.3	47.7	1.17[2]
GP Batteries International Limited[16]	11 August 2017	1.300	62.5	62.9	62.7	61.1	0.78[2]
Fischer Tech Ltd[17]	27 July 2017	3.020	31.1	46.9	63.6	76.5	1.54[2]
Global Logistics Properties Limited[18]	14 July 2017	3.380	64.1	67.4	72.4	76.5	1.1[2]
China Flexible Packaging Holdings Limited	19 June 2017	1.250	23.2	24.3	28.2	43.5	0.59[2]
Changtian Plastic & Chemical Limited	29 May 2017	1.300	45.3	46.6	48.2	49.6	0.42[2]
Nobel Design Holdings Ltd	2 May 2017	0.510	8.5	9.4	15.9	19.4	0.67[2]
CWT Limited[19]	9 April 2017	2.330	5.9	6.4	14.8	27.3	1.03[2]
		Maximum	164.9	160.2	167.9	177.6	4.50
		Minimum	1.6	6.4	11.9	15.7	0.30
		Mean[20][21]	28.4	33.8	37.5	38.5	0.94
		Median[20][21]	27.5	30.0	34.0	35.1	0.86
Company (as implied by the Offer Price)			16.1	30.8	31.2	25.3	1.81[22]

Source: *Thomson Reuters Eikon, announcements on the SGXNET and the respective target companies' shareholders' circulars in relation to the Precedent Privatisations*

Notes:

(1) Market premia/(discounts) calculated relative to the last transacted prices of the respective target companies prior to the respective offer announcements and VWAPs of the 1-month, 3-month and 6-month periods prior to the respective announcements.

(2) Based on the revalued NAV/NTA per share (as the case may be), as published in the respective circulars of the target companies.

(3) Based on the pro forma NAV/NTA per share (as the case may be), as published in the respective circulars of the target companies.

(4) Declout Limited ("**Declout**") had a significant stake in Procurri Corporation Limited ("**Procurri**") and had treated and consolidated the results of the Procurri as its subsidiary. On 7 September 2018, Procurri announced that it had received an unsolicited, non-binding indication of interest from a third party to acquire the shares in Procurri by way of a possible voluntary general offer subject to, amongst others, due diligence. On 6 January 2019, Declout announced that it had been notified by its chairman and group chief

executive officer of a potential general offer for the shares in Declout by an independent third party. On 7 January 2019, the voluntary conditional cash offer for all the issued shares in Declout was made. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 6 September 2018, being the last undisturbed trading date.

(5) On 18 September 2018, PCI Limited ("**PCI**") announced that its controlling shareholder, Chuan Hup Holdings Limited, had been approached by a third party in connection with a potential transaction in relation to the securities of PCI and that discussions were on-going. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 17 September 2017, being the last undisturbed trading date.

(6) Based on the NTA/NAV per share (as the case may be), as published in the respective circulars of the target companies.

(7) The independent financial adviser to Keppel Telecommunications & Transportation Ltd had arrived at an aggregate valuation of the company on a sum-of-the-parts basis, which ranged from S$1.25 per share to S$1.33 per share. We have used S$1.25 as the implied value for the computation of the price-to NTA/NAV ratio in the table above.

(8) The intention of Weiye Holdings Limited ("**Weiye**") was to remain listed on the Stock Exchange of Hong Kong ("**SEHK**") at the close of the offer, Shareholders who did not accept the offer in Singapore would be able to continue trading on the SEHK, subsequent to the close of the offer and delisting of Weiye.

(9) On 11 November 2017, Lee Metal Group Ltd ("**Lee Metal**") announced that it had been notified by certain shareholders that they had received an unsolicited approach in connection with a potential transaction which may or may not lead to an acquisition of the issued share capital of Lee Metal, and had, pursuant to such approach, entered into a binding memorandum of understanding with an unrelated third party. On 21 February 2018, the voluntary conditional cash offer for all the issued shares in the capital of Lee Metal was announced. On 26 April 2018, it was announced that the pre-conditions were satisfied and the formal voluntary conditional cash offer for the issued shares in Lee Metal was made. The market premia in the table above were computed based on the share prices for the 1-year period up to and including 10 November 2017, being the last undisturbed trading date.

(10) On 9 February 2018, Mountbatten Enterprises Pte. Ltd. announced its intention to undertake a voluntary conditional cash offer for the shares in LTC Corporation Limited ("**LTC**"). The voluntary conditional cash offer closed on 25 June 2018. On 7 September 2018, LTC and Mountbatten Resources Pte. Ltd., being the offeror jointly announced the voluntary delisting of LTC from the SGX-ST. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 8 February 2018, being the last trading day before the announcement of the voluntary conditional cash offer.

(11) On 21 September 2017, Tat Hong Holdings Ltd ("**Tat Hong**") announced that it had been approached by certain parties in connection with a potential transaction in relation to the shares of the company and the discussions were then ongoing. On 10 November 2017, Tat Hong announced that it had received a non-binding letter from Standard Chartered Private Equity (Singapore) Pte. Ltd. confirming the proposal to acquire the shares of Tat Hong at an offer price of S$0.500 per share, subject to certain conditions. On 10 January 2018 and 9 March 2018, the pre-conditional voluntary conditional cash offer and the formal voluntary conditional cash offer for the issued shares in Tat Hong were announced respectively. On 26 April 2018, Tat Hong announced the revision of the offer price from S$0.500 to S$0.550. The market premia in the table above were computed based on the revised offer price of S$0.550 per share and the share prices for the period(s) up to and including 20 September 2017, being the last undisturbed trading date.

(12) The revalued NAV per share ranging from S$0.445 to S$0.470 was based on the unaudited consolidated NAV per share (estimated to range from S$0.238 to S$0.263) and the net revaluation surplus arising from the revalued properties. Accordingly, the discount to RNAV per share as implied by the offer price is 0.42 times to 0.44 times. The computation in the table above was based on the estimated RNAV per share of S$0.445.

(13) On 13 November 2016, the voluntary conditional cash offer for the issued shares in Vard Holdings Limited ("**Vard**") at the offer price of S$0.240 per share was announced. The voluntary conditional cash offer closed on 24 March 2017. On 13 November 2017, Vard and Fincantieri Oil & Gas S.p.A jointly announced the voluntary delisting of Vard from the SGX-ST at S$0.250 for each share in cash. The market premia in the table above were computed based on the offer price of S$0.250 per share and the share prices for the periods(s) up to and including 11 November 2016, being the last trading date prior to the announcement of the voluntary conditional cash offer.

(14) On 29 January 2016, Cogent Holdings Limited ("**Cogent**") released a holding announcement which referred to an article published in the Wall Street Journal on 28 January 2016 in relation to "Cogent Holdings's Owners Seek Buyer for Logistics Firm" (the "**WSJ Article**"). It was stated in the announcement that Cogent had, from time to time, received indications of interest relating to the group and its businesses, and that the directors of Cogent were then reviewing the business and operations of the group with a view to evaluating the viability of such indications of interest. On 3 November 2017, the voluntary conditional cash offer for the issued shares in Cogent was announced. The market premia in the table above were computed based on the share prices for the period(s) prior to the WSJ Article.

(15) On 23 September 2016, Poh Tiong Choon Logistics Limited ("**PTC**") announced that certain substantial shareholders had informed the directors of PTC that they were seeking a strategic review relating to their shares in PTC. On 20 September 2017, the voluntary conditional cash offer for the issued shares in PTC was announced. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 19 September 2016, being the last undisturbed trading date.

(16) On 11 August 2017, the pre-conditional voluntary conditional cash offer for the issued shares in GP Batteries International Limited was announced. On 22 September 2017, the formal voluntary cash offer announcement was made. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 8 August 2017, being the last trading date prior to the pre-conditional voluntary announcement.

(17) On 5 April 2017, the Fischer Tech Ltd ("**Fischer**") announced that it had received a non-binding expression of interest from a third party relating to a possible transaction involving its shares and that certain shareholders had agreed to enter into exclusive discussions with the third party. On 27 July 2017, Fischer and FT Holding II Limited jointly announced the acquisition of the issued shares in Fischer to be effected by way of a scheme of arrangement under Section 210 of the Companies Act. The market premia in the table above were computed based on the share prices for the period(s) prior to 5 April 2017.

(18) On 1 December 2016, Global Logistic Properties Limited ("**GLP**") announced that it was undertaking an independent strategic review of options available for its business in line with its commitment to enhance shareholder value, following a request received from its largest shareholder, GIC Real Estate Private Limited. On 14 July 2017, the acquisition of all the issued shares in GLP by way of a scheme of arrangement was announced. The market premia in the table above was computed based on the share prices prior to and including 30 November 2016, being the last undisturbed trading date. The independent financial adviser had also arrived at an aggregate valuation of the company on a sum-of-the-parts basis, which ranged between S$2.85 and S$3.03 per share.

(19) On 3 August 2015, CWT Limited announced that its controlling shareholder, C&P Holdings Pte Ltd ("**C&P**"), was considering a strategic review of the business and assets of C&P. On 9 April 2017, the pre-conditional offer for the issued shares in CWT was announced. On 7 September 2017, the formal offer announcement was made. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 3 August 2015.

(20) Excludes Cogent Holdings Limited as a statistical outlier in the mean and median computations of (a) the premium/(discount) of the offer price over/(to) the last transacted price prior to the offer announcements; and (b) the 1-month, 3-month and 6-month VWAPs prior to the offer announcements.

(21) Excludes Cityneon Holdings Limited and M1 Limited as statistical outliers in the mean and median computations of the offer price to NTA/NAV ratios.

(22) Based on the unaudited NAV per Share of the Group of S$0.497 as at 31 March 2019.

Based on the above, we note that:

(a) the premium of approximately 16.1% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (i) within the range of premia of the Precedent Privatisations of between 1.6% and 164.9%; and (ii) lower than the corresponding mean and median premia of the Precedent Privatisations of 28.4% and 27.5% respectively;

(b) the premium of approximately 30.8% (as implied by the Offer Price) over the 1-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of premia of the Precedent Privatisations of between 6.4% and 160.2%; (ii) lower than the corresponding mean premia of the Precedent Privatisations of 33.8%, and (iii) higher than the corresponding median premia of the Precedent Privatisations of 30.0%;

(c) the premium of approximately 31.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of premia of the Precedent Privatisations of between 11.9% and 167.9%; and (ii) lower than the corresponding mean and median premia of the Precedent Privatisations of 37.5% and 34.0% respectively;

(d) the premium of approximately 25.3% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (i) within the range of premia of the Precedent Privatisations of between 15.7% and 177.6%; and

(ii) lower than the corresponding mean and median premia of the Precedent Privatisations of 38.5% and 35.1% respectively; and

(e) the P/NAV ratio of the Company of 1.81 times (as implied by the Offer Price) is (i) within the range of P/NAV ratios of the Precedent Privatisations of between 0.30 times and 4.50 times; and (ii) higher than the corresponding mean and median P/NAV ratios of the Precedent Privatisations of 0.94 times and 0.86 times respectively.

Shareholders should note that the level of premium (if any) an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the trading liquidity of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Consequently, each of the Precedent Privatisations has to be judged on its own merits (or otherwise).

The list of Precedent Privatisations indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premia/discounts implied by the offer prices in respect of the Precedent Privatisations over the aforesaid periods and does not highlight bases other than the aforesaid in determining an appropriate premium/discount for the recent Precedent Privatisations. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Privatisation or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcements and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to compulsory acquisition. In addition, as some of the companies had undertaken revaluations and/or adjustments to their assets which may have a material impact on their last announced book values, we have also, where relevant, compared the offer price of such Precedent Privatisations with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the relevant companies, where available.

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent Privatisations and would therefore not be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Accordingly, it should be noted that the above comparison merely serves as a general guide to provide an indication of the premium or discount in connection with the Precedent Privatisations. Therefore, any comparison of the Offer with the Precedent Privatisations is for illustration purposes only and conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation for the Company.

8.7. Dividend track record of the Company

For the purpose of assessing the Offer, we have considered the historical dividend record of the Shares for the past five (5) financial years prior to the Offer Announcement Date and compared them with the returns which a Shareholder may potentially obtain by re-investing the proceeds from the Offer in other selected alternative equity investments. The Company had declared and paid the following ordinary dividends in respect of its last five (5) financial years:

Dividend declared (S$)	**FY2014**	**FY2015**	**FY2016**	**FY2017**	**FY2018**
Final dividend per Share	0.010	0.020	0.025	0.030	0.010
Interim dividend per Share	–	–	–	0.010	–
Total dividend per Share	**0.010**	**0.020**	**0.025**	**0.040**	**0.010**
1-year average Share price[(1)]	0.248	0.440	0.497	0.993	1.163
Final dividend yield (%)	4.03	4.54	5.03	3.02	0.86
Total dividend yield (%)	4.03	4.54	5.03	4.03	0.86

Source: *Thomson Reuters Eikon and the Company's filings*

We understand from the Management that, although the Company has been paying dividends for the last five (5) financial years, 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. We further note that the retained profits of the Group stood at approximately S$63.0 million as at 31 March 2019 based on its latest unaudited interim condensed consolidated financial statements for 9M2019.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy. There is no assurance that the Company will continue to pay dividends in future and/or maintain that level of dividend paid in past periods.

For the purpose of analysing the Offer, we have considered the Shareholders who accept the Offer may re-invest the proceeds from the Offer in selected alternative equity investments including the equity of the Comparable Companies and/or a broad Singapore market index instrument such as the STI Exchange Traded Fund ("**STI ETF**").

For illustration purposes, the dividend yields of these selected alternative investments based on their ordinary dividends declared over the last twelve months are as follows:

Comparable Companies[1]	**LTM dividend yield**[2]
China Jinjiang	8.50%
Colex	2.08%
Advancer Global	2.35%[3]
NSL	4.63%
Mean	**4.39%**
Median	**3.49%**
STI ETF	3.33%
Company	**1.19%**[4]

Source: *Thomson Reuter Eikon*

Notes:

(1) The rest of the Comparable Companies, namely Ecowise and Metech, did not declare any dividends over the last twelve months.

(2) Net dividend yield of each selected alternative investment is computed as the dividends declared over the latest twelve months divided by the closing market price as at the Latest Practicable Date (or where there was no trading on such date, the last available closing market price). The aforementioned dividend yield computed may differ from the actual dividend yield which will vary depending on the actual cost of investment paid by the individual investor.

(3) Includes a final dividend for the financial year ended 31 December 2018 of S$0.0015 and an interim dividend of S$0.0025 declared by Advancer Global on 25 February 2019 and 13 August 2018 respectively.

(4) Based on the total dividends declared by the Company of S$0.010 per Share and the average Share price of S$0.837 for the 1-year period prior to and including the Last Trading Day.

Based on the above, we note that the LTM dividend yield of the Company of approximately 1.19% is (a) lower than the mean and median LTM dividend yields of the Comparable Companies, save for Ecowise and Metech which did not declare any dividends over the last twelve months, of 4.39% and 3.49% respectively; and (b) lower than that of the STI ETF of 3.33%. Accordingly, a Shareholder who received the proceeds from the Offer may potentially experience similar or better dividend income if he or she were to reinvest the proceeds from the Offer in the shares of the Comparable Companies listed above. This is on the assumption that the Comparable Companies that have paid dividends in their respective most recent financial years maintain their respective dividend yields at the same levels as illustrated above.

Notwithstanding the above, it is uncertain whether the Company and the Comparable Companies can maintain its historical dividend yields at the levels set out above, hence it is uncertain whether the Shareholders will be able to increase their investment income by liquidating their investment in the Company and reinvesting their proceeds in the Comparable Companies.

We wish to highlight that the above dividend analysis serves only as an illustrative guide and is not an indication of the Company's future dividend policy nor that of any of the Comparable Companies or the STI ETF. There is no assurance that the Company or any of the above selected alternative investments will continue to pay dividends in the future and/or maintain the level of dividends paid in past periods.

Independent Directors should note that an investment in the equity of the Comparable Companies and/or alternative securities provides a different risk-return profile as compared to an investment in the Shares, and therefore the above comparison serves purely as an illustrative guide only. Furthermore, it should also be noted that the above analysis ignores any potential capital gain or capital loss that may accrue to the Shareholders arising from their investment in the Shares due to market fluctuations in the price of the Shares during the relevant corresponding periods in respect of which the above dividend yields were analysed.

In addition, no views are being expressed with regard to the future dividend policy of the Company and the Company does not have a fixed or formal dividend policy. As such, the quantum of dividends (if any) paid by the Company in any period would depend on various factors including but not limited to the financial performance of the Company, its working capital and capital expenditure needs as well as other considerations.

9. OTHER RELEVANT CONSIDERATIONS

9.1. Outlook of the Group

We note that the Group has recently sought to expand its business via (a) the construction and development of the Waste Treatment Plants; (b) securing the license from the National Environment Agency for the provision of refuse collection services for the Pasir Ris-Bedok sector; and (c) the acquisition of Iwash to expand its laundry and dry cleaning service offering. The Group had recently recorded an increase in revenue for 9M2019 *vis-à-vis* 9M2018, mainly due to contributions from the aforementioned new project operations. However, the Group had correspondingly incurred increased operating costs in respect of the aforementioned new projects, which has resulted in a decrease in profit before income tax for 9M2019 *vis-à-vis* 9M2018. Notwithstanding it may not be inconceivable for the operations of the new projects to eventually contribute positively to the Group's financial performance in the future.

In addition, the following statements were made on 24 May 2019 in the Company's announcement on the Group's unaudited interim condensed consolidated financial statements for 9M2019:

"The industry which the Group is operating, i.e. the provision of waste management and treatment, cleaning and conservancy, horticultural and industrial laundry services is highly competitive. The Group is competing on the basis of pricing, quality and timeliness of service delivery as well as past track record. The Group remains optimistic about the operating conditions in the coming financial quarter ending 30 June 2019, and will continue to leverage on the its strengths as an comprehensive environmental solutions provider to compete for new projects."

9.2. Likelihood of competing offers

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Offer Shares from any third party.

The Promoters have provided Irrevocable Undertakings to, *inter alia*, accept the Offer in respect of all the Shares held by him/her/it, including but not limited to such Shares held by him/her/it as at 17 May 2019 (the latest practicable date in the Offer Document). According to the Offer Document, as at 17 May 2019, the Promoters hold an aggregate of 138,789,700 Shares, representing approximately 77.62% of the total number of issued Shares. It is therefore highly unlikely that there will be a competing offer from any third party.

9.3. Offeror's intentions for the Group

As stated in section 8.3 of the Offer Document, subject to normal business conditions, the Offeror does not intend to (a) make major changes to the business of the Company or its management team; (b) re-deploy the fixed assets of the Group; or (c) discontinue the employment of the employees of the Group and of its subsidiaries, other than in the normal course of business. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror may regard to be in the interest of the Offeror and/or the Group.

9.4. Acceptance Condition

Save for the Acceptance Condition, the Offer is unconditional in all other respect.

In the event that the Offer does not become or is not being declared unconditional in all respects in accordance with its terms by the close of the Offer and has been withdrawn or has lapsed:

(a) all acceptances of the Offer will be returned to the relevant Shareholders; and

(b) pursuant to Rule 33.1(a) of the Code, except with the consent of the SIC, neither the Offeror nor any persons acting in concert with it may, within 12 months from the date on which the Offer 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 persons acting in concert with it would thereby become obliged under Rule 14 to make an offer.

In the event that the Offer becomes or is declared unconditional in all respects by the close of the Offer:

(a) Shareholders who accept the Offer will receive the Offer Price for each Offer Share validly tendered in acceptance of the Offer; and

(b) pursuant to Rule 33.2 of the Code, except with the SIC's consent, neither the Offeror nor any persons acting in concert with it may, within six (6) months of the close of the Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer.

9.5. Compulsory acquisition

As stated in section 8.2 of the Offer Document, pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury) (the "**Compulsory Acquisition Threshold**"), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer (the "**Compulsory Acquisition Right**").

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer and the Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. **Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude treasury shares or Shares held by the Offeror, its related corporations or their respective nominees.

9.6. Listing status of the Company

As stated in section 8.1 of the Offer Document, pursuant to Rule 1104 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting or presumed to be acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of Shares (excluding any Shares held in treasury) are held by at least 200 Shareholders who are members of the public (the "**Free Float Requirement**"). Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding any Shares held in treasury) held in public hands to at least 10%, failing which the Company may be removed from the Official List.

In the event that the Free Float Requirement is not satisfied, the Offeror does not intend to preserve the listing status of the Company and has no intention to undertake or support any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted. The Offeror reserves the right to seek voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1308 of the Listing Manual. Shareholders should note that even if the Free Float Requirement is not met, the Offeror may not be able to exercise the Compulsory Acquisition Right if it does not achieve the Compulsory Acquisition Threshold.

9.7. Implications of delisting or suspension for Shareholders

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. In the event that the Free Float Requirement is not satisfied as a result of the Offer or other reasons, the Offeror does not intend to take any step to satisfy the Free Float Requirement and/or for any such trading suspension of the Shares by the SGX-ST to be lifted, and intends to exercise its rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1308 of the Listing Manual.

Shareholders who do not accept the Offer should note the following implications or consequences which may arise as a result of any suspension in and/or delisting of the Shares:

(a) shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of lack of marketability;

(b) it is likely to be difficult for Shareholders to sell their Shares in the absence of a public market for the Shares as there is no arrangement for such Shareholders to exit their investments in the Shares. If the Company is delisted, even if such Shareholders were able to sell their Shares subsequently, they may receive a lower price than that of the Offer Price; and

(c) as an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular, the continuing corporate disclosure requirements under Chapter 7 of the Listing Manual and relevant Appendices to the Listing Manual. Shareholders will no longer enjoy the same level of protection, transparency and accountability accorded by the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its Constitution and the interests of Shareholders who do not accept the Offer will be protected to the extent provided for in the Companies Act which includes, *inter alia*, the entitlement to be sent a copy of the profit and loss accounts and balance sheet at least 14 days before each annual general meeting at which the accounts will be presented.

10. OPINION AND ADVICE

In arriving at our opinion on the financial terms of the Offer, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

Factors in favor of the Offer Price:

(a) While the Group's revenue has remained fairly constant from FY2016 to FY2018, and registered an increase from 9M2018 to 9M2019, the Group's net profits attributable to equity holders of the Company and net profit margins generally declined in FY2018 as compared to FY2016 and FY2017, and from 9M2018 to 9M2019. In this regard, the Group had recorded a net profit attributable to equity holders of the Company of approximately S$9.2 million in FY2018 *vis-à-vis* a net profit attributable to equity holders of the Company of approximately S$17.1 million and S$16.7 million in FY2017 and FY2016 respectively, and recorded a net profit attributable to equity holders of the Company of approximately S$5.6 million in 9M2019 *vis-à-vis* a net profit attributable to equity holders of the Company of approximately S$10.8 million in 9M2018;

(b) the Offer Price represents a premium of approximately 17.6%, 25.3%, 31.2% and 30.8% over the VWAPs of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day respectively;

(c) the closing prices of the Shares had not traded at or above the Offer Price since 28 August 2018 up to and including the Last Trading Day which is reflective of the recent market valuation in relation to the Shares, and the Offer Price represents a premium of approximately 16.1% and 19.2% to the closing price of the Shares and the VWAP of the Shares on the Last Trading Day respectively;

(d) during the 2-year period prior to and including the Last Trading Day, the ADTV of the Shares ranged from approximately 32,453 Shares to 268,800 Shares, representing approximately 0.30%, 0.28%, 0.11%, 0.12% and 0.21% of the Company's free float over each of the 2-year, 1-year, 6-month, 3-month and 1-month periods respectively. While there appears to be a ready market for the Shares as indicated by the regular frequency of transactions, the absolute trading volume of the Shares is nevertheless very thin which renders the Shares illiquid for investors who wish to undertake transactions in larger amounts of Shares;

(e) between the Last Trading Day and up to the Latest Practicable Date, the Offer Price represents a premium of approximately 1.5% to the VWAP of the Shares of approximately S$0.887. The Offer Price also represents a premium of approximately 1.1% and 1.1% to the closing price of the Shares and the VWAP of the Shares on the Latest Practicable Date respectively;

(f) as compared to the relative performance of the Catalist Index and having considered the historical trading performance of the Shares for the 2-year period prior to and including the Last Trading Day as well as the period after the Last Trading Day up to the Latest Practicable Date, it would appear that the market price of the Shares may have been supported by the Offer subsequent to the Offer Announcement. As such, there is no assurance that the market price of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close of the Offer;

(g) the Offer Price represents a significant premium of approximately 81.1% and 106.4% to the unaudited NAV per Share of the Group as at 31 March 2019 and the RNAV per Share of the Group respectively;

(h) in respect of the Comparable Companies:

(i) the FY2018 P/E ratio of the Company of 17.6 times (as implied by the Offer Price) is (aa) within the range of the P/E ratios of the Comparable Companies; and (bb) higher than both the mean and median P/E ratios of 16.0 times and 9.8 times respectively;

(ii) the LTM P/E ratio of the Company of 41.2 times (as implied by the Offer Price) is (aa) above the range of the P/E ratios of the Comparable Companies; and (bb) higher than the mean and median P/E ratios of 16.0 times and 9.8 times respectively;

(iii) the P/NAV ratio of the Company of 1.81 times (as implied by the Offer Price) is (aa) within the range of the P/NAV ratios of the Comparable Companies; (bb) equal to the maximum P/NAV ratio of 1.81 times; and (cc) higher than both the mean and median P/NAV ratios of 0.97 times and 0.77 times respectively;

(iv) the FY2018 EV/EBITDA ratio of the Company of 10.9 times (as implied by the Offer Price) is (aa) within the range of the EV/EBITDA ratios of the Comparable Companies; (bb) equal to the mean EV/EBITDA ratio of 10.9 times; and (cc) higher than the median EV/EBITDA ratio of 8.8 times; and

(v) the LTM EV/EBITDA ratio of the Company of 21.1 times (as implied by the Offer Price) is (aa) within the range of the EV/EBITDA ratios of the Comparable Companies; and (bb) higher than the mean and median EV/EBITDA ratios of 11.9 times and 8.6 times respectively;

(i) In respect of the Precedent Privatisations:

(i) the premium of approximately 30.8% (as implied by the Offer Price) over the 1-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of premia of the Precedent Privatisations of between 6.4% and 160.2%; and (bb) higher than the corresponding median premia of the Precedent Privatisations of 30.0%; and

(ii) the P/NAV ratio of the Company of 1.81 times (as implied by the Offer Price) is (aa) within the range of P/NAV ratios of the Precedent Privatisations of between 0.30 times and 4.50 times; and (bb) higher than the corresponding mean and median P/NAV ratios of the Precedent Privatisations of 0.94 times and 0.86 times respectively;

(j) the LTM dividend yield of the Company is lower than that of the Comparable Companies and the STI ETF, suggesting that Shareholders who accept the Offer may potentially experience similar or better dividend income if they re-invest the proceeds from the Offer in the shares of, *inter alia*, the Comparable Companies. There is however, no assurance that the Company or any of the selected alternative investments will continue to pay dividends in the future and/or maintain the level of dividends paid in past periods;

Factors against the Offer Price:

(k) the Offer Price represents a discount of approximately 11.0% to the VWAP of the Shares for the 2-year period prior to and including the Last Trading Day;

(l) in respect of the Precedent Privatisations:

(i) the premium of approximately 16.1% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (aa) within the range of premia of the Precedent Privatisations of between 1.6% and 164.9%; and (bb) lower than the corresponding mean and median premia of the Precedent Privatisations of 28.4% and 27.5% respectively;

(ii) the premium of approximately 30.8% (as implied by the Offer Price) over the 1-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of premia of the Precedent Privatisations of between 6.4% and 160.2%; and (bb) lower than the corresponding mean premia of the Precedent Privatisations of 33.8%;

(iii) the premium of approximately 31.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of premia of the Precedent Privatisations of between 11.9% and 167.9%; and (bb) lower than the corresponding mean and median premia of the Precedent Privatisations of 37.5% and 34.0% respectively; and

(iv) the premium of approximately 25.3% (as implied by the Offer Price) over the 6-month VWAP of the Shares up to and including the Last Trading Day is (aa) within the range of premia of the Precedent Privatisations of between 15.7% and 177.6%; and (bb) lower than the corresponding mean and median premia of the Precedent Privatisations of 38.5% and 35.1% respectively;

Other factors

(m) the Promoters have provided Irrevocable Undertakings to, *inter alia*, accept the Offer in respect of all the Shares held by him/her/it, including but not limited to such Shares held by him/her/it, which amount to an aggregate of 138,789,700 Shares, representing approximately 77.62% of the total number of issued Shares as at 17 May 2019. It is therefore highly unlikely that there will be a competing offer from any third party;

(n) the Offeror does not intend to (a) make major changes to the business of the Company or its management team; (b) re-deploy the fixed assets of the Group; or (c) discontinue the employment of the employees of the Group and of its subsidiaries, other than in the normal course of business;

(o) the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it either before or during the Offer and pursuant to the Offer and otherwise, will result in the Offeror and parties acting in concert with it holding such number of shares carrying not less than 90% of the total voting rights attributable to the Shares as at the close of the Offer;

(p) the intention of the Offeror to exercise its right of compulsory acquisition in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury); and

(q) in the event of a suspension of trading of the Shares due to the Free Float Requirement not being met, the Offeror has stated in the Offer Document that it does not intend to preserve the listing status of the Company and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted.

Having considered the aforesaid points including the various factors set out in this Letter and summarised in this paragraph, we are of the opinion that, on balance, the financial terms of the Offer are fair and reasonable. Accordingly, we would advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all the brokerage commissions or transactions costs in connection with open market transactions.

We would advise the Independent Directors to consider highlighting to the Shareholders that there is no assurance that the market prices of the Shares after the close of the Offer may be maintained at current levels prevailing as at the Latest Practicable Date.

The Independent Directors should note that transactions of the Shares are subject to possible market fluctuations and accordingly, our opinion and advice on the Offer do not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Offer. The recommendation made by them to the Shareholders in relation to the Offer shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case, except for the purpose of the Offer. Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore and are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours truly,
For and on behalf of
Novus Corporate Finance Pte. Ltd.

Andrew Leo
Chief Executive Officer

Melvin Teo
Senior Manager

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr. Lee Koh Yong	c/o No. 17A Senoko Way Singapore 758056	Executive Chairman
Mr. Lee Cheng Chye	c/o No. 17A Senoko Way Singapore 758056	Chief Executive Officer and Executive Director
Mr. Ng Tiak Soon	c/o No. 17A Senoko Way Singapore 758056	Lead Independent Director
Mr. Foo Shiang Ping	c/o No. 17A Senoko Way Singapore 758056	Non-Executive and Non-Independent Director
Mr. Lye Hoong Yip Raymond	c/o No. 17A Senoko Way Singapore 758056	Independent Director
Mr. Mah How Soon	c/o No. 17A Senoko Way Singapore 758056	Independent Director

2. DESCRIPTION OF THE COMPANY

The Company was incorporated in Singapore on 11 April 2011, and was listed on the Catalist Board of the SGX-ST on 15 July 2011.

The Group is an established environmental services provider for both the public and private sectors in Singapore. The Group's environmental services include waste management and waste treatment, cleaning and conservancy, horticultural services and industrial laundry processing.

3. SHARE CAPITAL OF THE COMPANY

3.1. Issued share capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S$22,772,000.00, comprising 178,800,000 Shares (the Company does not hold any treasury shares).

3.2. Capital, dividends and voting rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in Appendix J to this Circular. The Constitution is available for inspection at the registered address of the Company at 17A Senoko Way, Singapore 758056. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3. Number of shares issued since the end of the last financial year

As at the Latest Practicable Date, the Company has not issued any new Shares since the end of FY2018, being the last financial year of the Company.

3.4. Options and convertible instruments

As at the Last Practicable Date, the Company has not issued any outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares and securities which carry voting rights affecting Shares.

4. DISCLOSURE OF INTERESTS

4.1. Interests of the Company in Offeror Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in any Offeror Securities.

4.2. Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3. Interests of the Directors in Offeror Securities

Save for the Consortium Arrangements, none of the Directors has any direct or deemed interests in any Offeror Securities as at the Latest Practicable Date.

4.4. Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.5. Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interests in any Company Securities as at the Latest Practicable Date:

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Mr. Lee Koh Yong	5,002,200	2.80	120,924,700(2)	67.63
Mr. Lee Cheng Chye	4,287,600	2.40	120,924,700(3)	67.63
Mr. Foo Shiang Ping	1,348,000	0.75	–	–

Notes:

(1) Based on the Company's issued capital of 178,800,000 Share as at the Latest Practicable Date.

(2) Mr. Lee Koh Yong holds 28% of the issued capital in YSI. As such, Mr. Lee Koh Yong is deemed to have an interest in the shares of the Company held by YSI.

(3) Mr. Lee Cheng Chye holds 24% of the issued capital in YSI. As such, Mr. Lee Cheng Chye is deemed to have an interest in the shares of the Company held by YSI.

4.6. Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.7. Company Securities owned or controlled by Novus

As at the Latest Practicable Date, none of Novus or any funds whose investments are managed by Novus on a discretionary basis owns or controls any Company Securities.

4.8. Dealings in Company Securities by Novus

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of Novus or any funds whose investments are managed by Novus on a discretionary basis has dealt for value in the Company Securities.

4.9. Intentions of the Directors in respect of their Offer Shares

(a) As set out in the Offer Document, Mr. Lee Koh Yong has provided an Irrevocable Undertaking to accept the Offer, further details of which are set out in Section 3 of this Circular. Mr. Lee Koh Yong has accordingly notified the Company that he intends to accept the Offer in respect of all 5,002,200 Shares which he owns, representing approximately 2.80% of the total issued Shares as at the Latest Practicable Date.

(b) As set out in the Offer Document, Mr. Lee Cheng Chye has provided an Irrevocable Undertaking to accept the Offer, further details of which are set out in Section 3 of this Circular. Mr. Lee Cheng Chye has accordingly notified the Company that he intends to accept the Offer in respect of all 4,287,600 Shares which he owns, representing approximately 2.40% of the total issued Shares as at the Latest Practicable Date.

(c) In addition, each of Mr. Lee Koh Yong and Mr. Lee Cheng Chye is deemed interested in the 120,924,700 Shares held by YSI, representing approximately 67.63% of the total issued Shares as at the Latest Practicable Date. As set out in the Offer Document, YSI has given an Irrevocable Undertaking to accept the Offer, further details of which are set out in Section 3 of this Circular.

(d) Mr. Foo Shiang Ping owns 1,348,000 Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Foo Shiang Ping has notified the Company that he intends to accept the Offer in respect of all 1,348,000 Shares which he owns.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

(a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries 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 (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

6. ARRANGEMENTS AFFECTING DIRECTORS

Save as disclosed in this Circular, as at the Latest Practicable Date:

(a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and

(c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Group, taken as a whole.

9. FINANCIAL INFORMATION

9.1. Consolidated income statements

Certain financial information extracted from the audited consolidated income statements of the Group for the last three (3) financial years (FY2018, FY2017 and FY2016) and the unaudited consolidated financial statements of the Group for 9MFY2019 are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated income statements of the Group for the relevant financial periods, the 9MFY2019 Results and their respective accompanying notes.

	Unaudited		**Audited**	
	9MFY2019	**FY2018**	**FY2017**	**FY2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Revenue	136,898	151,115	156,923	156,437
Other income	397	497	427	388
Other gain/(loss) – net	31	(198)	(104)	(126)
Purchase of supplies and disposal charges	(33,013)	(26,939)	(23,730)	(26,418)
Sub-contractor charges	(2,884)	(3,596)	(2,796)	(3,090)

	Unaudited 9MFY2019 S$'000	FY2018 S$'000	Audited FY2017 S$'000	FY2016 S$'000
Depreciation of property, plant and equipment	(10,895)	(10,085)	(9,019)	(8,196)
Other expenses	(20,160)	(24,559)	(21,233)	(22,632)
Employee benefits expenses	(60,879)	(73,587)	(78,855)	(76,669)
Finance expenses	(2,093)	(901)	(853)	(1,094)
Profit before income tax	7,402	11,747	20,760	18,600
Income tax expense	(1,864)	(2,629)	(3,665)	(1,871)
Net profit	5,538	9,118	17,095	16,729
Other comprehensive income				
Items that may be reclassified subsequently to Profit or loss:				
Available-for-sale financial assets – fair value (loss)/gain	–	(*)	1	(*)
Currency translation differences arising from consolidation – (loss)/gain	(7)	34	11	–
	(7)	34	12	(*)
Items that will not be reclassified subsequently to Profit or loss:				
Net fair value loss on financial assets, at FVOCI	(2)	–	–	–
Other comprehensive income, net of tax	(9)	34	12	(*)
Total comprehensive income	5,529	9,152	17,107	16,729
Profit attributable to owners of the parent, net of tax	5,557	9,155	17,121	16,729
Loss attributable to non-controlling interests, net of tax	(19)	(37)	(26)	–
Profit net of tax	5,538	9,118	17,095	16,729
Total comprehensive income attributable to owners of the parent	5,548	9,186	17,133	16,729
Total comprehensive loss attributable to non-controlling interests, net of tax	(19)	(34)	(26)	–
Total comprehensive income	5,529	9,152	17,107	16,729

A summary of the earnings per share in respect of each of 9MFY2019, FY2018, FY2017 and FY2016 is set out below.

Earnings per share (cents)	**9MFY2019**	**FY2018**	**FY2017**	**FY2016**
Basic and diluted	3.11	5.12	9.58	9.36

A summary of the net dividend per Share declared in respect of each of 9MFY2019, FY2018, FY2017 and FY2016 is set out below.

	9MFY2019	**FY2018**	**FY2017**	**FY2016**
Net dividends (S$)	–	0.010	0.040	0.025

9.2. Consolidated statements of financial position

The audited consolidated statement of financial position of the Group as at 30 June 2018 and the unaudited consolidated statement of financial position of the Group as at 31 March 2019 are summarised below. The summary set out below should be read together with the annual report of the Group for FY2018, the 9MFY2019 Results and their respective accompanying notes.

	Unaudited as at 9MFY2019 S$'000	**Audited as at FY2018 S$'000**
Assets		
Current assets		
Cash and cash equivalents	11,437	5,605
Trade and other receivables	37,677	34,698
Inventories	1,209	1,367
Other assets	2,844	1,786
Total current assets	53,167	43,456
Non-current assets		
Other assets	882	1,313
Available-for-sale financial assets	–	2
Financial assets, at FVOCI	*	–
Property, plant and equipment	191,245	166,023
Deferred income tax assets	211	149
Total non-current assets	192,338	167,487
Total assets	245,505	210,943

	Unaudited as at 9MFY2019 S$'000	Audited as at FY2018 S$'000
Liabilities		
Current liabilities		
Trade and other payables	30,456	31,894
Current income tax liabilities	43	1,127
Borrowings	23,266	18,545
Total current liabilities	53,765	51,566
Non-current liabilities		
Borrowings	97,219	70,523
Deferred income tax liabilities	5,696	3,770
Total non-current liabilities	102,915	74,293
Total liabilities	156,680	125,859
Net Assets	88,825	85,084
Equity		
Capital and reserves attributable to equity holders of the Company		
Share capital	22,772	22,772
Other reserves	3,070	3,079
Retained profits	63,042	59,273
	88,884	85,124
Non-controlling interests	(59)	(40)
Total equity	88,825	85,084

9.3. Significant accounting policies

A summary of the significant accounting policies of the Group is set out in note 2 to the audited consolidated financial statements of the Group for FY2018 and note 1 to the Auditor 9MFY2019 Results Report which are reproduced in Appendices D and E to this Circular.

Save as disclosed in this Circular and in publicly available information on the Group, there are no significant accounting policies or any matters 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.

9.4. Changes in accounting policies

Save as disclosed in this Circular and in publicly available information on the Group, as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent. Please also refer to the Auditor 9MFY2019 Results Report for further information.

Copies of the annual reports of the Company for FY2018, FY2017 and FY2016 and the 9MFY2019 Results are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 17A Senoko Way, Singapore 758056, during normal business hours for the period during which the Offer remains open for acceptance.

9.5. Material changes in financial position

Save as disclosed in publicly available information on the Group (including but not limited to the Company's announcements on the 9MFY2019 Results), as at the Latest Practicable Date, there has been no known material change in the financial position of the Group since 30 June 2018, being the date of the Company's last published audited consolidated financial statements.

9.6. Material change in information

Save as disclosed in this Circular and save for the information relating to the Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

9.7. Valuation of the Subject Properties

The Company has commissioned independent valuations of the Subject Properties. As disclosed in the Valuation Report, the basis of valuation is market value. A copy of the Valuation Report is set out in Appendix I to this Circular. Both the Valuation Report and the full valuation report in respect of the Subject Properties are available for inspection at the registered address of the Company at 17A Senoko Way, Singapore 758056.

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 Subject Properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation. Based on the Valuation Report, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Subject Properties on an "as is" basis is nil as any gains would be capital in nature.

As at the Latest Practicable Date, the Company has no current plans to dispose of its interests in the Subject Properties.

10. GENERAL

10.1. Costs and expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

10.2. Documents for inspection

Copies of the following documents are available for inspection at the registered address of the Company at 17A Senoko Way, Singapore 758056 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution of the Company;

(b) the annual reports of the Company for FY2018, FY2017 and FY2016;

(c) the 9MFY2019 Results as set out in Appendix E to this Circular, including (i) the Auditor 9MFY2019 Results Report from the Auditor dated 23 May 2019; and (ii) the IFA 9MFY2019 Results Report from the IFA dated 23 May 2019;

(d) the IFA Letter;

(e) the IFA Forecast Statements Report;

(f) the Auditor Forecast Statements Report;

(g) the Valuation Report and the full valuation report in respect of the Subject Properties; and

(h) the letters of consent referred to in Section 15 of this Circular.

ADDITIONAL INFORMATION ON THE OFFEROR

1. Additional Information on the Offeror

The following information on the Offeror has been extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"APPENDIX I

ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS OF THE OFFEROR

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	***Address***	***Description***
Mr. Lee Koh Yong	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*
Mr. Yan Chengkang	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*
Mr. Lee Cheng Chye	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*
Mr. Kok Neal Leroux	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*
Mr. Devid Desfreed Kennedy	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*
Mr. Lee Chuan Heng (Li Quanxing)	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*
Ms. Lee Kim Eng	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*

Name	*Address*	*Description*
Ms. Lee Hock Seong	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*
Ms. Lee Thiam Seng	*c/o 10 Changi Business Park Central 2 #05-01 Hansapoint Singapore 486030*	*Director*

2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at 10 Changi Business Park Central 2, #05-01 Hansapoint, Singapore 486030.

3. PRINCIPAL ACTIVITY OF THE OFFEROR

The principal activity of the Offeror is that of an investment holding company.

4. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was recently incorporated on 10 April 2019, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for the making of the Offer and the financing of the Offer via the Funding Arrangements, there have been no known material changes in the financial position of the Offeror since its incorporation.

6. SIGNIFICANT ACCOUNTING POLICIES

As no audited financial statements of the Offeror have been prepared to date, there are no significant accounting policies to be noted."

2. Disclosure of Interests in Company Securities

The following information on the holdings of, and dealings in, the Shares by the Offeror and certain parties acting in concert with it is extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"APPENDIX III

ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS IN COMPANY SECURITIES

1.1. ***Holdings and dealings in Company Securities***

As at the Latest Practicable Date, based on the latest information available to the Offeror, save for the Irrevocable Undertakings and as disclosed below, none of the Offeror, its Directors or any of the parties acting or deemed to be acting in concert with the Offeror (a) owns, controls or has agreed to acquire any Company Securities; or (b) has received any irrevocable commitment (other than the Irrevocable Undertakings) from any person to accept the Offer.

	Number of Shares	***Proportion of the total number of issued Shares[(1)]***
LKY	*5,002,200*	*2.80%*
LCC	*4,287,600*	*2.40%*
LHS	*5,002,200*	*2.80%*
LKE	*1,786,500*	*1.00%*
LTS	*1,071,900*	*0.60%*
LCH	*714,600*	*0.40%*
YSI[(2)]	*120,924,700*	*67.63%*
Total	*138,789,700*	*77.62%[(3)]*

Notes:

(1) Based on the Company's issued capital of 178,800,000 Shares as at the Latest Practicable Date.

(2) LKY's, LCC's, LHS', LKE's, LTS' and LCH's respective shareholdings in YSI are 28%, 24%, 28%, 10%, 6% and 4%.

(3) Discrepancy due to rounding.

1.2. ***Dealings in Company Securities***

Based on the latest information available to the Offeror, none of the Offeror, its Directors, or any of the parties acting or deemed to be acting in concert with the Offeror has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

1.3. ***Undertakings to accept or reject the Offer***

As at the Latest Practicable Date, save for the Irrevocable Undertakings, no person has given any undertaking to the Offeror or any persons acting in concert with it, to accept or reject the Offer.

Based on the latest information available to the Offeror, none of the Promoters have dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

1.4. ***Arrangements of the kind referred to in Note 7 on Rule 12 of the Code***

As at the Latest Practicable Date, save for the Consortium Arrangements, Irrevocable Undertakings, Funding Arrangements and Management Arrangements, neither the Offeror nor any persons acting in concert with it has entered into 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 Shares which may be an inducement to deal or refrain from dealing in the Shares.

1.5. ***No agreement in connection with or dependent on the Offer***

As at the Latest Practicable Date, save for the Consortium Arrangements, Irrevocable Undertakings, Funding Arrangements and Management Arrangements, there is no agreement, arrangement or understanding between (a) the Offeror or any persons acting in concert with it; and (b) any of the present or recent directors of the Company, or any of the present or recent Shareholders or any other persons that has any connection with, dependent upon or is conditional upon the outcome of the Offer.

1.6. ***Transfer of Offer Shares***

As at the Latest Practicable Date, save for the Funding Arrangements, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired by the Offeror pursuant to the Offer will or may be transferred to any other person.

1.7. ***No payment or benefit to directors of the Company***

As at the Latest Practicable Date, save for the Consortium Arrangements, Irrevocable Undertakings, Funding Arrangements and Management Arrangements, there is no agreement, arrangement or understanding for payment or other benefit being made or given to any director of the Company or to any director of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or as consideration for, or in connection with, his retirement from office or otherwise in connection with the Offer.

1.8. ***No security interest over or borrowing/lending of Company Securities***

Save for the Funding Arrangements and as disclosed in this Offer Document, as at the Latest Practicable Date, none of the Offeror or any persons acting in concert with it has (a) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise; (b) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or (c) lent any Company Securities to another person."

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2018

The audited consolidated financial statements of the Group for FY2018 which are set out below have been reproduced from the Company's annual report for FY2018 and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in the notes to the audited consolidated financial statements of the Group for FY2018 set out below shall have the same meanings given to them in the annual report of the Company for FY2018.

A copy of the annual report for FY2018 is available for inspection at the registered address of the Company at 17A Senoko Way, Singapore 758056, during normal business hours for the period during which the Offer remains open for acceptance.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of 800 Super Holdings Limited (the "Company") and its subsidiary corporations (collectively, the "Group") for the financial year ended 30 June 2018 and the statement of financial position of the Company as at 30 June 2018.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 45 to 105 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) 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 as follows:

Lee Koh Yong
Lee Cheng Chye
Foo Shiang Ping
Ng Tiak Soon
Lye Hoong Yip Raymond
Mah How Soon (appointed on 20 October 2017)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interest in shares or debentures

According to the register of the directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 30.6.2018	At 1.7.2017	At 30.6.2018	At 1.7.2017
Company				
(No. of ordinary shares)				
Lee Koh Yong	**5,002,200**	5,002,200	**119,733,700**	119,733,700
Lee Cheng Chye	**4,287,600**	4,287,600	**119,733,700**	119,733,700
Foo Shiang Ping	**1,348,000**	1,348,000	**–**	–
Holding Corporation – Yong Seong Investment Pte. Ltd.				
(No. of ordinary shares)				
Lee Koh Yong	**28**	28	**–**	–
Lee Cheng Chye	**24**	24	**–**	–

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Directors' interest in shares or debentures (Continued)

The directors' interests in the ordinary shares of the Company as at 21 July 2018 were the same as those as at 30 June 2018.

By virtue of Section 7 of the Singapore Companies Act, Cap. 50 (the "Act"), Mr Lee Koh Yong and Mr Lee Cheng Chye are deemed to have an interest in the shares of all the Company's subsidiary corporations at the end of the financial year.

Mr Lee Koh Yong and Mr Lee Cheng Chye, who by virtue of their interests of not less than 20% of the issued capital of Yong Seong Investment Pte. Ltd., the holding corporation of 800 Super Holdings Limited, are deemed to have an interest in the Company.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

- Ng Tiak Soon (Chairman), Independent Director
- Lye Hoong Yip Raymond, Independent Director
- Foo Shiang Ping, Non-Independent Director
- Mah How Soon, Independent Director

All the members of the Audit Committee including the Chairman are non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act.

For the financial year ended 30 June 2018, the Audit Committee has held four meetings. In performing its functions, the Audit Committee met with the Company's independent auditor and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Audit committee (Continued)

The Audit Committee also reviewed the following:

- assistance provided by the Company's management to the independent auditor and internal auditors;
- annual financial statements of the Group and the Company prior to their submission to the Board of Directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Catalist Listing Manual).

The Audit Committee has full access to management and has been given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the independent auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Lee Koh Yong
Director

Lee Cheng Chye
Director

28 September 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 800 SUPER HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of 800 Super Holdings Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 45 to 105.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 800 SUPER HOLDINGS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. 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.

Key audit matters	How our audit addressed the matters
Revenue recognition	
Revenue from rendering of services is recognised and accrued with reference to the services performed according to contract agreements. We focused on this area as there is a presumed high risk with regards to revenue recognition and it involves management's estimate in calculating the accrued revenue and there is inherent risk that revenue may not be recognised in the proper accounting period.	In obtaining sufficient audit evidence, the following procedures were carried out: • Obtained an understanding and evaluation of the design and implementation of key controls over the revenue recognition, on sample basis, to determine whether these controls were operating effectively throughout the financial year. • On a sample basis, we checked to the contract agreements for the rates applied, and supporting documents to ascertain the occurrences of services rendered. • For material items within accrued revenue we reperformed the calculation of the revenue that had been earned to ascertain the accuracy of the accrued revenue recorded by management. • Analysed revenue trends and corroborated unusual movements. • Performed cut-off testing to ascertain that revenue has been recognised in the proper accounting period. • Reviewed significant and unusual credit notes issued during the financial year and subsequent to the year end. • In performing our journal testing, we paid increased attention to entries impacting revenue, particularly those raised close to the end of the reporting period.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 800 SUPER HOLDINGS LIMITED

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the matters
Business combinations (Refer to Note 33 to the financial statements) On 16 October 2017, the Group, through its wholly-owned subsidiary corporation, Wizwash Pte. Ltd., acquired 100% interest in Iwash Laundry (Senoko) Pte. Ltd. ("Iwash"), a company incorporated in Singapore. FRS 103 Business Combinations requires the Group to recognise the identifiable assets, liabilities and contingent liabilities assumed at their fair values at the acquisition date. Any difference between the cost of the business combination and the Group's interest in the net fair values of the identifiable assets, liabilities and contingent liabilities assumed at the acquisition date is recorded either as goodwill or a gain on bargain purchase. Significant judgement is applied in the identification of any intangible assets acquired and contingent liabilities assumed in the transaction. Significant assumptions and estimates are also used in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction. Management has engaged an independent valuer ("management's expert") to assist the Group in determining the fair values of the identified assets and liabilities assumed from the acquisition.	We have discussed with management and the management's expert on the purchase price allocation ("PPA") exercise, and engaged our valuation specialists to assist in the review of the PPA, including the following: • Assessed the competence, capabilities and objectivity of the management's expert. • Evaluated the reasonableness of the key assumptions in arriving the fair value adjustments and the valuation method used by management's expert. • Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 800 SUPER HOLDINGS LIMITED

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the matters
Impairment assessment on goodwill (Refer to Note 11 to the financial statements) The Group recognised a goodwill amounting to $446,000, arising from the acquisition of Iwash Laundry (Senoko) Pte. Ltd.. Goodwill is assessed for impairment annually irrespective of whether there is any indication that the goodwill may be impaired. Management applies the value-in-use method to determine the recoverable amount of goodwill. We focused on this area because of the significant judgements required in estimating the gross margin, revenue growth rate and discount rate, in computing the recoverable amounts of the cash-generating units ("CGU") associated with the goodwill.	We have discussed with management and with the assistance of our internal valuation specialists, we have carried out the following procedures: • Critically evaluated whether the model used by management to determine the recoverable amount of goodwill complies with FRS 36 – Impairment of Assets and assessed the reasonableness of the growth rate and discount rate used. • Analysed the future projected cash flows used in the model to determine whether they are reasonable and supportable assumption used based on the current performance and expected future performance of the CGU. • Evaluated the reasonableness and challenged the appropriateness of key assumptions used by management, by comparing them against historical forecasts and performance. • Performed sensitivity analysis against the key assumptions used. • Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 800 SUPER HOLDINGS LIMITED

Other Information

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 FRSs, 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 judgement and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 800 SUPER HOLDINGS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 year 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 800 SUPER HOLDINGS LIMITED

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 director on the audit resulting in this independent auditor's report is Chan Siew Ting.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
28 September 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Group		Company	
		2018	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
ASSETS					
Current Assets					
Cash and cash equivalents	4	**5,605**	25,086	**556**	4,038
Trade and other receivables	5	**34,698**	30,312	**16,319**	12,048
Inventories	6	**1,367**	680	**–**	–
Other assets	7	**1,786**	1,687	**181**	215
		43,456	57,765	**17,056**	16,301
Non-Current Assets					
Other assets	7	**1,313**	926	**–**	1
Available-for-sale financial assets	8	**2**	2	**–**	–
Investments in subsidiary corporations	9	**–**	–	**19,358**	18,358
Property, plant and equipment	10	**166,023**	99,429	**105,028**	52,944
Deferred income tax assets	15	**149**	567	**–**	–
		167,487	100,924	**124,386**	71,303
Total Assets		**210,943**	158,689	**141,442**	87,604
LIABILITIES					
Current Liabilities					
Trade and other payables	12	**31,894**	20,173	**42,252**	22,124
Current income tax liabilities	26(b)	**1,127**	2,887	**–**	–
Borrowings	13	**18,545**	11,009	**6,856**	2,346
		51,566	34,069	**49,108**	24,470
Non-Current Liabilities					
Borrowings	13	**70,523**	41,001	**62,379**	30,739
Deferred income tax liabilities	15	**3,770**	2,323	**898**	–
		74,293	43,324	**63,277**	30,739
Total Liabilities		**125,859**	77,393	**112,385**	55,209
NET ASSETS		**85,084**	81,296	**29,057**	32,395
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	16	**22,772**	22,772	**22,772**	22,772
Other reserves	17	**3,079**	48	**–**	–
Retained profits	18	**59,273**	58,482	**6,285**	9,623
		85,124	81,302	**29,057**	32,395
Non-controlling interests		**(40)**	(6)	**–**	–
Total Equity		**85,084**	81,296	**29,057**	32,395

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 $'000	2017 $'000
Revenue	20	**151,115**	156,923
Other income	21	**497**	427
Other losses – net	22	**(198)**	(104)
Purchase of supplies and disposal charges		**(26,939)**	(23,730)
Sub-contractor charges		**(3,596)**	(2,796)
Depreciation of property, plant and equipment	10	**(10,085)**	(9,019)
Other expenses	23	**(24,559)**	(21,233)
Employee benefits expenses	24	**(73,587)**	(78,855)
Finance expenses	25	**(901)**	(853)
Profit before income tax		**11,747**	20,760
Income tax expense	26(a)	**(2,629)**	(3,665)
Net profit		**9,118**	17,095
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Fair value (loss)/gain	17(b)(i)	**(*)**	1
Currency translation differences arising from consolidation – gain	17(b)(ii)	**34**	11
Other comprehensive income, net of tax		**34**	12
Total comprehensive income		**9,152**	17,107
Profit attributable to:			
Equity holders of the Company		**9,155**	17,121
Non-controlling interests		**(37)**	(26)
		9,118	17,095
Total comprehensive income attributable to:			
Equity holders of the Company		**9,186**	17,133
Non-controlling interests		**(34)**	(26)
		9,152	17,107
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
– Basic and diluted	27	**5.12**	9.58

* Less than $1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Share capital $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Capital reserve $'000	Distributable retained profits $'000	Total equity attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
2018									
Beginning of financial year		**22,772**	**37**	**11**	**–**	**58,482**	**81,302**	**(6)**	**81,296**
Dividends	19	**–**	**–**	**–**	**–**	**(5,364)**	**(5,364)**	**–**	**(5,364)**
Transfer from/(to) arising from bonus shares issued by a subsidiary corporation	17	**–**	**–**	**–**	**3,000**	**(3,000)**	**–**	**–**	**–**
Total comprehensive income for the financial year		**–**	**(*)**	**31**	**–**	**9,155**	**9,186**	**(34)**	**9,152**
End of financial year		**22,772**	**37**	**42**	**3,000**	**59,273**	**85,124**	**(40)**	**85,084**
2017									
Beginning of financial year		22,772	36	–	–	47,619	70,427	–	70,427
Issuance of ordinary shares to non-controlling interests of subsidiary corporation		–	–	–	–	–	–	20	20
Dividends	19	–	–	–	–	(6,258)	(6,258)	–	(6,258)
Total comprehensive income for the financial year		–	1	11	–	17,121	17,133	(26)	17,107
End of financial year		22,772	37	11	–	58,482	81,302	(6)	81,296

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Net profit		**9,118**	17,095
Adjustments for:			
– Income tax expense	26(a)	**2,629**	3,665
– Depreciation of property, plant and equipment	10	**10,085**	9,019
– (Gain)/loss on disposal of property, plant and equipment	22	**(2)**	38
– Property, plant and equipment written off	22	**13**	37
– Impairment loss on goodwill	23	**446**	–
– Interest income	21	**(67)**	(133)
– Interest expense	25	**901**	853
– Unrealised currency translation loss/(gain)		**77**	(76)
		23,200	30,498
Change in working capital:			
– Trade and other receivables		**(3,332)**	3,208
– Inventories		**(687)**	(680)
– Other assets		**(369)**	422
– Trade and other payables		**(600)**	(434)
Cash generated from operations		**18,212**	33,014
Interest received		**81**	125
Income tax paid	26(b)	**(2,524)**	(2,658)
Net cash provided by operating activities		**15,769**	30,481
Cash flows from investing activities			
Acquisition of a subsidiary corporation, net of cash acquired	33	**(4,317)**	–
Additions to property, plant and equipment		**(56,103)**	(24,602)
Proceeds from disposal of property, plant and equipment		**22**	28
Interest paid		**(1,143)**	(348)
Net cash used in investing activities		**(61,541)**	(24,922)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares to non-controlling interests of subsidiary corporation		**–**	20
Repayments of finance lease liabilities		**(7,802)**	(8,033)
Repayments of borrowings		**(7,142)**	(2,861)
Proceeds from borrowings		**47,485**	16,861
Dividends paid	19	**(5,364)**	(6,258)
Interest paid		**(879)**	(857)
Net cash provided by/(used in) financing activities		**26,298**	(1,128)
Net (decrease)/increase in cash and cash equivalents		**(19,474)**	4,431
Cash and cash equivalents			
Beginning of financial year		**25,086**	20,571
Effects of currency translation on cash and cash equivalents		**(7)**	84
End of financial year	4	**5,605**	25,086

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Reconciliation of liabilities arising from financing activities

				Non-cash changes			
	1 July 2017 $'000	Principal and interest proceeds/ (payments) $'000	Addition $'000	Acquisition (Note 33) $'000	Interest expense $'000	Other $'000	30 June 2018 $'000
Bank borrowings	34,444	38,668	–	3,718	1,757	(82)	78,505
Finance lease liabilities	17,566	(8,149)	405	344	347	50	10,563

The "Other" column relates to accretion of interests and transfer of payables to finance lease liabilities.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General information

800 Super Holdings Limited (the "Company") is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in the Republic of Singapore. The registered office and principal place of business is at 17A Senoko Way, Singapore 758056.

The principal activities of the Company are those of investment holding and management and administrative support to its subsidiary corporations. The principal activities of the subsidiary corporations are disclosed in Note 9 to the financial statements.

The Company's holding corporation is Yong Seong Investment Pte. Ltd., incorporated in the Republic of Singapore.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective for the financial year beginning on or after 1 July 2017

On 1 July 2017, the Group and the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's and the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except the following:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in the Consolidated Statement of Cash Flows.

2.2 Group accounting

(a) Subsidiary Corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.2 Group accounting (Continued)

(a) Subsidiary Corporations (Continued)

(ii) Acquisitions (Continued)

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair values of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.2 Group accounting (Continued)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.3 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.4 Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowings costs (refer to Note 2.16 on borrowing costs).

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	over the lease terms of 22 – 23 years
Leasehold buildings and improvements	over the lease term ranged from 18 – 45 years/ 5 years
Motor vehicles	5 -10 years
Bins and containers	5 -10 years
Machinery	3 -10 years
Boat	10 years
Office equipment	3 years
Computers	3 years
Furniture and fittings	3 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.4 Property, plant and equipment (Continued)

(ii) Depreciation (Continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Construction-in-progress represent the costs of property, plant and equipment under development. When construction-in-progress are completed and are ready for their intended use, they are recognised as property, plant and equipment and depreciated over their useful lives.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other losses – net".

2.5 Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiary corporations is recognised as a separate intangible asset and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.6 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiary corporations

Property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.7 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 5), "other assets" (Note 7) and "cash and cash equivalents" (Note 4) on the statements of financial position.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.7 Financial assets (Continued)

(d) Subsequent measurement (Continued)

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss in subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.7 Financial assets (Continued)

(f) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position. Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.11 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of service

Revenue is recognised when services are performed according to contract agreements.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.13 Revenue recognition (Continued)

(d) Other income

Other income is recognised at the point of entitlement of income.

(e) Management fee income

Management fee income is recognised when services are rendered.

2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(c) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing. Profit sharing is computed based on the Group's audited consolidated profit before deducting income tax expense, non-recurring or one-off exceptional items, non-controlling interests of the Group and before paying profit sharing. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

2.16 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.17 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.17 Currency translation (Continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other losses – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, cash and cash deposits held with financial institutions which are subject to an insignificant risk of change in value.

2.19 Leases

The Group leases motor vehicles, bins and containers and machinery under finance leases, and land, premises and machinery under operating leases from non-related parties.

(i) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the statement of financial position as property, plant and equipment and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense to profit or loss when incurred.

2.20 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are either recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis or offset against the related expenses in profit or loss.

Government grants relating to assets are deducted against the carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2 Significant accounting policies (Continued)

2.21 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who is responsible for allocating resources and assessing performance of the operating segments.

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

(a) Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 11, the recoverable amounts of the cash-generating unit ("CGU") in which goodwill has been attributable to, are determined using value-in-use ("VIU") calculation.

Significant judgements are used to estimate the gross margin, revenue growth rates and the discount rates applied in computing the recoverable amounts of the CGU. In making these estimates, management has relied on past performance, its expectations of market developments and industry trends in Singapore. Specific estimates are disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

3 Critical accounting estimates, assumptions and judgements (Continued)

Critical accounting estimates and assumptions (Continued)

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience. Management has made adequate allowances for impairment of trade receivables of $89,000 (2017: $64,000) (Note 32(b)(ii)) as at 30 June 2018. If the net present values of estimated cash flows decrease by 10% from management's estimates for all past due but not impaired loans and receivables, the Group's allowance for impairment will increase by $358,000 (2017: $261,000).

The carrying amount of trade receivables is disclosed in Note 5 to the financial statements.

(c) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment, except for leasehold land and leasehold buildings and improvements, to be within 3 to 10 years.

Changes in the expected level of usage and technological development could impact the economic useful lives of these assets; therefore, future depreciation charges could be revised. If the actual useful lives of these items of property, plant and equipment were to differ by 10% from management's estimates, the carrying amounts of the property, plant and equipment would be an estimated $735,000 (2017: $679,000) higher or lower.

The carrying amounts of property, plant and equipment are disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

4 Cash and cash equivalents

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**5,605**	15,394	**556**	1,038
Short-term bank deposits	**–**	9,692	**–**	3,000
	5,605	25,086	**556**	4,038

Short-term bank deposits are made for varying periods of between one week to three months depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates.

Acquisition of a subsidiary corporation

Please refer to Note 33 to the financial statements for the effects of acquisition of a subsidiary corporation on the cash flows of the Group.

5 Trade and other receivables

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Trade receivables:				
– Subsidiary corporations	**–**	–	**1,355**	1,070
– Non-related parties	**16,149**	14,202	**–**	–
– Unbilled receivables	**18,025**	15,837	**–**	–
Less: Allowances for impairment (Note 32(b)(ii))	**(89)**	(64)	**–**	–
	34,085	29,975	**1,355**	1,070
Other receivables:				
– Subsidiary corporations	**–**	–	**14,401**	10,694
– Non-related parties	**569**	297	**563**	284
– Staff advances	**44**	40	**–**	–
	34,698	30,312	**16,319**	12,048

The non-trade amount due from subsidiary corporations are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

6 Inventories

	Group	
	2018	2017
	$'000	$'000
Raw materials	**160**	222
Work-in-progress	**182**	21
Finished goods	**616**	437
Consumables	**409**	–
	1,367	680

The cost of inventories recognised as an expense and included in "purchase of supplies and disposal charges" amounted to $759,000 (2017: $Nil).

7 Other assets

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current:				
Deposits	**492**	587	**170**	202
Prepayments	**1,294**	1,100	**11**	13
	1,786	1,687	**181**	215
Non-current:				
Deposits	**221**	122	**–**	–
Prepayments	**1,092**	804	**–**	1
	1,313	926	**–**	1
	3,099	2,613	**181**	216

Deposits pertain mainly to security for services rendered paid to suppliers. Management is of the opinion that these deposits have been placed with counterparties who are creditworthy and accordingly, no allowance for impairment is required.

8 Available-for-sale financial assets

	Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**2**	1
Fair value (loss)/gain recognised in other comprehensive income (Note 17(b)(i))	**(*)**	1
End of financial year	**2**	2

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

8 Available-for-sale financial assets (Continued)

Available-for-sale financial assets are analysed as follows:

	Group	
	2018	2017
	$'000	$'000
Listed securities		
– Equity securities – Singapore	2	2

9 Investments in subsidiary corporations

	Company	
	2018	2017
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**18,358**	17,358
Additions[(1)(2)(3)]	**1,000**	1,000
End of financial year	**19,358**	18,358

(1) On 26 October 2016, the Company increased the cost of investment in a wholly-owned subsidiary corporation, YS Yong Services Pte Ltd, for a cash consideration of $750,000.

(2) On 23 May 2017, the Company increased the cost of investment in a wholly-owned subsidiary corporation, 800 Landscape Pte. Ltd., for a cash consideration of $250,000.

(3) On 25 September 2017, the Company incorporated a new wholly-owned subsidiary corporation, Wizwash Pte. Ltd., for a cash consideration of $1,000,000.

The Group had the following subsidiary corporations as at 30 June 2018 and 2017:

Name of companies	**Principal activities**	**Country of business/ incorporation**	**Proportion of ordinary shares held by the Group**		**Proportion of ordinary shares held by non-controlling interests**	
			2018	2017	**2018**	2017
			%	%	**%**	%
Held by the Company						
800 Super Waste Management Pte Ltd[(a)]	Waste disposal and general contractors providing cleaning services.	Singapore	**100**	100	**–**	–
YS Yong Services Pte Ltd [(a)]	Supply of labour and general contractors providing cleaning services.	Singapore	**100**	100	**–**	–
800 Landscape Pte. Ltd.[(a)]	Landscape care and maintenance services and other business support related services.	Singapore	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

9 Investments in subsidiary corporations (Continued)

The Group had the following subsidiary corporations as at 30 June 2018 and 2017: (Continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2018 %	2017 %	**2018** %	2017 %
Held by the Company (Continued)						
Green Recycling Pte. Ltd.[(a)]	Manufacturing, packaging and processing of plastics, woods materials and scrap metals, and providing cleaning services and waste disposal.	Singapore	**100**	100	**–**	–
800 Super Renewable Energy Pte. Ltd.[(a)]	Investment holding and treatment and disposal of waste (including remediation activities).	Singapore	**100**	100	**–**	–
Wizwash Pte. Ltd.[(a)(c)]	Investment holding	Singapore	**100**	–	**–**	–
Held by Green Recycling Pte. Ltd.						
PT. Chaeng Surya Jaya[(b)(e)]	Plastic recycling	Indonesia	**95**	95	**5**	5
Held by Wizwash Pte. Ltd.						
Iwash Laundry (Tuas) Pte. Ltd.[(a)(c)]	Laundry and dry cleaning services except coin laundries	Singapore	**100**	–	**–**	–
Iwash Laundry (Senoko) Pte. Ltd.[(a)(d)]	Laundry and dry cleaning services except coin laundries	Singapore	**100**	–	**–**	–
DW Supply Pte. Ltd.[(a)(c)]	General wholesales of trading and hotel supply	Singapore	**100**	–	**–**	–

(a) Audited by Nexia TS Public Accounting Corporation, Singapore

(b) Not required to be audited under the laws of the country of incorporation

(c) Newly incorporated during the financial year

(d) Acquired during the financial year

(e) Reviewed by Nexia TS Public Accounting Corporation, for consolidation purposes

The Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the Company has complied with Rule 715 of the Listing Manual of the SGX-ST as all subsidiary corporations of the Company in Singapore are audited by the same auditor for the purposes of the consolidated financial statements of the Group.

Non-controlling interests

The summarised financial information of PT. Chaeng Surya Jaya is not disclosed as it is insignificant to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

10 Property, plant and equipment

	Leasehold land $'000	Leasehold buildings and improvements $'000	Motor vehicles $'000	Bins and containers $'000	Machinery $'000	Boat $'000	Office equipment $'000	Computers $'000	Fumiture and fittings $'000	Construction-in-progress $'000	Total $'000
Group											
2018											
Cost											
Beginning of financial year	16,259	20,542	49,533	10,160	10,697	152	1,605	791	847	32,223	142,809
Reclassification	–	9,817	–	–	17,097	–	–	–	8	(26,922)	–
Additions	–	5,340	1,319	–	2,885	–	33	15	16	58,305	67,913
Acquisition of a subsidiary corporation (Note 33)	–	7,050	260	–	1,508	–	12	5	1	–	8,836
Disposals	–	–	(66)	–	–	–	–	–	–	–	(66)
Written off	–	–	(9)	(21)	(4)	–	–	–	–	–	(34)
Exchange differences	–	(1)	–	–	(50)	–	(3)	–	–	–	(54)
End of financial year	16,259	42,748	51,037	10,139	32,133	152	1,647	811	872	63,606	219,404
Accumulated Depreciation											
Beginning of financial year	3,275	3,976	22,991	5,376	5,288	70	1,226	412	766	–	43,380
Depreciation charge	720	2,018	4,532	732	1,699	15	168	125	76	–	10,085
Disposals	–	–	(46)	–	–	–	–	–	–	–	(46)
Written off	–	–	(9)	(8)	(4)	–	–	–	–	–	(21)
Exchange differences	–	(1)	–	–	(15)	–	(1)	–	–	–	(17)
End of financial year	3,995	5,993	27,468	6,100	6,968	85	1,393	537	842	–	53,381
Net Book Value											
End of financial year	12,264	36,755	23,569	4,039	25,165	67	254	274	30	63,606	166,023
2017											
Cost											
Beginning of financial year	16,259	20,954	49,124	10,150	9,947	152	1,713	662	895	9,525	119,381
Reclassification	–	–	–	–	77	–	164	110	–	(351)	–
Additions	–	16	605	102	1,109	–	48	88	3	23,049	25,020
Adjustments	–	(428)	–	–	–	–	–	–	–	–	(428)
Disposals	–	–	(171)	–	(75)	–	–	–	–	–	(246)
Written off	–	–	(25)	(92)	(361)	–	(320)	(69)	(51)	–	(918)
End of financial year	16,259	20,542	49,533	10,160	10,697	152	1,605	791	847	32,223	142,809
Accumulated Depreciation											
Beginning of financial year	2,555	2,463	18,618	4,725	4,701	55	1,262	344	701	–	35,424
Depreciation charge	720	1,513	4,503	743	988	15	284	137	116	–	9,019
Disposals	–	–	(105)	–	(75)	–	–	–	–	–	(180)
Written off	–	–	(25)	(92)	(324)	–	(320)	(69)	(51)	–	(881)
Exchange differences	–	–	–	–	(2)	–	–	–	–	–	(2)
End of financial year	3,275	3,976	22,991	5,376	5,288	70	1,226	412	766	–	43,380
Net Book Value											
End of financial year	12,984	16,566	26,542	4,784	5,409	82	379	379	81	32,223	99,429

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

10 Property, plant and equipment (Continued)

	Leasehold land $'000	Leasehold buildings and improvements $'000	Machinery $'000	Office equipment $'000	Computer $'000	Furniture and fittings $'000	Construction -in-progress $'000	Total $'000
Company								
2018								
Cost								
Beginning of financial year	**16,259**	**9,927**	**–**	**5**	**1**	**24**	**30,683**	**56,899**
Additions	**–**	**5,259**	**1,182**	**21**	**–**	**8**	**47,469**	**53,939**
Reclassification	**–**	**9,826**	**15,557**	**–**	**–**	**–**	**(25,383)**	**–**
End of financial year	**16,259**	**25,012**	**16,739**	**26**	**1**	**32**	**52,769**	**110,838**
Accumulated Depreciation								
Beginning of financial year	**3,275**	**669**	**–**	**2**	**–**	**9**	**–**	**3,955**
Depreciation charge	**720**	**811**	**314**	**2**	**–**	**8**	**–**	**1,855**
End of financial year	**3,995**	**1,480**	**314**	**4**	**–**	**17**	**–**	**5,810**
Net Book Value								
End of financial year	**12,264**	**23,532**	**16,425**	**22**	**1**	**15**	**52,769**	**105,028**
2017								
Cost								
Beginning of financial year	16,259	10,355	–	5	–	24	9,174	35,817
Additions	–	–	–	–	1	–	21,509	21,510
Adjustments	–	(428)	–	–	–	–	–	(428)
End of financial year	16,259	9,927	–	5	1	24	30,683	56,899
Accumulated Depreciation								
Beginning of financial year	2,554	174	–	1	–	1	–	2,730
Depreciation charge	721	495	–	1	–	8	–	1,225
End of financial year	3,275	669	–	2	–	9	–	3,955
Net Book Value								
End of financial year	12,984	9,258	–	3	1	15	30,683	52,944

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

10 Property, plant and equipment (Continued)

(a) Included within additions in the consolidated financial statements are motor vehicles, bins and containers and machinery acquired under finance leases amounting to $322,000, $Nil and $83,000 (2017: $93,000, $81,000 and $72,000) respectively.

The carrying amounts of motor vehicles, bins and containers and machinery held under finance leases are $18,597,000, $3,810,000 and $3,033,000 (2017: $22,098,000, $4,470,000 and $3,461,000) respectively at the end of the reporting period (Note 14).

The Group's leasehold building include borrowing costs arising from bank borrowings specifically for the purpose of the construction of buildings. During the financial year, the borrowing costs capitalised as cost of leasehold building amounted to $1,203,000 (2017: $348,000).

(b) Bank borrowings are secured on leasehold land, leasehold buildings and assets under construction of the Group with carrying amounts of $111,945,000 (2017: $53,100,000) (Note 13).

11 Goodwill

	Group 2018 $'000
Cost	
Beginning of financial year	–
Acquisition of a subsidiary corporation (Note 33)	**446**
End of financial year	**446**
Accumulated impairment	
Beginning of financial year	–
Impairment charge (Note 23)	**446**
End of financial year	**446**
Net book value	**–**

On 16 October 2017, the Company through its wholly-owned subsidiary corporation, Wizwash Pte. Ltd., acquired 100% interest in Iwash Laundry (Senoko) Pte. Ltd. ("Iwash") for a cash consideration of $4,999,000. The purchase price allocation ("PPA") exercise in respect of the acquisition of Iwash has been carried out and finalised on 20 August 2018.

Impairment tests for goodwill

Goodwill is allocated to Iwash as the Group has identified Iwash as a cash-generating unit ("CGU").

The recoverable amount of the CGU is determined based on value-in-use. The value-in-use is determined based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rates stated below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

11 Goodwill (Continued)

Key estimates used for value-in-use calculation:

	Group 2018 %
Gross margin[1]	**20 – 30**
Revenue growth rate[2]	**3 – 5**
Pre-tax discount rate	**10.1**

(1) Budgeted gross margin

(2) Revenue growth rate used for extrapolation of future revenue

Management determined budgeted gross margin based on past performance and its expectations of market developments. The discount rates used were pre-tax and reflected specific risk relating to the CGU.

Based on the three-year projected cash flows, management has fully impaired the goodwill on the basis that the subsidiary corporation is expected to incur continuing operational losses in the next financial year. An impairment charge of $466,000 is included within "Other expenses" (Note 23) in the statement of comprehensive income.

12 Trade and other payables

	Group		**Company**	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Trade payables:				
– Non-related parties	**16,155**	8,302	**3,229**	4,524
– Subsidiary corporations	**–**	–	**1,160**	–
Other payables:				
– Subsidiary corporations	**–**	–	**32,925**	15,086
– Non-related parties	**1,624**	1,856	**–**	–
	1,624	1,856	**32,925**	15,086
Accrued operating expenses	**13,510**	9,729	**4,938**	2,514
Deferred income	**605**	286	**–**	–
	31,894	20,173	**42,252**	22,124

The non-trade amounts due to subsidiary corporations are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

13 Borrowings

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current – secured				
Bank loans	**12,179**	3,408	**6,856**	2,346
Finance lease liabilities (Note 14)	**6,366**	7,601	**–**	–
	18,545	11,009	**6,856**	2,346
Non-current – secured				
Bank loans	**66,326**	31,036	**62,379**	30,739
Finance lease liabilities (Note 14)	**4,197**	9,965	**–**	–
	70,523	41,001	**62,379**	30,739
Total borrowings	**89,068**	52,010	**69,235**	33,085

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
6 months or less	**8,168**	1,517	**3,398**	990
6 – 12 months	**4,010**	1,890	**3,458**	1,356
1 – 5 years	**29,446**	12,870	**27,185**	12,572
Over 5 years	**36,881**	18,167	**35,194**	18,167
	78,505	34,444	**69,235**	33,085

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

13 Borrowings (Continued)

There are nineteen (2017: ten) secured bank loans held by the Group as at 30 June 2018. The terms of repayments are as follows:

	Maturity date	**2018 $'000**	Maturity date	2017 $'000
Group				
Floating rate	July 2018, August 2018, November 2018, December 2018, February 2019, March 2021, May 2026, November 2026, December 2027, May 2028, June 2030 and December 2031	**78,374**	February 2019, January 2026, September 2027, December 2027 and May 2030	33,500
Fixed rate	August 2018	**131**	August 2018	944
		78,505		34,444
Company				
Floating rate	May 2026, November 2026, December 2027 and June 2030	**69,235**	January 2026, September 2027, December 2027 and May 2030	33,085

(a) Security granted

Total borrowings include secured liabilities of $89,068,000 (2017: $52,010,000) which are secured as follows:

(i) First legal mortgage over the leasehold land and leasehold buildings of the Group;

(ii) Charge over the leased motor vehicles, leased bins and containers and leased machinery of the Group (Note 10);

(iii) Legal corporate guarantees from the Company for a subsidiary corporation's banking and finance lease facilities; and

(iv) Legal corporate guarantees from a subsidiary corporation for the Company's banking facilities.

Finance lease liabilities of the Group are effectively secured over the leased motor vehicles, leased bins and containers and leased machinery (Note 10), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

13 Borrowings (Continued)

(b) Fair values of borrowings

At the end of the reporting period, the carrying amounts of these borrowings are reasonable approximation of their respective fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values are discounted at annual market borrowing rates of an equivalent instrument at the end of the reporting period which the directors expect to be available to the Group as follows:

	Group		Company	
	2018	2017	**2018**	2017
	%	%	**%**	%
Bank borrowings	**1.88 – 5.33**	2.51 – 5.28	**3.00 – 5.33**	2.51 – 5.28
Finance lease liabilities	**1.45 – 2.00**	1.45 – 2.00	**–**	–

14 Finance lease liabilities

The Group leases motor vehicles, bins and containers and machinery from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group	
	2018	2017
	$'000	$'000
Minimum lease payments due:		
– Not later than one year	**6,551**	7,925
– Between one and five years	**4,247**	10,188
– Later than five years	**63**	–
	10,861	18,113
Less: Future finance charges	**(298)**	(547)
Present value of finance lease liabilities	**10,563**	17,566
The present values of finance lease liabilities are analysed as follows:		
Not later than one year (Note 13)	**6,366**	7,601
Later than one year (Note 13)		
– Between one and five years	**4,137**	9,965
– Later than five years	**60**	–
	4,197	9,965
Total	**10,563**	17,566

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

15 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts are shown on the statements of financial position as follows:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
– To be recovered after one year	**(149)**	(567)	**–**	–
Deferred income tax liabilities				
– To be settled after one year	**3,770**	2,323	**898**	–

Movement in deferred income tax account is as follows:

Beginning of financial year	**1,756**	1,019	**–**	(1)
Charged to profit or loss	**1,865**	737	**898**	1
End of financial year	**3,621**	1,756	**898**	–

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

Group

	Accelerated tax depreciation $'000	**Other $'000**	**Total $'000**
Deferred income tax assets			
2018			
Beginning of financial year	**(487)**	**(166)**	**(653)**
Charged to profit or loss	**402**	**38**	**440**
End of financial year	**(85)**	**(128)**	**(213)**
2017			
Beginning of financial year	–	–	–
Credited to profit or loss	(487)	(166)	(653)
End of financial year	(487)	(166)	(653)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

15 Deferred income taxes (Continued)

Group

	Accelerated tax depreciation $'000	Other $'000	Total $'000
Deferred income tax liabilities			
2018			
Beginning of financial year	**2,409**	**–**	**2,409**
Charged to profit or loss	**1,425**	**–**	**1,425**
End of financial year	**3,834**	**–**	**3,834**
2017			
Beginning of financial year	1,173	(154)	1,019
Charged to profit or loss	1,236	154	1,390
End of financial year	2,409	–	2,409

Company

	Accelerated tax depreciation $'000	Other $'000	Total $'000
Deferred income tax liabilities			
2018			
Beginning of financial year	**–**	**–**	**–**
Charged to profit or loss	**898**	**–**	**898**
End of financial year	**898**	**–**	**898**
2017			
Beginning of financial year	(2)	3	1
Charged/(credited) to profit or loss	2	(3)	(1)
End of financial year	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

16 Share capital

	Group and Company	
	Number of ordinary shares	**Amount**
		$'000
2018		
Beginning and end of financial year	**178,800,000**	**22,772**
2017		
Beginning and end of financial year	178,800,000	22,772

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

17 Other reserves

		Group	
		2018	2017
		$'000	$'000
(a)	Composition:		
	Fair value reserve	**37**	37
	Foreign currency translation reserve	**42**	11
	Capital reserve	**3,000**	–
		3,079	48

(b) Movements:

		Group	
		2018	2017
		$'000	$'000
(i)	Fair value reserve		
	Beginning of financial year	**37**	36
	Available-for-sale financial assets – Fair value (loss)/gain (Note 8)	**(*)**	1
	End of financial year	**37**	37

* Less than $1,000

The fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

17 Other reserves (Continued)

(b) Movements: (Continued)

	Group	
	2018	2017
	$'000	$'000
(ii) Foreign currency translation reserve		
Beginning of financial year	**11**	–
Net currency translation differences of financial statements of a foreign subsidiary corporation	**34**	11
Less: non-controlling interests	**(3)**	–
End of financial year	**42**	11
(iii) Capital Reserve		
Beginning of financial year	**–**	–
Bonus shares issued by a subsidiary corporation	**3,000**	–
End of financial year	**3,000**	–

Other reserves are non-distributable.

18 Retained profits

Retained profits of the Group and the Company are distributable.

Movement in retained profits for the Company is as follows:

	Company	
	2018	2017
	$'000	$'000
Beginning of financial year	**9,623**	8,545
Net profit	**2,026**	7,336
Dividends paid (Note 19)	**(5,364)**	(6,258)
End of financial year	**6,285**	9,623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

19 Dividends

	Group and Company	
	2018	2017
	$'000	$'000
Ordinary dividends paid		
Interim tax exempt (1-tier) dividend paid in respect of the current financial year of nil per share (2017: 1 cent)	**–**	1,788
Final tax exempt (1-tier) dividend paid in respect of the previous financial year of 3.0 cents (2017: 2.5 cents) per share	**5,364**	4,470
	5,364	6,258

At the forthcoming Annual General Meeting on 26 October 2018, a final tax exempt (1-tier) dividend of 1.0 cents per share amounting to a total of $1,788,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2019.

20 Revenue

	Group	
	2018	2017
	$'000	$'000
Service income	**151,115**	156,923

21 Other income

	Group	
	2018	2017
	$'000	$'000
Bad debts recovered	**2**	1
Interest income from bank deposit	**67**	133
Skills development grant	**157**	197
Others	**271**	96
	497	427

22 Other losses – net

	Group	
	2018	2017
	$'000	$'000
(Gain)/loss on disposal of property, plant and equipment	**(2)**	38
Property, plant and equipment written off	**13**	37
Foreign currency exchange loss	**187**	29
	198	104

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

23 Other expenses

	Group	
	2018	2017
	$'000	$'000
Advertisement	**196**	422
Allowance for impairment of trade receivables (Note 32(b)(ii))	**25**	–
Auditor's remuneration		
– Fees on audit services paid/payable to auditor of the Company	**66**	54
– Fees on non-audit services paid/payable to:		
(a) Auditor of the Company	**15**	24
(b) Other auditor of the Company	**30**	18
Bad debts written off	**46**	38
Directors' fees	**148**	121
Foreign worker levies	**9,094**	9,321
Impairment loss on goodwill (Note 11)	**446**	–
Insurance	**371**	364
IT expenses	**82**	68
Legal and professional fee	**920**	567
License fees	**737**	354
Medical fees	**365**	240
Postage, printing and stationery	**176**	70
Rental on operating leases	**1,857**	1,402
Repair and maintenance	**1,725**	1,448
Skill development levy	**175**	185
Staff training	**274**	306
Telephone	**339**	349
Transport	**499**	461
Upkeep of leasehold building	**245**	241
Upkeep of motor vehicles	**3,971**	3,835
Utilities	**1,030**	265
Workers' accommodation	**309**	313
Workers' welfare	**619**	384
Other	**799**	383
	24,559	21,233

24 Employee benefits expenses

	Group	
	2018	2017
	$'000	$'000
Salaries, wages, bonuses and other short-term benefits	**71,729**	77,605
Government grant – Employment Credit Scheme	**(3,958)**	(5,092)
Employer's contribution to Central Provident Fund	**5,816**	6,342
	73,587	78,855

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

25 Finance expenses

	Group	
	2018	2017
	$'000	$'000
Interest expense		
– Bank loans	**1,757**	702
– Finance lease liabilities	**347**	499
	2,104	1,201
Less: Borrowings costs capitalised in property, plant and equipment	**(1,203)**	(348)
Finance expenses recognised in profit or loss	**901**	853

26 Income tax expense

	Group	
	2018	2017
	$'000	$'000
(a) Income tax expense		
Tax expense attributable to profit is made up of:		
– Current income tax	**1,111**	2,881
– Deferred income tax	**1,752**	442
	2,863	3,323
(Over)/under provision in prior financial years:		
– Current income tax	**(347)**	47
– Deferred income tax	**113**	295
	2,629	3,665

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

	Group	
	2018	2017
	$'000	$'000
Profit before income tax	**11,747**	20,760
Tax calculated at tax rate of 17% (2017: 17%)	**1,997**	3,529
Effects of:		
– Income not subject to tax	**(1)**	(33)
– Expenses not deductible for tax purposes	**666**	526
– Singapore statutory stepped income exemption	**(78)**	(78)
– Tax incentives – Productivity and Innovation Credit	**–**	(679)
– Tax rebate	**(30)**	(30)
– Deferred tax assets not recognised	**309**	88
– (Over)/under provision in prior financial years	**(234)**	342
Tax charge	**2,629**	3,665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

26 Income tax expense (Continued)

(b) Movement in current income tax liabilities

	Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**2,887**	2,617
Income tax paid	**(2,524)**	(2,658)
Tax expense for the current year	**1,111**	2,881
(Over)/under provision in prior years	**(347)**	47
End of financial year	**1,127**	2,887

27 Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2018	2017
Net profit attributable to equity holders of the Company ($'000)	**9,155**	17,121
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	**178,800**	178,800
Basic and diluted earnings per share (cents)	**5.12**	9.58

There were no dilutive potential ordinary shares during the financial years ended 30 June 2018 and 2017.

28 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and the related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2018	2017
	$'000	$'000
Professional fees	**(34)**	(34)

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

28 Related party transactions (Continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2018	2017
	$'000	$'000
Directors' fees	**148**	121
Salaries, bonuses and other short-term benefits	**2,888**	4,106
Employer's contribution to Central Provident Fund	**149**	157
	3,185	4,384

The amounts above comprise directors' remuneration of the Company of $1,877,000 (2017: $3,081,000).

29 Commitments

(a) Capital commitments

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2018	2017
	$'000	$'000
Property, plant and equipment	**36,620**	42,592

(b) Operating lease commitments

The Group leases land, premises and machinery from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group	
	2018	2017
	$'000	$'000
Not later than one year	**1,498**	687
Between one and five years	**2,382**	980
Later than five years	**5,645**	2,116
	9,525	3,783

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

30 Contingent liabilities

As at 30 June 2018, the Company has issued corporate guarantees amounting to $59,743,000 (2017: $29,714,000) to banks for bank loans and finance leases of the Group's subsidiary corporations. The bank borrowings of these subsidiary corporations amounted to $19,513,000 (2017: $18,925,000) at the end of the reporting period. The corporate guarantees issued for the Group's subsidiary corporations on foreign workers' indemnity and performance bonds for various projects at the end of the reporting period are $2,645,000 (2017: $3,205,000) and $18,091,000 (2017: $22,957,000) respectively.

The Company has evaluated the fair value of the corporate guarantees and is of the view that the consequential benefits derived from its guarantees to the banks, financial institutions and other concerned parties with regard to the subsidiary corporations is minimal. The subsidiary corporations for which the guarantees were provided are in favourable equity positions and are profitable, with no default in payment of borrowings.

31 Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors comprises of executive and non-executive directors.

The Board of Directors considers the business from a business segment perspective.

The Board of Directors has organised the business of the Group into two operating segments – Environmental service and Laundry service.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The Board of Directors 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. Group income taxes are managed on a group basis and are not allocated to operating segments.

FY2017

In financial year ended 30 June 2017, the Group operated predominantly in the environmental service segment. Accordingly, no segmental information is presented based on business segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

31 Segment Information (Continued)

The segment information provided to the Board of Directors for the reportable segments are as follows:

	Environmental services 2018 $'000	Laundry services 2018 $'000	Total 2018 $'000
Revenue			
Total segment revenue	**146,143**	**4,989**	**151,132**
Inter-segment revenue	**(16)**	**(1)**	**(17)**
Revenue to external parties	**146,127**	**4,988**	**151,115**
Adjusted EBITDA	**23,234**	**(122)**	**23,112**
Depreciation	**9,630**	**455**	**10,085**
Impairment loss on goodwill	**–**	**446**	**446**
Segment assets	**196,647**	**8,540**	**205,187**
Unallocated assets			**5,756**
Total assets			**210,943**
Segment assets include:–			
Additions to:			
Property, plant and equipment	**67,734**	**179**	**67,913**
Goodwill	**–**	**446**	**446**
Segment liabilities	**25,534**	**6,360**	**31,894**
Unallocated liabilities			**93,965**
Total liabilities			**125,859**

During the financial year ended 30 June 2018, the Group acquired the laundry services business segment as disclosed in Note 33 to the financial statements.

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The Board of Directors assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("adjusted EBITDA"). This measurement basis excludes the effects of expenditure from the operating segments such as impairment loss on goodwill that are either not expected to recur regularly in every period or allocated to the segments as these type of activities are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the finance department, which manages the financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

31 Segment information (Continued)

Geographical information

The Group's operations are primary carried out in Singapore. Accordingly, no geographical segment assets and revenue from external customers' information are presented.

Revenue of approximately $38,269,000 (2017: $63,733,000) are derived from one (2017: two) external customers which is attributable to the environmental services segment.

Reconciliation

(i) Segment profits

A reconciliation of adjusted EBITDA to profit before income tax is as follows:

	Group 2018 $'000
Adjusted EBITDA for reportable segments	**23,112**
Depreciation of property, plant and equipment	**(10,085)**
Impairment loss on goodwill	**(446)**
Finance expense	**(901)**
Interest income	**67**
Profit before income tax	**11,747**

(ii) Segment assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment. All assets are allocated to the reportable segments other than available-for-sale financial assets, deferred income tax assets and cash and cash equivalents.

Segment assets are reconciled to total assets as follows:

	Group 2018 $'000
Segment assets for reportable segments	**205,187**
Unallocated:	
– Available-for-sale financial assets	**2**
– Deferred income tax assets	**149**
– Cash and cash equivalents	**5,605**
	210,943

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

31 Segment information (Continued)

Reconciliation (Continued)

(iii) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than borrowings and current and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group 2018 $'000
Segment liabilities for reportable segments	**31,894**
Unallocated:	
– Current income tax liabilities	**1,127**
– Deferred income tax liabilities	**3,770**
– Borrowings	**89,068**
	125,859

32 Financial risk management

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Financial Controller. The Board of Directors and audit committee provide independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's practice that no derivative is to be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(a) Market risk

(i) Currency risk

The Group mainly operates in Singapore. Currency risk arises within entities in the Group when transactions are denominated in foreign currency such as Euro ("EUR"), Renminbi ("RMB"), Indonesian Rupiah ("IDR") and United States Dollar ("USD").

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	EUR $'000	RMB $'000	IDR $'000	USD $'000	Total $'000
2018						
Financial assets						
Cash and cash equivalents	**5,483**	**5**	**41**	**75**	**1**	**5,605**
Trade and other receivables	**34,695**	**–**	**–**	**3**	**–**	**34,698**
Receivables from subsidiary corporations	**75,378**	**–**	**–**	**–**	**–**	**75,378**
Other assets	**708**	**–**	**–**	**5**	**–**	**713**
	116,264	**5**	**41**	**83**	**1**	**116,394**
Financial liabilities						
Trade and other payables	**(30,191)**	**(413)**	**(629)**	**(27)**	**(29)**	**(31,289)**
Payables to subsidiary corporations	**(75,378)**	**–**	**–**	**–**	**–**	**(75,378)**
Borrowings	**(89,068)**	**–**	**–**	**–**	**–**	**(89,068)**
	(194,637)	**(413)**	**(629)**	**(27)**	**(29)**	**(195,735)**
Net financial (liabilities)/ assets	**(78,373)**	**(408)**	**(588)**	**56**	**(28)**	**(79,341)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	**75,783**	**–**	**–**	**(56)**	**–**	**75,727**
Currency exposure of financial liabilities net of those denominated in the respective entities' functional currencies	**(2,590)**	**(408)**	**(588)**	**–**	**(28)**	**(3,614)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Group's currency exposure based on the information provided to key management is as follows (Continued):

	SGD $'000	EUR $'000	RMB $'000	IDR $'000	Total $'000
2017					
Financial assets					
Cash and cash equivalents	23,415	5	1,664	2	25,086
Trade and other receivables	30,310	–	–	2	30,312
Receivables from subsidiary corporations	43,908	–	–	–	43,908
Other assets	703	–	–	6	709
	98,336	5	1,664	10	100,015
Financial liabilities					
Trade and other payables	(19,390)	(452)	–	(45)	(19,887)
Payables to subsidiary corporations	(43,908)	–	–	–	(43,908)
Borrowings	(52,010)	–	–	–	(52,010)
	(115,308)	(452)	–	(45)	(115,805)
Net financial (liabilities)/ assets	(16,972)	(447)	1,664	(35)	(15,790)
Less: Net financial liabilities denominated in the respective entities' functional currencies	15,615	–	–	35	15,650
Currency exposure of financial (liabilities)/ assets net of those denominated in the respective entities' functional currencies	(1,357)	(447)	1,664	–	140

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $'000	EUR $'000	RMB $'000	Total $'000
2018				
Financial assets				
Cash and cash equivalents	**556**	**–**	**–**	**556**
Trade and other receivables	**16,319**	**–**	**–**	**16,319**
Other assets	**170**	**–**	**–**	**170**
	17,045	**–**	**–**	**17,045**
Financial liabilities				
Trade and other payables	**(41,210)**	**(413)**	**(629)**	**(42,252)**
Borrowings	**(69,235)**	**–**	**–**	**(69,235)**
	(110,445)	**(413)**	**(629)**	**(111,487)**
Net financial liabilities	**(93,400)**	**(413)**	**(629)**	**(94,442)**
Less: Net financial liabilities denominated in the Company's functional currency	**93,400**	**–**	**–**	**93,400**
Currency exposure of financial liabilities net of those denominated in the Company's functional currency	**–**	**(413)**	**(629)**	**(1,042)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Company's currency exposure based on the information provided to key management is as follows (Continued):

	SGD $'000	EUR $'000	Total $'000
2017			
Financial assets			
Cash and cash equivalents	4,038	–	4,038
Trade and other receivables	12,048	–	12,048
Other assets	202	–	202
	16,288	–	16,288
Financial liabilities			
Trade and other payables	(21,714)	(410)	(22,124)
Borrowings	(33,085)	–	(33,085)
	(54,799)	(410)	(55,209)
Net financial liabilities	(38,511)	(410)	(38,921)
Less: Net financial liabilities denominated in the Company's functional currency	38,511	–	38,511
Currency exposure of financial liabilities net of those denominated in the Company's functional currency	–	(410)	(410)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

If the EUR, RMB and USD change against the SGD by 5% (2017: 1%) and 1% (2017: 5%) and 4% (2017: Nil%) respectively with all other variables including tax rate being held constant, the effect arising from the net financial liabilities/assets position will be as follows:

	← Increase/(Decrease) → Net profit	
	2018	2017
	$'000	$'000
Group		
EUR against SGD		
– strengthened	**(17)**	(4)
– weakened	**17**	4
RMB against SGD		
– strengthened	**(5)**	69
– weakened	**5**	(69)
USD against SGD		
– strengthened	*****	–
– weakened	*****	–
Company		
EUR against SGD		
– strengthened	**(17)**	(3)
– weakened	**17**	3
RMB against SGD		
– strengthened	**(5)**	–
– weakened	**5**	–

* Less than $1,000

(ii) Price risk

The Group is exposed to equity securities price risk arising from the quoted investments classified as available-for-sale financial assets. These equity securities are listed in Singapore. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio in accordance with the limits set by the Board of Directors.

If prices for equity securities listed in Singapore had changed by 10% (2017: 10%) with all other variables including tax rate is being held constant, the effect on equity will be negligible.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities.

The Group's exposure to cash flow interest rate risks arises mainly from non-current borrowings at variable rates.

The Group's borrowings at variable rates are denominated in SGD. If the SGD interest rates increase/decrease by 0.5% (2017: 0.5%) with all other variables including tax rate is being held constant, the net profit will be lower/higher by $275,000 (2017: $128,000) as a result of higher/lower interest expense on these borrowings.

The Group is not exposed to changes in interest rates for fixed rate financial assets and financial liabilities.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash and cash equivalents, trade receivables and unbilled receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	Company	
	2018	2017
	$'000	$'000
Corporate guarantee provided to banks on certain subsidiary corporations' borrowings at the end of the reporting period	**19,513**	18,925

The subsidiary corporations have not defaulted in the payment of borrowings in the financial years ended 30 June 2018 and 30 June 2017. As at the end of the reporting period, no claims on the financial guarantee are expected.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(b) Credit risk (Continued)

The trade receivables of the Group comprise 1 debtor (2017: 2 debtors) that individually represented 29.6% (2017: 23.0%) of trade receivables.

The credit risk for trade receivables and unbilled receivables based on the information provided to key management is as follows:

	Group	
	2018	2017
	$'000	$'000
By types of customers:		
Non-related parties	**34,174**	30,039

(i) Financial assets that are neither past due nor impaired

Cash and cash equivalents that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2018	2017
	$'000	$'000
Past due up to 3 months	**2,614**	1,694
Past due 3 to 6 months	**475**	592
Past due over 6 months	**487**	321
	3,576	2,607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(b) Credit risk (Continued)

(ii) Financial assets that are past due and/or impaired (Continued)

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group	
	2018	2017
	$'000	$'000
Gross amount	**89**	64
Less: Allowance for impairment	**(89)**	(64)
	–	–
Beginning of financial year	**64**	64
Allowance made (Note 23)	**25**	–
End of financial year (Note 5)	**89**	64

Allowance for impairment is recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience.

Except for the amounts which allowance for impairment have been made, management believes that the amounts that are past due are collectible, based on historic payment behaviour and credit-worthiness of the customers.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities (Note 13) and the ability to close out market positions at a short notice. At the end of the reporting period, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not expected to be significant.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total $'000
Group				
At 30 June 2018				
Trade and other payables	**31,894**	**–**	**–**	**31,894**
Borrowings	**18,545**	**40,651**	**40,664**	**99,860**
At 30 June 2017				
Trade and other payables	20,173	–	–	20,173
Borrowings	11,009	26,007	19,726	56,742
Company				
At 30 June 2018				
Trade and other payables	**42,252**	**–**	**–**	**42,252**
Financial guarantee contract	**19,513**	**–**	**–**	**19,513**
Borrowings	**6,856**	**33,925**	**38,773**	**79,554**
At 30 June 2017				
Trade and other payables	22,124	–	–	22,124
Financial guarantee contract	18,925	–	–	18,925
Borrowings	2,346	15,519	19,726	37,591

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may return capital to shareholders or obtain new borrowings.

Management monitors capital based on a gearing ratio and compliance of externally imposed capital requirements. The Group's strategies, are to maintain: (i) gearing ratio not exceeding 200%; and (ii) net worth at not less than $20 million at all times.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(d) Capital risk (Continued)

(i) Gearing ratio

The gearing ratio is calculated as total liabilities divided by net worth.

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Total liabilities	**125,859**	77,393	**112,385**	55,209
Net worth	**85,084**	81,296	**29,057**	32,395
Gearing ratio	**148%**	95%	**387%**	170%

(ii) Net worth

Net worth is calculated as total assets less total liabilities.

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Total assets	**210,943**	158,689	**141,442**	87,604
Total liabilities	**125,859**	77,393	**112,385**	55,209
	85,084	81,296	**29,057**	32,395

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2018 and 2017.

(e) Fair value measurement

The fair value of financial instruments traded in active markets (available-for-sale equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 of the fair value hierarchy, in which assets are measured at fair value based on quoted prices (unadjusted) in active markets for identical assets.

The following table presents assets that are measured at fair value at 30 June:

	2018	2017
	$'000	$'000
Group		
Available-for-sale financial assets		
Level 1	**2**	2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32 Financial risk management (Continued)

(e) Fair value measurement (Continued)

The carrying amount less impairment allowance of trade receivables and payables are assumed to approximate their fair values. The carrying amounts of borrowings are reasonable approximation of their respective fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 8 to the financial statements, except for the following:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Loans and receivables	**41,016**	56,107	**17,045**	16,288
Financial liabilities at amortised cost	**120,357**	71,897	**111,487**	55,209

33 Business combinations

On 16 October 2017, the Company through its wholly-owned subsidiary corporation, Wizwash Pte. Ltd., acquired 100% equity interest in Iwash Laundry (Senoko) Pte. Ltd. ("Iwash"), a company incorporated in Singapore. The principal activities of Iwash are those of laundry and dry cleaning services except coin laundries. As a result of the acquisition, Iwash became a subsidiary corporation of the Group.

The acquisition is beneficial to the Group as it allows the Group to venture into new growth areas and undertake a separate line of business.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	$'000
Cash paid	4,499
Deferred purchase consideration	500
Total purchase consideration	4,999

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

33 Business combinations (Continued)

(b) Effect on cash flows of the Group

	$'000
Cash paid (as above)	4,499
Less: Cash and cash equivalents acquired	(182)
Net cash outflow on acquisition	4,317

(c) Identified assets acquired and liabilities assumed

	At fair value $'000
Cash and cash equivalents	182
Trade and other receivables (Note (e) below)	1,075
Other assets	110
Property, plant and equipment (Note 10)	8,836
	10,203
Trade and other payables	1,588
Bank borrowings	3,718
Finance lease liabilities	344
	5,650
Total identifiable net assets	4,553
Add: Goodwill (Note 11)	446
Consideration transferred for the business	4,999

(d) Acquisition-related costs

Acquisition-related costs of $131,000 and $8,000 are included in "other expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows for the financial years ended 30 June 2018 and 30 June 2017 respectively.

(e) Acquired receivables

The fair value of trade and other receivables is $1,075,000 and includes trade receivables with a fair value of $1,068,000.

(f) Goodwill arising from acquisition

The residual goodwill of $446,000 represents the strategic rational of the Group's acquisition of Iwash, enabling the Group to undertake a separate line of business.

(g) Revenue and profit contribution

The acquired business contributed revenue of $4,983,000 and net loss of $1,032,000 to the Group from the period from the date of acquisition to 30 June 2018. Had Iwash been consolidated from 1 July 2017, consolidated revenue and consolidated loss for the financial year ended 30 June 2018 would have been $6,853,000 and $1,088,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

34 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2018 or later periods and which the Group has not early adopted:

Effective for annual period beginning on or after 1 January 2018

- FRS 28 Investments in Associates and Joint Ventures
- FRS 40 Transfers of Investment Property
- FRS 101 First-Time Adoption of Financial Reporting Standards
- FRS 102 Classification and Measurement of Share-based Payment Transactions
- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2019

- FRS 116 Leases
- Amendments to FRS 12 Income Taxes
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 103 Business Combinations
- Amendments to FRS 111 Joint Arrangements

Effective date of this Amendment had been revised from 1 January 2018 to a date to be determined by the ASC

- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between as Investor and its Associate or Joint Venture

Effective for annual period beginning on or after 1 January 2018

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 Financial instruments: Recognition and Measurement and its relevant interpretations.

FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

Under FRS 109, there are no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair value changes arising from changes in own credit risk. For liabilities designated at fair value through profit or loss, such changes are recognised in OCI.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management uses for risk management purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

34 New or revised accounting standards and interpretations (Continued)

Effective for annual period beginning on or after 1 January 2018 (Continued)

FRS 109 Financial Instruments (Continued)

There is also now a new expected credit losses impairment model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 July 2018. The new accounting framework has similar requirements of FRS 109 and the impact of adopting the equivalent FRS 109 is disclosed in Note 35.

FRS 115 Revenue from Contracts and Customers

This is the converged standard on revenue recognition. It replaces FRS11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group is required to adopt a new accounting framework from 1 July 2018 (Note 35). The new accounting framework has similar requirements of FRS 115 and the Group has no significant impact of adopting the equivalent FRS 115.

Effective for annual period beginning on or after 1 January 2019

FRS 116 Leases

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

34 New or revised accounting standards and interpretations (Continued)

Effective for annual period beginning on or after 1 January 2019 (Continued)

FRS 116 Leases (Continued)

Some of the commitments of the Group may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 July 2019. The new accounting framework has similar requirements of FRS 116. The standard will affect primarily the accounting for the Group's operating leases. As at the balance sheet date, the Group has non-cancellable operating lease commitments of $9,525,000 (Note 29(b)). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

35 Adoption of SFRS(I)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore IFRS-identical Financial Reporting Standards' ("SFRS(I)") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 July 2018 and will be issuing its first set of financial information prepared under SFRS(I) for the quarter ending 30 September 2018 in November 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS. The Group will also concurrently apply new major SFRS(I) equivalents of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

The management does not expect significant adjustments to the Group's financial statements arising from the adoption of SFRS(I) on the Group's financial statements. The estimated impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) equivalent of IFRS 1

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 30 June 2019), subject to the mandatory exceptions and optional exemptions under IFRS 1. Management has assessed these optional exceptions and decided not to elect the relevant optional exemptions, as such there will be no significant adjustments to the Group's financial statements prepared under SFRS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

35 Adoption of SFRS(I) (Continued)

(b) Adoption of SFRS(I) equivalents of IFRS 9

The Group plans to elect to apply the short-term exemption under IFRS 1 to adopt SFRS(I) equivalent to IFRS 9 on 1 July 2018. Accordingly, the requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial statements up to the financial period ended 30 June 2018.

Impairment of financial assets

The Group's financial assets, trade receivables will be subject to the expected credit loss impairment model under the SFRS(I) equivalent IFRS 9. Based on the Group's initial assessment, the Group does not expect any significant adjustments on adoption of IFRS 9.

(c) Adoption of SFRS(I) equivalent of IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group plans to adopt IFRS 15 in its financial statements for the financial year ending 30 June 2019. Based on the Group's initial assessment, the Group does not expect any significant adjustments on adoption of IFRS 15.

36 Authorisation of financial statements for issue

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 28 September 2018.

UNAUDITED FINANCIAL INFORMATION OF THE GROUP FOR 9MFY2019

The 9MFY2019 Results set out below have been extracted from the announcement by the Company on 24 May 2019 and were not specifically prepared for inclusion in this Circular. The figures have not been audited.

800 Super Holdings Limited

Company Registration No.: 201108701K

UNAUDITED THIRD QUARTER ("3Q2019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and E-mail: sponsorship@ppcf.com.sg*).*

800 Super Holdings Limited

Company Registration No.: 201108701K

UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	(Unaudited) 3 months ended 31/03/2019 S$'000	(Unaudited) 3 months ended 31/03/2018 S$'000	+ / (-) %	(Unaudited) 9 months ended 31/03/2019 S$'000	(Unaudited) 9 months ended 31/03/2018 S$'000	+ / (-) %
Revenue	47,908	37,082	29.2	136,898	113,215	20.9
Other income	209	70	198.6	397	376	5.6
Other gain/(loss)-net	(2)	(94)	(97.9)	31	(200)	N.M.
Purchase of supplies and disposal charges	(11,752)	(7,736)	51.9	(33,013)	(19,163)	72.3
Sub-contractor charges	(1,016)	(959)	5.9	(2,884)	(2,563)	12.5
Depreciation of property, plant and equipment	(4,447)	(2,235)	99.0	(10,895)	(7,030)	55.0
Other expenses	(6,841)	(5,748)	19.0	(20,160)	(17,501)	15.2
Employee benefits expense	(19,917)	(15,726)	26.7	(60,879)	(54,176)	12.4
Finance expenses	(1,057)	(103)	926.2	(2,093)	(517)	304.8
Profit before income tax	**3,085**	**4,551**	(32.2)	**7,402**	**12,441**	(40.5)
Income tax expense	(1,132)	(621)	82.3	(1,864)	(1,652)	12.8
Net profit for the financial period	**1,953**	**3,930**	(50.3)	**5,538**	**10,789**	(48.7)

N.M. : Not meaningful
*. : Less than $1,000

800 Super Holdings Limited

Company Registration No.: 201108701K

UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

	Group					
	(Unaudited) 3 months ended 31/03/2019 S$'000	(Unaudited) 3 months ended 31/03/2018 S$'000	+ / (-) %	(Unaudited) 9 months ended 31/03/2019 S$'000	(Unaudited) 9 months ended 31/03/2018 S$'000	+ / (-) %
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
- Net fair value loss on available-for-sale financial assets	-	*	N.M.	-	*	N.M.
- Currency translation differences arising from consolidation-(loss)/gain	(9)	15	N.M.	(7)	24	N.M.
Net profit for the financial period	**1,944**	**3,945**	(50.7)	**5,531**	**10,813**	(48.8)
Items that will not be reclassified subsequently to profit or loss:						
- Net fair value loss on financial assets, at FVOCI	(1)	-	N.M.	(2)	-	N.M.
Total comprehensive income for the financial period	**1,943**	**3,945**	(50.7)	**5,529**	**10,813**	(48.9)
Profit/ (loss) attributable to:						
Equity holders of the Company	1,956	3,938	(50.3)	5,557	10,809	(48.6)
Non-controlling interests	(3)	(8)	(62.5)	(19)	(20)	(5.0)
	1,953	**3,930**	(50.3)	**5,538**	**10,789**	(48.7)
Total comprehensive income/ (loss) attributable to:						
Equity holders of the Company	1,946	3,951	(50.7)	5,548	10,831	(48.8)
Non-controlling interests	(3)	(6)	(50.0)	(19)	(18)	5.6
	1,943	**3,945**	(50.7)	**5,529**	**10,813**	(48.9)

N.M. : Not meaningful

800 Super Holdings Limited

Company Registration No.: 201108701K

UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

Notes to Consolidated Statement of Comprehensive Income

The Group's profit before income tax is arrived at after charging/(crediting):

	Group					
	Unaudited 3 months ended 31/03/2019 S$'000	Unaudited 3 months ended 31/03/2018 S$'000	+ / (-) %	Unaudited 9 months ended 31/03/2019 S$'000	Unaudited 9 months ended 31/03/2018 S$'000	+ / (-) %
Depreciation of property, plant and equipment	4,447	2,235	99.0	10,895	7,030	55.0
Finance expenses	1,057	103	926.2	2,093	517	304.8
Interest income	(12)	(8)	50.0	(32)	(60)	(46.7)
Gain on disposal of property, plant and equipment	-	-	-	(9)	(1)	N.M.
Property, plant and equipment written off	15	-	N.M.	15	12	25.0
Foreign exchange (gain)/loss	(12)	94	N.M.	(36)	189	N.M.
Bad debts written-off	12	5	140.0	26	34	(23.5)
Allowance for impairment of trade receivables	-	2	N.M.	-	25	N.M.

N.M. : Not meaningful

800 Super Holdings Limited

Company Registration No.: 201108701K

UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	(Unaudited) 31/03/2019 S$'000	(Audited) 30/06/2018 S$'000	(Unaudited) 31/03/2019 S$'000	(Audited) 30/06/2018 S$'000
ASSETS				
Current assets				
Cash and cash equivalents	11,437	5,605	802	556
Trade and other receivables	37,677	34,698	21,614	16,319
Inventories	1,209	1,367	-	-
Other assets	2,844	1,786	289	181
	53,167	43,456	22,705	17,056
Non-current assets				
Other assets	882	1,313	-	-
Available-for-sale financial assets	-	2	-	-
Financial assets, at FVOCI	*	-	-	-
Investment in subsidiary corporations	-	-	19,358	19,358
Property, plant and equipment	191,245	166,023	113,225	105,028
Deferred income tax assets	211	149	-	-
	192,338	167,487	132,583	124,386
Total assets	**245,505**	**210,943**	**155,288**	**141,442**
LIABILITIES				
Current liabilities				
Trade and other payables	30,456	31,894	54,158	42,252
Current income tax liabilities	43	1,127	-	-
Borrowings	23,266	18,545	7,088	6,856
	53,765	51,566	61,246	49,108
Non-current liabilities				
Borrowings	97,219	70,523	64,948	62,379
Deferred income tax liabilities	5,696	3,770	1,888	898
	102,915	74,293	66,836	63,277
Total liabilities	**156,680**	**125,859**	**128,082**	**112,385**
Net Assets	**88,825**	**85,084**	**27,206**	**29,057**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	22,772	22,772	22,772	22,772
Other reserves	3,070	3,079	-	-
Retained profits	63,042	59,273	4,434	6,285
	88,884	85,124	27,206	29,057
Non-controlling interests	(59)	(40)	-	-
Total Equity	**88,825**	**85,084**	**27,206**	**29,057**

* Less than S$1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2019 (Unaudited)		As at 30/06/2018 (Audited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**
23,266	-	18,545	-

Amount repayable after one year

As at 31/03/2019 (Unaudited)		As at 30/06/2018 (Audited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**
97,219	-	70,523	-

Details of any collateral

The borrowings of the Group are secured as follows:

(i) First legal mortgage over the leasehold land and leasehold buildings of the Group;

(ii) Charge over the leased motor vehicles, leased bins and containers and leased machinery of the Group;

(iii) Pledge of fixed deposit placed with a financial institution;

(iv) Legal corporate guarantees from the Company for its subsidiary corporations' banking and finance lease facilities; and

(v) Legal corporate guarantees from a subsidiary corporation for the Company's banking facilities.

800 Super Holdings Limited

Company Registration No.: 201108701K

UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	Unaudited 3 months ended 31/03/2019 S$'000	Unaudited 3 months ended 31/03/2018 S$'000	Unaudited 9 months ended 31/03/2019 S$'000	Unaudited 9 months ended 31/03/2018 S$'000
Cash flows from operating activities				
Net profit	1,953	3,930	5,538	10,789
Adjustments for:				
Income tax expense	1,132	621	1,864	1,652
Depreciation of property, plant and equipment	4,447	2,235	10,895	7,030
Gain on disposal of property, plant and equipment	-	-	(9)	(1)
Property, plant and equipment written off	15	-	15	12
Interest income	(12)	(8)	(32)	(60)
Finance expense	1,057	103	2,093	517
Unrealised currency translation (gain)/loss	(14)	30	(7)	66
Operating cash flows before movements in working capital	8,578	6,911	20,357	20,005
Changes in working capital				
Trade and other receivables	2,737	2,838	(2,979)	(548)
Inventories	(200)	(232)	158	(596)
Other assets	(610)	(972)	(627)	(783)
Trade and other payables	(5,468)	(1,220)	7,355	(154)
Cash generated from operations	5,037	7,325	24,264	17,924
Interest received	12	8	32	74
Income tax paid	(525)	(1,103)	(1,084)	(2,524)
Net cash provided by operating activities	**4,524**	**6,230**	**23,212**	**15,474**

800 Super Holdings Limited

Company Registration No.: 201108701K

UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

	Group			
	Unaudited 3 months ended 31/03/2019 S$'000	Unaudited 3 months ended 31/03/2018 S$'000	Unaudited 9 months ended 31/03/2019 S$'000	Unaudited 9 months ended 31/03/2018 S$'000
Cash flows from investing activities				
Acquisition of a subsidiary, net of cash acquired	-	-	-	(4,317)
Additions of property, plant and equipment	(1,490)	(12,043)	(27,730)	(44,535)
Proceeds from disposal of property, plant and equipment	-	21	9	22
Interest paid	-	(480)	(797)	(923)
Net cash used in investing activities	**(1,490)**	**(12,502)**	**(28,518)**	**(49,753)**
Cash flows from financing activities				
Fixed deposits pledged to a financial institution	-	-	(1,500)	-
Repayments of finance lease liabilities	(2,347)	(2,102)	(5,444)	(5,891)
Repayments of borrowings	(4,236)	(2,669)	(15,277)	(5,740)
Proceeds from borrowings	6,629	15,419	35,635	38,370
Dividends paid	-	-	(1,788)	(5,364)
Interest paid	(953)	(61)	(1,987)	(454)
Net cash (used in)/ provided by financing activities	**(907)**	**10,587**	**9,639**	**20,921**
Net increase/ (decrease) in cash and cash equivalents	**2,127**	**4,315**	**4,333**	**(13,358)**
Cash and cash equivalents				
Effects of currency translation on cash and cash equivalents	(1)	(2)	(1)	(6)
At the beginning of the financial period	7,811	7,409	5,605	25,086
At the end of the financial period	**9,937**	**11,722**	**9,937**	**11,722**

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group (Unaudited) 9 months ended	
	31/03/2019 S$'000	31/03/2018 S$'000
Cash and bank balances	11,437	11,845
Less: Pledged short-term deposits	(1,500)	-
Less: Bank overdraft	-	(123)
Cash and cash equivalents per consolidated statement of cash flows	9,937	11,722

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UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital	Fair value reserve	Foreign currency translation reserve	Capital reserve	Retained profits	Total equity attributable to owners of the Company	Non-controlling interests	Total
Group	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
(Unaudited)								
Balance as at 1 July 2018	**22,772**	**37**	**42**	**3,000**	**59,273**	**85,124**	**(40)**	**85,084**
Total comprehensive Income/ (loss) for the financial period	-	(*)	29	-	1,743	1,772	(11)	1,761
Balance as at 30 September 2018	**22,772**	**37**	**71**	**3,000**	**61,016**	**86,896**	**(51)**	**86,845**
Dividends	-	-	-	-	(1,788)	(1,788)	-	(1,788)
Total comprehensive Income/ (loss) for the financial period	-	(1)	(27)	-	1,858	1,830	(5)	1,825
Balance as at 31 December 2018	**22,772**	**36**	**44**	**3,000**	**61,086**	**86,938**	**(56)**	**86,882**
Total comprehensive Income/ (loss) for the financial period	-	(1)	(9)	-	1,956	1,946	(3)	1,943
Balance as at 31 March 2019	**22,772**	**35**	**35**	**3,000**	**63,042**	**88,884**	**(59)**	**88,825**
(Unaudited)								
Balance as at 1 July 2017	**22,772**	**37**	**11**	**-**	**58,482**	**81,302**	**(6)**	**81,296**
Total comprehensive Income/ (loss) for the financial period	-	(*)	3	-	4,400	4,403	(8)	4,395
Balance as at 30 September 2017	**22,772**	**37**	**14**	**-**	**62,882**	**85,705**	**(14)**	**85,691**
Dividends	-	-	-	-	(5,364)	(5,364)	-	(5,364)
Total comprehensive Income/ (loss) for the financial period	-	(*)	6	-	2,471	2,477	(4)	2,473
Balance as at 31 December 2017	**22,772**	**37**	**20**	**-**	**59,989**	**82,818**	**(18)**	**82,800**
Total comprehensive Income/ (loss) for the financial period	-	(*)	13	-	3,938	3,951	(6)	3,945
Balance as at 31 March 2018	**22,772**	**37**	**33**	**-**	**63,927**	**86,769**	**(24)**	**86,745**

* Less than $1,000

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UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

Company	Share capital S$'000	Retained profits S$'000	Total S$'000
(Unaudited)			
Balance as at 1 July 2018	22,772	6,285	29,057
Total comprehensive loss for the financial period	-	(1,065)	(1,065)
Balance as at 30 September 2018	**22,772**	**5,220**	**27,992**
Dividends	-	(1,788)	(1,788)
Total comprehensive loss for the financial period	-	(1,238)	(1,238)
Balance as at 31 December 2018	**22,772**	**2,194**	**24,966**
Total comprehensive loss for the financial period	-	2,240	2,240
Balance as at 31 March 2019	**22,772**	**4,434**	**27,206**
(Unaudited)			
Balance as at 1 July 2017	22,772	9,623	32,395
Total comprehensive loss for the financial period	-	(739)	(739)
Balance as at 30 September 2017	**22,772**	**8,884**	**31,656**
Dividends	-	(5,364)	(5,364)
Total comprehensive loss for the financial period	-	(935)	(935)
Balance as at 31 December 2017	**22,772**	**2,585**	**25,357**
Total comprehensive loss for the financial period	-	(101)	(101)
Balance as at 31 March 2018	**22,772**	**2,484**	**25,256**

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UNAUDITED THIRD QUARTER ("Q32019") AND NINE MONTHS ("9M2019") FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

1(d)(ii) 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 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 the end of the corresponding period of the immediately preceding financial year.

There was no change in the issued and paid-up share capital of the Company from 31 December 2018 up to 31 March 2019. The Company's share capital was S$22,772,000 comprising 178,800,000 shares as at 31 March 2019 and 31 December 2018.

There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 March 2019 and 31 March 2018. The Company has 178,800,000 issued shares (excluding treasury shares and subsidiary holdings) as at 31 March 2019 and 31 March 2018.

There were no treasury shares and subsidiary holdings as at 31 March 2019 and 31 March 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company	
	31/03/2019	**30/06/2018**
Total number of issued shares excluding treasury shares	178,800,000	178,800,000

The Company did not have any treasury shares as at 31 March 2019 and 30 June 2018.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which standard or practice.

The financial information of the Group relating to the nine-month period ended 31 March 2019 has been extracted from the interim condensed financial statements prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34, Interim Financial Reporting. This financial information has been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Please refer to the Independent Auditor's Review Report for the nine-month period ended 31 March 2019 dated 23 May 2019 as announced together with this announcement.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to its audited financial statements for the financial year ended 30 June 2018.

5. 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

The Group has adopted all applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") that become effective for the financial periods beginning on or after 1 July 2018. The adoption of these standards did not result in substantial changes to the Group's accounting policies and methods of computation, and there is no material impact to the financial statements of the Group for the current financial period reported on.

6. 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		Group	
	Unaudited 3 months ended 31/03/2019	**Unaudited 3 months ended 31/03/2018**	**Unaudited 9 months ended 31/03/2019**	**Unaudited 9 months ended 31/03/2018**
Profit attributable to equity holders of the Company (S$'000)	1,956	3,938	5,557	10,809
Basic and diluted earnings per share ("**EPS**") in Singapore cents	1.09	2.20	3.11	6.05

EPS for the respective financial periods are computed based on the profit attributable to equity holders of the Company and weighted average number of shares of 178,800,000 shares.

The diluted EPS and basic EPS are the same as there were no potentially dilutive ordinary shares outstanding as at 31 March 2019 and 31 March 2018.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	(Unaudited) 31/03/2019	(Audited) 30/06/2018	(Unaudited) 31/03/2019	(Audited) 30/06/2018
Net asset value per ordinary share based on issued share capital (Singapore cents)	49.68	47.59	15.22	16.25
Number of ordinary shares	178,800,000	178,800,000	178,800,000	178,800,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF INCOME STATEMENT

Revenue

In Q32019, the Group achieved revenue of S$47.9 million, an increase of S$10.8 million or 29.2% from S$37.1 million in Q32018, due to contributions from new projects being the Pasir Ris-Bedok public waste collection sector and the biomass plant and sludge treatment plant ("Waste Treatment Plants").

Purchase of supplies and disposal charges

Purchase of supplies and disposal charges increased by S$4.1 million or 51.9% from S$7.7 million in Q32018 to S$11.8 million in Q32019, mainly due to expenses incurred in the operations of the public waste collection sectors and the Waste Treatment Plants.

Depreciation expenses

Depreciation expenses increased by S$2.2 million or 99.0% from S$2.2 million in Q32018 to S$4.4 million in Q32019, mainly attributable to the newly acquired assets to support the various new projects.

Other expenses

Other expenses increased by S$1.1 million or 19.0% from S$5.7 million in Q32018 to S$6.8 million in Q32019, in line with additional sector operational activities in the public waste collection sector and the Waste Treatment Plants.

Employee benefits expense

Employee benefits expense increased by S$4.2 million or 26.7% from S$15.7 million in Q32018 to S$19.9 million in Q32019, mainly due to increased employee headcount following commencing of operation activities of new projects.

Finance expenses

Finance expenses increased by 926.2% from S$0.1 million in Q32018 to S$1.1 million in Q32019, mainly due to (i) higher borrowings to finance additional assets related to the new business contracts such as the Pasir Ris-Bedok public waste collection and laundry plant; and (ii) finance cost for Waste Treatment Plants which is recognised as finance expenses when it started operating.

Profit before income tax

As a result of the abovementioned factors, profit before income tax decreased by S$1.5 million from S$4.6 million in Q32018 to S$3.1 million in Q32019.

Income tax expense

Income tax expense increased by S$0.5 million or 82.3% to S$1.1 million in Q32019 mainly due to non-deductible expenses and non-recognition of deferred tax assets from a subsidiary.

REVIEW OF FINANCIAL POSITION

Non-current assets

As at 31 March 2019, non-current assets amounted to S$192.3 million as compared to S$167.5 million as at 30 June 2018, mainly due to an increase in property, plant and equipment relating to the Pasir-Bedok public waste collection sector, laundry equipment and construction of the sludge treatment facility in Tuas South.

Net current liabilities

The Group had net current liabilities of S$0.6 million as at 31 March 2019 as compared to S$8.1 million as at 30 June 2018 primarily attributable to the increase in cash and cash equivalents of S$5.8 million and the increase in trade receivables of S$3.0 million in tandem with the increased revenue contributions from new projects.

Notwithstanding the net current liabilities position, the Board is of the reasonable opinion that, after having made due and careful enquiry and after taking into account our Group's existing cash and cash equivalents and the working capital available to us as at 31 March 2019, the Group will be able to meet its short term obligations as and when they fall due.

Non-current liabilities

As at 31 March 2019, non-current liabilities amounted to S$102.9 million as compared to S$74.3 million as at 30 June 2018. The increase was mainly due to increased bank borrowings to finance the purchase of property, plant and equipment for the Pasir Ris-Bedok public waste collection sector, laundry equipment and the construction of the sludge treatment facility in Tuas South.

REVIEW OF CASH FLOW STATEMENT

Net cash provided by operating activities in Q32019 of S$4.5 million was mainly due to (i) a net profit of S$2.0 million, and (ii) adjustment for depreciation of property, plant and equipment of S$4.4 million. The increase was partially offset by a cash outflow from working capital changes of S$3.5 million mainly due to a decrease in trade and other payables. Net cash used in investing activities of S$1.5 million mainly due to additions of property, plant and equipment. Net cash used in financing activities of S$0.9 million mainly attributable to repayment of finance lease liabilities, partially offset by net proceeds from borrowings. As a result, the Group recorded a net increase in cash and cash equivalents of S$2.1 million in Q32019

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

In the Company's Q22019 results announcement for the financial period ended 31 December 2018, it was mentioned that "the Group is expected to remain profitable for the next financial reporting period". There is no variation in the Group's profitability for Q32019 between the aforementioned statement and the unaudited results presented in this announcement.

10. A commentary at the date of the announcement of the 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 Sludge Treatment Facility located in Tuas South has begun full commercial operations in January 2019. The development of the laundry plant at Tuas South is currently undergoing testing and commissioning. Upon completion, the laundry plant will provide competitive industrial laundry services primarily to customers in hospitality and commercial sectors in Singapore.

The industry which the Group is operating, i.e. the provision of waste management and treatment, cleaning and conservancy, horticultural and industrial laundry services is highly competitive. The Group is competing on the basis of pricing, quality and timeliness of service delivery as well as past track record. The Group remains optimistic about the operating conditions in the coming financial quarter ending 30 June 2019, and will continue to leverage on the its strengths as an comprehensive environmental solutions provider to compete for new projects.

11. Dividend

(a) Current Financial Period Reported On

No dividend has been declared or recommended for the current financial period.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable:

Not applicable

(d) Books closure date:

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 31 March 2019 after taking consideration of the Group's capital commitment plan and its cash flow requirements.

13. Interested person transactions

The Group does not have a general mandate for interested person transactions. There were no interested person transactions of S$100,000 or more for Q32019.

14. Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors (the "Board") confirms that, to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial results of the Company and the Group for the financial period ended 31 March 2019 presented in this announcement, to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

BY ORDER OF THE BOARD

Lee Cheng Chye
Chief Executive Officer and Executive Director
24 May 2019

Voluntary Conditional Cash Offer

On 6 May 2019, an announcement was made by 8S Capital Holdings Pte. Ltd. (the "Offeror"), that the Offeror intends to make a voluntary conditional cash offer for all the issued ordinary shares in the capital of the Company, other than those already held by the Company as treasury share and those already held by Offeror.

The Singapore Code on Take-overs and Mergers

The Unaudited Financial Statements For The Third Quarter and Nine-month Period Ended 31 March 2019 have been reported on in accordance with The Singapore Code on Take-overs and Mergers.

Auditor's Consent

Nexia TS Public Accounting Corporation has given and has not withdrawn its consent to the release of its review letter dated 23 May 2019 on the Unaudited Interim Condensed Financial Statements For The Nine-month Period Ended 31 March 2019 for purpose of attachment to the Company's announcement on its unaudited results for the period ended 31 March 2019, and all references to its name in the form and context in which they appear herein.

Independent Financial Adviser's Consent

Novus Corporate Finance Pte. Ltd., the independent financial adviser to the directors of the Company who are considered independent for the purposes of the offer by 8S Capital Holdings Pte. Ltd. for all the issued ordinary shares of the Company, has given and has not withdrawn its consent to the release of the Unaudited Financial Statements For The Third Quarter and Nine-month Period Ended 31 March 2019 with the inclusion therein of its name and its letter dated 23 May 2019.

800 Super Holdings Limited and its Subsidiary Corporations
(Incorporated in the Republic of Singapore)
(Company Registration No.: 201108701K)

Review Report for the financial period ended 31 March 2019

The Board of Directors
800 Super Holdings Limited
17A Senoko Way,
Singapore 758056

Independent auditor's report on the Review of Interim Condensed Financial Statements for the nine-month period ended 31 March 2019

Introduction

We have reviewed the accompanying unaudited interim condensed consolidated financial statements of 800 Super Holdings Limited (the "Company") and its subsidiary corporations (collectively, the "Group"), which comprise the interim condensed statements of financial position of the Group and the Company and the interim condensed consolidated statement of comprehensive income, and interim condensed cash flow statement for the period from 1 July 2018 to 31 March 2019, and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Singapore Financial Reporting Standard (International) 1-34 *Interim Financial Reporting* (SFRS(I) 1-34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with SFRS(I) 1-34.

Other Matter

We have not carried out a review in accordance with Singapore Standards on Review Engagements on the interim financial information for the nine-month period ended 31 March 2018 included as comparative figures in this interim financial information, as the Group was not required to present reviewed financial information for the period. The interim financial information for the nine-month period ended 31 March 2018 is the responsibility of the management and directors.

Restriction of Use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Company to comply with Rule 25 of the Singapore Code on Take-overs and Mergers, and for no other purpose. Our report is included in the Company's announcement of its unaudited results for the nine-month period ended 31 March 2019, for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.



Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
Singapore
23 May 2019

	Note	Group 31 March 2019 $'000	Group 30 June 2018 $'000	Group 1 July 2017 $'000	Company 31 March 2019 $'000	Company 30 June 2018 $'000	Company 1 July 2017 $'000
ASSETS							
Current Assets							
Cash and cash equivalents	6	11,437	5,605	25,086	802	556	4,038
Trade and other receivables	7	37,677	34,698	30,312	21,614	16,319	12,048
Inventories		1,209	1,367	680	-	-	-
Other assets		2,844	1,786	1,687	289	181	215
		53,167	43,456	57,765	22,705	17,056	16,301
Non-Current Assets							
Other assets		882	1,313	926	-	-	1
Available-for-sale financial assets		-	2	2	-	-	-
Financial assets, at FVOCI		*	-	-	-	-	-
Investments in subsidiary corporations		-	-	-	19,358	19,358	18,358
Property, plant and equipment	8	191,245	166,023	99,429	113,225	105,028	52,944
Deferred income tax assets		211	149	567	-	-	-
		192,338	167,487	100,924	132,583	124,386	71,303
Total Assets		245,505	210,943	158,689	155,288	141,442	87,604
LIABILITIES							
Current Liabilities							
Trade and other payables	9	30,456	31,894	20,173	54,158	42,252	22,124
Current income tax liabilities		43	1,127	2,887	-	-	-
Borrowings		23,266	18,545	11,009	7,088	6,856	2,346
		53,765	51,566	34,069	61,246	49,108	24,470
Non-Current Liabilities							
Borrowings		97,219	70,523	41,001	64,948	62,379	30,739
Deferred income tax liabilities		5,696	3,770	2,323	1,888	898	-
		102,915	74,293	43,324	66,836	63,277	30,739
Total Liabilities		156,680	125,859	77,393	128,082	112,385	55,209
NET ASSETS		88,825	85,084	81,296	27,206	29,057	32,395
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital		22,772	22,772	22,772	22,772	22,772	22,772
Other reserves		3,070	3,079	48	-	-	-
Retained profits		63,042	59,273	58,482	4,434	6,285	9,623
		88,884	85,124	81,302	27,206	29,057	32,395
Non-controlling interests		(59)	(40)	(6)	-	-	-
Total Equity		88,825	85,084	81,296	27,206	29,057	32,395

* Less than $1,000

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income
For the nine-month financial period ended 31 March 2019

	Note	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Revenue		136,898	113,215
Other income			
- Interest income from bank deposits		32	60
- Others	3	365	316
Other gain/(loss) - net		31	(200)
Purchase of supplies and disposal charges		(33,013)	(19,163)
Sub-contractor charges		(2,884)	(2,563)
Depreciation of property, plant and equipment		(10,895)	(7,030)
Other expenses			
- Loss allowance on trade receivables		-	(25)
- Others	4	(20,160)	(17,476)
Employee benefits expenses		(60,879)	(54,176)
Finance expenses		(2,093)	(517)
Profit before income tax		7,402	12,441
Income tax expense	5	(1,864)	(1,652)
Net profit		5,538	10,789
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value loss		-	(*)
Currency translation differences arising from consolidation – (loss)/gain		(7)	24
Items that will not be reclassified subsequently to profit or loss:			
Net fair value loss on financial assets, at FVOCI		(2)	-
Other comprehensive (loss)/income, net of tax		(9)	24
Total comprehensive income		5,529	10,813
Profit attributable to:			
Equity holders of the Company		5,557	10,809
Non-controlling interests		(19)	(20)
		5,538	10,789
Total comprehensive income attributable to:			
Equity holders of the Company		5,548	10,831
Non-controlling interests		(19)	(18)
		5,529	10,813
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic and diluted		3.11	6.05

* Less than $1,000

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
For the nine-month financial period ended 31 March 2019

	Note	Share capital	Fair value reserve	Foreign currency translation reserve	Capital reserve	Distributable retained profits	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 March 2019									
Beginning of financial period		22,772	37	42	3,000	59,273	85,124	(40)	85,084
Dividends	10	-	-	-	-	(1,788)	(1,788)	-	(1,788)
Total comprehensive income for the financial period		-	(2)	(7)	-	5,557	5,548	(19)	5,529
End of financial period		22,772	35	35	3,000	63,042	88,884	(59)	88,825
31 March 2018									
Beginning of financial period		22,772	37	11	-	58,482	81,302	(6)	81,296
Dividends	10					(5,364)	(5,364)	-	(5,364)
Total comprehensive income for the financial period		-	(*)	22	-	10,809	10,831	(18)	10,813
End of financial period		22,772	37	33	-	63,927	86,769	(24)	86,745

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
For the nine-month financial period ended 31 March 2019

	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Cash flows from operating activities		
Net profit	5,538	10,789
Adjustments for:		
- Income tax expense	1,864	1,652
- Depreciation of property, plant and equipment	10,895	7,030
- (Gain)/loss on disposal of property, plant and equipment	(9)	(1)
- Property, plant and equipment written off	15	12
- Interest income	(32)	(60)
- Interest expense	2,093	517
- Unrealised currency translation loss/(gain)	(7)	66
	20,357	20,005
Change in working capital:		
- Trade and other receivables	(2,979)	(548)
- Inventories	158	(596)
- Other assets	(627)	(783)
- Trade and other payables	7,355	(154)
Cash generated from operations	24,264	17,924
Interest received	32	74
Income tax paid	(1,084)	(2,524)
Net cash provided by operating activities	23,212	15,474
Cash flows from investing activities		
Acquisition of a subsidiary corporation, net of cash acquired	-	(4,317)
Additions to property, plant and equipment	(27,730)	(44,535)
Proceeds from disposal of property, plant and equipment	9	22
Interest paid	(797)	(923)
Net cash used in investing activities	(28,518)	(49,753)
Cash flows from financing activities		
Fixed deposits pledged to a financial institution	(1,500)	-
Repayments of finance lease liabilities	(5,444)	(5,891)
Repayments of borrowings	(15,277)	(5,740)
Proceeds from borrowings	35,635	38,370
Dividends paid	(1,788)	(5,364)
Interest paid	(1,987)	(454)
Net cash provided by financing activities	9,639	20,921
Net increase/(decrease) in cash and cash equivalents	4,333	(13,358)
Beginning of financial period	5,605	25,086
Effects of currency translation on cash and cash equivalents	(1)	(6)
End of financial period	9,937	11,722

The accompanying notes form an integral part of these financial statements.

Reconciliation of liabilities arising from financing activities

	1 July 2018	Principal and interest proceeds/ (payments)	Non-cash changes: Addition	Non-cash changes: Acquisition	Non-cash changes: Interest expense	Non-cash changes: Other	31 March 2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank borrowings	78,505	17,845	-	-	2,513	-	98,863
Finance lease liabilities	10,563	(5,821)	10,539	-	377	5,964	21,622

	1 July 2017	Principal and interest proceeds/ (payments)	Non-cash changes: Addition	Non-cash changes: Acquisition	Non-cash changes: Interest expense	Non-cash changes: Other	31 March 2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank borrowings	34,444	31,589	-	3,718	1,165	-	70,916
Finance lease liabilities	17,566	(6,166)	262	344	275	50	12,331

The "Other" column relates to transfer of payables to finance lease liabilities.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Significant accounting policies

1.1 Basis of preparation

These interim condensed financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34, Interim Financial Reporting. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 July 2018. These financial statements for the financial period ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 June 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 July 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening balance sheet has been prepared as at 1 July 2018, which is the Group's date of transition to SFRS(I).

There were no material adjustments to the Group's and the Company's statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows arising from the transition from SFRS to SFRS(I).

a. *Adoption of SFRS(I) 9*

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 July 2018.

1 Significant accounting policies (Cont'd)

1.1 Basis of preparation (Cont'd)

a. Adoption of SFRS(I) 9 (Cont'd)

(i) Short-term exemption on adoption of SFRS(I) 9

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained profits and reserves as at 1 July 2018. Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under SFRS 107 *Financial Instruments: Disclosures* relating to items within the scope of SFRS 39 are provided for the comparative period.

(ii) Classification of financial assets and financial liabilities

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see Note 1.7. The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

Trade and other receivables, service concession receivables and cash and cash equivalents that were classified as loans and receivables under SFRS 39 are now classified at amortised cost. No adjustment in the allowance for impairment was recognised in opening retained profits of the Group and of the Company at 1 July 2018 respectively on transition to SFRS(I) 9.

The investment in listed equity security that was classified as available-for-sale financial asset under SFRS 39 of which the Group intends to hold for long-term appreciation, is designated at 1 July 2018 as measured at fair value through other comprehensive income ("FVOCI").

b. Adoption of SFRS(I) 15

In accordance with the requirement of SFRS(I) 1, the Group adopted all of the requirements of SFRS(I) 15 *Revenue from Contracts with Customers* as of 1 July 2018. SFRS(I) 15 utilises a methodical framework for entities to follow in order to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The change did not impact the cumulated revenue recognised or the related assets and liabilities on the transition date.

The adoption of SFRS(I) 15 resulted in no impact to the opening retained profits nor to the opening balance of accumulated other comprehensive income on 1 July 2018.

The accounting policies for revenue recognition under SFRS(I) 15 is as disclosed on Note 1.13 to the financial statements.

1 Significant accounting policies (Cont'd)

1.2 Group accounting

(a) Subsidiary Corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair values of the identifiable net assets acquired is recorded as goodwill.

1 Significant accounting policies (Cont'd)

1.2 Group accounting (Cont'd)

(a) Subsidiary Corporations (Cont'd)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

1.3 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

1.4 Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowings costs (refer to Note 1.16 on borrowing costs).

1 Significant accounting policies (Cont'd)

1.4 Property, plant and equipment (Cont'd)

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	over the lease terms of 22 - 23 years
Leasehold buildings and improvements	over the lease term ranged from 18 – 45 years/ 5 years
Motor vehicles	5 -10 years
Bins and containers	5 -10 years
Machinery	3 -10 years
Boat	10 years
Office equipment	3 years
Computers	3 years
Furniture and fittings	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Construction-in-progress represent the costs of property, plant and equipment under development. When construction-in-progress are completed and are ready for their intended use, they are recognised as property, plant and equipment and depreciated over their useful lives.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gain/(loss) – net".

1.5 Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiary corporations is recognised as a separate intangible asset and carried at cost less accumulated impairment losses.

1 Significant accounting policies (Cont'd)

1.5 Goodwill (Cont'd)

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

1.6 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiary corporations

Property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

1 Significant accounting policies (Cont'd)

1.6 Impairment of non-financial assets

(b) Property, plant and equipment
Investments in subsidiary corporations (Cont'd)

An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

1.7 Financial assets

The accounting for financial assets before 1 July 2018 are as follows:

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the asset was acquired. The Group determines the classification of the financial assets at initial recognition, re-evaluates this designation at reporting date.
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. They are presented as current assets, except for those maturing later than twelve months after the reporting date which are presented as non-current assets.

Loans and receivables are presented as trade and other receivables (Note 7) and cash and cash equivalents (Note 6) on the statement of financial position. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

An allowance for impairment of loans and receivables is recognised when there is objective evidence that the Group will not be able to collect all the amounts due in accordance to the original terms of the receivables. The carrying amount of these assets is reduced through the use of an impairment allowance account, which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss. The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

The accounting for financial assets from 1 July 2018 are as follows:

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI"),

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

1 Significant accounting policies (Cont'd)

1.7 Financial assets (Cont'd)

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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.

At subsequent measurement

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables. There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

  Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

1 Significant accounting policies (Cont'd)

1.7 Financial assets (Cont'd)

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

1.8 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position. Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

1.9 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

1.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

1 Significant accounting policies (Cont'd)

1.11 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

1.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

1.13 Revenue recognition

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 third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied over time or at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rendering of service

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. For recurring service contracts, revenue is recognised over time, based on actual services provided. For ad hoc services, revenue is recognised at a point in time when services are rendered.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

1 Significant accounting policies (Cont'd)

1.13 Revenue recognition (Cont'd)

(d) Other income

Other income is recognised at the point of entitlement of income.

(e) Management fee income

Management fee income is recognised when services are rendered.

1.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

1 Significant accounting policies (Cont'd)

1.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(c) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing. Profit sharing is computed based on the Group's audited consolidated profit before income tax expense and before paying profit sharing. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

1.16 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

1. Significant accounting policies (Cont'd)

1.17 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other gain/(loss) – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

1 Significant accounting policies (Cont'd)

1.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, cash and cash deposits held with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

1.19 Leases

The Group leases motor vehicles, bins and containers and machinery under finance leases, and land, premises and machinery under operating leases from non-related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the statement of financial position as property, plant and equipment and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense to profit or loss when incurred.

1.20 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are either recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis or offset against the related expenses in profit or loss.

Government grants relating to assets are deducted against the carrying amount of the assets.

1 Significant accounting policies (Cont'd)

1.21 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

1.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who is responsible for allocating resources and assessing performance of the operating segments.

1.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

1.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

(a) Impairment of trade receivables

As at 31 March 2019, the Group's trade receivables amounted to $17,988,000 (30 June 2018: $16,149,000) (Note 7), arising from the Group's different revenue segments – provision of environmental service and provision of laundry service.

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Management has determined the expected loss rates by grouping the receivables according to the category of internal credit rating of each segment. A loss allowance of $89,000 (30 June 2018: allowance for impairment of $89,000) (Note 7) for trade receivables was recognised as at 31 March 2019.

The carrying amount of trade receivables is disclosed in Note 7 to the interim condensed financial statements.

(b) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment, except for leasehold land and leasehold buildings and improvements, to be within 3 to 10 years.

Changes in the expected level of usage and technological development could impact the economic useful lives of these assets; therefore, future depreciation charges could be revised. If the actual useful lives of these items of property, plant and equipment were to differ by 10% from management's estimates, the carrying amounts of the property, plant and equipment would be an estimated $802,000 (financial period ended 31 March 2018: $523,000) higher or lower.

The carrying amounts of property, plant and equipment are disclosed in Note 8 to the interim condensed financial statements.

3 Other income - others

	Group	
	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Rental income	8	-
Skills development grant	141	126
Others	216	190
	365	316

4 Other expenses - others

	Group	
	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Foreign worker levies	7,054	6,872
Insurance	269	278
Legal and professional fee	934	607
License fees	364	420
Medical fees	353	250
Rental on operating leases	1,486	1,348
Repair and maintenance	1,809	1,193
Skill development levy	141	131
Staff training	247	192
Telephone	304	246
Transport	421	356
Upkeep of leasehold building	351	186
Upkeep of motor vehicles	3,443	2,917
Utilities	1,224	652
Workers' accommodation	148	251
Workers' welfare	339	527
Advertisement	92	165
Directors' fee	120	108
Postage, printing & stationery	283	75
Others	778	702
	20,160	17,476

5 Income tax expense

	Group	
	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Tax expense attributable to profit is made up of:		
- Current income tax	-	2,007
- Deferred income tax	1,902	-
Over provision in prior financial years:		
- Current income tax	-	(355)
- Deferred income tax	(38)	-
	1,864	1,652

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

	Group	
	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Profit before income tax	7,402	12,441
Tax calculated at tax rate of 17% (2018: 17%)	1,258	2,115
Effects of:		
- Expenses not deductible for tax purposes	577	-
- Deferred income tax assets not recognised	67	-
- Singapore statutory stepped income	-	(78)
- Tax rebate	-	(30)
- Over provision in prior financial years	(38)	(355)
Tax charge	1,864	1,652

6 Cash and cash equivalents

	Group			Company		
	31 March 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	31 March 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Cash at bank and on hand	9,937	5,605	15,394	802	556	1,038
Short-term bank deposits	1,500	-	9,692	-	-	3,000
	11,437	5,605	25,086	802	556	4,038

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		
	31 March 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Cash and bank balances (as above)	11,437	5,605	25,086
Less: Bank deposits pledged	(1,500)	-	-
Cash and cash equivalents per consolidated statement of cash flows	9,937	5,605	25,086

Short-term bank deposits are made for varying periods of between one week to three months depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates.

7 Trade and other receivables

	Group			Company		
	31 March 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	31 March 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Trade receivables:						
- Subsidiary corporations	-	-	-	524	1,355	1,070
- Non-related parties	17,988	16,149	14,202	*	-	-
- Unbilled receivables	19,585	18,025	15,837	-	-	-
- Less: Loss allowance	(89)	(89)	(64)	-	-	-
	37,484	34,085	29,975	524	1,355	1,070
Other receivables:						
- Subsidiary corporations	-	-	-	20,968	14,401	10,694
- Non-related parties	143	569	297	122	563	284
- Staff advances	50	44	40	-	-	-
	37,677	34,698	30,312	21,614	16,319	12,048

* Less than $1,000

8 Property, plant and equipment

	Leasehold land	Leasehold buildings and improvements	Motor vehicles	Bins and containers	Machinery	Boat	Office equipment	Computers	Furniture and fittings	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
31 March 2019											
Cost											
Beginning of financial period	16,259	42,748	51,037	10,139	32,133	152	1,647	811	872	63,606	219,404
Additions	-	9,125	7,951	4,139	6,509	-	4	133	-	8,848	36,709
Reclassification	-	14,937	4,782	2,953	38,639	-	-	14	-	(61,325)	-
Disposals	-	-	-	-	(1)	-	-	-	-	-	(1)
Written off	-	-	(390)	-	-	-	-	-	-	-	(390)
Adjustment	-	(38)	-	-	(531)	-	-	-	-	(9)	(578)
Exchange differences	-	*	-	-	2	-	-	-	-	-	2
End of financial period	16,259	66,772	63,380	17,231	76,751	152	1,651	958	872	11,120	255,146
Accumulated Depreciation											
Beginning of financial period	3,995	5,993	27,468	6,100	6,968	85	1,393	537	842	-	53,381
Depreciation charge	538	2,331	4,144	1,021	2,620	11	96	115	16	-	10,892
Disposals	-	-	-	-	(1)	-	-	-	-	-	(1)
Written off	-	-	(375)	-	-	-	-	-	-	-	(375)
Exchange differences	-	*	-	-	4	-	*	*	-	-	4
End of financial period	4,533	8,324	31,237	7,121	9,591	96	1,489	652	858	-	63,901
Net Book Value											
End of financial period	11,726	58,448	32,143	10,110	67,160	56	162	306	14	11,120	191,245

* Less than $1,000

8 Property, plant and equipment (Cont'd)

	Leasehold land	Leasehold buildings and improvements	Motor vehicles	Bins and containers	Machinery	Boat	Office equipment	Computers	Furniture and fittings	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
30 June 2018											
Cost											
Beginning of financial year	16,259	20,542	49,533	10,160	10,697	152	1,605	791	847	32,223	142,809
Additions	-	5,340	1,319	-	2,885	-	33	15	16	58,305	67,913
Reclassification	-	9,817	-	-	17,097	-	-	-	8	(26,922)	-
Acquisition of a subsidiary corporation	-	7,050	260	-	1,508	-	12	5	1	-	8,836
Disposals	-	-	(66)	-	-	-	-	-	-	-	(66)
Written off	-	-	(9)	(21)	(4)	-	-	-	-	-	(34)
Exchange differences	-	(1)	-	-	(50)	-	(3)	-	-	-	(54)
End of financial year	16,259	42,748	51,037	10,139	32,133	152	1,647	811	872	63,606	219,404
Accumulated Depreciation											
Beginning of financial year	3,275	3,976	22,991	5,376	5,288	70	1,226	412	766	-	43,380
Depreciation charge	720	2,018	4,532	732	1,699	15	168	125	76	-	10,085
Disposals	-	-	(46)	-	-	-	-	-	-	-	(46)
Written off	-	-	(9)	(8)	(4)	-	-	-	-	-	(21)
Exchange differences	-	(1)	-	-	(15)	-	(1)	-	-	-	(17)
End of financial year	3,995	5,993	27,468	6,100	6,968	85	1,393	537	842	-	53,381
Net Book Value											
End of financial year	12,264	36,755	23,569	4,039	25,165	67	254	274	30	63,606	166,023

8 Property, plant and equipment (Cont'd)

	Leasehold land	Leasehold buildings and improvements	Machinery	Office equipment	Computer	Furniture and fittings	Construction -in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Company								
31 March 2019								
Cost								
Beginning of financial period	16,259	25,012	16,739	26	1	32	52,769	110,838
Additions	-	6,884	4,945	-	-	-	180	12,009
Reclassification	-	14,295	38,474	-	-	-	(52,769)	-
Adjustment	-	(38)	(531)	-	-	-	-	(569)
End of financial period	16,259	46,153	59,627	26	1	32	180	122,278
Accumulated Depreciation								
Beginning of financial period	3,995	1,480	314	4	-	17	-	5,810
Depreciation charge	538	1,340	1,356	2	1	6	-	3,243
End of financial period	4,533	2,820	1,670	6	1	23	-	9,053
Net Book Value								
End of financial period	11,726	43,333	57,957	20	-	9	180	113,225
30 June 2018								
Cost								
Beginning of financial year	16,259	9,927	-	5	1	24	30,683	56,899
Additions	-	5,259	1,182	21	-	8	47,469	53,939
Reclassification	-	9,826	15,557	-	-	-	(25,383)	-
End of financial year	16,259	25,012	16,739	26	1	32	52,769	110,838
Accumulated Depreciation								
Beginning of financial year	3,275	669	-	2	-	9	-	3,955
Depreciation charge	720	811	314	2	-	8	-	1,855
End of financial year	3,995	1,480	314	4	-	17	-	5,810
Net Book Value								
End of financial year	12,264	23,532	16,425	22	1	15	52,769	105,028

* Less than $1,000

9 Trade and other payables

	Group			Company		
	31 March 2019 $'000	30 June 2018 $'000	1 July 2017 $'000	31 March 2019 $'000	30 June 2018 $'000	1 July 2017 $'000
Trade payables:						
- Non-related parties	11,224	16,155	8,302	1,920	3,229	4,524
- Subsidiary corporations	-	-	-	1,160	1,160	-
Other payables:						
- Subsidiary corporations	-	-	-	43,364	32,925	15,086
- Non-related parties	3,281	1,624	1,856	-	-	-
Accrued operating expenses	15,457	13,510	9,729	7,714	4,938	2,514
Deferred income	494	605	286	-	-	-
	30,456	31,894	20,173	54,158	42,252	22,124

10 Dividends

	Group and Company	
	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Ordinary dividends paid		
Final tax exempt (1-tier) dividend paid in respect of the previous financial period of 1.0 cent (2018: 3.0 cents) per share	1,788	5,364

11 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and the related parties at terms agreed between the parties:

Sales and purchases of goods and services

	Group	
	For the financial period from 1 July 2018 to 31 March 2019 $'000	For the financial period from 1 July 2017 to 31 March 2018 $'000
Professional fees	(25)	(25)

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

12 Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors comprises of executive and non-executive directors.

The Board of Directors considers the business from a business segment perspective.

The Board of Directors has organised he business of the Group in two operating segments – Environmental services and Laundry services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The Board of Directors 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. Group income taxes are managed on a group basis and are not allocated to operating segments.

The segment information provided to the Board of Directors for the reportable segments are as follows:

	Environmental services		Laundry services		Consolidated	
	For the financial period ended 31 March 2019 $'000	For the financial period ended 30 June 2018 $'000	For the financial period ended 31 March 2019 $'000	For the financial period ended 30 June 2018 $'000	For the financial period ended 31 March 2019 $'000	For the financial period ended 30 June 2018 $'000
Revenue						
Total segment revenue	132,634	109,888	4,446	3,330	137,080	113,218
Inter-segment revenue	(182)	(3)	(*)	(*)	(182)	(3)
Revenue to external parties	132,452	109,885	4,446	3,330	136,898	113,215
Adjusted EBITDA	20,565	20,239	(207)	(311)	20,358	19,928
Depreciation	10,462	6,721	433	309	10,895	7,030

12 Segment information (Cont'd)

	Environmental services		Laundry services		Consolidated	
	For the financial period ended 31 March 2019 $'000	For the financial period ended 30 June 2018 $'000	For the financial period ended 31 March 2019 $'000	For the financial period ended 30 June 2018 $'000	For the financial period ended 31 March 2019 $'000	For the financial period ended 30 June 2018 $'000
Segment assets	215,914	196,647	17,944	8,540	233,857	205,187
Unallocated assets					11,648	5,756
Total assets					245,505	210,943
Segment assets include:-						
Additions to:						
Property, plant and equipment	28,561	67,734	8,148	179	36,709	67,913
Segment liabilities	18,788	25,534	11,668	6,360	30,456	31,894
Unallocated liabilities					126,224	93,965
Total liabilities					156,680	125,859

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The Board of Directors assesses the performance of the operating segments based on a measure of gross profit, (loss)/ profit before tax and segment results for the Group's operations. This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs, impairment loss and other administrative expenses including interest income and interest expenses that are either not expected to recur regularly in every period or allocated to the segments as these type of activities are separately analysed and driven by the finance department, which manages the financial position of the Group.

12 Segment information (Cont'd)

Geographical information

The group's operations are primary carried out in Singapore. Accordingly, no geographical segment assets and revenue from external customers' information are presented.

Revenue of $29,977,000 (2018: $29,328,000) are derived from one (2018: one) external customers. These revenues are attributable to the environmental services segment.

(a) Reconciliation

(i) Segment profits

A reconciliation of adjusted EBITDA to profit before income tax is as follows:

	Group	
	For the financial period ended 31 March 2019 S$'000	For the financial period ended 31 March 2018 S$'000
Adjusted EBITDA for reportable segments	20,358	19,928
Depreciation of property, plant and equipment	(10,895)	(7,030)
Finance expense	(2,093)	(517)
Interest income	32	60
Profit before income tax	7,402	12,441

(ii) Segment assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the property, plant and equipment, inventories, certain trade and other receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than deferred income tax assets and cash and cash equivalents.

Segment assets are reconciled to total assets as follows:

	Group	
	31 March 2019 S$'000	30 June 2018 S$'000
Segment assets for reporting segments	233,857	205,187
Unallocated:		
- Available-for-sale financial assets	-	2
- Financial asset, at FVOCI	*	-
- Deferred income tax assets	211	149
- Cash and cash equivalents	11,437	5,605
	205,505	210,943

* Less than $1,000

12 Segment information (Cont'd)

Geographical information (Cont'd)

(a) Reconciliation (Cont'd)

(iii) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than certain trade and other payables, borrowings and current and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	31 March 2019	30 June 2018
	$'000	$'000
Segment liabilities for reporting segments	30,456	31,894
Unallocated:		
- Current income tax liabilities	43	1,127
- Deferred income tax liabilities	5,696	3,770
- Borrowings	120,485	89,068
	156,680	125,859

13 Financial risk management

This note provides an update on the financial risk management disclosures with significant changes since the last annual financial report.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash and cash equivalents, trade receivables and unbilled receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on individual characteristic of each customer and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward.

13 Financial risk management (Cont'd)

Credit risk (Cont'd)

Trade receivables (Cont'd)

Majority of the Group's customers have been transacting with the Group for over 3 years, and none of these customers' balance have been written off or are credit-impaired at the balance sheet date. Trade receivables 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. The Group considers a financial asset as in default if the counterparty fails to make contractual payments after 120 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 365 days past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The movements in credit loss allowance are as follows:

	Trade receivables $'000
Group	
Balance at 1 July 2018 under SFRS	89
Application of SFRS(I) 9	-
Balance at 1 July 2018 under SFRS(I) 9	89
Loss allowance recognised in profit or loss during the financial period on:	
- Assets acquired/originated	-
Receivables written off as uncollectible	-
Currency translation differences	-
Balance at 31 March 2019 (Note 7)	89

The trade receivables of the Group comprise 2 debtors (30 June 2018: 1 debtors) that individually represented 38.7% (30 June 2018: 29.6%) of trade receivables.

The credit risk for trade receivables and unbilled receivables based on the information provided to key management is as follows:

	Group	
	31 March 2019 $'000	30 June 2018 $'000
By types of customers:		
Non-related parties	37,573	34,174

14 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2019 and which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2019

- SFRS(I) 16 *Leases*

  SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  Some of the commitments of the Group may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under SFRS(I) 16.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group is required to adopt a new accounting framework from 1 July 2019. The new accounting framework has similar requirements of SFRS(I) 16. The standard will affect primarily the accounting for the Group's operating leases. However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

15 Subsequent events

On 6 May 2019, an announcement was made by 8S Capital Holdings Pte. Ltd. (the "Offeror"), that the Offeror intends to make a voluntary conditional cash offer (the "Offer") for all the issued ordinary shares in the capital of the Company, other than those already held by the Company as treasury share and those already held by Offeror.

Pursuant to the Offer, certain shareholders of the Company holding in aggregate approximately 77.62% of the shares have irrevocably undertaken to tender in their shares in acceptance of the Offer, which will result in a substantial change of the Company's shareholders.

16 Authorisation of financial statements for issue

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 23 May 2019.

NOVUS
CORPORATE FINANCE

23 May 2019

The Board of Directors
800 Super Holdings Limited
No. 17A Senoko Way
Singapore 758056

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER (THE "OFFER") FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE "SHARES") IN THE CAPITAL OF 800 SUPER HOLDINGS LIMITED (THE "COMPANY"), OTHER THAN THOSE ALREADY HELD, DIRECTLY OR INDIRECTLY, BY 8S CAPITAL HOLDINGS PTE. LTD. (THE "OFFEROR")

On 6 May 2019, RHB Securities Singapore Pte. Ltd. announced, for and on behalf of the Offeror, the Offer for all the Shares, other than those Shares already held, directly or indirectly, by the Offeror at the date of the Offer.

The Board of Directors of the Company had approved the unaudited consolidated financial results for the third quarter ended 31 March 2019 ("**3Q2019**") (the "**3Q2019 Results**"), which will be announced by the Company on 24 May 2019. This letter has been prepared for inclusion in the 3Q2019 Results and we have given and have not withdrawn our consent to the release of the 3Q2019 Results with the inclusion of our name and this letter.

We also note that on 12 February 2019, the Company had announced its unaudited interim condensed financial information for the second quarter ended 31 December 2018 which contained the following statement on the prospects of the Group for 3Q2019 (the "**Previous Prospects Statement**"):

"*Barring any unforeseen circumstances, the Group is expected to remain to be profitable for the next financial reporting period*"

With regard to the aforementioned, we have examined the 3Q2019 Results and have discussed the same with the management of the Company who are responsible for its preparation. We also note the following statement in the 3Q2019 Results announcement in relation to any variance between the Previous Prospects Statement and the actual 3Q2019 Results:

"*There is no variation in the Group's profitability for Q32019 between the aforementioned statement and the unaudited results presented in this announcement.*"

We have relied on and assumed the accuracy and completeness of all information provided to or discussed with us by the Company. We have also considered the report on the review of interim condensed financial statements prepared by the Company's auditors, Nexia TS Public Accounting Corporation, dated 23 May 2019 in relation to their review of the unaudited interim condensed financial information for 3Q2019. Save as provided in this letter, we do not express any other opinion or view on the Previous Prospects Statement and the 3Q2019 Results. The Board of Directors of the Company remains solely responsible for the Previous Prospects Statement and the 3Q2019 Results.

Based on the above, we are of the opinion that the Previous Prospects Statement has been made and the 3Q2019 Results has been prepared after due and careful enquiry by the Board of Directors of the Company.

NOVUS
CORPORATE FINANCE

This letter is provided to the Board of Directors of the Company solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any other person(s), other than the Board of Directors of the Company in respect of, arising out of, or in connection with this letter.

Yours sincerely
For and on behalf of
NOVUS CORPORATE FINANCE PTE. LTD.

Andrew Leo
Chief Executive Officer

Melvin Teo
Senior Manager

FORECAST STATEMENTS

1. Forecast Statements

The Company had on various occasions, before the commencement of the Offer, issued statements which are deemed as profit forecasts ("**Forecast Statements**") under Rule 25 of the Code. Such Forecast Statements refer to the financial year ending 30 June 2019 and point to a similar expectation by the Company that the Group will be profitable for the financial year ending 30 June 2019. Extracts of the Forecast Statements in chronological order are set out below:

(i) In commentary of the unaudited financial statements of the Group for the full year ended 30 June 2018 announced by the Company on 28 August 2018.

> *"Barring any unforeseen circumstances, the Group is expected to remain profitable for the next financial reporting period."*

(ii) In commentary of the unaudited financial statements of the Group for the first quarter 30 September 2018 announced by the Company on 9 November 2018.

> *"Barring any unforeseen circumstances, the Group is expected to remain profitable for the next financial reporting period."*

(iii) In commentary of the unaudited financial statements of the Group for the second quarter and half year ended 31 December 2018 announced by the Company on 12 February 2019.

> *"Barring any unforeseen circumstances, the Group is expected to remain profitable for the next financial reporting period."*

The Forecast Statements were not made in connection with the Offer. The Directors have not issued any profit forecast for the Company or the Group in connection with the Offer.

2. Bases and Assumptions of the Forecast Statements

The Forecast Statements, for which the Directors are solely responsible, was arrived at on bases consistent with the accounting policies normally adopted by the Company and were made based on the following assumptions:

a. There will be no material change in the existing political, economic, regulatory, or legal conditions affecting the activities of the Group, the industry and the countries in which the Group operates.

b. There will be no material changes to the Group structure, management and the existing principal activities of the Group.

c. There will be no material changes in the competitive environment in which the Group operates.

d. There will be no material change in the relationships the Group has with major suppliers, customers and financial institutions which may affect the Group's financial performance.

e. There will be no material change in the key management personnel who may impact the Group's business, operations and future viability.

f. There will be no material change in the operating cost structure of the Group.

g. There will be no material one-off item that has adverse impact on the Group's financial performance.

h. There will be no material impairment to the carrying values of the Group's assets including property, plant and equipment.

i. There will be no exceptional circumstances that require material provision to be made by the Group in respect of any contingent liability, litigation, or arbitration threatened or otherwise, abnormal bad debts or unexpected termination of contracts.

j. There will be no adverse changes to the tax legislations of the countries in which the Group has operations.

k. There will be no material change in the accounting policies of the Group.

l. There will be no material changes in the prevailing foreign currency exchange rates that will adversely affect the Group's results.

m. There will be no material change in inflation rates.

Shareholders should note that the bases and assumptions upon which the Forecast Statements was based, were arrived at based on information available to the Company as at the respective dates of announcements. Each of the IFA and the Auditor has issued its report in respect of the Forecast Statements, as set out in Appendices G and H to this Circular, respectively. Shareholders are urged to read this Appendix F and Appendices G and H to this Circular carefully.

LETTER FROM THE IFA IN RELATION TO THE FORECAST STATEMENTS

10 June 2019

The Board of Directors
800 Super Holdings Limited
No. 17A Senoko Way
Singapore 758056

Dear Sirs,

OPINION LETTER IN RESPECT OF THE FORECAST STATEMENTS (AS DEFINED HEREIN) AS SET OUT IN THE RESPECTIVE RESULTS ANNOUNCEMENTS (AS DEFINED HEREIN) OF 800 SUPER HOLDINGS LIMITED (THE "COMPANY")

This letter has been prepared for inclusion in the circular (the "**Offeree Circular**") to be issued in connection with the voluntary unconditional cash offer (the "**Offer**") by RHB Securities Singapore Pte. Ltd. for all the issued and paid-up ordinary shares in the capital of the Company, other than those already held, directly or indirectly, by 8S Capital Holdings Pte. Ltd. at the date of the Offer. We have given and have not withdrawn our consent, to this letter being published in the Offeree Circular.

We note that (a) on 28 August 2018, the Company had announced its unaudited full year financial information for the financial year ended 30 June 2018, and (b) on 9 November 2018 and 12 February 2019, the Company had announced its unaudited interim condensed financial information for the first quarter ended 30 September 2018 and second quarter ended 31 December 2018 respectively (collectively, the "**Results Announcements**"), which each contained the following statement on the prospects of the Group (the "**Forecast Statements**" and each a "**Forecast Statement**"):

"*Barring any unforeseen circumstances, the Group is expected to remain to be profitable for the next financial reporting period*"

We understand from the Company that the Forecast Statements refer to the full financial year ending 30 June 2019 ("**FY2019**") and point to a similar expectation by the Company that the Group will be profitable for FY2019.

We have considered and discussed the bases and assumptions underlying the Forecast Statements which are set out in Appendix F to the Offeree Circular, and have discussed the same with the management of the Company who are responsible for its preparation. We note that the Forecast Statements were not made in connection with the Offer. The Directors have not issued any profit forecast for the Company or the Group in connection with the Offer.

We have relied on and assumed the accuracy and completeness of all information provided to or discussed with us by the Company. We have also considered the letter dated 31 May 2019 addressed to the directors of the Company (the "**Directors**") by Nexia TS Public Accounting Corporation in relation to their review of the Forecast Statements in accordance with the Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information. Save as provided in this letter, we do not express any other opinion or view on the Forecast Statements. The Board of Directors of the Company remains solely responsible for the Forecast Statements.

Based on the foregoing and our discussions with the Directors, we are of the opinion that the Forecast Statements (including the bases and assumptions set out on Appendix F to the Offeree Circular on which they are based), for which the Directors are solely responsible, have been prepared and made by the Directors after due and careful enquiry.

This letter is provided to the Board of Directors of the Company solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any other person(s), other than the Board of Directors of the Company in respect of, arising out of, or in connection with this letter.

Yours sincerely
For and on behalf of
NOVUS CORPORATE FINANCE PTE. LTD.

Andrew Leo	Melvin Teo
Chief Executive Officer	Senior Manager

LETTER FROM THE AUDITOR OF THE COMPANY IN RELATION TO THE FORECAST STATEMENTS

31 May 2019

The Board of Directors
800 Super Holdings Limited
17A Senoko Way
Singapore 758056

Dear Sirs

Independent Auditor's letter in relation to the Forecast Statements in section 10 "Commentary" of the Full Year 2018, First Quarter 2019 and Second Quarter and Half Year 2019 Financial Statements Announcements

This letter is prepared for the purposes of Rule 25.3 of the Singapore Code on Take-overs and Mergers (the "Code") in connection with the offeree circular ("Offeree Circular") despatched by 800 Super Holdings Limited (the "Company") in relation to the pre-conditional voluntary conditional general offer ("Offer") for all of the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by 8S Capital Holdings Pte. Ltd. (the "Offeror"), its related corporations, and their respective nominees, in accordance with Rule 15 of the Code.

This letter has been prepared for inclusion in the Offeree Circular.

Management had included the Forecast Statements, relating to the profit forecast of the Company and its subsidiary corporations (collectively, "the Group"), for the financial year ending 30 June 2019, set out in chronological order below:

(i) In commentary of the unaudited financial statements of the Group for the full year ended 30 June 2018 announced by the Company on 28 August 2018.

> *"Barring any unforeseen circumstances, the Group is expected to remain profitable for the next financial reporting period."*

(ii) In commentary of the unaudited financial statements of the Group for the first quarter 30 September 2018 announced by the Company on 9 November 2018.

> *"Barring any unforeseen circumstances, the Group is expected to remain profitable for the next financial reporting period."*

(iii) In commentary of the unaudited financial statements of the Group for the second quarter and half year ended 31 December 2018 announced by the Company on 12 February 2019.

> *"Barring any unforeseen circumstances, the Group is expected to remain profitable for the next financial reporting period."*

("Forecast Statements")

Management is responsible for the preparation of the Forecast Statements in accordance with the bases and assumptions as determined by them and the use of a basis of accounting that is consistent with the accounting policies. In preparing the Forecast Statements, management is responsible for ensuring the accuracy and appropriateness of unaudited financial information used in the preparation of Forecast Statements, and the appropriateness of the bases, assumptions and accounting policies used in the preparation of the Forecast Statements.

We have examined the Forecast Statements as set out in the Financial Statements Announcements in accordance with Singapore Standard on Assurance Engagements 3400, *"The Examination of Prospective Financial Information"*, as to whether the Forecast Statements, so far as the accounting policies and calculations are concerned, has been properly prepared based on the assumptions made by management and is consistent with the accounting policies adopted by the Group and the recognition and measurement principles of the Singapore Financial Reporting Standards (International). We have not carried out an examination of the evidence supporting the assumptions and accordingly do not report on the reasonableness of the assumptions or on the prospect of the Group in achieving the forecast.

In our opinion, in all material aspects, the Forecast Statements, so far as the accounting policies and calculations are concerned, has been properly prepared based on the assumptions made by management and is consistent with the accounting policies normally adopted by the Group which are in accordance with the Singapore Financial Reporting Standards (International).

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the Forecast Statements since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted. For these reasons, we do not express any opinion as to the possibility of achievement of the Forecast.

This letter is not to be used for any other purpose and shall not be distributed to any other parties, save that the Company may append this letter to the Offeree Circular which it will issue to its shareholders in connection with the Offer made by the Offeror for the Company.

Yours faithfully

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Chan Siew Ting

VALUATION REPORT

AVA Associates Limited

(Company Number 1292515)
806 Empress Plaza
17-19 Chatham Road South
Tsim Sha Tsui, Hong Kong

31 May 2019

To
Board of Directors
800 SUPER HOLDINGS LIMITED
17A Senoko Way
Singapore 758056

Dear Sirs,

Pursuant to your instructions, AVA Associates Limited ("**AVA**") has performed a valuation of selected real properties belonging to 800 Super Holdings Limited ("**800 Super**", the "**Company**" or the "**Client**") as at 31 March 2019 ("**Valuation Date**"). The purpose of this engagement is to assist the Board of Directors of the Company in their assessment of the value of the assets, and inclusion in a circular to shareholders in relation a voluntary conditional cash offer for the Company (the "**Voluntary Offer**") as prepared by RHB Securities Singapore Pte Ltd for and on behalf of 8S Capital Holdings Pte Ltd (the "**Offeror**"). No other use of our valuation report is intended or should be inferred.

Definition of Value

In estimating the value of the assets, our efforts were based on the following premise of value:

Market Value – "*The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*" Such value represents an estimate based on the economic theory of equilibrium price for an asset in a perfect market.

Our valuation is our opinion of the Market Value of the Real Properties, which we would define as intended to mean "the best price" at which an interest in a property might reasonably be expected to be sold at the date of valuation, assuming:

- a willing seller, willing buyer;
- no account is to be taken of an additional bid by a purchaser with a "special interest";
- that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the negotiation and agreement of price and terms for the completion of the sale; and
- that the price reflects the state of the market and other circumstances at the date of valuation.

Proposed Transaction

On 6 May 2019, 800 Super announced that the Company received the Voluntary Offer from the Offeror to acquire all the issued and paid-up ordinary shares in the capital of the Company.

Scope of Work

To comply with the Singapore Takeover Code, the Company instructed AVA to estimate the Market Value of the real properties belonging to the Company as at Valuation Date for internal reference and disclosure in a shareholder's circular in relation to the Voluntary Offer. The real properties, made up of land and buildings, are as follows:

1. 4-storey single-user factory building with a mezzanine floor and temporary ancillary workers' dormitory at 2 Tuas South Street 7, Singapore 636891 ("**2 Tuas South Street 7**");

2. 4-storey single-user general industrial material recovery facility with temporary ancillary workers' dormitory at 6 Tuas South Street 7, Singapore 636982 ("**6 Tuas South Street 7**");

3. 5-storey factory building with single-storey annex building at 8 Tuas South Street 7, Singapore 637112 ("**8 Tuas South Street 7**");

4. 3-storey factory with 2-storey side extensions and a 2-storey ancillary office at 17A Senoko Way, Singapore 758056 ("**17A Senoko Way**");

5. Single-storey detached factory with a mezzanine level and rear open-sided sheds at 80 Senoko Drive, Singapore 758244 "**80 Senoko Drive**");

6. A 6th storey ramp-up factory with mezzanine level located within Loyang Enterprise Building at 56 Loyang Way, #06-05 Loyang Enterprise Building, Singapore 508775 "**Loyang Enterprise #06-05**"); and

7. A purpose-built single-storey factory with mezzanine level at 18 Sungei Kadut Street 4, Singapore 729046 ("**18 Sungei Kadut Street 4**").

(together, the "**Real Properties**").

Our valuation and reports will be prepared in accordance with the International Valuation Standards (2017 edition) as published by the International Valuation Standard Committee and guidelines published by Singapore Institute of Surveyors and Valuers.

The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Preparation of an information checklist for information gathering;

- Site visit;

- Discussion with the appropriate parties regarding the identified assets, adopted/proposed valuation methodologies, current operations and historical financials of the Company, etc;

- Development of appropriate valuation models pertinent to the exercise;

- Preparation of draft reports for discussion with the Company; and

- Submission of the final report for the purpose of this exercise.

We hereby certify that the valuer undertaking this valuation, Mr. Teo Beng Hock, Licensed Appraiser AD041-2009516J, is authorised to practise as a valuer in Singapore.

Perry, Teo Beng Hock is a licensed appraiser and a member of both the Singapore Institute of Surveyors and Valuers (SISV) and Royal Institute of Chartered Surveyors (RICS). He has over 18 years of experience in the real estate practice. He was a Quantity Surveyor for a firm specialising in building works, maintenance and hard land scaping design before expanding his career to the valuation profession in GSK Global Pte Ltd and Associated Property Consultants Pte Ltd. He graduated with a degree of Bachelor of Business (Property) from University of South Australia.

Perry has carried out various types of valuation for properties ranging from residential properties to office buildings, shopping malls, industrial buildings, hotels and development sites. Customers includes banks, government bodies, private & corporate clients, and listed organizations for the various valuation matters such as financing, accounting, sale and purchase, investment, public listing, insurance, collective sales, compulsory acquisition and property taxation.

Sources of Information

As part of our due diligence, we relied upon documents supplied by the management of the Company, including, but not limited to, the following:

- Building agreement, dated 26 December 2012, between Jurong Town Corporation ("**JTC**") and 800 Super in relation to 2 Tuas South Street 7;
- Building agreement, dated 9 January 2013, between JTC and 800 Super in relation to 6 Tuas South Street 7;
- Building agreement, 26 December 2012, between JTC and 800 Super in relation to 8 Tuas South Street 7;
- Floor plans of each of the Real Properties;
- JTC statement of account for each of the Real Properties;
- IRAS property tax advice for each of the Real Properties;
- Tenancy agreement, dated 22 November 2018, for Loyang Enterprise #06-05; and
- Other relevant documentations on the Real Properties.

We planned and performed our review and valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. In the course of our work, we held discussions with the management concerning the history and current conditions of the Real Properties. We have relied to a considerable extent on the information provided by the instructing party and site staff in particular, but not limited to, tenure, planning approvals, statutory notices, easements, particulars of occupancy, floor areas, identification of the property and all other relevant matters.

We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us are true and accurate. We also used financial and other information obtained from private and public sources we considered reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. We believe the review and valuation procedures we employed provide a reasonable basis for our opinion.

Valuation Theory

Our approach in valuing the identified asset relies on using the appropriate techniques to arrive at our conclusion of value. We considered the three generally recognized approaches to value: the income, market and cost approaches.

An overview of the three approaches considered is as follows:

- The *Income Approach* focuses on the income-producing capability of a business or asset. The income approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.

- The Market Approach measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. In estimating the value of a business under the market approach there are two methodologies: the publicly-traded guideline company methodology and the recent transaction methodology. The publicly traded guideline company methodology develops an indication of value for the subject company by calculating market pricing multiples for selected publicly-traded guideline companies and applying these multiples to the appropriate financial measures of the subject company. The recent transaction methodology develops an indication of value for the subject company by calculating market pricing multiples based on actual acquisitions of similar businesses and applying these multiples to the appropriate financial measures of the subject company. After deriving a value, adjustments are then made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.

- The Cost Approach measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost new would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The cost approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

Selected Valuation Approach

We have relied on the income and market approaches to arrive at the value conclusion for each of the Real Properties. The Direct Comparison Approach was adopted for the valuation of the subject sites; and Cost Approach for the improvements (including buildings and structures). The income approach has been employed as a sanity check on the valuation results.

Depreciated Replacement Cost 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 and optimization.

Direct Comparison Approach is universally considered the most accepted valuation approach for valuing most forms of real estate. This involves the analysis of recent market sales evidence of similar properties to compare with the premises under valuation. Each comparable is analyzed on the basis of its unit rate; each attribute of the comparable is then compared with the subject and where there is a difference, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as location within the city, size, configuration, access, and so on.

Sales and listings of similar properties in the vicinity and elsewhere are used as guides to value after relevant valuation adjustments are made for differences in location, land area, land shape, land tenure, floor area, condition of building, market conditions, age of the property, waterfront shoreline, improvements done, etc.

Valuation of 2 Tuas South Street 7

Details of Subject Property

Based on information provided by the Company:

Address:	2 Tuas South Street 7 Singapore 636891
Type:	A Purpose-built 4-Storey Detached Factory with Mezzanine Level
Legal Description:	MK7-4591P
Tenure:	Leasehold 23 years wef 26 December 2012
Land Area:	5,738.3 sq m (or 61,766 sq ft) or thereabout
Floor Area:	5,230.74 sq m (or 56,303 sq ft) or thereabout
Annual Value:	S$1,560,000 (Year 2019)
Age of Building:	Circa 2017

Planning Provision

Based on 2014 Master Plan, the subject property is sited on land zoned as "Business 2". Official Master Plan Zoning, Road and Drainage Interpretation Plans have not been applied for.

Location and Locality

Neighbourhood:	The immediate neighbourhood is predominantly industrial estates and developments.
City Services:	Available within the vicinity.
Public Transport:	Available along Tuas South Avenue 12. The subject property is some distance from Tuas West Road MRT Station.
Prominent Developments:	CES Logistics, Transco-Pac Building, E C One, TM Trans Industrial Building, Shine @ Tuas South, T99, The Index, Westlite Tuas Lodge 1, Tuas Biomedical Park I & II, Toolbox, Tac Warehouse, etc.
Overall Comments:	Close proximity to Pan-Island Expressway (PIE) & Ayer Rajah Expressway (AYE).

Description of Subject Property

Building Description:	Reinforced concrete structure with brick in-fill walls, reinforced concrete floor and concrete & metal roof.
Accommodations:	1st Storey Lift lobby/entrance area/general production areas/guard house/fire command centre/toilets/loading & unloading area
	1st Storey Mezzanine Level Switch room
	2nd Storey Lift lobby/general production areas/control room/electrical room/ toilets/loading & unloading area
	3rd Storey Lift lobby/ancillary workers' dormitories/storerooms/toilets
	4th Storey Lift lobby/ancillary office rooms/lunch room/partitioned rooms/ storerooms/toilets
Finishes:	Floors – Cement screed/homogeneous tiles/epoxy/raised flooring
	Walls – Emulsion paint/homogeneous tiles/glass panels
	Ceilings – Emulsion paint/ceiling boards/false ceiling with downlights & cove lights/metal roofing sheets with insulation
Fixtures and Fittings:	Automatic mild steel main gate, aluminium framed windows, timber doors, roller shutters, cassette/split unit air-conditioning systems, ceiling/wall fans, etc.
Other Improvements:	Lift facility, etc.
Services/Facilities:	All main Public Utilities and Telecommunication services are connected.
Overall Comments:	As at the date of inspection, the subject property was in a good state of external and internal repairs and maintenance.

Conclusion of Value

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the Market Value of the subject property free from all encumbrances for audit purpose only is S$13,000,000/-Singapore Dollars Thirteen Million Only.

Valuation of 6 Tuas South Street 7

Details of Subject Property

Based on information provided by the Company:

Address:	6 Tuas South Street 7 Singapore 636892
Type:	A Purpose-built 4-Storey Detached Factory with Mezzanine Level
Legal Description:	MK7-4592T
Tenure:	Leasehold 22 years wef 9 January 2013
Land Area:	10,094.9 sq m (or 108,660 sq ft) or thereabout
Floor Area:	9,833.0 sq m (or 105,841 sq ft) or thereabout
Annual Value:	S$404,000 (Year 2019)
Age of Building:	Circa 2017

Planning Provision

Based on 2014 Master Plan, the subject property is sited on land zoned as "Business 2". Official Master Plan Zoning, Road and Drainage Interpretation Plans have not been applied for.

Location and Locality

Neighbourhood:	The immediate neighbourhood is predominantly industrial estates and developments.
City Services:	Available within the vicinity.
Public Transport:	Available along Tuas South Avenue 12. The subject property is some distance from Tuas West Road MRT Station.
Prominent Developments:	CES Logistics, Transco-Pac Building, E C One, TM Trans Industrial Building, Shine @ Tuas South, T99, The Index, Westlite Tuas Lodge 1, Tuas Biomedical Park I & II, Toolbox, Tac Warehouse, etc.
Overall Comments:	Close proximity to Pan-Island Expressway (PIE) & Ayer Rajah Expressway (AYE).

Description of Subject Property

Building Description:	Reinforced concrete structure with brick in-fill walls, reinforced concrete floor and concrete & metal roof.
Accommodations:	1st Storey Lift lobby/general production area/fire command centre/guard house/toilets/loading & unloading area
	2nd Storey Lift lobby/general production area/toilets
	2nd Storey Mezzanine Level Control room/electrical room
	3rd Storey Lift lobby/ancillary workers' dormitories/storerooms/pantry area/ toilets
	4th Storey Lift lobby/office rooms/server room/storeroom/pantry/toilets
Finishes:	Floors – Homogeneous tiles/cement screed
	Walls – Emulsion paint/homogeneous tiles/glass panels
	Ceilings – Emulsion paint/ceiling boards/false ceiling with downlights & cove lights/metal roofing sheets with insulation
Fixtures and Fittings:	Automatic mild steel main gate, aluminium framed windows, timber doors, roller shutters, cassette air-conditioning systems, ceiling fans, etc.
Services/Facilities:	All main Public Utilities and Telecommunication services are connected.
Overall Comments:	As at the date of inspection, the subject property was in a good state of external and internal repairs and maintenance.

Conclusion of Value

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the Market Value of the subject property free from all encumbrances for audit purpose only is S$21,000,000/-Singapore Dollars Twenty One Million Only.

Valuation of 8 Tuas South Street 7

Details of Subject Property

Based on information provided by the Company:

Address:	8 Tuas South Street 7 Singapore 637112
Type:	A Purpose-built 5-Storey Detached Factory with Mezzanine Level
Legal Description:	MK7-4593A
Tenure:	Leasehold 23 years wef 26 December 2012
Land Area:	5,047.6 sq m (or 54,332 sq ft) or thereabout
Floor Area:	3,530.0 sq m (or 37,997 sq ft) or thereabout
Annual Value:	S$948,000 (Year 2019)
Age of Building:	Circa 2017

Planning Provision

Based on 2014 Master Plan, the subject property is sited on land zoned as "Business 2". Official Master Plan Zoning, Road and Drainage Interpretation Plans have not been applied for.

Location and Locality

Neighbourhood:	The immediate neighbourhood is predominantly industrial estates and developments.
City Services:	Available within the vicinity.
Public Transport:	Available along Tuas South Avenue 12. The subject property is some distance from Tuas West Road MRT Station.
Prominent Developments:	CES Logistics, Transco-Pac Building, E C One, TM Trans Industrial Building, Shine @ Tuas South, T99, The Index, Westlite Tuas Lodge 1, Tuas Biomedical Park I & II, Toolbox, Tac Warehouse, etc.
Overall Comments:	Close proximity to Pan-Island Expressway (PIE) & Ayer Rajah Expressway (AYE).

Description of Subject Property

Building Description:	Reinforced concrete structure with brick in-fill walls, reinforced concrete floor and concrete & metal roof.
Accommodations:	1st Storey Lift lobby/general production room/office room/workshop/ storeroom/pump room/washing bay/guard house/toilets/loading & unloading area
	1st Storey Mezzanine Level Office room/pantry/toilets
	2nd Storey Lift lobby/heavy vehicle parking bays
	3rd Storey Lift lobby/ancillary workers' dormitories/storerooms/toilets/open terrace
	4th Storey Lift lobby/storerooms/toilets
	5th Storey Lift lobby/office rooms/meeting room/training room/server room/ pantry/storeroom/toilets
Finishes:	Floors – Carpet/homogeneous tiles/cement screed
	Walls – Emulsion paint/homogeneous tiles/wallpaper/ceramic tiles/ partitioned boards/glass panels
	Ceilings – Emulsion paint/ceiling boards/false ceiling with downlights & cove lights/metal roofing sheets with insulation
Fixtures and Fittings:	Automatic mild steel main gate, aluminium framed windows, timber doors, roller shutters, cassette air-conditioning systems, ceiling fans, etc.
Services/Facilities:	All main Public Utilities and Telecommunication services are connected.
Overall Comments:	As at the date of inspection, the subject property was in a good state of external and internal repairs and maintenance.

Conclusion of Value

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the Market Value of the subject property free from all encumbrances for audit purpose only is S$10,000,000/-Singapore Dollars Ten Million Only.

Valuation of 17A Senoko Way

Details of Subject Property

Based on information provided by the Company:

Address:	17A Senoko Way Singapore 758056
Type:	A Part 2-Storey/Part 3-storey Detached factory with worker's dormitory
Legal Description:	MK13-3699L
Tenure:	Leasehold 60 years wef 1 January 1994
Land Area:	2,250.1 sq m (or 24,220 sq ft) or thereabout
Floor Area:	2,721.0 sq m (or 29,289 sq ft) or thereabout
Land Rent:	S$4,630.43 per month (inclusive of 7% GST)
Annual Value:	S$404,000 (Year 2019)
Age of Building:	Circa 2000's with A&A works done in Year 2012

Planning Provision

Based on 2014 Master Plan, the subject property is sited on land zoned as "Business 2". Official Master Plan Zoning, Road and Drainage Interpretation Plans have not been applied for.

Location and Locality

Neighbourhood:	The immediate neighbourhood is predominantly industrial estates and developments.
City Services:	Available within the vicinity.
Public Transport:	Available along Senoko Avenue & Admiralty Road West. The subject property is some distance from Sembawang MRT Station.
Prominent Developments:	Prima Food Building, Foodaxis @ Senoko, Food Xchange @ Admiralty, North Link Building, Admirax, 8B @ Admiralty, Woodlands Connection, Westlite Woodlands, Senoko Food Connection, Senoko Industrial Estate, etc.
Overall Comments:	Close proximity to Seletar Expressway (SLE).

Description of Subject Property

Building Description:	Reinforced concrete structure with brick in-fill walls, reinforced concrete floor and concrete & metal roof.
Accommodations:	1st Storey Lift lobby/entrance area/reception/general production areas/ general office area/meeting room/partitioned office rooms/server room/pantry/storerooms/sick bay/toilets/terrace
	2nd Storey Lift lobby/general office area/partitioned office rooms/meeting room/pantry/workers' dormitories/toilets
	3rd Storey Lift lobby/general office area/conference room/partitioned office rooms/meeting rooms/pantry/workers' dormitories/toilets
Finishes:	Floors – Carpet/homogeneous tiles/marble/epoxy/cement screed
	Walls – Emulsion paint/ceramic tiles/wallpaper/partition boards/ glass panels
	Ceilings – Emulsion paint/false ceiling with downlights & cove lights/ceiling boards/metal roofing sheets with insulation
Fixtures and Fittings:	Mild steel gates, aluminium framed windows, louvred windows, glass doors, timber doors, roller shutters, cassette/split unit air-conditioning systems, ceiling/wall/ventilation fans, television console, projector, feature wall, settee, cabinets & shelves, pantry cabinets with basin counters, sink support, etc.
Other Improvements:	Over head crane (10 Tonne), passenger lift, surveillance camera system, thumb-print access system, surface carparking lots, etc.
Services/Facilities:	All main Public Utilities and Telecommunication services are connected.
Overall Comments:	As at the date of inspection, the subject property was in a good state of external and internal repairs and maintenance.

Conclusion of Value

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the Market Value of the subject property free from all encumbrances for audit purpose only is S$5,000,000/-Singapore Dollars Five Million Only.

Valuation of 80 Senoko Drive

Details of Subject Property

Based on information provided by the Company:

Address:	80 Senoko Drive Singapore 758244
Type:	A Single Storey Detached Factory with Mezzanine Level
Legal Description:	MK13-1707M
Tenure:	Leasehold 30+30 years wef 16 December 1995
Land Area:	4,968.4 sq m (or 53,479 sq ft) or thereabout
Floor Area:	2,212.26 sq m (or 23,813 sq ft) or thereabout
Land Rent:	S$10,224.80 per month (inclusive of 7% GST)
Annual Value:	S$329,000 (Year 2019)
Age of Building:	Circa 1980's

Planning Provision

Based on 2014 Master Plan, the subject property is sited on land zoned as "Business 2". Official Master Plan Zoning, Road and Drainage Interpretation Plans have not been applied for.

Location and Locality

Neighbourhood:	The immediate neighbourhood is predominantly industrial estates and developments.
City Services:	Available within the vicinity.
Public Transport:	Available along Senoko Avenue & Admiralty Road West. The subject property is some distance from Sembawang MRT Station.
Prominent Developments:	Prima Food Building, Foodaxis @ Senoko, Food Xchange @ Admiralty, North Link Building, Admirax, 8B @ Admiralty, Woodlands Connection, Westlite Woodlands, Senoko Food Connection, Senoko Industrial Estate, etc.
Overall Comments:	Close proximity to Seletar Expressway (SLE).

Description of Subject Property

Building Description:	Reinforced concrete structure with brick in-fill walls, reinforced concrete floor and concrete & metal roof.
Accommodations:	1st Storey *E*ntrance area/reception/general production areas/office room/ pantry/storerooms/boiler room/guardhouse/toilets Mezzanine General office areas/partitioned office rooms/conference room/ server room/pantry/toilets
Finishes:	Floors – Carpet/epoxy/homogeneous tiles/vinly tiles/cement screed/granite Walls – Emulsion paint/ceramic tiles/partition boards/glass panels Ceilings – Emulsion paint/false ceiling with downlights/ceiling boards/metal roofing sheets with insulation
Fixtures and Fittings:	Mild steel main gate, aluminium framed windows, glass doors, timber doors, roller shutters, cassette/split unit air-conditioning systems, air-curtains, ceiling/wall/ventilation fans, pantry cabinets with basin counter, retractable awnings, etc.
Services/Facilities:	All main Public Utilities and Telecommunication services are connected.
Overall Comments:	As at the date of inspection, the subject property was in an average state of external and internal repairs and maintenance.

Conclusion of Value

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the Market Value of the subject property free from all encumbrances for audit purpose only is S$6,500,000/-Singapore Dollars Six Million and Five Hundred Thousand Only.

Valuation of Loyang Enterprise #06-05

Details of Subject Property

Based on information provided by the Company:

Address:	56 Loyang Way #06-05 Loyang Enterprise Building Singapore 508775
Type:	A Factory Unit
Legal Description:	MK31-U36671W
Tenure:	Leasehold 30 years wef 4 September 2013
Strata Area:	1,726.0 sq m (or 18,579 sq ft) (includes strata void of 731.0 sq m)
Age:	Circa 2016
Registered Proprietor:	800 Super Waste Management Pte Ltd
Annual Value:	S$174,000 (Year 2019)
Occupancy Status:	Tenanted at monthly rental of S$2,000.00

Planning Provision

Based on 2014 Master Plan, the subject property is sited on land zoned as "Business 2". Official Master Plan Zoning, Road and Drainage Interpretation Plans have not been applied for.

Location and Locality

Neighbourhood:	The immediate neighbourhood is predominantly industrial estates and developments.
Public Transport:	Available along Loyang Way.
Prominent Developments:	SIA Supplies Centre, Enlighten Building, DFS Tech Building, Changi Logistics Centre, SKP Industrial Building II, NCB Building, etc.
Overall Comments:	Readily accessible via Tampines Expressway (TPE) & Pan-Island Expressway (PIE).

Description of Subject Property

Description:	Loyang Enterprise is a 9-storey ramp-up industrial development comprising 100 units of factories and 1 ancillary staff canteen.
Construction:	Reinforced concrete/concrete piles, clay bricks and aerated concrete block wall/reinforced concrete flat roof with waterproofing and insulation system.
Facilities/Amenities:	Passenger lifts, goods lifts, ample parking lots, loading & unloading bays, security, etc.
Floor Loading:	15 kN/m2
Floor to Floor Height:	6.5 metres (mezzanine level 3.1 metres)
Building Description:	Reinforced concrete structure with brick in-fill walls, reinforced concrete floor and concrete & metal roof.
Accommodations:	1st Storey General production area/toilets/car & lorry parking lots Mezzanine Level General area/toilets
Finishes:	Floors – Cement screed/homogeneous tiles Walls – Emulsion paint/homogeneous tiles Ceilings – Emulsion paint/ceiling boards
Fixtures and Fittings:	Timber doors, metal door, aluminium framed windows & doors, split unit air-conditioners, wall fans, high & low pantry cabinets with basin counter, cabinets & shelves, etc.
Services/Facilities:	All main Public Utilities and Telecommunication services are connected.
Overall Comments:	As at the date of inspection, the subject property was in an average state of external and internal repairs and maintenance.

Conclusion of Value

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the Market Value of the subject property free from all encumbrances for audit purpose only is S$2,800,000/-Singapore Dollars Two Million And Eight Hundred Thousand Only.

Valuation of 18 Sungei Kadut Street 4

Details of Subject Property

Based on information provided by the Company:

Address:	18 Sungei Kadut Singapore 729046
Type:	A Single Storey Detached Factory with Mezzanine Level
Legal Description:	MK11-451A
Tenure:	Leasehold till 5 July 2020
Land Area:	7,229.4 sq m (or 77,817 sq ft) or thereabout
Floor Area:	1,787.89 sq m (or 19,245 sq ft) or thereabout
Land Rent:	S$11,951.28 per month (inclusive of 7% GST)
Annual Value:	S$169,000 (Year 2019)
Age of Building:	Circa 1980's

Planning Provision

Based on 2014 Master Plan, the subject property is sited on land zoned as "Business 2". Official Master Plan Zoning, Road and Drainage Interpretation Plans have not been applied for.

Location and Locality

Neighbourhood:	The immediate neighbourhood is predominantly industrial estates and developments.
City Services:	Available within the vicinity.
Public Transport:	Available along Sungei Kadut Street 1. The subject property is some distance from Yew Tee MRT Station.
Prominent Developments:	Koon Seng Building, Sunray Building, CKR Building, Fonda Global Building, Prospaq Industrial Building, Grandwork Building, Avenue Engineering Building, Trendspace (U/C), etc.
Overall Comments:	Close proximity to Bukit Timah Expressway (BKE) & Seletar Expressway (SLE).

Description of Subject Property

Building Description:	Reinforced concrete structure with brick in-fill walls, reinforced concrete floor and concrete & metal roof.
Accommodations:	1st Storey Entrance area/general office area/partitioned office rooms/general production areas/meeting room/storeroom/washing bay/toilets Mezzanine Level General office area/partitioned rooms/meeting room/pantry/storage area
Finishes:	Floors – Carpet/homogeneous tiles/mosaic/cement screed Walls – Emulsion paint/ceramic tiles/partition boards Ceilings – Emulsion paint/ceiling boards/metal roofing sheets with insulation
Fixtures and Fittings:	Automatic mild steel main gate, aluminium framed windows, mild steel framed windows & gates, glass doors, timber doors, PVC doors, roller shutters, cassette/split unit air-conditioning systems, wall/ventilation fans, pantry cabinets, etc.
Services/Facilities:	All main Public Utilities and Telecommunication services are connected.
Overall Comments:	As at the date of inspection, the subject property was in an average state of external and internal repairs and maintenance.

Conclusion of Value

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the Market Value of the subject property free from all encumbrances for audit purpose only is S$500,000/-Singapore Dollars Five Hundred Thousand Only.

General Assumptions

No allowance has been made in our report for any charges, mortgages or amounts neither owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

As the property is held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property for the whole of the unexpired term of the land use rights.

We have assumed the design and construction of the subject development are in compliance with the local planning regulations and have been approved by the relevant authorities.

Inspections

Our valuer, Mr. Perry Teo, visited the premises between 21 May 2019 and 23 May 2019.

For this exercise, we did not conduct site surveys or site investigations, as these do not form part of our terms of reference and therefore we cannot report that the subject property is free from rot, infestation or any other structural defects. We did not carry out a building or land survey, and we assume that the subject property is in a fair state of repair and condition. No tests have been carried out to any of the building services.

Exclusion

For the purposes of this engagement, we did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the appraised assets are used. It was assumed that prospective earnings would provide a reasonable return on the appraised value of the assets, plus the value of any assets not included in the appraisal, and adequate net working capital.

Valuation Conclusion – Real Properties

Subject to the assumptions and limiting conditions of this report, we are of the opinion that the Market Value of the Real Properties in its existing state as of Valuation Date and assuming that it is free from any encumbrances is circa **S$58,800,000** with breakdown as follows:

Asset	Market Value (S$'000)
2 Tuas South Street 7	13,000,000
6 Tuas South Street 7	21,000,000
8 Tuas South Street 7	10,000,000
17A Senoko Way	5,000,000
80 Senoko Drive	6,500,000
Loyang Enterprise #06-05	2,800,000
18 Sungei Kadut Street 4	500,000
Total Real Properties	**58,800,000**

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuations of prudent management of over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report and the observations and analyses are intended solely for use by the company and are not to be reproduced, disseminated or disclosed, in whole or in part, to any other party except in accordance with the terms of our engagement letter. The information contained in this report may include proprietary, sensitive and confidential information that has not been publicly disclosed. Release of this information to any other party could be damaging to the Company.

Respectfully submitted,

AVA Associates Limited

AVA Associates Limited, based in Hong Kong and Singapore, has been providing independent valuation services to clients in Asia since 2008. We provide transaction-based advisory services, primarily focusing on independent valuation services to assist its clients to comply with internal and external requirements. Our valuation team, made up of qualified professionals in their respective fields, has the expertise covering various classifications of tangible and intangible assets, focusing on four key competencies of business valuation, financial instrument valuation, intellectual property valuation and fixed asset valuation.

Statement of General Assumption and Limiting Conditions

This analysis is subject to the following general assumptions and limiting conditions:

Valuation – Property

1. This valuation is prepared in accordance with the Valuation Standards and Guidelines published by the Singapore Institute of Surveyors and Valuers.

2. Our responsibility in connection with this valuation report is limited to our client or person to whom this report is addressed and to that client only. We disclaim all responsibility and accept no liability to any other person(s) or party should this report be used by any such person(s) or party or for any.

3. Any action, claim or proceedings arising out of the engagement of services shall be brought against the Firm with whom the Client has engaged and not against any employee, director or sub-contractor of the Firm involved directly or indirectly in the delivery of the Services.

4. Any liability arising from the Valuer's negligence (if any) in connection with this engagement shall be limited to the amount of fees received for this engagement.

5. The report is considered invalid if there is non-payment of the valuation fees. We shall not be responsible and accept no liability of the report if payment is not received within 30 days from the date of report.

6. Each valuation is current as at the Valuation Date only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. We also do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the Valuation Date.

7. The values assessed in this report for the subject property and any allocation of values between parts of the property applies strictly on the terms of and for the purpose of the valuation stated in the report and may not be used for any other purpose.

8. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we accept no responsibility if this information should later prove not to be so.

9. We may adopt assumptions in the valuation being carried out as some matters cannot be calculated accurately or fall outside the scope of our expertise. The risk that any of the assumptions adopted in our valuation may be incorrect should be taken into account. While all reasonable care is taken, we does not warrant or represent that the assumptions on which this valuation is based are accurate or correct.

10. Neither the whole nor any part of this report nor any reference to it may be included in any document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear.

11. While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation of other hidden defects. We have also not made any tests to the building services (e.g. air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc.) and these services are presumed to be in good working order.

12. Our valuation assumes that the title(s) is(are) in good order and marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s).

13. We have not conducted a land survey to verify the land boundaries and site areas and whether all developments and improvements are within such boundaries. We have assumed, unless otherwise stated, that all developments and improvements are within the boundaries of such land parcel as described in this report and the land parcel is fully owned by the property owner.

14. Any plans or map included in this report are meant for identification purposes and to assist the reader in visualizing the subject property. We have not made any survey of the property and assume no responsibility in connection with such matters.

15. Unless otherwise instructed, we do not carry out requisition with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements, drainage proposal, etc.

16. Our valuation presumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations.

17. Our valuation is prepared on the basis that the premises and any works (e.g. alterations and additions) thereto comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a statutory completion by the Building Authority.

18. Our valuation assumes that all development charges and maintenance/service/conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid.

19. Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property(ies).

20. In the event that we are instructed to provide a valuation based on kerb-side inspection and/or without the extent of information normally available, our valuation will be dependent on the adequacy and accuracy of the information supplied and/or the assumptions make. Should the information prove to be incorrect or inadequate, the accuracy of the valuation may be affected and we shall not be held responsible for the inaccuracy of the valuation.

21. We shall not be required to give testimony or to appear in court for any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed.

22. This is a Summary Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the valuation process to develop the valuation professional's estimate of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the valuation professional's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The valuation professional is not responsible for unauthorized use of this report.

RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are set out below:

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 17A Senoko Way, Singapore 758056 during normal business hours for the period during which the Offer remains open for acceptance.

(A) RIGHTS IN RESPECT OF CAPITAL

SHARES

Shares under control of Company in General Meeting.

5. Subject to the Statutes and the Listing Manual, no shares may be issued without the prior approval of the Company in General Meeting but subject thereto and to these Articles relating to new shares and to any special right attached to any share for the time being issued, the Directors may allot (with or without conferring any right of renunciation), grant options over or otherwise dispose of the same to such persons on such terms and conditions (including such consideration) and at such time as the Directors determine Provided Always that the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.

Authority of Directors to issue shares.

6(1). The Company in General Meeting may by Ordinary Resolution authorise the Directors to exercise any power of the Company to issue shares, such authority being confined to a particular exercise of that power or generally. Any such authority may be unconditional or subject to conditions and shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held whichever is the earlier but may be previously revoked or varied by the Company in General Meeting Provided Always that no shares may be issued to transfer a controlling interest without prior approval of the Company in General Meeting.

6(2). Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the SGX-ST) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof or before such share is entered against the name of a Depositor in the Depository Register, as the case may be, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of such share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit.

7. *Any share in the Company may be issued with such preferred, qualified, deferred or other special rights, privileges and conditions or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the Statutes, the Company may issue preference shares which are or, at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine PROVIDED ALWAYS that the total number of issued preference shares shall not exceed the total number of issued ordinary shares at any one time.*

Company may issue shares with preferred, qualified, deferred and other special rights.

8. *The Company shall have the power to issue further preference capital ranking equally with or in priority to the preference capital then already issued.*

Issue of further Preference shares.

9. *Subject to the provisions of the Statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a Special Resolution passed by holders of such preference shares at a special meeting called for the, purpose. To any such special meeting, all provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him and that any holder of the preference shares concerned present either in person or by proxy may demand a poll Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.*

Alteration of rights of preference shareholders.

10. *Preference shareholders shall have the same rights as ordinary Members as regards the receiving of notices, reports and balance sheets and the attending of 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 of the Company or winding up or sanctioning the 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 months in arrears.*

Rights of preference shareholders.

11. *If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the holder for the time being of the share or his legal personal representative.*

Instalments of shares.

12. *The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, for any share in the capital of the Company but such commission shall not exceed ten per cent of the price at which the shares are issued or an amount equivalent thereof. Any such commission may be paid in whole or in part in cash or fully or partly paid shares of the Company as may be arranged, and 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, whether absolute or conditional, for any share in the Company, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the Statutes shall be observed, as far as applicable.*

Commission for subscribing.

13(1). *The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, administrators or trustees of the estate of a deceased Member.*

Joint holders.

13(2). *Subject to Article 13(1), any two or more persons may be registered as joint holders of any share and the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls and interest (if any) due in respect of such share.*

13(3). *The joint holder first named in the Register or the Depository Register, as the case may be, shall as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.*

14. *No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the person (other than the depository) entered in the Register as the registered holder or in the person whose name is entered in the Depository Register in respect of that share, as the case may be, except only where these Articles otherwise provide or as required by the Statutes or pursuant to any order of Court.*

No trusts recognised.

15. *No person shall exercise any rights of a Member in respect of a share until his name shall have been entered in the Register as the registered holder thereof or in the Depository Register in respect of such share, as the case may be, and, unless the Directors otherwise determine, such person shall have paid all calls and other moneys for the time being due and payable on any share held by him.*

Exercise of rights of Members.

16. *No part of the funds of the Company shall be employed by the Directors or the Company in the acquisition of shares in the Company or in lending on the security of shares in the Company unless permitted by the Statutes.*

Company not to deal with its own shares.

SHARE CERTIFICATE

17. *Every certificate for shares shall be under the Seal.*

Authentication of certificates.

18. *Every certificate of shares shall specify the number of the shares in respect of which it is issued, and the amount paid up thereon. No share certificate shall be issued representing shares of more than one class.*

Certificates shall specify number of shares.

19. *Every person whose name is entered as a registered holder in the Register shall be entitled without payment to receive within ten Market Days (or such other period as may be approved by the Exchange) after the closing date for applications to subscribe for a new issue of shares and within fifteen Market Days (or such other period as may be approved by the Exchange) after lodgement of a registrable transfer one certificate under the Seal in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class subject to such person's prior payment of two Singapore Dollars (or such other sum as the Directors shall from time to time determine having regard to any limitation thereof as the Exchange may prescribe) for every certificate after the first and such stamp duty as is payable on such certificate unless otherwise directed by the Directors Provided Always that in the case of joint registered holders, the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders.*

Member's right to certificate & cancellation of certificates.

20(1). *Where only some of the shares comprised in any share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu thereof without charge.*

Issue of replacement certificates.

20(2). *Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register may be cancelled at his request and a single new certificate for such shares issued in lieu thereof without charge.*

20(3). *Any share certificate representing shares of any class held by any person whose name is entered in the Register may be surrendered by such person for cancellation and at his request the Company may issue in lieu thereof two or more share certificates representing such shares in such proportions as such person may specify, and the Directors may comply with such request if they think fit. Such person shall pay a maximum of two Singapore Dollars for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine, taking into consideration any limitation thereof as may be prescribed by the Exchange.*

20(4). *Subject to the Statutes, if any share certificate shall be defaced, worn out, destroyed, stolen or lost, it may be renewed on such evidence being produced and a letter of indemnity or undertaking (if required) being given by the purchaser, registered holder, transferee, person entitled or Member company of the Exchange or on its behalf or their client or clients as the Directors shall require and in the case of defacement or wearing out on delivery up of the old certificate and in any case on payment of such sum not exceeding two Singapore Dollars as the Directors may from time to time require (or such other amount not exceeding two Singapore*

Dollars as may be permitted under the Statutes). In the case of theft, destruction or loss the registered holder or the 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 theft, destruction or loss.

20(5). Where shares are registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.

21. The certificates of shares registered in the names of two or more persons may be delivered to the joint holder first named in the Register.

Delivery of share certificates.

TRANSFER OF SHARES

40. Save as provided by these Articles, there shall be no restriction on the transfer of fully paid shares (except where required by law or by the rules, bye-laws or listing rules of the Exchange). All transfers of shares may be effected by way of book-entry in the Depository Register Provided Always that the legal title in the shares may be transferred by the registered holders thereof by an instrument of transfer in the form approved by the Exchange. The instrument of transfer shall be left at the Office accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the registered holder of the shares until the name of the transferee is entered in the Register in respect thereof.

Shares to be transferable.

41. The instrument of transfer shall be signed both by the transferor and by the transferee, and it shall be witnessed Provided Always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository.

Instrument of transfer.

42. Shares of different classes shall not be comprised in the same instrument of transfer.

Only shares of same class to be in same instrument.

43. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Restriction on transfer.

44(1). All instruments of transfer which are 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 Instrument of transfer and disposal of documents.

44(2). The Company shall be entitled to destroy:–

(a) all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof;

(b) all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof; and

(c) all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof.

44(3). It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that:

(a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;

(b) every share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and

(c) 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.

44(4). Articles 44(2) and 44(3) 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.

44(5). Nothing contained in this Article 44 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 other circumstance which would not attach to the Company in the absence of this Article 44, and references in this Article 44 to the destruction of any document include references to the disposal thereof in any manner.

Fees relating to transfers.

45. *The Directors may decline to accept any instrument of transfer unless:–*

(a) all or any part of the stamp duty (if any) payable on each share transfer arid such fee not exceeding two Singapore Dollars for each transfer or such other sum as may from time to time be prescribed by the Exchange is paid to the Company; and

(b) such fee not exceeding two Singapore Dollars as the Directors may from time to time determine is paid to the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.

Powers of Directors to refuse to register.

46. The Directors may refuse to register the transfer of shares or allow the entry of or against a person's name in the Depository Register in respect of share transferred or to be transferred to such person:–

(a) which are not fully paid up; or

(b) on which the Company has a lien.

Notice of refusal to be sent by Company.

47. If the Directors refuse to register any transfer of any share they shall, where required by the Statutes, serve on the transferor and transferee, within one month beginning with the day on which the transfer was lodged with the Company, a notice in writing informing each of them of such refusal and of the facts which are considered to justify the refusal.

48. *The Register may be closed at such times and for such periods as the Directors may from time to time determine Provided Always that the Register shall not be closed for more than thirty days in any year Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange stating the period and purpose or purposes for which such closure is to be made.*

Closure of the Register.

PURCHASE OF OWN SHARES

52(1). *Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act.*

Company may purchase its own shares.

52(2). *All shares purchased by the Company shall (unless held as treasury shares in accordance with the provisions of the Act) be deemed to be cancelled. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorized by, or prescribed pursuant to, the Act.*

Treasury Shares.

STOCK

53. *The Company in General Meeting may by Ordinary Resolution convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares.*

Conversion of shares to stock.

54. *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 default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum amount of stock transferable.*

Stockholders entitled to transfer interest.

55. *The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same rights, privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such rights, privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares, have conferred such rights, privileges or advantages.*

Stockholders entitled to profits.

56. *All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words "shares" shall include "stock", and "Depositor", "Member" and "shareholder" shall include "stockholder".*

Definitions.

INCREASE OF CAPITAL

57. *The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorising such increase shall direct.*

Power to increase capital.

58(1). *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Listing Manual, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances permit, to the number of the existing shares to which they are entitled. 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 fit 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) cannot, in the opinion of the Directors, be conveniently offered under this Article 58(1).*

Issue of new shares to Members and Notice of issue.

58(2). *Notwithstanding Article 58(1), 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:*

(i) *(a)* *issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or*

(b) *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 warrants, debentures or other instruments convertible into shares; and*

(ii) *notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force.*

provided that:

a. *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 SGX-ST;*

b. *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the Listing Manual (unless such compliance is waived by the SGX-ST) and these Articles; and*

c. *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.*

New capital considered part of original capital.

59. *Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association or these Articles, any capital raised by creation of new shares shall be considered as part of the original capital and all new shares 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.*

ALTERATION OF CAPITAL

Alteration of capital.

60(1). *The Company may by Ordinary Resolution:–*

(a) *consolidate and divide all or any of its share capital; or*

(b) *cancel the number of 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 share capital by the number of the shares so cancelled; or*

(c) *sub-divide its existing shares or any of them. The resolution by which the subdivision is effected may determine that, as between the holders of the resulting shares, one or more of such shares may have any such preferred, deferred or other special rights or be subject to any restriction as the Company has power to attach to unissued or new shares; or*

(d) *subject to the Statutes, convert any class of shares into any other class of shares.*

60(2). *The Company may by Special Resolution reduce its share capital in any manner and with and subject to any requirement authorised and consent required by law.*

MODIFICATION OF CLASS RIGHTS

Modification of class rights.

61. *Subject to the Statutes and save as provided by these Articles, all or any of the special rights or privileges attached to any class of shares in the capital of the Company for the time being issued may, at any time, as well before as during liquidation, be modified, affected, altered or abrogated, either with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting, but so that the quorum thereof shall be not less than two persons personally present and holding or representing by proxy one-third of issued shares of the class, and that any holder of shares of the class, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class held or represented by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or Resolution to the Registrar of Companies.*

(B) RIGHTS IN RESPECT OF DIVIDENDS

LIEN ON SHARES

22. *The Company shall have a first and paramount lien on every share (not being a fully-paid share) and all dividends or interests from time to time declared in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time, in respect of that share and for all moneys which the Company may be called upon by law to pay in respect of the shares of the Member or the deceased Member. The Directors may however waive any lien which has arisen and may resolve that any share shall for any limited period be exempt wholly or partially from the provisions of this Article 22.*

Company's lien on shares.

23. *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, and no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on the holder for the time being of the share 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 days after such notice.*

Right to enforce lien by sale.

24. *The net proceeds of any such sale shall be applied in or towards the satisfaction of the amount due, and the residue (if any) shall be paid to the person whose share has been sold, his executors, administrators, trustees or assignees or as he shall direct.*

Application of proceeds of sale.

25. *To give effect to any such sale the Directors may authorise some person to transfer or to effect the transfer, as the case may be of the shares sold to the purchaser.*

How sale to be effected.

CALLS ON SHARES

26. *The Directors may from time to time make calls upon the Members in respect of any money unpaid on their shares or on any class of shares and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to his having been given at least fourteen 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. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.*

Powers of Directors to make calls.

27. *The joint holders of a share shall be jointly and severally liable to pay all calls and interest (if any) in respect thereof.*

Joint and several liability.

28. *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 the rate of eight per cent per annum from the day appointed for payment thereof to the time of actual payment, but the Directors shall have power to waive payment of such interest or any part thereof.*

Interest on unpaid calls.

29. *Any sum which by the terms of allotment of a share is made payable upon issue 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 case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all the other relevant provisions of these Articles or the Statutes shall apply as if such sum were a call duly made and notified as hereby provided.*

Sums payable under terms of allotment to be deemed calls.

30. *The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.*

Difference in calls between various holders.

31. *The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any part of the moneys so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.*

Payment of call in advance.

FORFEITURE OF SHARES

32. *If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any interest thereon, the Directors may at any time thereafter during such time as the call or instalment or interest remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest (including interest upon interest) and expenses that may have been incurred by the Company by reason of such non-payment.*

Notice to be given of intended forfeiture.

33. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or interest is payable shall be liable to be forfeited.*

Form of notice.

34. *If the requirements of any notice as aforesaid are not complied with, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*

If notice not complied with shares may be forfeited.

35. *Any share so forfeited or surrendered shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit. 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.*

Sale etc of forfeited and surrendered shares.

36. *The Directors may at any time before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender thereof upon such conditions as they think fit.*

Power to annul forfeiture.

37. *For the purpose of giving effect to any sale of forfeited or surrendered shares, the Directors may authorise some person to transfer or to effect the transfer of, as the case may be, the shares sold to the purchaser.*

Transfer of forfeited or surrendered shares.

38. *Any Member whose shares shall have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares but shall, notwithstanding such forfeiture or surrender, be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until payment, at the rate of eight per cent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. Any residue after the satisfaction of the unpaid calls, accrued interest and expenses shall be paid to the person whose shares have been forfeited or surrendered, his executors, administrators, trustees or assignees or as he shall direct.*

Liability on forfeited share.

39(1). *A statutory declaration in writing that the declarant is a Director or the Secretary, and that a share has been duly forfeited, surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate, where the same be required, delivered to a purchaser or (where the purchaser is a Depositor) to the Depository or the allottee thereof, as the case may be, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share.*

Declaration by Director or Secretary conclusive of fact of forfeiture.

39(2). *(a)* *In the event of such sale, re-allotment or disposal, where the person (the "Relevant Person") to whom the share is sold, re-allotted or disposed of is not a Depositor, the share shall be registered in the Register in the name of the Relevant Person and, where the Relevant Person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of.*

(b) *The Relevant Person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*

TRANSMISSION OF SHARES

49(1). *In the case of the death of a Member the survivor where the deceased was a joint holder, and the legal personal representative of the deceased who was a sole or only surviving holder, or where such legal representative is entered in the Depository Register in respect of the shares of the deceased Member who was a Depositor, shall be the only person recognised by the Company as having any title to his shares.*

Transmission of registered shares.

49(2). *Nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.*

50. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register may upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the share, upon giving to the Company notice in writing of such intent, or to make such transfer thereof as such deceased or bankrupt person could have made, but the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of such transfer by such deceased or bankrupt person before the death or bankruptcy, as the case may be.*

Rights of registration and transfer upon demise or bankruptcy of Member.

51. *Save as otherwise provided in these Articles, a person becoming entitled to a share pursuant to Articles 49(1) and 50, 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 or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member until he shall have been registered as a Member in the Register or his name shall have been entered in the Depository Register, as the case may be Provided Always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with within ninety days of the date of such notice, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.*

Person registered under transmission clause entitled to dividends.

DIVIDENDS

135. *The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively.*

Appropriation of profits.

136. *The Company in General Meeting may by Ordinary Resolution declare a dividend on or in respect of any share to the Members according to their rights and interest in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.*

Declaration of Dividend.

137. *No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.*

Dividend payable out of profits.

138. *The declaration of the Directors as to the net profits of the Company shall be conclusive.* *Declaration conclusive.*

139. *The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.* *Interim dividend.*

140. *The Directors may retain any dividends 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.* *Debts may be deducted.*

141. *A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be.* *Effect of transfer.*

142. *Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debenture stock of any other company, or in any one or more of such ways.* *Dividend in specie.*

(1) *The Directors may further resolve in the case of ordinary shares in the Company, 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:–*

(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, and 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 or dividends 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 any specific case, 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 whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu 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 (notwithstanding any provision of the Articles to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalization, application, payment and distribution of funds which may be lawfully appropriated, capitalized, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (a) capitalize and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and,amongst the holders of the elected ordinary shares on such basis, or (b) 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 provisions 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 appropriation, capitalization application, payment and distribution of funds pursuant to this Article, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, 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) and to authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such appropriation, capitalization, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

143. *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmissions of shares hereinbefore contained entitled to become a Member, or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.*

Power to retain dividends.

144. *In case several persons are registered in the Register or entered in the Depository Register, as the case may be, as the holders of any share, any resolution of the Directors or the Company in General Meeting declaring a dividend on shares of any class may specify that the dividend shall be payable to such persons at the close of business on a particular date and thereupon the dividend shall be payable in accordance with their respective holdings so registered. Any person registered in the Register or in the Depository Register, as the case may be, as the holder or joint holder of any share or is entitled jointly to a share in consequence of the death or bankruptcy of the holder may give effectual receipts for dividends, bonuses, other moneys payable or properties distributable and payment on account of dividends on or in respect of such shares.*

Payment to and receipt by joint holders.

145. *Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.*

Notice of dividend.

146. *Unless otherwise directed, any dividend may be paid by cheque, dividend warrant or Cashiers' Order, sent through the post to the registered address appearing in the Register or the Depository Register, as the case may be, of the Member or person entitled, or where two or more persons are registered in the Register or entered in the Depository Register, as the case may be, as joint holders or are entitled to the dividend as a result of the death or bankruptcy of the holder, to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect thereof and every cheque, dividend warrant or Cashiers' Order so sent shall be made payable to the order of the person to whom it is sent or to any person and address as such Member(s) or persons(s) may direct in writing. The Company shall not be responsible for the loss of any cheque, dividend warrant or Cashiers' Order, which shall be sent by post duly addressed to and at the sole risk of the Member or person for whom it is intended. Payment of the cheque, dividend warrant or Cashiers' Order by the bank upon which they are respectively drawn shall be a full and valid discharge to the Company. Notwithstanding the provisions of these Articles, payment by the Company to the Depository of any dividend payable to a Depositor shall also be a full and valid discharge of the Company from liability to the Depositor in respect of that payment to the extent of the payment made to the Depository.*

Payment by post.

147. *The Depository will hold all dividends unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of the Company until claimed.*

Unclaimed dividends.

CAPITALISATION OF PROFITS AND RESERVES

Capitalisation of profits and reserves.

148(1). The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to 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; and accordingly that such sum be set free for distribution amongst the holders of shares in the Register or in the Depository Register, as the case may be, who would have been entitled thereto if distributed by way of dividends and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such holders or to their nominees in the proportion aforesaid or partly in the one way and partly in the other and the Directors shall give effect to such resolution.

148(2). Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and ail allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of the holders of such shares in the Register or in the Depository Register, as the case may be, under such resolution to a fractional part of a share by the issue of fractional certificates or by payment in cash or otherwise as they think fit and also to authorise any persons to enter on behalf of such holders entitled thereto or their nominees into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation; and any agreement made under such authority shall be effective and binding on all such holders and their nominees.

RESERVE FUND

Formation and object of Reserve Fund.

149. The Directors may, before declaring any dividend or bonus in respect of any class of shares out of or in respect of the earnings or profits of the Company for any yearly or other period, cause to be reserved or retained and set aside out of such sums as they may determine to form a reserve fund to meet contingencies or depreciation in the value of the property of the Company, or for equalising dividends or for special dividends or for distribution of bonuses or for repairing, improving and maintaining any of the property of the Company, or for such other purposes the Directors shall, in their absolute discretion, think conducive to the interest of the Company.

(C) RIGHTS IN RESPECT OF VOTING

GENERAL MEETINGS

General Meetings.

66. In addition to any other meetings, a General Meeting shall be held once at least in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings but in any event before the expiry of four months from the close of the financial year of the Company, or such other period as may be prescribed under the Statutes or by the SGX-ST from time to time.

Annual General Meetings.

67. The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.

First Annual General Meeting.

68. The First Annual General Meeting of the Company shall be held at such time within a period of riot more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine.

Directors may call Extraordinary General Meetings.

69. The Directors may call an Extraordinary General Meeting of the Company whenever they think fit in accordance with the Statutes.

Extraordinary General Meetings called on requisition of shareholders.

70. The Directors shall, on the request of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such request the following provisions shall have effect:–

(a) The request must state the objects of the meeting and must be signed by the requestor and deposited at the Office, and may consist of several documents in like form each signed by one or more requestor.

(b) If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the request being so deposited, the requestor or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.

(c) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the Directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by the Statutes.

(d) Any meeting convened under this Article by the requestor shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.

71. *Subject to the Statutes relating to the convening of meetings to pass Special Resolutions and agreements for shorter notice, at least fourteen clear days' notice in writing specifying the place, day and hour of the meeting, and in case of special business, a notice in writing setting out the general nature of such special business, accompanied by a statement regarding the effect of any proposed resolution in respect of such special business, shall be given to all Members and the Exchange other than such as are not entitled under these Articles to receive such notices from the Company. At least fourteen days notice in writing of any General Meeting shall be given and at least twenty-one days' notice in writing in the case of a Meeting to pass Special Resolution shall be given to all Members and the Exchange. Every such notice shall be published in at least one English Language daily newspaper circulating in the Republic of Singapore at least fourteen clear days before the meeting. Whenever any meeting is adjourned for fourteen days or more, at least seven days' notice in writing of the place and hour of such adjourned meeting shall be given in like manner Provided Always that when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.*

Notice of meeting.

72. *Any Member entitled to be present and vote at a meeting or his proxy may submit any resolution to any General Meeting, provided that at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served and the day appointed for the meeting, there shall be not less than three nor more than fourteen intervening days.*

Members may submit resolution to meeting on giving notice to Company.

73. *Upon receipt of any such notice as in the last preceding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.*

Secretary to give notice to Members.

74. *The accidental omission to give any notice to or non-receipt of any notice by any Member shall not invalidate the meeting or any resolution passed or proceedings at any such meeting.*

Accidental omission to give notice.

PROCEEDINGS AT GENERAL MEETINGS

75. *All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business 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 Auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, the declaration of dividends and the appointment of and the fixing of the remuneration of the Auditors.*

Special business.

76. *Save as is herein otherwise provided, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum is present at the commencement of the business. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 91.*

Quorum.

77. *If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon 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. At the adjourned meeting, any two or more Members present in person or by proxy shall be a quorum.*

If quorum not present.

78. *The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen 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.

79. *The Chairman 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, 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.*

Adjournment.

80. *At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by:–*

How matters are to be decided.

(a) the Chairman of the meeting; or

(b) not less than two Members present in person or by proxy and entitled to vote; or

(c) a Member or Members present in person or by proxy, holding or representing, as the case may be:–

(i) not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting; or

(ii) shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

81(1). *If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.*

Chairman's direction as to poll.

81(2). *No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.*

82. *Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.*

Declaration of Chairman conclusive.

83(1). *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting, as the case may be, at which the vote objected to is or may be given, tendered or cast, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.*

Objection to admissibility.

83(2). *If 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 voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.*

84. *In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.*

In the event of equality of votes.

VOTES OF MEMBERS

85(1). *Subject to and without prejudice to any special privileges or restriction 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:–*

Voting rights.

(a) *every Member who is present in person or by proxy shall have one vote on a show of hands, the Chairman to decide which proxy shall be entitled to vote where a Member is represented by two proxies; and*

(b) *every Member who is present in person or by proxy, in case of a poll, shall have one vote for every share which he holds or represents and upon which all calls or other sums due thereon to the Company have been paid.*

85(2). *For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting upon a poll being called, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company.*

86. *In the case of joint holders 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 joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.*

Right of joint holders.

87. *Unless the Directors otherwise determine, no person other than a Member who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any resolution either personally or by proxy at any General Meeting.*

Members only entitled to vote upon full payment.

88. *A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy.*

Votes of Members of unsound mind.

89. *On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*

Vote personal or by proxy.

90(1). *A proxy need not be a Member.*

Proxies.

90(2). *A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting Provided Always that where the Member is a Depositor, the Company shall be entitled and bound:–*

(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company;

(b) to accept as the maximum number of votes which in aggregate the proxy or proxies 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 the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and

(c) in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

90(3). *In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. if no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.*

91. *Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meetings of the Company or any class of Members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder.*

Corporation may appoint representative.

92. *An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:–*

Execution of instrument of proxy on behalf of shareholder.

(1) in the case of an individual shall be signed by the shareholder or his attorney;

(2) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

93. Where an instrument appointing a proxy is signed on behalf of the shareholder by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

Lodgement of instrument appointing proxy.

94. The signature on an instrument of proxy need not be witnessed.

No witness needed for instrument of proxy.

95. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided Always that no notice in writing of the death or revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting.

When vote by proxy valid though authority revoked.

96. An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.

Instrument deemed to confer authority.

97. Where the capital of the Company consists of shares of different monetary denominations, 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.

Voting in respect of shares of different monetary denominations.