

CIRCULAR DATED 26 DECEMBER 2024

THIS CIRCULAR IS ISSUED BY VIBROPOWER CORPORATION LIMITED (“COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt as to the course of 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) and/or Warrants (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or the 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 and/or Warrants which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the SGX-ST (as defined herein), and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the statements made, reports contained or opinions expressed in this Circular.



VIBROPOWER CORPORATION LIMITED

(Company Registration No. 200004436E)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS AND WARRANTHOLDERS

in relation to the

MANDATORY CONDITIONAL CASH OFFER

by

MR. BENEDICT CHEN ONN MENG

to acquire all the issued and paid-up ordinary shares in the share capital of the Company excluding treasury shares and those shares already owned, controlled or agreed to be acquired by Mr. Benedict Chen Onn Meng.

Independent Financial Adviser to the Independent Directors of the Company



SAC CAPITAL PRIVATE LIMITED

(Company Registration No. 200401542N)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES MUST BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 9 JANUARY 2025 (“CLOSING DATE”). THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND THE CLOSING DATE OR REVISE THE TERMS OF THE OFFER.

THE OFFEROR HAS FURTHER GIVEN NOTICE THAT THE OFFER WILL CLOSE AT 5.30 P.M. ON 9 JANUARY 2025 AND WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. ON 9 JANUARY 2025, SAVE THAT SUCH NOTICE SHALL NOT BE CAPABLE OF BEING ENFORCED IN A COMPETITIVE SITUATION.

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DEFINITIONS

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

“1H2025”	:	Half year period ended 30 September 2024
“Acceptance Forms”	:	Collectively, the acceptance forms for Offer Shares and/or Warrants, as the case may be
“Acquisitions”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Business Day”	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders and Warrantholders dated 26 December 2024 issued by the Company
“Closing Date”	:	5.30 p.m. (Singapore time) on 9 January 2025
“Concert Parties”	:	Parties acting, or deemed to be acting, in concert with the Offeror, including the Primary Concert Party
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act 1967 of Singapore
“Company”	:	Vibropower Corporation Limited
“Company Securities”	:	Shares, securities which carry voting rights in the Company, or convertible securities, warrants, options or derivatives in respect of such Shares or securities
“Constitution”	:	The memorandum of association and articles of association of the Company, as amended from time to time
“CPF”	:	Central Provident Fund
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF account contributions pursuant to the CPFIS
“CPFIS Warrants Investors”	:	Investors who have purchased Warrants using their CPF account contributions pursuant to the CPFIS

DEFINITIONS

“Directors”	:	The directors of the Company as at the Latest Practicable Date
“FAA”	:	Forms of Acceptance and Authorisation for Offer Shares in respect of the Offer, which form part of the Offer Document and which are issued to Shareholders whose Offer Shares are deposited with CDP
“FAT”	:	Forms of Acceptance and Transfer for Offer Shares in respect of the Offer, which form part of the Offer Document and which are issued to Shareholders whose Offer Shares are registered in their own name in the Registrar and are not deposited with CDP
“FY”	:	Financial year ended or ending on, as the case may be, 31 March
“FY2024 Results”	:	The audited consolidated financial statements of the Group for FY2024, as set out in the annual report of the Company published on SGXNET on 11 September 2024 and reproduced in Appendix III to this Circular
“Group”	:	The Company and its subsidiaries
“IFA”	:	SAC Capital Private Limited, the independent financial adviser to the Independent Directors in connection with the Offer and Warrants Offer
“IFA Letter”	:	The letter dated 26 December 2024 from the IFA to the Independent Directors containing its advice in relation to the Offer and Warrants Offer, as set out in Appendix I to this Circular
“Independent Directors”	:	The Directors who are considered to be independent, do not have irreconcilable conflict of interests nor have been exempted by the SIC, for the purposes of the Offer and Warrants Offer, from expressing a recommendation to the Shareholders and Warrantholders in relation to the Offer and Warrants Offer, namely Mr. Ernest Yogarajah s/o Balasubramaniam, Mr. Tan Poh Chye Allan and Mr. Hew Koon Chan
“Independent Valuers”	:	CBRE WTW Valuation & Advisory Sdn Bhd and Cushman and Wakefield VHS Pte Ltd, the independent valuers commissioned by the Company to perform an independent valuation of the Investment Property and Leasehold Property respectively, each an “Independent Valuer”

DEFINITIONS

- “Interested Persons”** : As defined in the Note to Rule 24.6 read with the Note on Rule 23.12 of the Code, an interested person 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% or 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.
- “Investment Property”** : A freehold land located in Kluang, Malaysia for the future use of the Group’s biomass power plant
- “Latest Practicable Date”** : 12 December 2024, being the latest practicable date prior to the dissemination of this Circular
- “Leasehold Property”** : The property located at 11 Tuas Avenue 16, Singapore 638929, which is partially tenanted and partially occupied by the Group for its business
- “Listing Rules”** : The listing manual of the SGX-ST
- “Notification”** : The notification sent by post to Shareholders and Warrantheolders containing addresses and instructions on how to retrieve the electronic copy of the Offer Document and the Warrants Offer Letter from the websites of the SGX-ST and the Company
- “Market Day”** : A day on which the SGX-ST is open for trading of securities

DEFINITIONS

“Offer”	:	The mandatory conditional cash offer made by the Offeror, on the Offer Announcement Date, to the Shareholders to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT as may be amended, extended or revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement relating to the Offer and Warrants Offer issued by the Offeror on the Offer Announcement Date
“Offer Announcement Date”	:	21 November 2024, the date of the Offer Announcement
“Offer Document”	:	The offer document dated 12 December 2024, and any other document(s) which may be issued by the Offeror, to amend, revise, supplement or update the document(s) from time to time, including the Relevant Acceptance Forms, as the case may be
“Offer Price”	:	S\$0.02 in cash for each Offer Share
“Offer Shares”	:	All Shares other than treasury shares and those Shares already owned, controlled or agreed to be acquired by the Offeror, Primary Concert Party and persons acting in concert with the Offeror as at Offer Announcement Date, including all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants
“Offer Unconditional Announcement”	:	Has the meaning ascribed to it in Section 2.3 of this Circular
“Offer Unconditional Date”	:	16 December 2024, the date on which the Offer was declared to be unconditional in all respects in accordance with its terms pursuant to the Offer Unconditional Announcement
“Offeror”	:	Mr. Benedict Chen Onn Meng
“Overseas Shareholders”	:	Shareholders and Depositors whose addresses are outside Singapore, as shown in the Register or the Depository Register, as the case may be
“Overseas Warranholders”	:	Warranholders whose addresses are outside Singapore, as shown in the register of holder of Warrants or the Depository Register, as the case may be
“Primary Concert Party”	:	Mr. Chen Siew Meng, the Offeror’s brother
“Properties”	:	The Investment Property and Leasehold Property collectively

DEFINITIONS

“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Registrar”	:	Boardroom Corporate & Advisory Services Pte Ltd
“Relevant Acceptance Forms”	:	The FAA, the FAT, and/or Warrants FAA (as the case may be)
“Relevant Period”	:	The period of six (6) months immediately preceding the Offer Announcement Date
“Sale Shares”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Sellers”	:	Means Mr. Wong Kin Siong, Ms. Ong Ai Ling, Mr. Wong Chong Heng, Mr. Chua Aik Fook, Ms. Liu Yang, Mr. Lee Beng Chong collectively
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“SGXNet”	:	The Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	Supplementary Retirement Scheme
“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“SRS Warrants Investors”	:	Investors who have purchased Warrants pursuant to the SRS
“Substantial Shareholders”	:	A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“Valuation Certificates”	:	The valuation certificates issued by CBRE WTW Valuation & Advisory Sdn Bhd and Cushman and Wakefield VHS Pte Ltd on the Investment Property and Leasehold Property respectively

DEFINITIONS

“Warrant Agent”	:	Boardroom Corporate & Advisory Services Pte Ltd
“Warrantholders”	:	Persons who are registered as holders of Warrants in the register of holders of Warrants and Depositors who have Warrants entered against their names in the Depository Register
“Warrants”	:	The outstanding warrants issued by the Company each carrying the right to subscribe for one new Share at an exercise price of S\$0.10 for each new Share
“Warrants FAA”	:	Form of Acceptance and Authorisation in respect of the Warrants Offer and which is issued to Warrantholders whose Warrants are deposited with CDP
“Warrants Offer”	:	The offer for outstanding Warrants issued by the Company, other than Warrants held by Offeror as at the Offer Announcement Date, in accordance with Rule 19 of the Code
“Warrants Offer Letter”	:	The letter to Warrantholders dated 12 December 2024 issued by the Offeror containing the terms and conditions of the Warrants Offer
“Warrants Offer Price”	:	S\$0.001 in cash for each Warrant
“%” or “per cent”	:	Per centum or percentage

In this Circular:

- (a) Unless otherwise defined, the terms “**acting in concert**”, “**associates**” and “**associated company**” shall have the meanings ascribed to them in the Code.
- (b) **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, 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.
- (c) **Appendices.** Reference to any Appendix shall refer to the Appendices of this Circular, unless otherwise specified.
- (d) **Capitalised terms in the extracts.** Capitalised terms used in the extracts of the Offer Document, the Warrants Offer Letter, the IFA Letter, the FY2024 Results and the Constitution shall bear the same meanings as attributed to them in the Offer Document, the Warrants Offer Letter, the IFA Letter, the FY2024 Results and the Constitution respectively, unless otherwise specified.
- (e) **Depositors.** The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings as ascribed to them respectively in section 81SF of the SFA.

DEFINITIONS

- (f) **Expressions.** Words importing the singular shall, where applicable, include the plural and vice versa and words importing one gender shall include the other and neuter genders. References to persons shall, where applicable, include corporations.
- (g) **Headings.** The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.
- (h) **Rounding.** Any discrepancies in this Circular between the listed amounts and the total thereof are due to rounding. Accordingly, figures shown in totals in this Circular may not be an arithmetic aggregation of the figures that precede them.
- (i) **Shareholders.** References to “you”, “your” and “yours” in this Circular are, as the context so determines, to the Shareholders.
- (j) **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 in the Companies Act, the SFA, the Listing Rules or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Rules or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.
- (k) **Subsidiary and Related Corporation.** The terms “subsidiary” and “related corporation” shall have the meanings ascribed to them in section 5 and section 6 of the Companies Act respectively.
- (l) **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.
- (m) **Total number of Shares and Percentage as at the Latest Practicable Date.** In this Circular, unless the context otherwise requires, (a) any reference to the total number of Shares is a reference to a total number of 73,696,114 Shares (excluding 1,076,800 treasury shares) in issue as at the Latest Practicable Date, and (b) any reference to a percentage shareholding in the capital of the Company is calculated based on 73,696,114 Shares (excluding 1,076,800 treasury shares) in issue as at the Latest Practicable Date.
- (n) **Total number of Warrants as at the Latest Practicable Date.** In this Circular, unless the context otherwise requires, any reference to the total number of Warrants is a reference to a total number of 7,705,598 Warrants as at the Latest Practicable Date.
- (o) **Warrantholders.** References to “you”, “your” and “yours” in this Circular are, as the context so determines, to the Warrantholders.

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”, “estimate”, “believe”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” or “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 results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Given the risks and uncertainties involved, Shareholders, Warranholders and investors should not place undue reliance on such forward-looking statements and information. Neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or publicly announce any revisions to those forward-looking statements, subject to compliance with any applicable laws and regulations, the Code, the Listing Rules and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Date of dissemination of the Offer Document and Warrants Offer Letter : 12 December 2024

Date of dissemination of this Circular : 26 December 2024

Offer Unconditional Date : 16 December 2024

Closing Date : 5.30 p.m. (Singapore time) on 9 January 2024⁽¹⁾

Please refer to paragraph 1 of schedule 1 to the Offer Document for further information.

Settlement of consideration for valid acceptance of the Offer and Warrants Offer : Offer

- (a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the Offer Unconditional Date, within seven (7) Business Days of the Offer Unconditional Date; or
- (b) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer Unconditional Date, but before the Closing Date, within seven (7) Business Days of such receipt.

Warrants Offer

- (a) in respect of acceptances of the Warrant Offer which are complete and valid in all respects and are received on or before the Offer Unconditional Date, within seven (7) Business Days of the Offer Unconditional Date; or
- (b) in respect of acceptances of the Warrant Offer which are complete and valid in all respects and are received after the Offer Unconditional Date, but before the Closing Date, within seven (7) Business Days of such receipt.

Please refer to paragraph 2 of schedule 1 to the Offer Document and section 7.3 of the Warrants Offer Letter for further information.

Note:

- (1) The Offeror has given notice pursuant to Rule 22.6 of the Code that the Offer and the Warrants Offer will not be extended or open for acceptance beyond 5.30 p.m. on 9 January 2025, save that such notice shall not be capable of being enforced in a competitive situation. This means that, save in a competitive situation, there will NOT be any extension of the Closing Date and Shareholders and Warranholders (as the case may be) who do not accept the Offer and/or the Warrants Offer (as the case may be) by the Closing Date will not be able to do so after the Closing Date. Acceptances of the Offer and/or the Warrants Offer (as the case may be) received after 5.30 p.m. (Singapore time) on the Closing Date will be rejected.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

VIBROPOWER CORPORATION LIMITED

(Company Registration No. 200004436E)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Benedict Chen Onn Meng
(Executive Director and Chief Executive Officer)
Mr. Ernest Yogarajah s/o Balasubramaniam
(Non-Executive Non-Independent Director)
Mr. Hew Koon Chan
(Non-executive Independent Director)
Mr. Tan Poh Chye Allan
(Non-executive Independent Director)

Registered Office:

11 Tuas Avenue 16
Singapore 638929

26 December 2024

To: The Shareholders and Warrantholders of the Company

Dear Sir/Madam

MANDATORY CONDITIONAL CASH OFFER AND WARRANTS OFFER BY THE OFFEROR FOR THE OFFER SHARES AND THE WARRANTS

1. INTRODUCTION

1.1. In the Offer Announcement, the Offeror announced *inter alia*, that:

- (a) the Offeror had on 18 November 2024 acquired 17,202,333 Shares (“**Sale Shares**”) from the Sellers, representing a total of approximately 23.34% of the total number of 73,696,114 Shares (excluding 1,076,800 treasury shares) in the share capital of the Company as at the Offer Announcement Date, from the Sellers via a combination of married deals and scrip transfers, on identical terms and conditions, including the consideration for each Sale Share (collectively the “**Acquisitions**”);
- (b) the aggregate consideration for the 17,202,333 Sale Shares was S\$344,046, representing approximately S\$0.02 for each Sale Share. The aggregate consideration for the Acquisitions was satisfied in cash;
- (c) prior to the Acquisitions, the Offeror owned an aggregate 12,175,380 Shares, representing approximately 16.52% of the total number of Shares (excluding treasury shares), and the Primary Concert Party owned an aggregate 7,450,520 Shares, representing approximately 10.11% of the total number of Shares (excluding treasury shares);
- (d) following the Acquisitions, the Offeror now owns an aggregate 29,377,713 Shares, representing approximately 39.86% of the total number of Shares (excluding treasury shares) and collectively with the Primary Concert Party, hold approximately 49.97% of the total number of Shares (excluding treasury shares);

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

- (e) as a consequence of the Acquisitions, the Offeror is required to make the Offer in accordance with Section 139 of the SFA and Rule 14 of the Code; and
- (f) in accordance with Rule 19 of the Code, the Offeror also intends to make the Warrants Offer.

The Offer Announcement is available on SGXNet at www.sgx.com.

1.2. Offer Document and Warrants Offer Letter

An electronic copy of the Offer Document, setting out, *inter alia*, the terms and conditions of the Offer was disseminated on the websites of the SGX-ST and Company at <https://sgx.com> and <https://www.vibropower.com>, respectively. The principal terms and conditions of the Offer are set out in sections 2 and 4 of the Offer Document. Shareholders should have also been sent by post a hardcopy of the Notification and Acceptance Forms for Offer Shares which were despatched on 12 December 2024. Shareholders are advised to read the terms and conditions of the Offer as set out in the Offer Document carefully.

An electronic copy of the Warrants Offer Letter, setting out, *inter alia*, the terms and conditions of the Warrants Offer was disseminated on the websites of the SGX-ST and Company at <https://www.sgx.com> and <https://www.vibropower.com>, respectively. Shareholders should have also been sent by post a hardcopy of the Notification and Acceptance Form for Warrants which were despatched on 12 December 2024. Warrantholders are advised to read the terms and conditions of the Warrants Offer as set out in the Warrants Offer Letter carefully.

1.3. Independent Financial Adviser

The Company has appointed SAC Capital Private Limited as its independent financial adviser to advise the Independent Directors in respect of the Offer and the Warrants Offer. The advice of the IFA is set out in the IFA Letter in **Appendix I** to this Circular.

1.4. Purpose of this Circular

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

Shareholders and Warrantholders should read the Offer Document, Warrants Offer Letter, this Circular and the IFA Letter carefully, and to give due consideration to the recommendation of the Independent Directors and the advice of the IFA before deciding on whether to accept or reject the Offer and/or the Warrants Offer.

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

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

2. THE OFFER AND WARRANTS OFFER

2.1. Terms of the Offer

The Offer is made by the Offeror, on the principal terms set out in sections 2 and 4 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 ascribed to them in the Offer Document.

“2. TERMS OF THE OFFER

2.1 **Offer Price.** For each Offer Share tendered by Shareholders in acceptance of the Offer, S\$0.02 in cash (the “**Offer Price**”) will be paid by the Offeror. Under Rule 14.3 the Code, the Offeror is required to make the Offer for the Offer Shares at not less than the highest price at which he and persons acting in concert with him have acquired Shares during the Offer Period (as defined below) and in the six (6) months immediately preceding the Offer Announcement Date (the “**Relevant Period**”).

2.2 **No Purchase of Shares during the Relevant Period.** As the Offeror, Primary Concert Parties (to the best of his knowledge, information and belief) and persons acting in concert with him have not acquired any Shares during the Relevant Period, the Offeror will pay S\$0.02 in cash for each Offer Share tendered in acceptance of the Offer.

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

2.3 **Offer Shares.** The Offer is extended to all Offer Shares in issue at the Offer Announcement Date, on the same terms and conditions. For the purposes of the Offer, the expression “**Offer Shares**” includes all such Shares issued from valid exercise of the Warrants but excludes treasury shares and Shares already owned, controlled or agreed to be acquired by the Offeror, Primary Concert Party and persons acting in concert with the Offeror collectively also referred to as the or his (“**Concert Parties**”) as at the Offer Announcement Date.

2.4 **No other new Shares issuable.** Other than the Warrants, the Offeror understands that the Company does not have in place any share plan, nor has it entered into any agreement for any new Shares to be delivered or issued under any convertible securities.

2.5 **No Encumbrances.** The Offer Shares will be acquired:

(a) validly issued and fully paid;

(b) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, adverse claims, rent-charge, title retention, claims, equity, options, pre-emption rights to acquire, security agreement and security interest, or other rights or encumbrance of whatever nature (“**Encumbrances**”);

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

- (c) *together with all rights, benefits, entitlements and advantages attached to them as at the Offer Announcement Date and thereafter, including all voting rights and the right to receive and retain all dividends, rights, return of capital and/or other distributions (the “Distribution”) (if any) which may be announced, declared, made or paid by the Company on or after the Offer Announcement Date.*
- 2.6 **Reduction of Offer Price if Distribution made.** *The Offeror reserves the right to reduce the Offer Price to reflect any Distribution announced, declared, made or paid for by the Company on or after the Offer Announcement Date. This adjustment, if applicable, will be equivalent to the distribution amount and will depend on the settlement date for Offer Shares tendered in acceptance of the Offer.*
- 2.7 **Minimum Acceptance Condition.** *Pursuant to Rule 14.2 of the Code, the Offer is conditional upon the Offeror having received, by 5.30 p.m. (Singapore time) on the Closing Date, 9 January 2025 valid acceptances in respect of such number of Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and his Concert Parties, will result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50.0% of the voting rights attributable to such Shares as at the Closing Date (including any voting rights attributable to new Shares issued or to be issued pursuant to the valid exercise of any Warrants prior to the Closing Date) (the “Minimum Acceptance Condition”).*
- 2.8 **Determination of Minimum Acceptance Condition.** *The determination of the Minimum Acceptance Condition includes any voting rights attached to new Shares issued from the exercise of Warrants before Closing Date. Accordingly, if new Shares are issued from the exercise of all Warrants outstanding (excluding the 4,000,060 Warrants held by the Offeror as at the Offer Announcement Date) before the Closing Date, the total number of issued Shares in the issued and paid-up capital of the Company will be 77,401,652 Shares (i.e., 73,696,114 issued Shares as at the Offer Announcement Date plus 3,705,538 new Shares issued from the exercise of all Warrants, excluding the 4,000,060 Warrants held by the Offeror (the “Potential Maximum Issued Shares”).*
- 2.9 **Offer Becoming Unconditional.** *The Offer can, therefore, only become or be declared as unconditional on the Closing Date, or at any preceding time if there should be valid acceptances of the Offer Shares in such quantity that, when aggregated with Shares already owned, controlled, or agreed to be acquired prior to or during the Offer by the Offeror and his Concert Parties, bestows upon the Offeror and his Concert Parties in excess of 50.0% of the total voting rights of the Company. Specifically, this equates to the Offeror and his Concert Parties acquiring or controlling a minimum of 38,700,826 Shares, constituting 50.0% of the Potential Maximum Issued Shares (amounting to 77,401,652 Shares), or if no Warrant is exercised prior to the Closing Date, a minimum of 36,848,057 Shares, constituting 50.0% of the Total Issued Shares (amounting to 73,696,114 Shares).*

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4. **WARRANTY**

A Shareholder who tenders his Offer Shares in acceptance of the Offer, as, or on behalf of, the beneficial owner(s) will be deemed to have unconditionally and irrevocably represented and warranted that such Offer Shares are, and, when transferred to the Offeror or any person nominated in writing by the Offeror, will be: (a) validly issued and fully paid; (b) free from all Encumbrances; and (c) entitled to all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all Distribution (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.”

2.2. **Terms of the Warrants Offer**

In accordance with Rule 19 of the Code, the Offeror has made the Warrants Offer to Warrantholders. The Warrants Offer has been made on the principal terms set out in sections 2, 3, and 5 of the Warrants Offer Letter, 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 Warrants Offer Letter.

“2. **THE WARRANTS OFFER**

2.1 **Warrants Overview.** *As at the Latest Practicable Date, based on available public information, there are a total of 7,705,598 outstanding Warrants which are listed and quoted on the SGX-ST. Excluding the 4,000,060 Warrants currently held by the Offeror, the aggregate number of outstanding Warrants held by other Warrantholders is 3,705,538. This figure constitutes approximately 4.79% of the Potential Maximum Issued Share Capital, assuming full exercise of these Warrants and corresponding subscription for new Shares under the terms and conditions governing the issuance of the Warrants.*

2.2 **Terms of issue of the Warrants.** *The Warrants were issued under the following key terms and conditions:*

- (a) *One (1) Warrant was issued to each entitled shareholder along with each Rights Share under the Rights Issue cum Warrants Exercise at its closing date on 17 January 2020;*
- (b) *One (1) new Share, fully paid, will be issued to a Warrantholder from the exercise of every Warrant held;*
- (c) *An issue price of S\$0.10 is payable by a Warrantholder for every (1) new Share issued from the exercise of one (1) Warrant;*
- (d) *The exercise period for the Warrants will expire at 5:00 p.m. (Singapore time) on 16 January 2025; and*
- (e) *The closing price of each Warrant quoted as at the close of trading on the Offer Announcement Date was S\$0.0412².*

² This closing price reflects the last transacted price of the Warrants on 22 October 2020.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

A copy of the Deed Poll constituting the Warrants and containing the terms and conditions of issue is attached as **Appendix 1** to this Warrants Offer Letter.

2.3 **Extension of Offer to new Shares issued from exercise of Warrants.** As stated in Section 2.3 the Offer Document and Section 1.4 of this Warrants Offer Letter, the Offer made under the Offer Document is extended, on the same terms and conditions, to all new Shares issued from valid exercises of any Warrants before the Closing Date, but excludes treasury shares and Shares already owned, controlled or agreed to be acquired by the Offeror and his Concert Parties as at the Offer Announcement Date.

2.4 **Warrants Offer.** The Offeror hereby makes an offer to the Warrantholders to acquire the Warrants, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with the terms and subject to the conditions set out in this Warrants Offer Letter.

2.5 **Warrants Price.** The offer price for each Warrants is S\$0.001, payable in cash ("**Warrants Offer Price**"). The Warrants Offer Price is calculated based on the highest price paid by the Offeror and his Concert Parties in the six months prior to the Offer Announcement Date.

2.6 **Notes on Rule 19 of the Code.** In accordance with the Notes on Rule 19 of the Code, an appropriate offer price for outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights, the "see-through" price is normally used to determine the appropriate offer price. An appropriate offer or proposal for such instruments, subscription rights or options is at least the higher of:

(a) **the "see-through" price.** For rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights, the "see-through" price is the excess of the offer price for the underlying securities over the exercise or subscription price of such subscription rights or options. For instruments convertible into securities being offered for or which carry voting rights, the "see-through" price is the offer price for the underlying securities multiplied by the conversion ratio. For example, if the share offer price is \$4, the "see-through" price for an instrument convertible into 5 shares should be \$20 (\$4 times 5); and

(b) **the highest price paid.** The highest price paid by the offeror and persons acting in concert with it for such instruments, subscription rights or options during the offer period and:

(i.) for a mandatory offer: within 6 months of commencement of the offer period; or

(ii.) for a voluntary offer: within 3 months of commencement of the offer period.

Where the offeror and persons acting in concert with it have not acquired any instruments convertible into, rights to subscribe for, nor options in respect of, securities being offered for or which carry voting rights during the time periods set out in Section 2.6(b)(i) above and the see-through price is zero or negative, the offeror may offer a nominal amount for such instruments, subscription rights or options.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

- 2.7 **Determination of the Warrants Offer Price.** *With the Offer Price designated at S\$0.02 per Offer Share and the exercise price for the Warrants established at S\$0.10, the resultant “see-through” price for the Warrants is thus calculated as S\$0.02 (being the Offer Price per Offer Share) subtracting S\$0.10 (being the exercise price of each Warrant), leading to a negative value of S\$0.08. Given this context, and in line with the stipulations outlined in Section 2.6 above and considering that neither the Offeror nor any of his Concert Parties has acquired any Warrants within the timeframe described in Section 2.6(b)(i) above, the Offeror has determined the Warrants Offer Price to be a nominal amount of S\$0.001 for each Warrant submitted for acceptance under the Warrants Offer.*
- 2.8 **Conditionality of the Warrants Offer.** *The Warrants Offer is contingent upon two primary conditions: firstly, the fulfillment of the Minimum Acceptance Condition, where the Offer must become unconditional in every respect. This means that the Offeror and his Concert Parties must have acquired or control by the Closing Date, a minimum of 38,700,826 Shares, constituting 50.0% of the Potential Maximum Issued Shares (amounting to 77,401,652 Shares) if all 3,705,538 outstanding Warrants are exercised (other than the 4,000,060 Warrants held by the Offeror), or if no Warrant is exercised prior to the Closing Date, a minimum of 36,848,057 Shares, constituting 50.0% of the Total Issued Shares (amounting to 73,696,114 Shares); and secondly, the Warrants must remain capable of being exercised up until 5.30 p.m. on the Closing Date, i.e., 9 January 2025 or 5.00 p.m. on their stated expiry date, i.e., 16 January 2025 (whichever occurs first in time). Should the Offer be withdrawn or expire due to the Minimum Acceptance Condition not having been fulfilled by the Closing Date, or in the event the Warrants are no longer exercisable by the Closing Date or their stated expiry date (whichever occurs first in time), the Warrants Offer will be withdrawn and be deemed null and void.*
- 2.9 **No Encumbrances.** *The Warrants will be acquired:*
- (a) *validly issued and fully paid;*
 - (b) *free from all Encumbrances; and*
 - (c) *together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all Distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.*
- 2.10 **Adjustment to Offer Price owing to Distribution.** *The Offeror reserves the right to reduce the Warrants Offer Price to reflect any Distribution announced, declared, made, or paid by the Company on or after the Offer Announcement Date. This adjustment, if applicable, will be equivalent to the distribution amount and will depend on the settlement date for Warrants tendered in acceptance of the Warrants Offer.*
- 2.11 **No Exercise by the Offeror.** *As at the Latest Practicable Date, the Offeror holds 4,000,060 Warrants. However, the Offeror does not intend to exercise any of these Warrants for the period commencing from the Offer Announcement Date until the Closing Date. For the six months prior to the Offer Announcement Date, the Offeror did not acquire any Warrants nor exercise any of his 4,000,060 Warrants.*

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

2.12 **Last Traded and Last Exercise of Warrants by Warrantholders.** *As at the Latest Practicable Date, the most recent transacted price of the Warrants was S\$0.041, done on 22 October 2020 on the SGX-ST.*

3. **WARRANTY**

A Warrantholder who tenders its Warrants in acceptance of the Warrants Offer, as, or on behalf of, the beneficial owner(s) will be deemed to have unconditionally and irrevocably represented and warranted that its Warrants, and when transferred to the Offeror or any person nominated in writing by the Offeror, are: (a) validly issued and fully paid; (b) free from all Encumbrances; and (c) entitled to all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights (following exercise) and the right to receive and retain all Distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.

5. **OPTIONS AVAILABLE TO WARRANTHOLDERS**

5.1 **Offer and Warrants Offer Mutually Exclusive.** *The Offer and the Warrants Offer are separate and mutually exclusive. The Warrants Offer does not form part of the Offer, and vice versa. While the Warrants Offer will only proceed if the Offer becomes or is declared unconditional, that is to say, if the Offeror and his Concert Parties garner at least 50% of the total voting rights of the Company, including voting rights acquired or agreed to be acquired before or during the Offer on or before the Closing Date, the Warrants Offer on the other hand does not depend on any minimum level of acceptance if it proceeds to closing upon the Offer becoming or being declared unconditional.*

5.2 **Options open to Warrantholders.** *If a Warrantholder exercises his Warrants in order to accept the Offer in respect of the new Shares issued or to be issued pursuant to such exercise, it may not accept the Warrants Offer in respect of the Warrants exercised. Conversely, if a Warrantholder wishes to accept the Warrants Offer, it may not exercise its Warrants. Warrantholders, therefore, have three distinct choices:*

- (a) **Accept the Offer.** Exercise their Warrants to receive new Shares and tender these Shares for acceptance under the Offer; or*
- (b) **Accept the Warrants Offer.** Tender their unexercised Warrants for acceptance under the Warrants Offer; or*
- (c) **Take No Action.** Take no action and let the Warrants Offer lapse in respect of their Warrants.*

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

2.3. Offer Declared Unconditional

(a) Offer

On 16 December 2024, the Offeror announced that as at 6.00 p.m. (Singapore time), he received valid acceptances in respect of 45,036 Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and his Concert Parties, resulted in him holding a total of 36,873,269 Shares, representing approximately 50.03% of the total number of Shares (excluding treasury shares). Accordingly, the Offeror announced that the Offer became unconditional ("**Offer Unconditional Announcement**").

Rule 14.2 of the Code requiring the Offer to be conditional upon and only upon the Offeror and his concert parties having received acceptances in respect of voting rights, which together with voting rights acquired before or during the Offer, will result in the Offeror and his Concert Parties holding more than 50.0% of the total voting rights of the Company has been satisfied.

(b) Warrants Offer

As the Minimum Acceptance Condition (as defined in the Offer Document) had been satisfied, and as at the date of the Offer Unconditional Announcement, no circumstance or reason exists which prevents or may prevent the Warrants from being exercised up until 5.30 p.m. on the Closing Date, 9 January 2025 or 5.00 p.m. on their stated expiry date, 16 January 2025 (whichever occurs first in time), the Offeror further declared in the Offer Unconditional Announcement that the Warrants Offer would proceed to completion.

Accordingly, all Warrants tendered for acceptance up until 5.30 p.m. on the Closing Date will be accepted, subject only to the relevant Warrants continuing to be exercisable into new Shares up until 5.30 p.m. on the Closing Date, 9 January 2025 or 5.00 p.m. on their stated expiry date, 16 January 2025 (whichever occurs first in time).

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

2.4. Duration of the Offer and the Warrants Offer

The duration of the Offer and the Warrants Offer is set out in Section 5 of the Offer Document and Section 4 of the Warrants Offer Letter respectively, 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 ascribed to them in the Offer Document and Warrants Offer Letter.

“5. DURATION OF THE OFFER

5.1 **Offer Duration.** *The Offer is open for acceptance by Shareholders for at least 28 days after the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder.*

5.2 **Notice under Rule 22.6 of the Code.** *Notice is hereby given, in accordance with Rule 22.6 of the Code, that the Offer will close on the Closing Date at 5.30 p.m. on 9 January 2025 and will not be extended or revised beyond this time and date. However, in circumstances where a competing bid emerges, this notice cannot be enforced. Therefore, should the Offer be declared unconditional in terms of acceptances either before or on the Closing Date, the Offer will not be extended. Consequently, Shareholders must act by the Closing Date. Any acceptances received after 5.30 p.m. (Singapore time) on the Closing Date will be considered invalid and not accepted.*

5.3 *The Offeror will not extend the Closing Date if the Minimum Acceptance Condition is not fulfilled by the Closing Date.*

THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 9 JANUARY 2025 (THE “CLOSING DATE”).”

“4 DURATION OF THE WARRANTS OFFER

4.1 **Warrants Offer Closing Date.** *The Warrants Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on the Closing Date, 9 January 2025.*

4.2 **Notice under Rule 22.6 of the Code.** *Notice is hereby given, in accordance with Rule 22.6 of the Code, that the Offer and the Warrants Offer will close at 5.30 p.m. on the Closing Date, 9 January 2025. The Closing Date will not be extended or revised beyond this time. However, in circumstances where a competing bid emerges in respect of the Offer, this notice cannot be enforced. Therefore, should the Offer become or is declared unconditional in terms of acceptances either before or on the Closing Date, the Offer and Warrants Offer will not be extended. Consequently, Shareholders and Warrantholders must act by the Closing Date. Any acceptances received beyond 5.30 p.m. (Singapore time) on the Closing Date will be considered invalid and not accepted.”*

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

2.5. Procedures for Acceptance of the Offer

The procedures for acceptance of the Offer are set out in Schedule 2 to the Offer Document and in the accompanying FAA and FAT.

2.6. Procedures for Acceptance of the Warrants Offer

The procedures for acceptance of the Warrants Offer are set out in Appendix 2 to the Warrants Offer Letter and in the accompanying Warrants FAA.

2.7. Closing Date

The Offer and Warrants Offer will close at 5.30 p.m. (Singapore time) on 9 January 2025. The Offeror has given notice that he does not intend to extend the Offer and Warrants Offer beyond the Closing Date nor revise the terms of the Offer and Warrants Offer, as stated in Section 5.2 of the Offer Document and Section 4.2 of the Warrants Offer Letter.

3. INFORMATION ON THE OFFEROR

Section 8 of the Offer Document sets out certain information on the Offeror, 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 ascribed to them in the Offer Document.

“8. INFORMATION ON THE OFFEROR

Mr. Benedict Chen Onn Meng, the Offeror, established the Company and holds a controlling interest. Currently, he serves as the executive director and CEO of the Company, having been appointed executive director since 22 August 2000.”

4. NO IRREVOCABLE UNDERTAKING

Section 14.4 of the Offer Document sets out certain information in relation to any irrevocable commitment from any party in relation to acceptance of the Offer and Warrants Offer, 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 ascribed to them in the Offer Document.

“14.4. Irrevocable Undertaking

As at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has received any irrevocable commitment from any party to accept or reject the Offer and/or Warrants Offer.”

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

Sections 10 and 11 of the Offer Document sets out certain information on the rationale for the Offer and the Offeror's intentions for the Company, 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 ascribed to them in the Offer Document. Shareholders and Warrantholders are advised to read the relevant sections and the entire Offer Document carefully. The extracts set out below are only meant to draw your attention to the rationale as set forth by the Offeror in the Offer Document.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

“10. RATIONALE FOR THE OFFER

As a result of the Acquisitions, the Offeror is making the Offer in compliance with the requirements of the Code.

11. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST and carry on the existing businesses of the Group. The Offeror has no present intention to: (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy fixed assets of the Group, or (c) discontinue employment of the employees of the Group, other than in the ordinary course of business or which has been announced by the Company. However, the Offeror retains and reserves the right and flexibility to consider any options or opportunities which may present themselves during the course of the Offer and thereafter which he regards to be in his and the Company's best interests.”

6. LISTING STATUS AND COMPULSORY ACQUISITION

Section 12 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and its rights of compulsory acquisition in respect of the Company, the full text of which have been extracted from the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document. Shareholders and Warrantholders are advised to read the relevant sections and the entire Offer Document carefully. The extracts set out below are only meant to draw your attention to the matters as set forth by the Offeror in the Offer Document.

“12. LISTING STATUS AND COMPULSORY ACQUISITION

12.1 Listing Status. *Under Listing Rule 1105, upon the announcement by the Offeror that valid acceptances have been received that bring the holdings of the Shares owned by the Offeror and his Concert Parties to above 90.0% of the Total Issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares until it is satisfied that at least 10.0% of the Total Issued Shares (excluding treasury shares) is held by at least 500 Shareholders who are members of the public.*

12.2 Suspension of trading. *If the Offeror succeeds in accumulating acceptances exceeding 90.0% of the Total Issued Shares (excluding Treasury Shares) which results in the percentage of Shares (excluding Treasury Shares) held in public hands to fall below 10.0%, the SGX-ST will suspend trading of the Shares at the Closing Date (of the Offer) under Listing Rule 1303(1).*

12.3 Three months cure-period. *Shareholders are advised to note that Listing Rule 723 requires the Company to ensure that at least 10.0% of the Total Issued Shares (excluding treasury shares) are at all times held by the public. In addition, under Listing Rule 724(1), if the percentage of the Total Issued Shares (excluding treasury shares) held in public hands falls below 10.0%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Listing Rule 724(2) further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares held in public hands to at least 10.0%, failing which the Company may be delisted from the SGX-ST.*

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

12.4 **Current Intentions of the Offeror.** *It is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares (excluding treasury shares) held in public hands falls below 10.0% and the trading of the Shares on the SGX-ST is suspended pursuant to Listing Rule 724 or Rule 1105 of the Listing Manual, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.*

However, the Offeror reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the percentage of Shares (excluding treasury shares) held in public hands falls below 10.0%.

12.5 **Compulsory Acquisition.** *Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances and/or acquires such number of Shares at the Closing Date which (excluding Shares held or treated as held by the Offeror and Shares held as treasury shares) amount to not less than 90% of the total number of Shares (of the Company) (the “**Compulsory Acquisition Threshold**”), he is entitled to acquire the Shares held Shareholders who did not accept the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer, in accordance with the provisions of Section 215(1). On the other hand, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with Shares held as treasury shares and Shares held, or treated as held or acquired, by it, comprise 90% or more of the total number of Shares (of the Company), the Dissenting Shareholders who have not accepted the Offer will have a right to require the Offeror to acquire their Shares at the Offer Price in accordance with the provisions of Section 215(3). Such Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.*

12.6 **Computation of the Compulsory Acquisition Threshold.** *In computing the Shares held or treated as held or acquired by the Offeror, the following Shares, amongst others, are included:*

- (a) *Shares held directly by the Offeror;*
- (b) *Shares held by a nominee for the Offeror;*
- (c) *Shares held by a related corporation of the Offeror or a nominee of that related corporation;*
- (d) *Shares held by persons under the Offeror’s influence or whom the Offeror is influenced by;*
- (e) *Shares held by family members of the Offeror;*
- (f) *Shares held by body corporate controlled by the Offeror;*
- (g) *treasury shares.*

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As stated above, it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST. Accordingly, the Offeror has no present intention of exercising his right of compulsory acquisition under Section 215(1) of the Companies Act should such right become available to him. However, as set out in sections 11 and 12.4 of this Offer Document, the Offeror reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.”

7. FINANCIAL EVALUATION OF THE OFFER

Section 13 of the Offer Document sets out certain information on the financial evaluation of the Offer, 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 ascribed to them in the Offer Document.

“13. FINANCIAL EVALUATION OF THE OFFEROR

*The Offer Price represents the following **discounts or premium** to the historical transacted prices of the Shares on the SGX-ST:*

Description	Benchmark Price (S\$)⁽¹⁾	(Discount)/ Premium to the Benchmark Price (%)⁽²⁾
<i>Last transacted price per Share on the SGX-ST on 19 November 2024 (being the last full day of trading in the Shares prior to the trading halt on 20 November 2024 (the “Last Trading Date”)).</i>	<i>S\$0.020⁽³⁾</i>	<i>0.00%</i>
<i>Volume-weighted average price (“VWAP”) per Share for the 1-month period up to and including the Last Trading Date.</i>	<i>S\$0.022</i>	<i>(9.09)%</i>
<i>VWAP per Share for the 3-month period up to and including the Last Trading Date.</i>	<i>S\$0.025</i>	<i>(20.00)%</i>
<i>VWAP per Share for the 6-month period up to and including the Last Trading Date.</i>	<i>S\$0.022</i>	<i>(9.09)%</i>
<i>VWAP per Share for the 12-month period up to and including the Last Trading Date.</i>	<i>S\$0.017</i>	<i>17.65%</i>

Notes:

(1) *Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest three decimal places.*

(2) *Percentage figures have been rounded to the nearest two decimal places.*

(3) *Based on the last transacted price on 19 November 2024, the Last Trading Date.”*

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8. DISCLOSURE OF INTERESTS

Section 14 of the Offer Document, Schedules 1 and 4 to the Offer Document and Appendix 3 to the Warrants Offer Letter set out certain information relating to disclosures of interests, other details and general information of the Offer and Warrants Offer, 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 ascribed to them in the Offer Document or the Warrants Offer Letter, as the case may be.

Offer Document

“14. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS IN RELEVANT SECURITIES

14.1 *Holdings in Relevant Securities.* *Save as disclosed in Schedules 1 and 4 to this Offer Document, as at the Offer Announcement Date, based on the latest information available to the Offeror, none of the Offeror and his Concert Parties (the “Relevant Persons”) owns, or has agreed to acquire any:*

- (a) Shares;*
- (b) securities which carry voting rights in the Company; or*
- (c) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company,*

(collectively, the “Relevant Securities”).

14.2 *Dealings.* *Save as disclosed in this Offer Document (including Schedules 1 and 4 hereto) and based on the latest information available to the Offeror, none of the Relevant Persons has dealt with for value in any Relevant Securities during the period commencing six months prior to the Offer Announcement Date and ending on the Offer Announcement Date (the “Reference Period”).*

14.3 *Disclosure of Dealings.* *In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company under Rule 12 of the Code.*

14.5 *Other Arrangements.* *Save as disclosed in this Offer Document, as at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:*

- (a) entered into an arrangement (whether by way of option, indemnity or otherwise) in relation to Shares (of the Company) or the Offeror which might be material to the Offer, or the Warrants Offer;*
- (b) granted any security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise;*
- (c) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or*
- (d) lent any Relevant Securities to another person.*

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SCHEDULE 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 Closing Date

Pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the SIC, and every person is released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the Despatch Date.

The Offer will close at 5.30 p.m. (Singapore time) on 9 January 2025. The Offeror does not intend to extend the Offer beyond the Closing Date or to revise the terms of the Offer.

1.2 Offer to Remain Open for 14 Days after being Declared Unconditional as to Acceptances

*Pursuant to Rule 22.6 of the Code, after the Offer has become or is declared unconditional as to acceptances, the Offer must remain open for acceptance (the “**Rule 22.6 Period**”) for not less than 14 days after the date on which the Offer would otherwise have closed, in order to give 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 unconditional as to acceptances, the Offeror has given Shareholders notice in writing of at least 14 days (the “**Shut-Off Notice**”) that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:*

- (a) the Offeror may not give a Shut-Off Notice in a competitive situation; and*
- (b) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

The SIC would normally regard a “competitive situation” to have arisen if a competing offer for the Company has been announced. If a declaration that the Offer is unconditional is confirmed in accordance with Rule 28.1 of the Code, the Rule 22.6-Period (that is to say, the Offer to remain open for 14 days after it becomes or is declared unconditional as to acceptances) will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

Notice is hereby given, in accordance with Rule 22.6 of the Code, that the Offer will not be extended or open for acceptance after 5.30 p.m. on 9 January 2025. However, this notice cannot be enforced in the event of a competitive situation.

1.3 Final Day Rule (Rule 22.9 of the Code)

The Offer (whether revised or not) will not be capable of:

- (a) becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or*
- (b) being kept open after the expiry of such 60-day period, unless the Offer has previously become or been declared unconditional as to acceptances, provided that the Offeror may extend the Offer beyond such 60-day period with the permission of the SIC (the “**Final Day Rule**”). The SIC will consider*

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granting such permission in circumstances, including but not limited to, where a competing offer has been announced.

Since the Offeror has given notice under Rule 22.6 of the Code as to no extension of the Closing Date and no revision of the terms of the Offer, the Offer will close at 5.30 p.m. on the Closing Date notwithstanding the Final Day Rule, except in the situation of a competitive offer.

1.4 **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 Despatch Date 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 have previously accepted the Offer. **The Offeror does not intend to revise the Offer Price or any other terms of the Offer.***

2. **SETTLEMENT**

2.1 *Subject to the Offer becoming or being declared unconditional in all respects and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents duly completed in all respects in accordance with the instructions given in this Offer Document and in the relevant Acceptance Forms, and in the case of a Depositor, the Offeror must receive a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the Depositor in acceptance of the Offer is standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time, remittances for the appropriate amounts will be despatched to the accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by the following means:*

- (a) *in the case of a Depositor, CDP will send each accepting Shareholder a notification letter stating the number of Offer Shares debited from the Depositor's Securities Account together with payment of the Offer Price in respect of such Offer Shares which will be credited directly into the Depositor's designated bank account for Singapore Dollars via CDP's DCS; or*
- (b) *in the case of an accepting Shareholder holding share certificate(s) which is/are not deposited with CDP, payment will be sent to him or his designated agent (if any) or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register, as the case may be, by ordinary post and at the risk of the accepting Shareholders, by way of a Singapore Dollar cheque drawn on a bank in Singapore for the appropriate amount, as soon as practicable and in any event:*
 - (i.) *in respect of acceptances of the Offer which are valid and complete in all respects and are received **on or before** the date on which the Offer becomes or is declared unconditional in all respects in accordance with its terms, within seven Business Days of such date; or*

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(ii.) *in respect of acceptances of the Offer which are valid and complete in all respects and are received after the Offer becomes or is declared unconditional in all respects in accordance with its terms, but before the Closing Date, within seven Business Days of such receipt.*

2.2 *An accepting Shareholder who is a Depositor and is not subscribed to CDP's DCS, any monies to be paid shall be credited to such accepting Shareholder's Cash Ledger and shall be subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions ("Cash Ledger" and "Cash Distribution" are as defined therein).*

3. **ANNOUNCEMENTS**

3.1 **Timing and Contents**

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

- (a) for which valid acceptances of the Offer have been received;*
- (b) held by the Offeror and any of his Concert Parties before the Offer Period; and*
- (c) acquired or agreed to be acquired by the Offeror and any of his Concert Parties during the Offer Period,*

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

3.2 **Suspension**

*Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any requirements in paragraph 3.1 of this **Schedule 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.*

3.3 **Valid Acceptances**

Under Rule 28.1 of the Code and subject to Section 20.4 of this Offer Document, 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.

Acceptances of the Offer will only be treated as valid for the purposes of the acceptance condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

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3.4 Announcements

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 the Offeror, its representatives or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNet or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST will be notified simultaneously to the SGX-ST.

SCHEDULE 4 – GENERAL INFORMATION

1. DISCLOSURES OF INTERESTS

1.1 Holdings in Relevant Securities

(a) As at the Latest Practicable Date, the holdings of Relevant Securities (Shares) by the Relevant Persons before and after the Acquisitions and during the Relevant Period are set out below:

	Shares Held Prior to the Acquisitions		Shares Held After the Acquisitions	
	Direct	Deemed	Direct	Deemed
Offeror	12,000,180	175,200	29,202,513 ⁽¹⁾	175,200
Sub-Total	12,175,380 (Direct & Indirect)		29,377,713 (Direct & Indirect)	
Percentage against Total Issued Shares (of 73,696,114 Shares)	16.52% (Direct & Indirect)		39.86% (Direct & Indirect)	
Primary Concert Party	4,912,800	2,537,720	4,912,800	2,537,720
Sub-Total	7,450,520 (Direct & Indirect)		7,450,520 (Direct & Indirect)	
Percentage against Total Issued Shares (of 73,696,114 Shares)	10.11% (Direct & Indirect)		10.11% (Direct & Indirect)	
Total held by Offeror and Primary Concert Party	19,625,900 (Direct & Indirect)		36,828,233 (Direct & Indirect)	
Percentage against Total Issued Shares (of 73,696,114 Shares)	26.63% (Direct & Indirect)		49.97% (Direct & Indirect)	
Percentage against the Maximum Potential Share Capital in the Company (of 76,630,064 Shares)	25.61% (Direct & Indirect)		48.06% (Direct & Indirect)	

Note:

(1) This includes the 17,202,333 Shares the Offeror acquired from the Sellers pursuant to the respective SPAs.

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(b) As at the Latest Practicable Date, the holdings of Relevant Securities (Warrants) by the Relevant Persons during the Reference Period are set out below:

Name	Latest Practicable Date	No. of outstanding Warrants held as at Latest Practicable Date	Transaction Price per Warrant (S\$)
The Offeror	10 December 2024	4,000,060	Issued free of cost together with the subscription of Rights Shares under the Rights Issue cum Warrants offering which closed on 17 January 2020
Primary Concert Party	–	–	–

1.2 Dealings in Relevant Securities by the Relevant Persons

(a) The dealings in the Relevant Securities (Shares) by the Relevant Persons during the Reference Period are set out below:

Name	Date	No. of Shares acquired or agreed to be acquired	No. of Shares disposed or agreed to be disposed	Transaction Price per Share (S\$)
The Offeror ⁽¹⁾	–	17,202,333 ⁽¹⁾	Nil	S\$0.02
Primary Concert Party	–	Nil	Nil	–

Note:

(1) These are the 17,202,333 Shares the Offeror acquired from the Sellers pursuant to the respective SPAs.

(b) The dealings in the Relevant Securities (Warrants) by the Relevant Persons during the Reference Period are set out below:

Name	Date	No. of Warrants acquired or agreed to be acquired	No. of Shares Disposed	Transaction Price per Share (S\$)
The Offeror	–	Nil	Nil	
Primary Concert Party	–	Nil	Nil	

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1.3 No Agreement having any Connection with or Dependence upon the Offer

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between:

- (a) the Offeror or his Concert Parties; and*
- (b) any of the present or recent directors of the Company, or the present or recent Shareholders, having any connection with or dependence upon the Offer.*

1.4 Transfer of Offer Shares

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Offer will or may be transferred to any other persons. However, the Offeror reserves the right to transfer any of the Offer Shares to any corporation that is majority-owned or controlled by him, or to any of his Concert Parties, or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to him.

1.5 No Payment or Benefit to Directors of the Company

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit that will be made or given to any director of the Company or its related corporations (as defined in the Companies Act) as compensation for loss of office or otherwise in connection with the Offer.

1.6 No Agreement Conditional upon Outcome of Offer

As at the Latest Practicable Date, there is no agreement, arrangement or understanding made between: (a) the Offeror; and (b) any of the Directors of the Company or any other person, in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.

1.7 No Indemnity and other Arrangements

To the best knowledge of the Offeror, as at the Latest Practicable Date, none of the Offeror or his Concert Parties 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 Relevant Securities which may be an inducement to deal or refrain from dealing in the Relevant Securities.

1.8 Transfer Restrictions

There is no restriction in the Constitution of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.

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Warrants Offer Letter

APPENDIX 3 – GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

1.1 **Holdings, Dealings and Other Arrangements in Relevant Securities**

As at the Latest Practicable Date, based on the latest information available to the Offeror and save as disclosed in this **Appendix 3** and **Schedule 4** of the Offer Document:

- (a) neither the Offeror nor his Concert Parties (the “**Relevant Persons**”) owns, controls or has agreed to acquire any Relevant Securities (as defined herein) as at the Latest Practicable Date, and none of the Relevant Persons has dealt for value in any Relevant Securities during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date; and
- (b) none of the Relevant Persons has:
 - (i) received any irrevocable commitment to accept or reject the Offer and/or the Warrants Offer;
 - (ii) granted any security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise;
 - (iii) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or
 - (iv) lent any Relevant Securities to another person.

1.2 **No Indemnity and other Agreements**

To the best knowledge of the Offeror, as at the Latest Practicable Date, neither the Offeror nor his Concert Parties 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 Relevant Securities which may be an inducement to deal or refrain from dealing in the Relevant Securities.

1.3 **No Agreement having any Connection with or Dependence upon the Warrants Offer**

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) the Offeror and/or his Concert Parties and (b) any of the present or recent Directors (of the Company), or the present or recent Warrantholders, having any connection with or dependence upon the Warrants Offer.

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1.4 **Transfer of Warrants**

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Warrants acquired pursuant to the Warrants Offer will or may be transferred to any other persons. However, the Offeror reserves the right to transfer any of the Warrants to any corporation that is majority-owned or controlled by him, or to any of his Concert Parties, or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to him.

1.5 **No Payment or Benefit to Directors of the Company**

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit that will be made or given to any director of the Company or its related corporations (as defined in the Companies Act) as compensation for loss of office or otherwise in connection with the Warrants Offer.

1.6 **No Agreement Conditional upon Outcome of the Warrants Offer**

As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) the Offeror and (b) any of the Directors (of the Company) or any other person, in connection with or conditional upon the outcome of the Warrants Offer or otherwise connected with the Warrants Offer.

1.7 **Transfer Restrictions**

There is no restriction in the Deed Poll nor the Company's Constitution on the right to transfer any Warrants, which has the effect of requiring the holders of such Warrants before transferring them, to offer them for purchase by members of the Company or any other person.

1.8 **No Material Change in Information**

Save as disclosed in this Warrants Offer Letter, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

1.9 **Relevant Securities**

*For the purposes of this Appendix 3, "**Relevant Securities**" means: (a) Shares; (b) securities which carry voting rights in the Company; or (c) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company."*

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9. CONFIRMATION OF FINANCIAL RESOURCES

Section 15 of the Offer Document sets out certain information on the confirmation of financial resources, 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 ascribed to them in the Offer Document.

“15. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank Ltd, banker to the Offeror has, on 23 October 2024, confirmed in writing that sufficient financial resources are available to the Offeror to satisfy full acceptances of: (a) the Offer (including any acceptances in respect of new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants) at the Offer Price; and (b) the Warrants Offer by the Warrantholders at the Warrants Offer Price.”

10. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities as at the Latest Practicable Date, are set out in Section 5 of Appendix II to this Circular.

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER AND THE WARRANTS OFFER

11.1. General

Shareholders and Warrantholders should read and carefully consider the recommendation of the Independent Directors as set out in Section 12.2 of this Circular and the advice of the IFA to the Independent Directors which is set out in Appendix I to this Circular, before deciding whether to accept or reject the Offer and Warrants Offer.

11.2. Key Factors taken into consideration by the IFA

The key factors relied upon by the IFA in arriving at its advice to the Independent Directors in respect of the Offer and Warrants Offer are set out in paragraph 9 of the IFA Letter.

Shareholders and Warrantholders should read and carefully consider the key factors relied upon by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

11.3. Advice of the IFA to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Offer and Warrants Offer is set out in Appendix I to this Circular. 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 given its advice to the Independent Directors as set out in paragraph 9 of the IFA Letter, an extract of which is reproduced below.

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Shareholders and Warrantholders 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.

9.2.1 Assessment of Fairness of the Offer

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

- (a) based on the asset-based approach, which provides an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the Offer Price represents a discount of 73.2% against the NAV per Share of S\$0.075 as at 30 September 2024. Accordingly, the P/NAV of the Group implied by the Offer Price would be 0.27 times as at 30 September 2024;*
- (b) the Offer Price represents a discount of approximately 87.23% against the RNAV per Share of S\$0.16 as at 30 September 2024. Accordingly, the P/RNAV of the Company implied by the Offer Price would be approximately 0.13 times as at 30 September 2024;*
- (c) the historical P/NAV ratio as implied by the Offer Price are below the range of those of the Comparable Companies. As the Group was loss making and recorded negative EBITDA in the latest trailing 12 months period, any assessment of the valuation of the Group (implied by the Offer Price) based on the PER and EV/EBITDA approaches would not be meaningful;*
- (d) the discounts as implied by the Offer Price over the VWAP of the Shares for the 6-, 3- and 1-month periods up to and including the Last Trading Day were inferior with respect to (i) the corresponding mean and median discounts of the Non-privatisation Take-over Transactions, and (ii) the corresponding mean and median premia of the Fair Non-privatisation Take-over Transactions;*
- (e) the P/NAV and P/RNAV ratios as implied by the Offer Price of 0.27 times and 0.13 times respectively are below the range of offer price-to-NAV or offer price-to-NTA ratios of the Non-privatisation Take-over Transactions and Fair Non-privatisation Take-over Transactions; and*
- (f) the Offer Price is below the estimated value range of the Shares of S\$0.063 and S\$0.076 per Share.*

*In view of the above, we are of the opinion that the Offer is **NOT FAIR**.*

9.2.2 Assessment of Reasonableness of the Offer

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

- (a) the Offer Price represents a discount of 53.49% over the highest closing price of the Shares during the 12-month period up to and including the Last Trading Day;*

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- (b) *the Offer Price represents a discount of 9.09%, 20.00% and 9.09% over the VWAP of the Shares for the 6-, 3- and 1-month periods up to and including the Last Trading Day respectively. The Offer Price was equivalent to the closing price of the Shares of S\$0.020 on the Last Trading Day;*
- (c) *the Shares have mostly traded above the Offer Price since 1 January 2019 and up to the Latest Practicable Date;*
- (d) *the trading of the Shares is erratic and appears to be relatively illiquid in the 12-, 6-, 3, and 1-month period up to and including the Last Trading Day. It is to note that given the low liquidity of the Shares during the periods observed, the Offer Price may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash. In the absence of the Offer Price, such an exit for all Shareholders may not be readily available due to the low trading liquidity for the Shares;*
- (e) *the Offer Price represents a steep discount against the Group's NAV per Share and RNAV per Share as at 30 September 2024; and*
- (f) *we note that in respect of the 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement, the Offer Price represents (i) a discount of 91.67% over the 2016 Issue Price; (ii) a discount of 80.00% over 2019 Rights Issue Price; and (iii) a discount of 84.85% over the 2020 Issue Price. However, as set out in paragraph 8.3.3 of this letter, Shareholders should note that any comparison between the Offer, 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement is necessarily limited and meant for illustration purpose only, as the Group's businesses and operations, the economic or general market conditions then prevailing would have been different from the 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement.*

*In view of the above, we are of the opinion that the Offer is **NOT REASONABLE**.*

9.2.3 Assessment of Fairness of the Warrants Offer

In determining the fairness of the Warrants Offer, we have considered that the Warrants Offer Price is equivalent to the theoretical value of the Warrants as at the Latest Practicable Date, with no premium.

*In view of the above, we are of the opinion that the Warrants Offer is **NOT FAIR**.*

9.2.4 Assessment of Reasonableness of the Warrants Offer

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

- (a) *the trading of the Warrants appears to be very illiquid. During the Period Under Review, there were no Warrants transacted. In addition, we noted that the Warrants were last transacted on 22 October 2020, with the closing price of the Warrants at S\$0.041; and*

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(b) *the Warrants will expire on 16 January 2025, which is only approximately one (1) month from the Latest Practicable Date and the Shares have traded below the Exercise Price since December 2020 and up to the Latest Practicable Date. Therefore, it view that the Warrants are issued at no consideration, the Warrants Offer allows Warranholders the opportunity to realise a value for their Warrants now, should they choose to do so, instead of waiting until the Expiration Date at which point the Warrants may or may not be “in-the-money.”.*

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

9.3 **Our opinion on the Offer and Warrants Offer**

*In conclusion, we are of the opinion that, on balance, (a) the financial terms of the Offer are **not fair and not reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to **reject** the Offer; and (b) the financial terms of the Warrants Offer are **not fair but reasonable**. Accordingly, we advise the Independent Directors to recommend Warranholders to **accept** the Warrants Offer.*

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder, Warranholder, any specific group of Shareholders or Warranholders. We recommend that any individual Shareholder, Warranholder, any specific group of Shareholders or Warranholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Offer and Warrants Offer. The recommendation to be made by them to the Shareholders and Warranholders in respect of the Offer and Warrants Offer shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the purpose of the Offer and Warrants Offer.”

12. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

12.1. Independent Directors

The SIC, after considering, *inter alia*, the Offeror’s submission that he faces an irreconcilable conflict of interest given his position as Director and Chief Executive Officer and Offeror in the Offer, which would render it inappropriate for him to join the remaining Directors in making a recommendation on the Offer and the Warrants Offer, has ruled that he may be exempted from making any recommendations on the Offer and the Warrants Offer to the Shareholders.

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Notwithstanding such exemption, Mr. Benedict Chen Onn Meng must, nonetheless, still assume responsibility for the accuracy of facts stated or opinions expressed in documents issued by, or on behalf of, the Company in connection with the Offer.

As at the Latest Practicable Date, each of Mr. Ernest Yogarajah s/o Balasubramaniam, Mr. Hew Koon Chan and Mr. Tan Poh Chye Allan considers themselves to be independent, do not have irreconcilable conflict of interests and they have not been exempted by the SIC, for the purposes of the Offer and Warrants Offer, from expressing a recommendation to the Shareholders and Warrantholders in relation to the Offer and Warrants Offer.

12.2. Independent Directors' Recommendation

The Independent Directors, having considered carefully the terms of the Offer and the Warrants Offer and the advice given by the IFA in the IFA Letter, set out their recommendation on the Offer and Warrants Offer below:

(a) Offer

The Independent Directors CONCUR with the IFA's assessment of the Offer and its recommendation. **Accordingly, the Independent Directors recommend Shareholders REJECT the Offer.**

(b) Warrants Offer

The Independent Directors CONCUR with the IFA's assessment of the Warrants Offer and its recommendation. **Accordingly, the Independent Directors recommend Warrantholders ACCEPT the Warrants Offer**, which will allow them to realise some value as the Warrants (expiring 16 January 2025, with an exercise price of S\$0.10) are currently out-of-the-money.

The Independent Directors further note that Shareholders and Warrantholders who hold odd lots can take this opportunity to dispose of their odd lots by accepting the Offer and Warrants Offer in respect of their odd lots holdings without having to bear brokerage costs which may be disproportionate to the value of the odd lots.

Shareholders and Warrantholders should note that the IFA's advice and the recommendation of the Independent Directors should not be relied upon by any Shareholder and Warrantholder as the sole basis for their decision whether to accept or reject the Offer and Warrants Offer. The IFA in giving its advice and the Independent Directors in making their recommendation did not consider the general or specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any particular Shareholder and/or Warrantholder. Accordingly, the Independent Directors recommend that Shareholders and Warrantholders who are uncertain as to the course of action they should take should seek advice from their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

SHAREHOLDERS AND WARRANTHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS CIRCULAR, INCLUDING THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER AS SET OUT IN APPENDIX I TO THIS CIRCULAR IN THEIR ENTIRETY, BEFORE DECIDING WHETHER

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TO ACCEPT OR REJECT THE OFFER AND/OR WARRANTS OFFER. SHAREHOLDERS AND WARRANTHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT AND THE WARRANTS OFFER LETTER IN THEIR ENTIRETY CAREFULLY.

Shareholders and Warrantholders should also be aware and note that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

13. OVERSEAS SHAREHOLDERS AND OVERSEAS WARRANTHOLDERS

Section 16 of the Offer Document sets out information pertinent to Overseas Shareholders, 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 ascribed to them in the Offer Document.

“16. OVERSEAS SHAREHOLDERS

16.1 *Disclaimers in Overseas Jurisdictions.* *This Offer Document is for informational purposes only and does not constitute an offer to sell or a solicitation to buy any securities in any overseas jurisdiction. It is also not a solicitation for any vote or approval in any jurisdiction. Any sale, issuance, or transfer of securities mentioned in this Offer Document must comply with all applicable laws. The Offer and Warrants Offer are made solely through this Offer Document, Warrants Offer Letter (its accompanying acceptance forms), and the relevant Acceptance Forms. These documents contain the complete terms and conditions, including details on how to accept the Offer.*

16.2 *Legal Restrictions in Overseas Jurisdiction.* *The distribution of this Offer Document may be restricted by law in certain jurisdictions (“Restricted Jurisdictions”). Any person who receives this Offer Document in a jurisdiction where such restrictions apply should inform themselves of and comply with those restrictions.*

16.3 *No Onward Distribution.* *This Offer Document and any related documents must not be mailed or otherwise distributed in, into, or from any Restricted Jurisdiction or any other jurisdiction where such distribution would violate local laws. Any person receiving these documents, including custodians, nominees, and trustees, must not distribute them in, into, or from any such jurisdiction.*

16.4 *Manner of offer and acceptance.* *Unless otherwise determined by the Offeror and permitted by applicable laws, the Offer (as well as the Warrants Offer) will not be made directly or indirectly in, into, or from any Restricted Jurisdiction or other jurisdiction where such offers may violate local laws. The Offer (as well as the Warrants Offer) will not be made to, nor accepted from, any person in a Restricted Jurisdiction or any other jurisdiction if it would violate the laws of that jurisdiction. This includes using any means of interstate or foreign commerce, such as mail, telephone, or electronic communication, or any facility of a national, state, or other securities exchange. Acceptance of the Offer (and/or the Warrants Offer) through such means is also prohibited.*

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

- 16.5 **Overseas Shareholders.** Shareholders residing outside of Singapore (“**Overseas Shareholders**”) should be aware that the availability of the Offer (and the Warrants Offer) may be affected by the laws of their respective jurisdictions. Overseas Shareholders are advised to familiarise themselves with and comply with any applicable legal requirements in their location. For the avoidance of doubt, the Offer and Warrants Offer are extended to all eligible Shareholders and Warrantholders, including those who may not directly receive this Offer Document, Warrants Offer Letter, and the relevant Acceptance Forms due to legal restrictions. Overseas Shareholders are advised to proceed with caution regarding the Offer, given that this Offer Document, together with the Notification, relevant Acceptance Forms, and any related documents have not been reviewed by regulatory bodies in any Restricted Jurisdiction.
- 16.6 **Reservation of Right not to disseminate outside of Singapore.** In instances where the dissemination of this Offer Document, the Notification, the relevant Acceptance Forms and related documents to jurisdictions outside of Singapore is restricted, the Offeror, CDP and the Registrar reserve the discretionary right to refrain from disseminating all or some of these documents to such jurisdictions. It is clarified, notwithstanding the foregoing, that the Offer is unequivocally extended to all Shareholders vested with Offer Shares, inclusive of those who might not receive this Offer Document, the Notification, the relevant Acceptance Forms, and/or related documents, whether due to non-dispatch or non-distribution, and/or for reasons associated with jurisdictional regulatory constraints.
- 16.7 **Notification to Overseas Shareholders by way of advertisement.** The Offeror reserves the right to notify Overseas Shareholders regarding any matter relating to the Offer (and Warrants Offer), including announcement(s) by way of a public announcement on the SGXNet, or a notice published in a widely circulated Singaporean newspaper. This notification will be considered sufficient, even if an Overseas Shareholder does not directly receive or see the announcement or notice.
- 16.8 **Copies of the Notification and Acceptance Forms.** Subject to compliance with applicable laws, Overseas Shareholders may, nonetheless, obtain copies of the Notification (containing the address and instructions on how to retrieve the electronic copy of this Offer Document and related documents), the relevant Acceptance Forms and any related documents during normal business hours and up to 5.30 p.m. on the Closing Date, from CDP (if they hold Shares deposited with CDP) by submitting a request to CDP via phone (+65 6535 7511) during their operating hours, or email services (asksgx@sgx.com) for instructions on how to obtain a copy of such documents, or from the office of the Registrar, Boardroom Corporate & Advisory Services Pte Ltd (if he holds Shares not deposited with CDP) at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632. Electronic copies of this Offer Document, the Notification and the relevant Acceptance Forms are available on the websites of the SGX-ST and the Company at www.sgx.com and www.vibropower.com, respectively.”

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

Section 8 of the Warrants Offer Letter sets out information pertinent to Overseas Warrantholders, 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 ascribed to them in the Warrants Offer Letter.

“8. OVERSEAS WARRANTHOLDERS

- 8.1 **Disclaimers in Overseas Jurisdictions.** *This Warrants Offer Letter is for informational purposes only and does not constitute an offer to sell or a solicitation to buy any securities in any overseas jurisdiction. It is also not a solicitation for any vote or approval in any jurisdiction. Any sale, issuance, or transfer of securities mentioned in this Warrants Offer Letter must comply with all applicable laws. The Warrants Offer is made solely through this Warrants Offer Letter and the accompanying Warrants Acceptance Forms. These documents contain the complete terms and conditions, including details on how to accept the Warrants Offer.*
- 8.2 **Legal Restrictions in Overseas Jurisdiction.** *The distribution of this Warrants Offer Letter may be restricted by law in certain jurisdictions (“**Restricted Jurisdictions**”). Any person who receives this Warrants Offer Letter in a jurisdiction where such restrictions apply should inform themselves of and comply with those restrictions.*
- 8.3 **No Onward Distribution.** *This Warrants Offer Letter and any related documents must not be mailed or otherwise distributed in, into, or from any Restricted Jurisdiction or any other jurisdiction where such distribution would violate local laws. Any person receiving these documents, including custodians, nominees, and trustees, must not distribute them in, into, or from any such jurisdiction.*
- 8.4 **Manner of offer and acceptance.** *Unless otherwise determined by the Offeror and permitted by applicable laws, the Warrants Offer will not be made directly or indirectly in, into, or from any Restricted Jurisdiction or other jurisdiction where such offers may violate local laws. The Warrants Offer will not be made to, nor accepted from, any person in a Restricted Jurisdiction or any other jurisdiction if it would violate the laws of that jurisdiction. This includes using any means of interstate or foreign commerce, such as mail, telephone, or electronic communication, or any facility of a national, state, or other securities exchange. Acceptance of the Warrants Offer through such means is also prohibited.*
- 8.5 **Overseas Warrantholders.** *Warrantholders residing outside of Singapore (collectively the “**Overseas Warrantholders**”, and each an “**Overseas Warrantholder**”) should be aware that the availability of the Warrants Offer may be affected by the laws of their respective jurisdictions. Overseas Warrantholders are advised to familiarise themselves with and comply with any applicable legal requirements in their location. For the avoidance of doubt, the Warrants Offer is extended to all eligible Warrantholders, including those who may not directly be able to receive this Warrants Offer Letter and Warrants Acceptance Forms due to legal restrictions. Overseas Warrantholders are advised to proceed with caution regarding the Warrants Offer, given that this Warrants Offer Letter, together with the Warrants Acceptance Forms, Notification and any ancillary documents, have not been reviewed by regulatory or other supervisory bodies in any Restricted Jurisdiction.*

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

- 8.6 **Reservation of Right not to disseminate outside of Singapore.** *In instances where the dissemination of this Warrants Offer Letter, the Notification, Warrants Acceptance Forms, and/or accompanying documents to jurisdictions outside of Singapore is restricted, the Offeror, CDP and the Registrar reserve the discretionary right to not disseminate all or part of these documents to such jurisdictions. It is clarified, notwithstanding the foregoing, that the Warrants Offer is extended to all Warrantheolders holding outstanding Warrants that have not been exercised, inclusive of those who might not receive this Warrants Offer Letter, Notification, Warrants Acceptance Forms and related documents, whether due to non-dispatch or non-distribution, or for reasons associated with jurisdictional and/or regulatory constraints.*
- 8.7 **Notification to Overseas Warrantheolders by way of advertisement.** *The Offeror reserves the right to notify Overseas Warrantheolders regarding any matter relating to the Warrants Offer, including any announcements, through a public announcement on the SGX-ST or a notice published in a widely circulated Singaporean newspaper. This notification will be considered sufficient, even if an Overseas Warrantheolder does not directly receive or see the announcement or notice.*
- 8.8 **Copies of the Notification and Warrants Acceptance Forms.** *Subject to compliance with applicable laws, Overseas Warrantheolders may, nonetheless, obtain copies of the Notification (containing the address and instructions for the electronic retrieval of this Warrants Offer Letter and related documents), the Warrants Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from CDP (if it holds Shares deposited with CDP) by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com) for instructions on how to obtain a copy of such documents or from the office of the Registrar, Boardroom Corporate & Advisory Services Pte Ltd (if it holds Warrants not deposited with CDP) at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 during office hours from 9.00 a.m. to 5.30 p.m. (Singapore time), Mondays to Fridays, excluding public holidays.*

Electronic copies of this Warrants Offer Letter, the Notification and Warrants Acceptance Forms are also available on the websites of the SGX-ST and Company at www.sgx.com and www.vibropwer.com, respectively.

Any Overseas Warrantheolder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.

This Circular may not be sent to Overseas Shareholders and Overseas Warrantheolders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholders or Overseas Warrantheolders may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date, from the Registrar, or download a copy of this Circular from the website of the SGX-ST at www.sgx.com, or from the website of the Company at www.vibropwer.com or make a written request to the Registrar for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

In downloading this Circular and any related documents, each of the Overseas Shareholders and Overseas Warrantholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

14. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Section 17 of the Offer Document sets out information relating to CPFIS Investors and SRS Investors, 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 ascribed to them in the Offer Document.

“17. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

17.1 CPFIS and SRS Investors. *CPFIS and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be) directly. CPFIS and SRS Investors are advised to consult their respective CPF Agent and SRS Agent Banks (as the case may be) should they require further information. If they are in any doubt as to the action they should take, CPFIS and SRS Investors should seek independent professional advice.*

17.2 *CPFIS and SRS Investors who wish to accept the Offer are to reply to their respective CPF or SRS Agent Banks (as the case may be) by the deadline stated in the letter from their respective CPF or SRS Agent Banks (as the case may be). Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS and SRS Investors who accept the Offer in accordance with the instructions on acceptance will receive payment for their Offer Shares into their respective CPF or SRS investment accounts (as the case may be).”*

Sections 8.9 and 8.10 of the Warrants Offer Letter sets out information relating to CPFIS Warrants Investors and SRS Warrants Investors, 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 ascribed to them in the Warrants Offer Letter.

“8.9 Information Pertaining to CPFIS Warrants Investors and SRS Warrants Investors.

Investors who have purchased Warrants using their CPF account contributions pursuant to the CPFIS (“CPFIS Warrants Investors”), and investors who have purchased Warrants pursuant to the SRS (“SRS Warrants Investors”) should receive further information on how to accept the Warrants Offer from their respective CPF or SRS Agent Banks included under the CPFIS directly. CPFIS Warrants Investors and SRS Warrants Investors are advised to consult their respective CPF or SRS Agent Banks if they require further information or are in any doubt as to the action they should take, CPFIS Warrants Investors and SRS Warrants Investors are in any event encouraged to seek independent professional advice.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

8.10 Acceptance of the Warrants Offer by Investors in the CPF Investment Scheme and Supplementary Retirement Scheme.

Investors holding Warrants through the CPFIS and SRS interested in accepting the Warrants Offer must reach out to their respective CPF or SRS Agent Banks by the specified deadline stated in the correspondence received from these Agent Banks. Contingent upon the Offer becoming or being declared unconditional in all respects, CPFIS Warrants Investors and SRS Warrants Investors who comply with the prescribed acceptance process will be credited with the payment for their Warrants directly into their respective CPF or SRS investment accounts, in accordance with the terms set forth in this Warrants Offer Letter.”

15. ACTION TO BE TAKEN BY SHAREHOLDERS AND WARRANTHOLDERS

Shareholders and Warrantholders who **wish to accept the Offer and Warrants 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 and Warrants Offer as set out in Schedule 2 to the Offer Document and in the accompanying FAA and/or FAT (in the case of the Offer), or in Appendix 2 of the Warrants Offer Letter and the accompanying Warrants FAA (in the case of the Warrants Offer).

Shareholders and Warrantholders who **do not wish to accept the Offer and Warrants Offer** need not take any further action in respect of the Offer Document, the FAA and/or the FAT (in the case of the Offer), or in respect of the Warrants Offer Letter, the Warrants FAA (in the case of the Warrants Offer) which have been sent to them.

16. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Independent Directors in relation to the Offer and Warrants Offer, the IFA Letter in Appendix I to this Circular, and all references thereto, in the form and context in which they appear in this Circular.

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

CBRE WTW Valuation & Advisory Sdn Bhd and Cushman and Wakefield VHS Pte Ltd, the Independent Valuers commissioned by the Company to perform an independent valuation of the Investment Property and Leasehold Property respectively, have given and have not withdrawn their written consent to the inclusion of their name, the Valuation Certificates as set out in Appendix V to this Circular, and all references thereto, in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

17. DIRECTORS' RESPONSIBILITY STATEMENT

Save for (a) the recommendation of the Independent Directors to Shareholders and Warrantholders set out in Section 12.2 of this Circular for which the Independent Directors are solely responsible, (b) the IFA Letter for which the IFA takes responsibility, (c) information extracted from the Offer Announcement, the Offer Document and the Warrants Offer Letter, (d) information relating to the Offeror and the IFA, and (e) the Valuation Certificates, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Offer, the Warrants Offer, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular (other than the IFA Letter for which the IFA takes responsibility and the Valuation Certificates for which the Independent Valuers take responsibility) has been extracted from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the Offer Announcement, the Offer Document, the Warrants Offer Letter, the IFA Letter and the Valuation Certificates), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

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

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 11 Tuas Avenue 16, Singapore 638929 during normal business hours, from the date of this Circular up to and including the Closing Date:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2022, FY2023 and FY2024;
- (c) the IFA Letter as set out in Appendix I to this Circular;
- (d) the 1H2025 financial statements of the Company;
- (e) the audited consolidated financial statements of the Group for FY2024, as set out in Appendix III to this Circular;
- (f) the letters of consent referred to in Section 16 of this Circular; and
- (g) the Valuation Certificates.

LETTER TO SHAREHOLDERS AND WARRANTHOLDERS

19. ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
VIBROPOWER CORPORATION LIMITED

Tan Poh Chye Allan
Independent and Non-executive Director
26 December 2024

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER



SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

26 December 2024

To: The directors of VibroPower Corporation Limited who are considered independent for the purposes of making recommendation to the Shareholders and Warrantheolders in respect of the Offer and Warrants Offer

Mr. Ernest Yogarajah s/o Balasubramaniam	(Non-Executive Non-Independent Director)
Mr. Hew Koon Chan	(Non-executive Independent Director)
Mr. Tan Poh Chye Allan	(Non-executive Independent Director)

Dear Sirs,

MANDATORY CONDITIONAL CASH OFFER AND WARRANTS OFFER BY MR. BENEDICT CHEN ONN MENG (THE “OFFEROR”) TO ACQUIRE (I) ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE SHARE CAPITAL OF VIBROPOWER CORPORATION LIMITED (THE “COMPANY”), EXCLUDING TREASURY SHARES AND THOSE SHARES ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PERSONS ACTING IN CONCERT WITH HIM; AND (II) OUTSTANDING WARRANTS ISSUED BY THE COMPANY, EXCLUDING THOSE WARRANTS ALREADY OWNED, CONTROLLED, OR AGREED TO BE ACQUIRED BY THE OFFEROR

Unless otherwise defined or the context otherwise requires, all terms defined in the circular to shareholders and warrantheolders of the Company dated 26 December 2024 (the “Circular”) shall have the same meanings herein.

1. INTRODUCTION

On 21 November 2024 (the “**Offer Announcement Date**”), VibroPower Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announced that Mr Benedict Chen Onn Meng (the “**Offeror**”), has on 18 November 2024 acquired 17,202,333 ordinary shares in the Company (the “**Shares**”), representing a total of approximately 23.34% of the total issued Shares as at the Offer Announcement Date, at a price of S\$0.02 for each Share (the “**Acquisitions**”).

As a consequence of the Acquisitions, the Offeror has increased its stake in the Company from 16.52% to 39.86%. When taken together with the voting rights already owned or held by Offeror’s brother, Mr. Chen Siew Meng (the “**Primary Concert Party**”), the Offeror and the Primary Concert Party own approximately 49.97% of the total issued Shares in the share capital of the Company. The Offeror is, therefore, required to make a mandatory conditional cash offer (the “**Offer**”) for all Shares, excluding treasury shares and Shares already owned, controlled and agreed to be acquired by the Offeror, Primary Concert Party and persons acting in concert with the Offeror (collectively also referred to as the or his “**Concert Parties**”) as at the Offer Announcement Date (the “**Offer Shares**” and each an “**Offer Share**”), in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and Rule 14.1 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

In accordance with Rule 19 of the Code, the Offeror intends to make an offer (the “**Warrants Offer**”) to all holder (the “**Warrantheolders**”) of the outstanding warrants (the “**Warrants**”) to acquire their Warrants (other than the 4,000,060 Warrants held by the Offeror as at the Offer Announcement Date).

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER

In connection thereof, the Company has appointed SAC Capital Private Limited (“**SAC Capital**”) as the independent financial adviser (the “**IFA**”) to the directors of the Company who are considered to be independent, do not have irreconcilable conflict of interests nor have been exempted by The Securities Industry Council of Singapore (the “**SIC**”) (the “**Independent Directors**”) for the purposes of making recommendation to the shareholders of the Company (the “**Shareholders**”) and Warranholders in respect of the Offer and Warrants Offer, to provide an assessment on the financial terms of the Offer and Warrants Offer. This letter, which sets out, *inter alia*, our evaluation and advice, has been prepared for the use of the Independent Directors in connection with their consideration of the Offer and Warrants Offer, as well as their recommendation to Shareholders and Warranholders arising thereof.

2. OUR TERMS OF REFERENCE

We have been appointed as the IFA to the Independent Directors to provide an assessment of the financial terms of the Offer and Warrants Offer in order to advise the Independent Directors in respect of their recommendations to the Shareholders and Warranholders on the Offer and Warrants Offer.

We are not and were not involved in any aspect of the negotiations entered into by the Group in relation to the Offer and the Warrants Offer or in the deliberations leading up to the decision by the Offeror to undertake the Offer and the Warrants Offer. Accordingly, we do not, by this letter warrant the merits of the Offer and the Warrants Offer, other than to advise the Independent Directors on the terms of the Offer and the Warrants Offer from a financial point of view.

We have not conducted a comprehensive independent review of the business, operations or financial condition of the Group. We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the Group. Our evaluation is confined to the financial terms of the Offer and the Warrants Offer and it is not within the terms of reference to evaluate the strategic, legal or commercial merits or risks of the Offer and the Warrants Offer or the future growth prospects or earnings potential of the Group after the completion of the Offer and the Warrants Offer. Accordingly, we do not express any view as to the future prices at which the Shares and Warrants may trade or on the future financial performance of the Group after the completion of the Offer and the Warrants Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Offer Shares and Warrants. It is also not within our terms of reference to compare the relative merits of the Offer and Warrants Offer *vis-à-vis* any alternative transaction that the Company may consider in the future, or any alternative offer that might otherwise be available in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the financial terms of the Offer and the Warrants Offer, we have held discussions with the directors and the management of the Company (the “**Directors**” and “**Management**” respectively) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information contained in the Circular. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge: (a) all material information available to them in connection with the Offer and the Warrants Offer has been disclosed in the Circular; (b) such information (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer and the Warrants Offer) is fair 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 stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER

representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on in our evaluation.

Save as disclosed, all information relating to the Group that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, and the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group at any time or as at 12 December 2024 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and have not been furnished with any such evaluation or appraisals, except for the valuation summary certificates (the “**Valuation Certificates**”) prepared by Cushman and Wakefield VHS Pte. Ltd. and CBRE WTW Valuation & Advisory Sdn Bhd (collectively, the “**Independent Valuers**”) who were appointed to perform independent valuation of the Investment Property and Leasehold Property (as defined in paragraph 8.1.3.3 of this letter) held by the Group as at 28 November 2024 and 1 October 2024 respectively. The Valuation Certificates are set out in Appendix V to the Circular. As we are not experts in the evaluation or appraisal of the assets set out in the Valuation Certificates, we have placed sole reliance on the independent valuation in relation to the aforementioned assets and have not made any independent verification of the contents thereof. In addition, we do not assume any responsibility to enquire about the basis of the valuation in the Valuation Certificates or if the contents in the Valuation Certificates have been prepared in accordance with all applicable regulatory requirements including Rule 26 of the Code.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as at 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 the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder, Warranholder, any specific group of Shareholders or Warranholders. We recommend that any individual Shareholder, Warranholder, specific group of Shareholders or Warranholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice in relation to the Offer and the Warrants Offer should be considered in the context of the entirety of this letter and the Circular.

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

3. THE OFFER

The detailed terms of the Offer are set out in sections 2 and 4 of the offer document dated 12 December 2024 issued by Offeror (the “**Offer Document**”) and reproduced in section 2.1 of the Circular. Shareholders are advised to refer to the Offer Document and Circular for further details on the Offer and read the information carefully.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER

3.1 Offer Price

For each Offer Share tendered by Shareholders in acceptance of the Offer, S\$0.02 in cash (the “**Offer Price**”) will be paid by the Offeror. Under Rule 14.3 the Code, the Offeror is required to make the Offer for the Offer Shares at not less than the highest price at which the Offeror, and persons acting in concert with him, have acquired Shares during the offer period and in the six (6) months immediately preceding the Offer Announcement Date (the “**Relevant Period**”).

3.2 No Purchase of Shares during the Relevant Period

As the Offeror, the Primary Concert Party (to the best of his knowledge, information and belief) and persons acting in concert with him have not acquired any Shares during the Relevant Period, the Offeror will pay S\$0.02 in cash for each Offer Share tendered in acceptance of the Offer.

The Offer Price is final, and the Offeror does not intend to revise the Offer Price.

3.3 Offer Shares

The Offer is extended to all Offer Shares in issue at the Offer Announcement Date, on the same terms and conditions. For the purposes of the Offer, the expression “Offer Shares” includes all such Shares issued from valid exercise of the Warrants but excludes treasury shares and Shares already owned, controlled or agreed to be acquired by the Offeror and Concert Parties as at the Offer Announcement Date.

3.4 No Other New Shares Issuable

Other than the Warrants, the Offeror understands that the Company does not have in place any share plan, nor has it entered into any agreement for any new Shares to be delivered or issued under any convertible securities.

3.5 No Encumbrances

The Offer Shares will be acquired (a) validly issued and fully paid; (b) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, adverse claims, rent-charge, title retention, claims, equity, options, pre-emption rights to acquire, security agreement and security interest, or other rights or encumbrance of whatever nature (“**Encumbrances**”); and (c) together with all rights, benefits, entitlements and advantages attached to them as at the Offer Announcement Date and thereafter, including all voting rights and the right to receive and retain all dividends, rights, return of capital and/or other distributions (the “**Distribution**”) (if any) which may be announced, declared, made or paid by the Company on or after the Offer Announcement Date.

3.6 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer, as, or on behalf of, the beneficial owner(s) will be deemed to have unconditionally and irrevocably represented and warranted that such Offer Shares are, and, when transferred to the Offeror or any person nominated in writing by the Offeror, will be: (a) validly issued and fully paid; (b) free from all Encumbrances; and (c) entitled to all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all Distribution (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.

3.7 Closing Date

Pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the SIC, and every person is released from any obligation incurred thereunder, the Offer will

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remain open for acceptances by Shareholders for a period of at least 28 days from the date of electronic dissemination of the Offer Document.

As set out in section 5.2 of and schedule 1 to the Offer Document, the Offer will close at 5.30 p.m. (Singapore time) on 9 January 2025. The Offeror does not intend to extend the Offer beyond the closing date or to revise the terms of the Offer.

3.8 Offer Declared Unconditional

As set out in section 2.3(a) of the Circular, on 16 December 2024, the Offeror announced that as at 6.00 p.m. (Singapore time), he received valid acceptances in respect of 45,036 Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and his Concert Parties, resulted in him holding a total of 36,873,269 Shares, representing approximately 50.03% of the total number of Shares (excluding treasury shares). Accordingly, the Offeror announced that the Offer became unconditional ("**Offer Unconditional Announcement**").

3.9 Further Details of the Offer

Sections 2 and 5 of and schedule 1 to the Offer Document sets out further details on (a) reduction of Offer Price if distribution is made; (b) minimum acceptance condition; (c) determination of the minimum acceptance condition; and (d) the Offer Becoming Unconditional, and Shareholders are advised to read the information carefully.

4. THE WARRANTS OFFER

The Warrants Offer is made in accordance with Rule 19 of the Code. The detailed terms of the Warrants Offer are set out in sections 2 to 5 of the letter to Warrantholders dated 12 December 2024 issued by the Offeror (the "**Warrants Offer Letter**") and reproduced in section 2.2 of the Circular. Warrantholders are advised to refer to the Offer Document, the Warrants Offer Letter and Circular for further details on the Warrants Offer and read the information carefully.

4.1 Warrants Overview

As at the latest practicable date of the Warrants Offer Letter, based on available public information, there are a total of 7,705,598 outstanding Warrants which are listed and quoted on the SGX-ST. Excluding the 4,000,060 Warrants currently held by the Offeror, the aggregate number of outstanding Warrants held by other Warrantholders is 3,705,538. This figure constitutes approximately 4.79% of the Potential Maximum Issued Share Capital (amounting to 77,401,652 Shares), assuming full exercise of these Warrants and corresponding subscription for new Shares under the terms and conditions governing the issuance of the Warrants.

4.2 Terms of Issue of the Warrants

The Warrants were issued under the following key terms and conditions:

- (a) One (1) Warrant was issued to each entitled shareholder along with each Rights Share under the Rights Issue cum Warrants Exercise at its closing date on 17 January 2020;
- (b) One (1) new Share, fully paid, will be issued to a Warrantholder from the exercise of every Warrant held;
- (c) An issue price of S\$0.10 is payable by a Warrantholder for every (1) new Share issued from the exercise of one (1) Warrant;
- (d) The exercise period for the Warrants will expire at 5:00 p.m. (Singapore time) on 16 January 2025; and

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- (e) The closing price of each Warrant quoted as at the close of trading on the Offer Announcement Date was S\$0.0412¹.

4.3 Extension of Offer to new Shares issued from exercise of Warrants.

As stated in section 2.3 the Offer Document and section 1.4 of the Warrants Offer Letter, the Offer made under the Offer Document is extended, on the same terms and conditions, to all new Shares issued from valid exercises of any Warrants before the Closing Date, but excludes treasury shares and Shares already owned, controlled or agreed to be acquired by the Offeror and his Concert Parties as at the Offer Announcement Date.

4.4 Warrants Offer

The Offeror hereby makes an offer to the Warrantholders to acquire the Warrants, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with the terms and subject to the conditions set out in the Warrants Offer Letter.

4.5 Warrants Price

The offer price for each Warrant is S\$0.001, payable in cash (the “**Warrants Offer Price**”). The Warrants Offer Price is calculated based on the highest price paid by the Offeror and his Concert Parties in the six months prior to the Offer Announcement Date.

4.6 Determination of the Warrants Offer Price

With the Offer Price designated at S\$0.02 per Offer Share and the exercise price for the Warrants established at S\$0.10 (the “**Exercise Price**”), the resultant “see-through” price for the Warrants is thus calculated as S\$0.02 (being the Offer Price per Offer Share) subtracting S\$0.10 (being the Exercise Price of each Warrant), leading to a negative value of S\$0.08. Given this context, and in line with the stipulations outlined in section 2.6 of the Warrants Offer Letter and considering that neither the Offeror nor any of his Concert Parties has acquired any Warrants within the timeframe described in section 2.6(b)(i) of the Warrants Offer Letter, the Offeror has determined the Warrants Offer Price to be a nominal amount of S\$0.001 for each Warrant submitted for acceptance under the Warrants Offer.

4.7 Conditionality of the Warrants Offer

The Warrants is contingent upon two primary conditions: firstly, the fulfillment of the Minimum Acceptance Condition (as defined in the Offer Document), where the Offer must become unconditional in every aspect. This means that the Offeror and his Concert Parties must have acquired or control by the Closing Date, a minimum of 38,700,826 Shares, constituting 50.0% of the Potential Maximum Issued Shares (amounting to 77,401,652 Shares) if all 3,705,538 outstanding Warrants are exercised (other than the 4,000,060 Warrants held by the Offeror), or if no Warrant is exercised prior to the Closing Date, a minimum of 36,848,057 Shares, constituting 50.0% of the total issued Shares (amounting to 73,696,114 Shares); and secondly, the Warrants must remain capable of being exercised up until 5.30 p.m. on the Closing Date, i.e., 9 January 2025 or 5.00 p.m. on their stated expiry date, i.e., 16 January 2025 (whichever occurs first in time). Should the Offer be withdrawn or expire due to the Minimum Acceptance Condition not having been fulfilled by the Closing Date, or in the event the Warrants are no longer exercisable by the Closing Date or their stated expiry date (whichever occurs first in time), the Warrants Offer will be withdrawn and be deemed null and void.

4.8 No Encumbrances

The Warrants will only be acquired (a) validly issued and fully paid; (b) free from all Encumbrances; and (c) acquired together with all rights, benefits, entitlements and advantages attached to them as at the Offer Announcement Date and thereafter, including all voting rights

¹ This closing price reflects the last transacted price of the Warrants on 22 October 2020.

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and the right to receive and retain all distribution (if any) which may be announced, declared, made or paid by the Company on or after the Offer Announcement Date.

4.9 No Exercise by the Offeror

As at the latest practicable date of the Warrants Offer Letter, the Offeror holds 4,000,060 Warrants. However, the Offeror does not intend to exercise any of these Warrants for the period commencing from the Offer Announcement Date until the Closing Date. For the six months prior to the Offer Announcement Date, the Offeror did not acquire any Warrants nor exercise any of his 4,000,060 Warrants.

4.10 Warrants Offer Closing Date

The Warrants Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on the Closing Date, 9 January 2025.

4.11 Offer Declared Unconditional

As set out in section 2.3(b) of the Circular, as the Minimum Acceptance Condition (as defined in the Offer Document) had been satisfied, and as at the date of the Offer Unconditional Announcement, no circumstance or reason exists which prevents or may prevent the Warrants from being exercised up until 5.30 p.m. on the Closing Date, 9 January 2025 or 5.00 p.m. on their stated expiry date, 16 January 2025 (whichever occurs first in time), the Offeror further declared in the Offer Unconditional Announcement that the Warrants Offer would proceed to completion.

4.12 Offer and Warrants Offer Mutually Exclusive

The Offer and the Warrants Offer are separate and mutually exclusive. The Warrants Offer does not form part of the Offer, and vice versa. While the Warrants Offer will only proceed if the Offer becomes or is declared unconditional, that is to say, if the Offeror and his Concert Parties garner at least 50% of the total voting rights of the Company, including voting rights acquired or agreed to be acquired before or during the Offer on or before the Closing Date, the Warrants Offer on the other hand does not depend on any minimum level of acceptance if it proceeds to closing upon the Offer becoming or being declared unconditional.

4.13 Further Details of the Warrants Offer

Section 3 of the Offer Document and sections 2 to 5 of the Warrants Offer Letter set out further details of the Warrants Offer, and Warrant holders are advised to read the information carefully.

5. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 23 May 2000. The Company was listed on Sesdaq of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 8 September 2000. On 28 September 2006, it was transferred to the Mainboard of the SGX-ST.

The Company and its subsidiaries are principally engaged in three principal segments, projects (supply, design, manufacture, installation, commission and servicing of power generators and related spare parts and accessories), power plant (development, operation and management of power generator projects) and others.

As at the Latest Practicable Date and based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore, the Company has an issued and paid-up share capital of S\$19,753,430.662, comprising 73,696,114 Shares (excluding 1,076,800 Shares held as treasury shares). As at the Latest Practicable Date, the Company has 7,705,598 Warrants in issue and does not have any other outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights in the Company.

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As at the Latest Practicable Date, the Board comprises the following individuals:

- (a) Mr. Benedict Chen Onn Meng (Executive Director and Chief Executive Officer);
- (b) Mr. Ernest Yogarajah s/o Balasubramaniam (Non-Executive Non-Independent Director);
- (c) Mr. Hew Koon Chan (Non-Executive Independent Director); and
- (d) Mr. Tan Poh Chye Allan (Non-Executive Independent Director).

Additional information on the Company is set out in Appendix II to the Circular.

6. INFORMATION ON THE OFFEROR

As set out in section 8 of the Offer Document, Mr. Benedict Chen Onn Meng, the Offeror, established the Company and holds a controlling interest. Currently, he serves as the executive director and chief executive officer of the Company, having been appointed executive director since 22 August 2000.

7. RATIONALE FOR THE OFFER AND THE OFFEROR'S FUTURE INTENTIONS FOR THE COMPANY

The rationale for the Offer and the Offeror's intentions relating to the Company are set out in sections 10 and 11 of the Offer Document and reproduced in paragraph 5 of the Circular. Shareholders are advised to refer to the Offer Document and the Circular for further details and read the information carefully.

8. FINANCIAL ASSESSMENT OF THE OFFER AND WARRANTS OFFER

In assessing the financial terms of the Offer and Warrants Offer, we have taken into account various pertinent factors which we consider to have a significant bearing on our assessment. We have therefore organised our evaluation of the Offer and the Warrants Offer as follows:

- (a) paragraph 8.1 of this letter, our evaluation of the Offer for the Shares at the Offer Price of S\$0.02 each;
- (b) paragraph 8.2 of this letter, our evaluation of the Warrants Offer for the Warrants at the Warrants Offer Price of S\$0.001 each; and
- (c) paragraph 8.3 of this letter, other relevant considerations which apply to both the Offer and the Warrants Offer.

8.1 Financial Assessment of the Offer

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (a) market quotation and trading liquidity of the Shares;
- (b) historical financial performance of the Group;
- (c) historical financial position of the Group, including net asset value ("**NAV**") and revalued net asset value ("**RNAV**") of the Group;
- (d) comparison of valuation statistics of companies broadly comparable to the Group;

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- (e) comparison with recent non-privatisation mandatory general offer transactions for companies listed on the SGX-ST; and
- (f) estimated range of value of the Shares.

8.1.1 Market Quotation and Trading Liquidity of the Shares

8.1.1.1 Share price benchmarks

On 19 November 2024 after trading hours, the Company requested for a trading halt pending the release of an announcement (“**Trading Halt**”). As such, we consider 19 November 2024 as the last full market day of the Shares trading on the SGX-ST immediately prior to the Offer Announcement Date (the “**Last Trading Day**”). Subsequently, the Company released the Offer Announcement on 21 November 2024 and the Trading Halt was lifted on 22 November 2024.

For the purpose of our analysis of the trading performance of the Shares in respect of the Offer, we have compared the Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares for the 12-month period prior to the Offer Announcement Date (i.e. from 20 November 2023 to the Last Trading Day), and up to the Latest Practicable Date (the “**Period Under Review**”).

8.1.1.2 Share price chart and trading liquidity during the Period Under Review

A graphical representation of the daily closing prices and volume traded of the Shares for the Period Under Review is set out as follows:



Source: Bloomberg L.P.

A summary of the salient announcements and key events relating to the Group’s business operations and the Offer during the Period Under Review is as follows:

Date	Event
6 March 2024	Announcement on contingent liabilities arising from a performance bond of a contract terminated by a customer. On 1 March 2024, the Company’s wholly-owned subsidiary, VibroPower Sales and Services Pte Ltd (“ VPSS ”) received a demand letter (the “ Demand Letter ”) from the main contractor (the “ Main Contractor ”) of a project under which VPSS was appointed the subcontractor. In the Demand Letter, the Main Contractor threatened to call on the performance bond provided by VPSS due to allegedly outstanding works that caused delay to the Customer.

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Date	Event
30 May 2024	Announcement on the unaudited financial results for the financial year ended 31 March 2024 (“FY2024”), which reported net profit of S\$170,000 for FY2024 as compared to a net loss of S\$7.1 million for the financial year ended 31 March 2023 (“FY2023”).
4 August 2024	Announcement on the disposal of all the registered and invested capital of Shanxi Weineng Coal Bed Methane Development Co., Ltd. (“SXWN”), the Company’s wholly-owned subsidiary (the “Disposal”).
5 August 2024	Announcement on commencement of arbitration proceedings where VPSS has served a notice of arbitration to the Main Contractor.
16 August 2024	Announcement on call on performance bond by the Main Contractor. The guaranteed sum under the performance bond has been fully provided for in the unaudited financial results for FY2024.
11 September 2024	Release of the annual report for FY2024.
10 October 2024	Release of the circular to shareholders in respect of the Disposal. The Disposal is expected to increase the net tangible asset per share of the Company from 11 cents before the Disposal to 15 cents after the Disposal assuming that the Disposal was completed on 31 March 2024.
15 October 2024	Announcement on receipt of notice of arbitration by VPSS, relating to a separate equipment supply contract between VPSS and the Main Contractor.
29 October 2024	Announcement on profit guidance for the 6-month financial period ended 30 September 2024 (“1H2025”) where the Group is expected to report an operating loss for 1H2025.
4 November 2024	Announcement on completion of the Disposal.
11 November 2024	Announcement on the unaudited interim financial results for 1H2025 of the Group, which reported a net loss of S\$1.5 million in 1H2025 as compared to a net profit of S\$1.3 million for the 6-month financial period ended 30 September 2024 (“1H2024”).
19 November 2024	Announcement of the trading halt.
21 November 2024	Release of the Offer Announcement.
22 November 2024	Announcement of the lifting of the trading halt.
12 December 2024	Announcement on the despatch of Offer Document and the Warrants Offer Letter.

Source: Company’s announcements on the SGX-ST

Information on the traded closing prices of the Shares, volume-weighted average prices (“VWAP”) and average daily trading volumes (“ADTV”) for the reference period(s) (a) prior to and including the Last Trading Day; and (b) from 22 November 2024 (being the Market Day after the Offer Announcement Date) up to the Latest Practicable Date are set out as follows:

	Highest closing price ⁽¹⁾ (S\$)	Lowest closing price ⁽¹⁾ (S\$)	VWAP ⁽¹⁾⁽³⁾ (S\$)	Premium/ (Discount) of Offer Price over VWAP (%)	ADTV ⁽²⁾⁽³⁾ (shares)	ADTV as percentage of free float ⁽⁴⁾ (%)
(a) Periods prior to and including the Last Trading Day						
Last 12 months	0.043	0.010	0.017	17.65	57,540	0.138
Last 6 months	0.043	0.010	0.022	(9.09)	55,119	0.132
Last 3 months	0.043	0.020	0.025	(20.00)	39,918	0.096
Last 1 month	0.025	0.020	0.022	(9.09)	5,714	0.014
Last Trading Day ⁽⁵⁾	0.020	0.020	0.020	0.00	26,000	0.062

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	Highest closing price ⁽¹⁾ (S\$)	Lowest closing price ⁽¹⁾ (S\$)	VWAP ⁽¹⁾⁽³⁾ (S\$)	Premium/ (Discount) of Offer Price over VWAP (%)	ADTV ⁽²⁾⁽³⁾ (shares)	ADTV as percentage of free float ⁽⁴⁾ (%)
(b) Period after the Offer Announcement Date up to the Latest Practicable Date						
Period between and including 22 November 2024 and up to the Latest Practicable Date	0.020	0.019	0.020	0.00	14,327	0.034
Latest Practicable Date ⁽⁶⁾	0.020	0.020	0.020	0.00	54,900	0.132

Sources: Bloomberg L.P. and SAC Capital's calculations

Notes:

- (1) Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest three (3) decimal places.
- (2) The ADTV of the Shares is calculated based on the total volume of the Shares traded divided by the number of Market Days during the relevant periods. "Market Day" refers to a day on which the SGX-ST is open for the trading of securities.
- (3) These statistics exclude the completion of the Acquisition of 17,202,333 Sale Shares on 18 November 2024.
- (4) For the purpose of computing the ADTV as a percentage of free float, we have used the free float of approximately 41,741,479 Shares based on the free float of 56.64 % as disclosed in the annual report of the Company for FY2024.
- (5) Based on the last closing price and ADTV on 18 November 2024 as there were no trades on the Last Trading Day.
- (6) Based on the last closing price and ADTV on 5 December 2024 as there were no trades on the Latest Practicable Date.

We note the following with regard to the Share prices and the ADTV of the Shares:

- (a) Periods prior to and including the Last Trading Day
 - (i) during the 12-month period up to and including the Last Trading Day, the closing prices of the Shares ranged between a low of S\$0.010 and a high of S\$0.043. The Offer Price represents: (i) a premium of 100.00% over the lowest closing price of the Shares; and (ii) a discount of 53.49% over the highest closing price of the Shares, during the 12-month period up to and including the Last Trading Day;
 - (ii) the Offer Price represents a premium of 17.65% over the VWAP of the Shares for the 12-month period up to and including the Last Trading Day;
 - (iii) the Offer Price represents a discount of 9.09%, 20.00% and 9.09% over the VWAP of the Shares for the 6-, 3- and 1-month periods up to and including the Last Trading Day respectively. The Offer Price was equivalent to the closing price of the Shares of S\$0.020 on the Last Trading Day;
 - (iv) in relation to the trading liquidity of the Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Trading Day, ADTV of the Shares were between approximately 0.014% and 0.138% of the free float of the Company; and
 - (v) during the 12-month period up to and including the Last Trading Day, the Shares were only traded on 57 Market Days out of 252 Market Days.

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- (b) Period after the Offer Announcement Date up to the Latest Practicable Date
- (i) the Offer Price was equivalent with the VWAP of the Shares for the period 22 November 2024 and up to the Latest Practicable Date. The Offer Price was also equivalent to the closing price of the Shares as at the Latest Practicable Date; and
 - (ii) the ADTV of the Shares as a percentage of the free float was approximately 0.034% for the period from 22 November 2024 and up to the Latest Practicable Date.

In evaluating the Offer, it is relevant to examine the trading volume of the Shares over a reasonable period, during which the market price of the Shares may reflect public investors' valuation of the Shares, based on publicly available information.

We note the following with regard to the trading liquidity of the Shares:

- (a) the ADTV of the Shares for the 12-month period up to and including the Last Trading Day was approximately 57,540 Shares and represented 0.138% of the Company's free float;
- (b) the ADTV for the 6-, 3- and 1-month periods prior to and including the Last Trading Day were only approximately 55,119 Shares, 39,918 Shares and 5,714 Shares respectively; and
- (c) we also note that the Shares were traded quite thinly. We calculated that the Shares were traded on 22.62%, 28.91%, 32.31% and 14.29% of the Market Days for the 12-, 6-, 3- and 1-month periods prior to and including the Last Trading Day.

Based on the above, we note that the trading of the Shares appears to be relatively illiquid for the aforementioned periods prior to and including the Last Trading Day. In addition, the ADTV for the aforementioned periods prior to the Last Trading Day represents less than 0.140% of the Company's free float, and the ADTV during the aforementioned periods prior to and including the Last Trading Day was significantly low at less than 58,000 Shares.

It is to note that given the low liquidity of the Shares during the periods observed, the Offer Price may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash. In the absence of the Offer Price, such an exit for all Shareholders may not be readily available due to the low trading liquidity for the Shares.

Shareholders should note that there is no assurance that the closing price of the Shares would remain at the current level prevailing as at the Latest Practicable Date and after the completion of the Offer. Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a guarantee of its future trading performance, which will depend on, amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

8.1.1.3 Share price chart since 1 January 2019 and up to the Latest Practicable Date

We have also considered the daily closing prices and volume traded of the Shares since 1 January 2019 up to the Latest Practicable Date. We note that for the aforementioned period prior to the Latest Practicable Date, the closing prices of the Shares are between a low of S\$0.010 and a high of S\$0.240 and the Offer Price represents a discount of approximately 75.31% over the VWAP of S\$0.081.

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A graphical representation of the daily closing prices and volume traded of the Shares since 1 January 2019 and up to the Latest Practicable Date is set out as follows:



Source: Bloomberg L.P.

From the share price chart above, we note that the Shares have mostly traded above the Offer Price since 1 January 2019 and up to the Latest Practicable Date.

8.1.2 Historical Financial Performance of the Group

The Company has changed its financial year end from 31 December to 31 March on 30 December 2021, after taking into consideration the Group's reporting requirements as well as the Group's resources, manpower, and administrative demands. The salient audited consolidated financial information of the Group for the 15-month period from 1 January 2021 to 31 March 2022 ("15MFY2022"), 12-month financial year ended 31 March 2023 and 2024 ("FY2023" and "FY2024" respectively), and the unaudited interim consolidated financial information of the Group for the 6-month financial period ended 30 September 2023 and 2024 ("1H2024" and "1H2025" respectively) are set out in the table below.

The following summary financial information should be read in conjunction with the full text of the annual reports and results announcements of the Group, in respect of the relevant financial periods including the notes thereto.

8.1.2.1 Consolidated Statement of Comprehensive Income

(S\$'000)	----- Audited -----			---- Unaudited ----	
	15MFY2022	FY2023	FY2024	1H2024	1H2025
Revenue	15,194	9,576	14,845	5,361	3,161
Cost of sales	(13,100)	(9,258)	(12,318)	(4,864)	(2,460)
Gross profit	2,094	318	2,527	497	701
Other items of income					
Interest income	3	-	-	-	-
Other credits	153	31	1,078	1,090	155
Other income	143	167	117	67	-
Expenses					
Marketing and distribution costs	(147)	(85)	(85)	(22)	(4)
Administrative expenses	(2,675)	(2,384)	(2,861)	(1,376)	(1,107)

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(\$S'000)	----- Audited -----			---- Unaudited ----	
	15MFY2022	FY2023	FY2024	1H2024	1H2025
Reversal/(Provision) of impairment losses on financial assets	(996)	(2,594)	1,199	1,343	-
Finance costs	(559)	(387)	(626)	(117)	(267)
Other charges	(1,038)	(1,931)	(1,093)	-	(540)
Other expenses	(130)	(149)	(111)	(60)	(2)
Share of results of associates	(116)	(69)	42	(9)	128
(Loss)/ Profit before income tax from continuing operations	(3,268)	(7,083)	187	1,413	(936)
Income tax expenses	(55)	(22)	(15)	-	-
(Loss)/ Profit for the period/year from continuing operations	(3,323)	(7,105)	172	1,413	(936)
Discontinued operation					
Loss for the period from discontinued operation ⁽¹⁾	NA	NA	NA	(83)	(525)
(Loss)/Profit for the period/year	(3,323)	(7,105)	172	1,330	(1,461)

Sources: Annual reports for 15MFY2022, FY2023, and FY2024 of the Group and unaudited financial statements for 1H2024 and 1H2025 of the Group

Note:

- (1) The Group had, on 4 November 2024, completed the disposal of its subsidiary (“Disposal”), Shanxi Weineng Coal Mine Gas Development Co., Ltd (“SXWN”) at a sales consideration of RMB30 million (including the settlement of inter-company balance of RMB10 million) or S\$5.6 million. Accordingly, the Group has re-presented the statement of profit or loss of its current business as continuing and discontinued operation for 1H2025 and 1H2024. The corresponding assets and liabilities of SXWN have been classified as held-for-sale as at 30 September 2024.

Prior to the Disposal, the Group’s principal business comprises: (a) supply, design, manufacture, installation, commissioning, and servicing of power generators used mainly in commercial and industrial buildings (“Project Segment”); (b) supply electricity (“Power Plant Segment”) and (c) others. Subsequent to the Disposal, the Group’s revenue contribution was mainly from the Project Segment only.

(a) 15MFY2022 vs FY2023

The Group’s revenue decreased by S\$5.6 million from S\$15.2 million in 15MFY2022 to S\$9.6 million in FY2023 mainly contributed by the decrease in Project Segment as a result of delay in the delivery schedule of a few major projects, of which, was partially due to 12 months of revenue for FY2023 as compared to 15 months in 15MFY2022. On a segmental basis, Project Segment accounted for 76.6% of total revenue in FY2023 (15MFY2022: 76.1%) while Power Plant Segment contributed 23.4% (15MFY2022: 23.9%). Geographically, Singapore continued to be the Group’s major market, accounting for 71.8% of the total revenue in FY2023, while Asia, which comprised mainly of Hong Kong and China, contributed 28.2% to the Group’s total revenue.

The Group’s gross profit decreased by S\$1.8 million to S\$0.3 million in FY2023 and gross profit margin declined from 13.8% in 15MFY2022 to 3.3% in FY2023. The deterioration in gross profit was mainly due to lower margin projects delivered in FY2023, which consisted of residential and small industrial projects. The material costs for these projects secured previously have risen significantly and contributed to the lower margin.

The slight increase in other income and other expenses was due to engineering services provided to an associate company.

The decrease in marketing and distribution costs by 42.2% was mainly due to less travelling during FY2023.

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The Group's administrative expenses and finance costs were both lower due to 12 months of expenses incurred for FY2023 as compared to 15 months in 15MFY2022.

The significant increase in impairment loss on financial assets of S\$1.6 million was mainly due to the provision for unbilled revenue and retention sum of S\$2.5 million for a terminated contract.

Additionally, the increase of other charges for FY2023 by S\$0.9 million has included a provision for potential back charge and liquidated damages of S\$1.3 million in relation to a terminated contract, an foreign exchange loss of S\$0.5 million, partially offset by lower provision of allowance for slow moving inventories by S\$0.9 million. Provisions have been made in compliance with IFRS 9 and 15 requirements without prejudice to the Group's legal position which are reserved.

As a result of the above, the Group registered a net loss after tax of S\$7.1 million for FY2023 as compared to net loss after tax of S\$3.3 million for 15MFY2022.

(b) *FY2023 vs FY2024*

The Group's revenue increased to S\$14.8 million for FY2024 compared to S\$9.6 million in FY2023 mainly contributed by the increase in Project Segment, which secured several major projects during FY2024. On a segmental basis, Project Segment accounted for 88.9% of total revenue in FY2024 (FY2023: 73.0%) while Power Plant Segment contributed 8.2% (FY2023: 23.4%). Geographically, Singapore continued to be the Group's major market, accounting for 86.0% of the total revenue in FY2024, while Asia, which comprised mainly of Hong Kong and China, contributed 14.0% to the Group's total revenue.

The Group's gross profit increased from S\$0.3 million in FY2023 to S\$2.5 million in FY2024 and gross profit margin increased from 3.3% to 17.0%. This was mainly attributable to the delivery of higher margin projects during FY2024.

Other credit increased from S\$31,000 to S\$1.1 million mainly due to the reversal of allowance for impairment of slow-moving inventories of S\$0.7 million during FY2024 when the inventories were allocated to specific projects and trade payables written back of S\$0.3 million.

Other expenses increased slightly mainly due to engineering fees provided to an associate company.

The administrative expenses increased by S\$0.5 million mainly attributable to the increase in the professional fees for convertible bonds and extraordinary general meeting, loan/trade line facility fees etc.

Finance costs increased by S\$0.2 million due to higher interest rate and increasing borrowings during FY2024.

Reversal of impairment losses on financial assets of S\$1.2 million in FY2024 compared to provision of impairment losses on financial assets of S\$2.6 million in FY2023 refers to the reversal of expected credit losses on trade and other receivables owing by ex-business partner. The Group's subsidiary had entered into a settlement agreement on 11 July 2023 with the ex-business partner for a mutually agreed amount in a full and final settlement of all claims made against the ex-business partner under a legal suit. The Group had on 26 September 2023 received the full settlement sum.

Other charges increased by S\$0.8 million mainly due to the provision of performance bond to a customer of S\$0.8 million and loss on liquidation of a subsidiary of S\$0.2 million, which were partially offset by the absence of provision for potential back charges from a customer and provision for liquidated damages. As announced on 6 March 2024, the

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Company had received a demand letter in which the customer threatened to call on the performance bond if the Company did not provide certain documentation. The Company had made the provision for the performance bond of S\$0.8 million on prudence.

As a result of the above, the Group registered a net profit after tax of S\$172,000 for FY2024, reversing a net loss after tax of S\$7.1 million for FY2023.

(c) *1H2024 vs 1H2025*

The Group's revenue decreased to S\$3.2 million for 1H2025 as compared to S\$5.4 million in 1H2024 mainly due to project delays and accordingly fewer projects completed and delivered in 1H2025. Geographically, Singapore continued to be the Group's major market, accounting for 83.8% of the total revenue in 1H2025.

The Group's gross profit increased by S\$0.2 million and gross profit margin increased from 9.3% to 22.2%. This was mainly attributable to the delivery of better margin projects in 1H2025.

Other charges relate to impairment losses on contract assets amounting to S\$0.5 million results from the termination of contract by a customer as announced on 14 October 2024.

Other credits decreased by S\$0.9 million mainly attributable to the absence of reversal of allowance for slow-moving inventories of S\$0.7 million and trade payables written back of S\$0.2 million as well as gain from liquidated subsidiaries amounting to S\$0.1 million.

Other expenses decreased slightly mainly due to engineering services provided to an associate company.

Finance costs increased slightly mainly due to higher interest rate and borrowings during 1H2025.

Share of results of associates increased to S\$0.1 million due to an increase in sales of sludge oil in 1H2025.

As a result of the above, the Group reported a net loss after tax from continuing operations of S\$0.9 million for 1H2025 as compared to net profit after tax from continuing operations of S\$1.4 million for 1H2024.

The loss from discontinued operations of S\$0.5 million was contributed by the operational losses from SXWN in 1H2025 due to lower production of electricity.

The results of the Group for 1H2025 have not taken into account the net gain on the Disposal of SXWN of S\$2.5 million as the disposal was only completed on 4 November 2024.

8.1.2.2 Consolidated Cash Flows Statement

(\$'000)	----- Audited -----			----- Unaudited -----	
	15MFY2022	FY2023	FY2024	1H2024	1H2025
Net cash flows (used in)/generated from operating activities	(296)	480	(1,231)	478	2,948
Net cash flows used in investing activities	(792)	(8)	(94)	-	(66)
Net cash flows (used in)/generated from financing activities	(1,435)	(598)	938	(915)	979
Net (decrease)/increase in cash and cash equivalents	(2,523)	(126)	(387)	(437)	3,861
Cash and cash equivalents at end of the period/year	915	768	385	328	4,253

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Sources: Annual reports for 15MFY2022, FY2023 and FY2024 of the Group and unaudited financial statements for 1H2024, and 1H2025 of the Group

The Group recorded a negative net cash flow used in operation activities of S\$0.3 million for 15MFY2022 and S\$1.2 million for FY2024 and generated positive net cash flows from operating activities of S\$0.5 million, S\$0.5 million, and S\$2.9 million for FY2023, 1H2024, and 1H2025 respectively.

Net cash generated from operating activities in 1H2025 was S\$2.9 million, mainly due to a decrease in trade and other receivables and contract assets, despite the negative cash flows before changes in working capital of S\$0.4 million, mainly resulting from the loss before income tax of S\$1.5 million for 1H2025.

Net cash used in investing activities in 1H2025 was S\$66,000, mainly due to the decrease in restricted cash of S\$63,000.

Net cash generated from financing activities in 1H2025 of S\$1.0 million was mainly due to the proceeds from bank loans of S\$2.0 million, partially offset by the repayment of loans and borrowings of S\$0.8 million, repayment of lease liabilities of S\$18,000 and interest paid of S\$0.2 million.

Taking into account that the net cash and cash equivalents at the beginning of the year of 1H2025 of S\$0.4 million, and the net increase in cash and cash equivalents of S\$3.9 million, the Group's cash and cash equivalents as at 30 September 2024 amounted to S\$4.3 million.

8.1.3 Historical Financial Position of the Group

8.1.3.1 Statement of Financial Position

A summary of the financial position of the Group as at 31 March 2024 and 30 September 2024 is set out as follows:

(\$'000)	Audited As at 31 March 2024	Unaudited As at 30 September 2024
Non-current assets		
Property, plant and equipment	4,840	1,531
Investment property	2,697	2,697
Investment in associates	505	639
Right-of-use assets	585	374
Total non-current assets	8,627	5,241
Current assets		
Contract assets	2,314	675
Cash and bank balances	385	4,253
Trade and other receivables	9,344	5,075
Other assets	447	788
Inventories	969	719
Assets held for sale	-	4,714
Total current assets	13,459	16,224
Total assets	22,086	21,465
Non-current liabilities		
Loans and borrowings	2,666	2,480
Lease liabilities	439	423

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(S\$'000)	Audited As at 31 March 2024	Unaudited As at 30 September 2024
Total non-current liabilities	3,105	2,903
Current liabilities		
Income tax payable	113	125
Contract liabilities	1,105	516
Loans and borrowings	2,201	2,010
Payables and accruals	7,320	5,178
Provision	18	18
Lease liabilities	36	35
Liabilities held for sales	-	3,703
Total current liabilities	10,793	11,585
Total liabilities	13,898	14,488
Net assets	8,188	6,977
Equity		
Capital and reserves attributable to equity holders of the Group		
Share capital	19,084	19,084
Treasury shares	(388)	(388)
Accumulated losses	(10,484)	(11,942)
Reserves	(1,397)	(1,263)
Equity attributable to equity holders of the Company	6,815	5,491
Non-controlling interests	1,373	1,486
Total equity	8,188	6,977
NAV/NTA attributable to the equity holders of the Company	6,815	5,491
Number of issued shares (excluding treasury shares)	73,696,114	73,696,114
NAV/NTA per Share (S\$)	0.092	0.075

Sources: Annual report for FY2024 of the Group and unaudited financial statements for 1H2025 of the Group

(a) **Assets**

As at 30 September 2024, the Group has total assets of S\$21.5 million comprising current assets of S\$16.2 million (75.6% of total assets) and non-current assets of S\$5.2 million (24.4% of total assets).

The main current assets of the Group are (i) trade and other receivables of S\$5.1 million (31.3% of current assets); (ii) asset held for sale of S\$4.7 million (29.1% of current assets); (iii) cash and bank balances of S\$4.3 million (26.2% of current assets); (iv) other assets of S\$0.8 million (4.9% of current assets); (v) inventories of S\$0.7 million (4.4% of current asset); and (vi) contract asset of S\$0.7 million (4.2% of current assets) as at 30 September 2024.

The main non-current assets of the Group are (i) investment property of S\$2.7 million (51.5% of non-current assets); (ii) property, plant and equipment of S\$1.5 million (29.2% of non-current assets); (iii) investment in associate of S\$0.6 million (12.2% of non-current

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assets); and (iv) right-of-use assets of S\$0.4 million (7.1% of non-current assets) as at 30 September 2024.

(b) *Liabilities and Equity*

As at 30 September 2024, the Group has total liabilities of S\$14.5 million, comprising current liabilities of S\$11.6 million (80.0% of total liabilities) and non-current liabilities of S\$2.9 million (20.0% of total liabilities).

The main current liabilities of the Group are (i) payables and accruals of S\$5.2 million (44.7% of current liabilities); (ii) liabilities held for sales of S\$3.7 million (32.0% of current liabilities); (iii) loans and borrowings of S\$2.0 million (17.4% of current liabilities); (iv) contract liabilities of S\$0.5 million (4.5% of current liabilities) and (v) income tax payable of S\$0.1 million (1.1% of current liabilities).

The non-current liabilities of the Group are loans and borrowings of S\$2.5 million (85.4% of non-current liabilities) and lease liabilities of S\$0.4 million (14.6% of non-current liabilities).

Total equity and NAV attributable to the equity holders of the Company was S\$5.5 million as at 30 September 2024.

8.1.3.2 Book NAV/NTA 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. Furthermore, the NAV approach is more relevant in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

Based on the Group's latest unaudited financial statement as at 30 September 2024 and 73,696,114 Shares in issue as at 30 September 2024, the NAV of the Group amounted to S\$5.5 million or S\$0.075 per Share. We note that the Offer Price represents a discount of 73.2% against the NAV per Share of S\$0.075 as at 30 September 2024. Accordingly, the Price-to-NAV ("**P/NAV**") of the Group implied by the Offer Price would be 0.27 times as at 30 September 2024.

Based on the Group's latest unaudited financial statement as at 30 September 2024, there were no intangible assets and accordingly, the NTA of the Group is equivalent to the NAV of the Group which amounted to S\$5.5 million. Therefore, for the purposes of our analysis in this letter, we will focus on the P/NAV of the Group implied by the Offer Price where it relates to any asset-based valuation methodology and/or analysis, unless otherwise stated.

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For illustrative purposes only, assuming the full exercise of the 7,705,598 outstanding Warrants as at the Latest Practicable Date into new Shares, the Group's NAV and Diluted NAV will be as follows:

	Unaudited As at 30 September 2024
NAV (S\$'000)	5,491
Add: Proceeds assuming the full exercise of all outstanding Warrants ⁽¹⁾ (S\$'000)	771
Diluted NAV (S\$'000)	6,262
Diluted NAV per Share ⁽²⁾ (S\$)	0.077

Notes:

- (1) Assuming the full exercise of 7,705,598 outstanding Warrants as at the Latest Practicable Date at the Exercise Price, which is significantly out-of-the-money.
- (2) Based on the enlarged share capital of 81,401,712 Shares assuming the exercise of all outstanding Warrants held as at the Latest Practicable Date.

Based on the above, the Offer Price represents a discount of 74.0% against the diluted NAV per Share of S\$0.077. For the purposes of our analysis in this letter, we will focus on the NAV per Share without the dilutive impact (arising from the full exercise of the 7,705,598 outstanding Warrants) where it relates to any asset-based valuation methodology and/or analysis, unless otherwise stated, as the Warrants are significantly out-of-the-money as at the Latest Practicable Date.

8.1.3.3 RNAV of the Group

In our evaluation of the Offer Price, we have also considered whether there are any assets or liabilities which should be valued at an amount that is materially different from that which are recorded in the unaudited balance sheet of the Group as at 30 September 2024, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 30 September 2024.

Investment property

We note that the aggregate book value of the investment property (the “**Investment Property**”) of the Group as at 30 September 2024 amounted to S\$2.7 million (which represents the Group's effective interest of 68.2% in the Investment Property), representing 12.6% of the Group's total assets. The Investment Property refers to a freehold land under development located at Kluang, Malaysia for the Group's biomass power plant's future use.

We note that in the financial statements of the Company, the Investment Property is recognised based on cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment and right-of-use assets

We note that the aggregate book value of the property, plant and equipment of the Group as at 30 September 2024 (comprising (i) leasehold property and improvements; and (ii) plant and equipment) amounted to S\$1.5 million, representing 7.1% of the Group's total assets. Right-of-use assets (comprising (i) leasehold property; and (ii) motor vehicles) amounted to S\$0.4 million, representing 1.7% of the Group's total assets as at 30 September 2024. Of which, leasehold property recorded under the property, plant and equipment and right-of-use assets (the “**Leasehold Property**”) amounted to approximately S\$1.3 million as at 30 September 2024, representing 6.1% of the Group's total assets. The Leasehold Property refers to the property located at 11 Tuas Avenue 16, Singapore 638929, which is currently partially tenanted and partially occupied by the Group.

We note that in the financial statements of the Company, the Leasehold Property are recognised based on cost less accumulated depreciation and accumulated impairment losses.

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For the assessment of the RNAV of the Group, the Group had commissioned the Independent Valuers to conduct independent valuations to determine the market values of the Investment Property and Leasehold Property, which are set out below:

Description of Property	Net book value as at 30 September 2024 (S\$'000)	Market Value as at respective valuation dates (S\$'000) ⁽¹⁾	Revaluation Surplus (S\$'000) ⁽²⁾
Investment Property	2,697 ⁽³⁾	4,547 ⁽⁴⁾	404
Leasehold Property	1,299 ⁽⁵⁾	4,500	3,201
Total	3,996	9,047	3,605

Notes:

- (1) The market values presented are based on 100.0% interest in the properties.
- (2) Based on the Group's effective shareholding interest in the relevant entities.
- (3) Based on the unaudited statement of financial position of the Group as at 30 September 2024. The Group owns an effective interest of 68.2% in the Investment Property.
- (4) Based on the exchange rate extracted from S&P Capital IQ Pro of S\$1:RM3.299 as at the Latest Practicable Date.
- (5) Based on the unaudited statement of financial position of the Group as at 30 September 2024. The Group owns an effective interest of 100.0% in the Leasehold Property.

The Independent Valuers had conducted its independent valuation of the Investment Property and Leasehold Property on the basis of "Market Value" which is defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

In arriving at the "Market Value" of the Investment Property, the independent valuer, CBRE WTW Valuation & Advisory Sdn Bhd has adopted comparison/market approach as the appropriate method for the valuation. In arriving at the "Market Value" of the Leasehold Property, the independent valuer, Cushman and Wakefield VHS Pte Ltd has adopted sales comparison approach as the appropriate method for the valuation. Further details on the independent valuations of the Investment Property and Leasehold Property, including the bases for the independent valuations, can be found in the Valuation Certificates, which are set out in Appendix V of the Circular. Shareholders are advised to read the above in conjunction with the Valuation Certificates in its entirety.

Under Rule 26.3 of the Code, the Group is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. The Management has confirmed that the Investment Property and Leasehold Property (i) are held for long-term purposes and internal use; and (ii) there are no known immediate plans to dispose of its interest in the Investment Property and Leasehold Property. Accordingly, any potential tax liabilities are not likely to crystallise.

The Management has also confirmed that in a hypothetical scenario where: (a) the Leasehold Property in Singapore is sold at the market value, there should not be any tax liability arising from the disposal of the Leasehold Property as any gains on disposal will be deemed as capital gain and there is no capital gain tax in Singapore; and (b) the Investment Property in Malaysia is sold at the market value, the estimated potential tax liability that may be incurred by the Group is approximately S\$0.1 million².

² Based on the exchange rate extracted from S&P Capital IQ Pro of S\$1:RM3.299 as at the Latest Practicable Date.

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Investment in associates

We have also discussed with the Company on the Group's investments in its associates amounting to S\$0.64 million representing 3.0% of the Group's total assets. The Management has confirmed that there are no material differences between the carrying values and market values of these investments in associates, and accordingly, no adjustment has been made to NAV of the Group in this aspect.

Adjustment for net gain on the Disposal

The Group had, on 4 November 2024, completed the disposal of its subsidiary, Shanxi Weineng Coal Mine Gas Development Co., Ltd at a sales consideration of RMB30 million (including the settlement of inter-company balance of RMB10 million) or S\$5.6 million. We understand from the Management that the Disposal is expected to generate a net gain of approximately S\$2.6 million.

Pending litigations

We note that the Company has made the following provisions for the following pending litigations during the Period under Review:

- (a) On 10 February 2023, VPSS received a notice of termination of sub-contract ("**Termination Contract**") from its main contractor, Puretech Engineering Pte Ltd ("**Puretech**"). The Company had made provisions for unbilled revenue and retention sum of S\$2.5 million and for potential back charge and liquidated damages of S\$1.3 million in the audited statement of financial position for FY2023.

On 6 March 2024, VPSS received a demand letter from Puretech which threatened to call on the performance bond (the "**Performance Bond**") of VPSS if VPSS failed to provide certain documentation in relation to the project under the Terminated Contract. The Company had made provision for the Performance Bond of S\$0.8 million in the audited statement of financial position for FY2024. Subsequently, the Group had, on 16 August 2024, announced that Puretech has demanded payment of the guaranteed sum under the Performance Bond of which the Company has made provision for.

- (b) On 15 October 2024, the Company announced that VPSS has received another notice of arbitration relating to a separate project between VPSS and Puretech. Prior to that, VPSS also received written notice terminating an equipment supply contract. Following the termination, the Group has recognised an allowance for impairment loss on contract assets of S\$0.5 million in 1H2025.

We understand from the Management that the abovementioned litigations are still ongoing as at the Latest Practicable Date. Given that relevant provisions have been made by the Company in relation to the abovementioned events, no adjustment have been made to the NAV of the Group on this aspect.

Based on the above, we have made the following adjustment to the NAV of the Group to arrive at the RNAV of the Group as at 30 September 2024:

S\$'000	As at 30 September 2024
Unaudited NAV of the Group	5,491
Add: Revaluation surplus	3,605
Less: Potential tax liabilities arising from the hypothetical disposal of the Investment Property	(108)
Add: Net Gain on Disposal	2,550
RNAV of the Company	11,538
RNAV per Share (S\$)	0.16

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Based on the above, we note that the Offer Price represents a discount of approximately 87.23% against the RNAV per Share of S\$0.16 as at 30 September 2024. Accordingly, the Price-to-RNAV (“**P/RNAV**”) of the Company implied by the Offer Price would be approximately 0.13 times as at 30 September 2024.

Shareholders should note that the RNAV of the Group above is not necessarily a realisable value given that the RNAV valuation approach is based largely upon the surplus revaluation estimates which were obtained by application of “as is” valuation estimates. This approach implicitly assumes that the Investment Property and Leasehold Property may be disposed of by the Group at a price determined by the independent valuations, on a willing buyer and a willing seller basis in an arms-length transaction with a third party. It should be noted that such valuations or market values of the Investment Property and Leasehold Property may vary depending on, *inter alia*, the prevailing market and economic conditions, and does not consider the associated time, effort, marketability, buyer demand and uncertainty relating to such property sale.

Save as disclosed in this letter and any publicly available information as disclosed in the announcements made by the Company, the Independent Directors and Management have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) they are not aware of any material difference between the estimated market value of the assets held by the Group and its associates *vis-à-vis* their respective book values recorded in the unaudited statement of financial position of the Group as at 30 September 2024;
- (b) they are not aware of any circumstances which may cause the NAV and NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the latest announced unaudited statement of financial position of the Group as at 30 September 2024;
- (c) save for the Disposal, there have been no material disposals or acquisitions of assets by the Group between 30 September 2024 and the Latest Practicable Date, and the Group does not have any plans for such impending material disposal or acquisition of assets, conversion of the use of the Group’s material assets or material change in the nature of the Group’s business;
- (d) there are no contingent liabilities, bad or doubtful debts or impairment losses or material events at as the Latest Practicable Date which are likely to have a material impact on the NAV and NTA of the Group as at 30 September 2024;
- (e) there are no litigation, claim or proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have a material impact on the unaudited statement of financial position of the Group as at 30 September 2024; and
- (f) there are no intangible assets as at the Latest Practicable Date which ought to be disclosed in the unaudited statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been disclosed that would have a material impact on the NAV and NTA of the Group as at 30 September 2024.

8.1.3.4 Net debt position of the Group

The Group recorded cash and cash equivalents of S\$4.3 million as at 30 September 2024. After deducting for current and non-current borrowings and lease liabilities, the Group would record a net debt position of S\$0.7 million (or net debt of S\$0.01 per Share) as at 30 September 2024. Accordingly, we have not compared the Offer Price *vis-à-vis* the NAV of the Group on an ex-cash basis.

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8.1.3.5 Material uncertainty in relation to going concern

We wish to highlight that the Company's auditor, Forvis Mazars LLP, had, without modifying their opinion, included a material uncertainty related to going concern in its report on the consolidated financial statements of the Group for FY2024. The following is an extract of the said matter as set out in the audited consolidated financial statements of the Group for FY2024 together with the Independent Auditor's report, which are reproduced in Appendix III to the Circular:

“The Group recorded a net operating cash outflows of \$1.2 million for FY2024 and the cash and cash equivalents amounted to \$0.39 million. On 1 March 2024, the subsidiary of the Group was issued a demand letter by a project customer. The letter called for the payment of performance bonds in the sum of \$0.78 million. In addition, the Company's current liabilities exceeded its current assets by \$0.04 million as at 31 March 2024. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Group's and Company's ability to continue as a going concern.”

8.1.4 **Comparison of Valuation Statistics of Companies Broadly Comparable to the Group**

In considering what may be regarded as a reasonable range of valuation for the purpose of assessing the financial terms of the Offer, we have referred to selected listed companies whose business activities are broadly comparable with those of the Group to give an indication of the current market expectations with regard to the perceived valuation of these businesses.

The Company was incorporated in Singapore on 21 July 1995 and was listed on Sesdaq of the SGX-ST on 8 September 2000, and subsequently on Mainboard of the SGX-ST on 28 September 2006.

The principal activities of the Group consist the Project Segment which includes supply, design, manufacture, installation, commissioning and servicing of power generators and relating spare parts and accessories; and the Power Plant Segment which includes development, operation and management of power generators projects and others. Subsequent to the disposal of its subsidiary, SXWN, on 4 November 2024, the Group's revenue contribution was mainly from the Project Segment only.

In light of the lack of direct comparable companies on the SGX-ST and Bursa Malaysia Securities Berhad, we have, in consultation with the management, used the following companies listed on the SGX-ST and the Stock Exchange of Hong Kong Limited (“**HKSE**”) whose operations are similar to the Group (the “**Comparable Companies**”) to get 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 there is no listed company or group which may be considered identical to the Group in terms of, *inter alia*, business activities, market capitalisation, scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal business of the Group. As such, any comparison made herein is strictly limited in scope and merely serves as an illustrative guide to Shareholders.

Details on the Comparable Companies, including their business descriptions, selected key financials and valuation statistics, are set out below:

- (a) Shanghai Electric Group Company Limited;
- (b) Dongfang Electric Corporation Limited;
- (c) Harbin Electric Company Limited;
- (d) VPower Group International Holdings Limited; and

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(e) XMH Holdings Ltd.

In assessing the financial terms of the Offer, we have used the following valuation parameters in our analysis:

Valuation parameter	Description
Price-earnings ratio (“PER”) ratio	<p>The historical PER, which illustrates the ratio of the market price of a company’s shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and trailing 12 months earnings per share vis-à-vis the corresponding historical PER of the Group based on the Offer Price and the trailing 12 months earnings per share (if applicable).</p>
P/NAV or P/NTA	<p>A NAV/NTA-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NAV/NTA-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV/NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical P/NAV and P/NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest announced NAV and NTA per share as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the NAV and NTA per share, where relevant), <i>vis-à-vis</i> the corresponding historical P/NAV and P/NTA ratio of the Group based on the Offer Price and the latest announced NAV and NTA per Share of the Group as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the NAV and NTA per share, where relevant).</p>
Enterprise value to EBITDA (“EV/EBITDA”) ratio	<p>The historical EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. “EV” is the sum of a company’s market capitalisation, preferred equity, minority interests, short- and long-term debts and lease liabilities less cash and cash equivalents and represents the actual cost to acquire the entire company. “EBITDA” refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.</p> <p>We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance sheet values (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the EV, where relevant) and trailing 12 months EBITDA <i>vis-à-vis</i> the corresponding historical EV/EBITDA ratio of the Group based on the Offer Price and the trailing 12 months EBITDA of the Group.</p>

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8.1.4.1 Comparative valuation statistics of the Comparable Companies vis-à-vis the Group

The following table sets out the comparative valuation statistics of the Comparable Companies vis-à-vis the Group as implied by the Offer Price:

Comparable Companies	Market Capitalisation (S\$' millions) ⁽¹⁾	Historical PER (times)	Historical P/NAV ratio (times)	Historical P/NTA ratio (times)	Historical EV/EBITDA ratio (times)
Shanghai Electric Group Company Limited	22,519.6 ⁽²⁾	547.60 ⁽³⁾	2.27	3.18	19.27
Dongfang Electric Corporation Limited	8,519.0 ⁽⁴⁾	14.10	1.20	1.26	14.52
Harbin Electric Company Limited	1,009.6 ⁽⁵⁾	5.39	0.38	0.41	0.03 ⁽⁶⁾
VPower Group International Holdings Limited	204.6	n.m. ⁽⁷⁾	0.69	0.70	n.m. ⁽⁷⁾
XMH Holdings Ltd	40.0	2.14	0.60	0.69	1.74
High		547.60	2.27	3.18	19.27
Mean		7.21	1.03	1.25	11.84
Median		5.39	0.69	0.70	14.52
Low		2.14	0.38	0.41	1.74
Company (Implied by the Offer Price)⁽⁸⁾	1.47	n.m.⁽⁹⁾	0.27⁽¹⁰⁾ 0.13⁽¹¹⁾	0.27	n.m.⁽⁹⁾

Sources: S&P Capital IQ Pro, annual reports and/or announcements of the respective Comparable Companies and SAC Capital's computations

Notes:

- (1) Based on last traded prices of the respective companies and exchange rates as at the Latest Practicable Date.
- (2) Shanghai Electric Group Company Limited has total issued shares of 15,579,809,092 of which 12,655,327,092 are "A" shares listed on the Shanghai Stock Exchange and 2,924,482,000 are "H" shares listed on the HKSE. The market capitalisation and valuation multiples have been based on the sum of its market capitalisations in both stock exchanges.
- (3) Being a statistical outlier, Shanghai Electric Group Company Limited has been excluded from the computation of mean and median PER ratio.
- (4) Dongfang Electric Corporation Limited has total issued shares of 3,117,499,457 of which 2,023,579,060 are "A" shares listed on the Shanghai Stock Exchange, 753,920,397 are "A" shares listed on the Shanghai Stock Exchange which are subject to trading restrictions and 340,000,000 are "H" shares listed on the HKSE. The market capitalisation and valuation multiples have been based on the sum of its market capitalisations in both stock exchanges.
- (5) The market capitalisation and valuation multiples of Harbin Electric Company Limited have been based on the total issued shares of 2,236,276,000 of which, 1,560,705,000 are domestic shares which are not freely traded and 675,571,000 are "H" shares which are listed on the HKSE.
- (6) Being a statistical outlier, Harbin Electric Company Limited has been excluded from the computation of mean and median EV/EBITDA ratio.
- (7) n.m. denotes not meaningful as VPower Group International Holdings Limited was loss making and recorded negative EBITDA in its trailing 12 months period.
- (8) Based on 73,696,114 Shares as at the Latest Practicable Date.
- (9) n.m. denotes not meaningful as the Group recorded loss attributable to its shareholders of S\$1.9 million and negative EBITDA of S\$71,864 in its trailing 12 months period, as adjusted for continuing operations. For the avoidance of doubt, we have not taken into account the net gain on the Disposal of SXWN of S\$2.5 million which was completed on 4 November 2024, due to its one-off nature.

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(10) Based on the NAV of the Group of approximately S\$5.5 million as at 30 September 2024, as set out in paragraph 8.1.3.2 of this letter.

(11) Based on the RNAV of the Group of approximately S\$11.5 million as at 30 September 2024, as set out in paragraph 8.1.3.3 of this letter.

(a) Historical PER and EV/EBITDA ratios comparison

As the Group was loss making and recorded negative EBITDA in the latest trailing 12 months period, any assessment of the valuation of the Group (implied by the Offer Price) based on the PER and EV/EBITDA approaches would not be meaningful.

(b) Historical P/NAV and P/RNAV ratios comparison

We note that the historical P/NAV ratio of 0.27 times and P/RNAV ratio of 0.13 times of the Group as implied by the Offer Price are below the range of historical P/NAV ratios of the Comparable Companies of between 0.38 times and 2.27 times.

(c) Historical P/NTA ratio comparison

We note that the historical P/NAV ratio of 0.27 times of the Group as implied by the Offer Price is below the range of historical P/NTA ratios of the Comparable Companies of between 0.41 times and 3.18 times.

8.1.5 Comparison with Recent Non-privatisation Mandatory General Offer Transactions For Companies Listed on the SGX-ST

As set out in sections 11 and 12 of the Offer Document, we note that the Offeror has stated its current intention to maintain the listing status of the Company on the SGX-ST and that it does not intend to exercise any right of compulsory acquisition that may arise under Section 215(1) of the Companies Act.

In our assessment of the Offer, we have compared the financial terms of the Offer with selected recent completed mandatory general offers in cash for companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST, that were announced since 1 January 2022 up to and including the Offer Announcement Date and completed as at the Latest Practicable Date, and wherein the offeror had indicated their intentions to preserve the listing status of the target companies (the “**Non-privatisation Take-over Transactions**”).

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

- (a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month, 3-month, 6-month and 12-month periods prior to the announcement of the Non-privatisation Take-over Transactions; and
- (b) the premium or discount represented by each of the respective offer prices to the NAV or NTA of the respective target companies, where applicable. We note that certain Non-Privatisation Take-over Transactions 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 financial terms of such offer transactions with the revalued NAV (or RNTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Non-privatisation Take-over Transactions, where available.

For the purposes of our analysis of the Non-privatisation Take-over Transactions, we have also included the respective opinions of the IFAs, on whether or not the offers were fair and reasonable, and their recommendations to accept or reject the offers.

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Despite the Offeror's intention stated in section 12 of the Offer Document, we noted that the Offeror reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. As such, we have also compared with Non-privatisation Take-over Transactions where the respective IFAs had opined the offers to be fair and reasonable, and had recommended shareholders to accept the offers (the "**Fair Non-privatisation Take-over Transactions**").

We wish to highlight that the Non-privatisation Take-over Transactions set out below are by no means exhaustive. In addition, as the Group is not directly comparable to the target companies involved in the Non-privatisation Take-over Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, risk profile, accounting policies, financial performance, operating and financial leverage, track record and future prospects, the comparison merely serves as a general guide to provide an indication of the premia/discounts paid in connection with non-privatisation take-over offers of companies listed on the SGX-ST. Each of the Non-privatisation Take-over Transactions must be judged on its own commercial and financial merits. Shareholders should also note that the premium (if any) to be paid by an offeror in a non-privatisation take-over transactions varies in different circumstances depending on, *inter alia*, the offeror's intentions with regard to the target company, the potential synergy that the offeror can gain from acquiring the target company, the attractiveness of the underlying business to be acquired, the trading liquidity of the target company's shares, existing and desired level of control in the target company, prevailing market expectations and the presence of competing bids. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

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Company	Date of offer announcement	Offer price (S\$)	Premium/(Discount) of offer price over					Offer price-to-NAV / NTA ratio (times) ⁽¹⁾	IFA recommendation
			Last transacted price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP		
			Prior to announcement of offer (%)						
Keong Hong Holdings Limited	21 January 2022	0.3840	3.8	7.9	11.1	11.0	12.8	0.50 ⁽²⁾	Reject – Not Fair and Not Reasonable
Procurri Corporation Limited	20 May 2022	0.4250	0.0	3.2	9.3	17.3	20.4	2.19 ⁽³⁾	Accept – Fair and Reasonable
Revez Corporation Ltd.	7 December 2022	0.0306	(66.0)	(65.6)	(67.0)	(69.7)	(75.1)	0.83 ⁽⁴⁾	Reject – Not Fair and Not Reasonable
Halcyon Agri Corporation Limited	3 February 2023	0.4130	42.4 ⁽⁵⁾	64.2 ⁽⁵⁾	68.6 ⁽⁵⁾	71.0 ⁽⁵⁾	69.8 ⁽⁵⁾	1.12 ⁽⁶⁾	Accept – Fair and Reasonable
Sunrise Shares Holdings Ltd.	10 July 2023	0.0218	(37.7)	(36.3)	(40.1)	(41.1)	(46.2)	1.20 ⁽⁷⁾	Accept – Fair and Reasonable
ICP Ltd.	11 July 2023	0.0070	(12.5)	(24.7)	(29.3)	(28.6)	(28.6)	0.90 ⁽⁸⁾	Reject – Not Fair and Not Reasonable
Datapulse Technology Limited	11 August 2023	0.0900	(2.2)	0.0	0.0	(1.1)	(5.3)	0.37 ⁽⁹⁾	Reject – Not Fair and Not Reasonable
No Signboard Holdings Ltd	28 March 2024	0.0021	_(10)	_(10)	_(10)	_(10)	_(10)	_(11)	Reject – Not Fair and Not Reasonable
Nera Telecommunications Ltd	4 September 2024	0.075	(6.3)	(5.1)	(3.9)	(6.3)	(5.1)	0.60 ⁽¹²⁾	Reject – Not Fair and Not Reasonable
NSL Ltd.	23 September 2024	0.750	7.1 ⁽¹³⁾	10.1 ⁽¹³⁾	5.3 ⁽¹³⁾	4.2 ⁽¹³⁾	2.9 ⁽¹³⁾	0.92 ⁽¹⁴⁾	Accept – Not Fair but Reasonable

All Non-privatisation Take-over Transactions

High	42.4	64.2	68.6	71.0	69.8	2.19
Mean	(7.9)	(5.1)	(5.1)	(4.8)	(6.0)	0.96
Median	(2.2)	0.0	0.0	(1.1)	(5.1)	0.90
Low	(66.0)	(65.6)	(67.0)	(69.7)	(75.1)	0.37

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Company	Date of offer announcement	Offer price (\$)	Premium/(Discount) of offer price over				Offer price-to-NAV / NTA ratio (times) ⁽¹⁾	IFA recommendation	
			Last transacted price	1-month VWAP	3-month VWAP	6-month VWAP			12-month VWAP
			Prior to announcement of offer (%)						
Fair Non-privatisation Take-over Transactions									
			High	42.4	64.2	68.6	71.0	69.8	2.19
			Mean	1.6	10.4	12.6	15.7	14.7	1.50
			Median	0.0	3.2	9.3	17.3	20.4	1.20
			Low	(37.7)	(36.3)	(40.1)	(41.1)	(46.2)	1.12
Company (Implied by the Offer Price)	4 September 2024	0.02	0.0	(9.1)	(20.0)	(9.1)	17.7	0.27⁽¹⁵⁾ 0.13⁽¹⁶⁾	

Sources: Announcements and circulars to shareholders in relation to the respective Non-privatisation Take-over Transactions and SAC Capital's computations.

Notes:

- (1) Based on the NAV per share or revalued NAV per share or adjusted NAV per share or NTA per share or revalued NTA per share or adjusted revalued NTA per share, as the case may be, as extracted from the independent financial adviser's letters for the respective companies.
- (2) Based on the revalued NAV per share of Keong Hong Holdings Limited as at 30 September 2021.
- (3) Based on the NAV per share of Procurri Corporation Limited as at 31 December 2021. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of Procurri Corporation Limited as at 31 December 2021 was required.
- (4) Based on the NAV per share of Revez Corporation Ltd. as at 30 June 2022. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of Revez Corporation Ltd. as at 30 June 2022 was required.
- (5) Halcyon Agri Corporation Limited's shares were last transacted on 11 November 2022 before the pre-conditional offer announcement that was announced on 16 November 2022. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 11 November 2022, being the last Market Day on which the shares were traded immediately prior to the pre-conditional offer announcement.
- (6) Based on the NAV per share of Halcyon Agri Corporation Limited as at 31 December 2022. We noted from the independent financial adviser's letter that the NAV per share and revalued NAV per share of Halcyon Agri Corporation Limited as at 31 December 2022 are the same.
- (7) Based on the NAV per share of Sunrise Shares Holdings Ltd. as at 31 December 2022. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of Sunrise Shares Holdings Ltd. as at 31 December 2022 was required.
- (8) Based on the revalued NAV per share of ICP Ltd. as at 31 December 2022.
- (9) Based on the adjusted revalued NAV per share of Datapulse Technology Limited as at 31 January 2023.

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- (10) We note that shares in No Signboard Holdings Ltd had been halted and suspended since 19 January 2022 and resumed trading from 15 March 2024. Since the shares in No Signboard Holdings Ltd were traded less than a month prior to the offer announcement date and prior to the offer announcement date, there were no public market for the shares in No Signboard Holdings Ltd for more than two (2) years, any comparison of the market premia to the historical share prices prior to the suspension will not be meaningful.
- (11) Not meaningful given that No Signboard Holdings Ltd recorded unaudited net liabilities and adjusted net liabilities as at 30 September 2023.
- (12) Based on the NAV per share of Nera Telecommunications Ltd as at 30 June 2024. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of Nera Telecommunications Ltd as at 30 June 2024 was required.
- (13) Based on the periods prior to and including the last trading day, being 23 July 2024, the date prior to the pre-conditional announcement. However, given that there were no shares of NSL Ltd. transacted on the last trading day, any reference to the last transacted prices on the last trading day will refer to the last transacted price on 22 July 2024.
- (14) Based on the revalued NAV of NSL Ltd. as at 30 June 2024.
- (15) Based on the NAV attributable to the Shareholders of S\$5.5 million or S\$0.07 per Share as at 30 September 2024, as set out in paragraph 8.1.3.2 of this letter.
- (16) Based on the RNAV of the Group of S\$11.5 million or S\$0.16 per Share as at 30 September 2024, as set out in paragraph 8.1.3.3 of this letter.

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Based on the above, we note the following:

- (a) in respect of the Non-privatisation Take-over Transactions:
 - (i) the parity of the Offer Price with the last transacted price of the Shares prior to the Offer Announcement Date:
 - (I) is within the range of the corresponding (discount)/premia of the Non-privatisation Take-over Transactions of between (66.0%) and 42.4%; and
 - (II) compares favourably with the corresponding mean and median discount of 2.2% and 7.9% of the Non-privatisation Take-over Transactions;
 - (ii) the discount of the Offer Price over the VWAP of the Shares for the 1-month period prior to the Offer Announcement Date of approximately 9.1% is:
 - (I) within the range of the corresponding (discount)/premia of the Non-privatisation Take-over Transactions of between (65.6%) and 64.2%; and
 - (II) above the corresponding mean and median discount of 5.1% and 0.0% of the Non-privatisation Take-over Transactions;
 - (iii) the discount of the Offer Price over the VWAP of the Shares for the 3-month period prior to the Offer Announcement Date of approximately 20.0% is:
 - (I) within the range of the corresponding (discount)/premia of the Non-privatisation Take-over Transactions of between (67.0%) and 68.6%; and
 - (II) above the corresponding mean and median discount of 5.1% and 0.0% of the Non-privatisation Take-over Transactions;
 - (iv) the discount of the Offer Price over the VWAP of the Shares for the 6-month period prior to the Offer Announcement Date of approximately 9.1% is:
 - (I) within the range of the corresponding (discount)/premia of the Non-privatisation Take-over Transactions of between (69.7%) and 71.0%; and
 - (II) above the corresponding mean and median discount of 4.8% and 1.1% of the Non-privatisation Take-over Transactions;
 - (v) the premium of the Offer Price over the VWAP of the Shares for the 12-month period prior to the Offer Announcement Date of approximately 17.7%:
 - (I) is within the range of corresponding (discount)/premia of the Non-privatisation Take-over Transactions of between (75.1%) and 69.8%; and
 - (II) compares favourably with the corresponding mean and median discount of 6.0% and 5.1% of the Non-privatisation Take-over Transactions;
 - (vi) the P/NAV ratio as implied by the Offer Price of 0.27 times is below the range of offer price-to-NAV or offer price-to-NTA ratios of the Non-privatisation Take-over Transactions of between 0.37 times and 2.19 times; and
 - (vii) the P/RNAV ratio as implied by the Offer Price of 0.13 times is below the range of offer price-to-NAV or offer price-to-NTA ratios of the Non-privatisation Take-over Transactions of between 0.37 times and 2.19 times;

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- (b) in respect of the Fair Non-privatisation Take-over Transactions:
 - (i) the parity of the Offer Price with the last transacted price of the Shares prior to the Offer Announcement Date is:
 - (I) within the range of the corresponding (discount)/premia of the Fair Non-privatisation Take-over Transactions of between (37.7%) and 42.4%; and
 - (II) below the mean premium of 1.6% and on par with median of 0.0% of the Fair Non-privatisation Take-over Transactions respectively;
 - (ii) the discount of the Offer Price over the VWAP of the Shares for the 1-month period prior to the Offer Announcement Date of approximately 9.1% is:
 - (I) within the range of the corresponding (discount)/premia of the Fair Non-privatisation Take-over Transactions of between (36.3%) and 64.2%; and
 - (II) inferior to the corresponding mean and median premium of 10.4% and 3.2% of the Fair Non-privatisation Take-over Transactions;
 - (iii) the discount of the Offer Price over the VWAP of the Shares for the 3-month period prior to the Offer Announcement Date of approximately 20.0% is:
 - (I) within the range of the corresponding (discount)/premia of the Fair Non-privatisation Take-over Transactions of between (40.1%) and 68.6%; and
 - (II) inferior to the corresponding mean and median premium of 12.6% and 9.3% of the Fair Non-privatisation Take-over Transactions;
 - (iv) the discount of the Offer Price over the VWAP of the Shares for the 6-month period prior to the Offer Announcement Date of approximately 9.1% is:
 - (I) within the range of the corresponding (discount)/premia of the Fair Non-privatisation Take-over Transactions of between (41.1%) and 71.0%; and
 - (II) inferior to the corresponding mean and median premium of 15.7% and 17.3% of the Fair Non-privatisation Take-over Transactions;
 - (v) the premium of the Offer Price over the VWAP of the Shares for the 12-month period prior to the Offer Announcement Date of approximately 17.7% is:
 - (I) within the range of corresponding (discount)/premia of the Fair Non-privatisation Take-over Transactions of between (46.2%) and 69.8%; and
 - (II) above mean premium of 14.7% but below the median premium of 20.4% of the Fair Non-privatisation Take-over Transactions respectively;
 - (vi) the P/NAV ratio as implied by the Offer Price of 0.27 times is below the range of offer price-to-NAV or offer price-to-NTA ratios of the Fair Non-privatisation Take-over Transactions of between 1.12 times and 2.19 times; and
 - (vii) the P/RNAV ratio as implied by the Offer Price of 0.13 times is below the range of offer price-to-NAV or offer price-to-NTA ratios of the Non-privatisation Take-over Transactions of between 1.12 times and 2.19 times.

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8.1.6 Estimated Range of Value of the Shares

In deriving a range of values for the Shares, we have considered: (a) the financial performance and position of the Group, in particular the NAV per Share of the Group as at 30 September 2024; (b) P/NAV valuation multiples from the Comparable Companies; (c) P/NAV valuation multiples from the Non-privatisation Take-over Transactions, and (d) market prices of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date. We have not considered the earnings multiples as the Group was loss making and recorded negative EBITDA in the latest trailing 12 months period, thus any assessment based on the PER and EV/EBITDA approaches would not be meaningful.

We noted that the Shares have been consistently trading below its NAV per Share for the Period Under Review and up to the Latest Practicable Date. As such, we have excluded parameter (d) above in arriving at the overall range of derived theoretical valuation, summarised in our analysis below:

Valuation Parameter	Implied Valuation Range (S\$' million)	
	Low	High
(a) NAV as at 30 September 2024	5.49	5.49
(b) P/NAV (mean and median) ⁽¹⁾ of Comparable Companies	3.81	5.65
(c) P/NAV (mean and median) ⁽²⁾ of Non-privatisation Take-over Transactions	10.38 ⁽³⁾	11.08 ⁽³⁾
Implied Valuation Range (S\$' million)⁽³⁾	4.65	5.57
Implied Share Price (S\$)	0.063	0.076

Notes:

- (1) Based on the NAV of the Group of approximately S\$5.5 million as at 30 September 2024, and the mean and median historical P/NAV ratios of the Comparable Companies of between 1.03 times and 0.69 times, as set out in paragraph 8.1.4.1 of this letter.
- (2) Based on the RNAV of the Group of approximately S\$11.5 million as at 30 September 2024, and the mean and median offer price-to-NAV ratios of the Non-privatisation Take-over Transactions of between 0.96 times and 0.90 times, as set out in paragraph 8.1.5 of this letter.
- (3) The lower and upper range have been arrived at based on the average of parameters (a) and (b) respectively. Being a statistical outlier, parameter (c) has been excluded from the computation of the lower and upper range. We noted that the deviation of the lower and upper range of the derived theoretical valuations is more than 15%, mainly due to the absence of available meaningful parameters as explained above, where the only meaningful approach adopted were the asset-based valuation parameters. Notwithstanding the above, we believe that the implied range of the derived theoretical valuations above is still relevant as it centers around the NAV per Share of the Group as at 30 September 2024, after taking into consideration the current financial performance and position of the Group.

Based on the above, the overall range of derived theoretical valuations is between approximately S\$4.65 million and S\$5.57 million, which translate to between S\$0.063 and S\$0.076 per Share. We note that the Offer Price of S\$0.020 is below our estimated value range of the Shares.

8.2 **Financial Assessment of the Warrants Offer**

As set out in section 2.7 of the Warrants Offer Letter, with the Offer Price designated at S\$0.02 per Offer Share and the exercise price for the Warrants established at S\$0.10, the resultant “see-through” price for the Warrants is thus calculated as S\$0.02 (being the Offer Price per Offer Share) subtracting S\$0.10 (being the exercise price of each Warrant), leading to a negative value of S\$0.08. Given this context, and in line with the stipulations outlined in section 2.6 of the Warrants Offer Letter and considering that neither the Offeror nor any of his Concert Parties has acquired any Warrants within the timeframe described in section 2.6(b)(i) of the Warrants Offer Letter, the Offeror has determined the Warrants Offer Price to be a nominal amount of S\$0.001 for each Warrant submitted for acceptance under the Warrants Offer.

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8.2.1 Market valuation of the Warrants

The Warrants are listed and quoted on the SGX-ST on 21 January 2020 (“**Warrants Issue Date**”) and the Warrants are exercisable over a 5-year period (“**Exercise Period**”) commencing on the Warrants Issue Date and expiring on the date immediately preceding 60 months from the Warrants Issue Date (i.e. 16 January 2025) (“**Expiration Date**”).

We noted that during the Period Under Review, there were no Warrants transacted.

In addition, we noted that the Warrants were last transacted on 22 October 2020, with the closing price of the Warrants at S\$0.041. We further note that the Warrants were only traded on 39 out of 1,231 market days and traded in the range of S\$0.012 to S\$0.120 since the Warrants Issue Date and up to the Latest Practicable Date. For the same aforementioned period, the average daily trading volume of the Warrants was only 8,322³ Warrants.

Based on the above, we note that the trading of the Warrants appears to be very illiquid, and as such, are of the view that any comparison of the Warrants Offer Price to the market valuation of the Warrants may not be meaningful for the purposes of our analysis.

8.2.2 Theoretical value of the Warrants

For completeness and in view of the time value of the Warrants, we have considered the valuation of the Warrants using the theoretical value of the Warrants based on the Black-Scholes model, which is a common methodology used in the calculation of call warrants. The theoretical value of the Warrants is a function of, *inter alia*, the Exercise Price vis-à-vis the current price of the underlying Shares, the life period of the Warrants, the nature of the call option as to whether it is a European call option (which is only exercisable on a predetermined exercise date) or an American call option (which can be exercised at any time prior to the expiry date of the Warrant), the risk free interest rate, the dividend yield of the Shares and the price volatility of the underlying Shares. Accordingly, the theoretical value of the Warrants computed based on the Black-Scholes model may fluctuate significantly depending on the input to the above factors, and the actual market value of the Warrants may deviate significantly from the theoretical value of the Warrants.

Based on the Black-Scholes model as computed by Bloomberg L.P., the theoretical value of the Warrants is S\$0.001 as at the Latest Practicable Date, which we believe is mainly due to the fact that the time value of the Warrants is close to zero based on the Expiration Date of the Warrants which is due soon on 16 January 2025.

The Warrants Offer Price is thus equivalent to the theoretical value of the Warrants as at the Latest Practicable Date, with no premium.

It should be noted that the theoretical value of the Warrants using the Black-Scholes model may not reflect the actual value of the Warrants to be transacted on the SGX-ST, and there can be no assurance that an active trading of the Warrants will ensure or that the Warrants will trade at or close to the theoretical value as suggested by the Black-Scholes model. Notwithstanding the theoretical value of the Warrants, Shareholders should note that the Warrants are issued at no consideration.

8.2.3 Offer and Warrants Offer are mutually exclusive and choices by Warrantholders

As set out in section 3.9 of the Offer Document, Warrantholders should note that the Offer and the Warrants Offer are separate and mutually exclusive. The Warrants Offer does not form part of the Offer, and vice versa. While the Warrants Offer will only proceed if the Offer becomes or is declared unconditional, that is to say, if the Offeror and his Concert Parties garner at least 50% of the total issued Shares on or before the Closing Date, the Warrants Offer on the other

³ Based on the total trading volume of the Warrants (excluding off-market transactions) and divided by the total number of days when the SGX-ST was open for trading, from the Warrants Issue Date to the Latest Practicable Date.

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hand does not depend on any minimum level of acceptance if it proceeds to closing upon the Offer becoming or being declared unconditional.

It is important to note that Warranholders who exercise their Warrants into Shares (“**Warrants Shares**”) in order to accept the Offer, will not be permitted to accept the Warrants Offer. Conversely, Warranholders who accept the Warrants Offer will not be allowed to exercise their Warrants into Warrants Shares in order to accept the Offer.

As set out in paragraph 5.2 of the Warrants Offer Letter in relation to the terms of the Warrants Offer, Warranholders have 3 choices in relation to all or any part of their holdings of the Warrants:

- (a) exercise their Warrants into Warrants Shares and accept the Offer;
- (b) accept the Warrants Offer; or
- (c) take no action and let the Warrants Offer lapse.

In view that the Exercise Price of S\$0.10 is higher than the Shares last transacted price of S\$0.02 as at the Latest Practicable Date, the Warrants are significantly out-of-the-money and it will not make economical sense for Warranholders to exercise their Warrants into Warrants Shares so as to accept the Offer at the lower Offer Price of S\$0.02.

In addition, Warranholders should note that the Warrants will expire on 16 January 2025, which is only approximately one (1) month from the Latest Practicable Date. Warranholders should also note that as set out in paragraph 8.1.1.3 of this letter, the Shares have traded below the Exercise Price since December 2020 and up to the Latest Practicable Date.

Therefore, in view that the Warrants are issued at no consideration, we note that the Warrants Offer allows Warranholders the opportunity to realise a value for their Warrants now, should they choose to do so, instead of waiting until the Expiration Date at which point the Warrants may or may not be “in-the-money.”

Warranholders should note that the Warrants will expire on 16 January 2025, which is only approximately one (1) month from the Latest Practicable Date. If the Warrants are not exercised prior to the Expiration Date of the Warrants, the Warrants will lapse and cease to be valid.

8.3 Other Relevant Considerations

8.3.1 Dividend track record of the Company

We note that the Company last declared its dividend for financial year ended 31 December 2014 and had not declared any dividends for the last 10 financial years.

The Directors have confirmed that the Company does not have a fixed dividend policy. For the purpose of analysing the Offer, we have considered that Shareholders who accept the Offer may re-invest the proceeds from the Offer in alternative investments, for example, broad market index instruments.

We wish to highlight that the above dividend analysis merely serves as an illustrative guide only. In addition, Shareholders should note that the above analysis is not an indication of the future dividend policy for the Company and there is no assurance that, *inter alia*, the Company will or will not pay dividends in the future and/or maintain the level of dividends paid in past periods (if any).

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8.3.2 Outlook of the Group

We note that the Company had, in its unaudited 1H2025 financial results announcement, included a commentary on the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group for the next reporting period and the next 12 months which is reproduced in italics below:

" The Group anticipates that the power generators business will remain highly competitive, as Singapore's construction industry faces escalating costs stemming from increased demand for materials, a shortage of skilled labor, and fluctuating tender prices. In response, we prioritise higher value-added projects to mitigate the impact of rising project costs, leveraging our expertise and proven track record.

In our clean energy business segment, we are actively collaborating with Sabah Electricity Sdn Bhd, the Energy Commission of Sabah, and financial partners to advance our biomass power plant project in Malaysia."

8.3.3 Comparison with past fund-raising exercises

In assessing the Offer, we have also compared the financial terms of the Offer with the past fund-raising exercises conducted by the Company.

We note from the announcements of the Company since 2016 to the Latest Practicable Date, the Company has conducted the following fund-raising exercises:

- (a) On 26 September 2016, the Company entered into an agreement (the "**2016 Subscription Agreement**") with Chua Keng Woon and Soh Choon Leong (collectively, the "**2016 Subscribers**") pursuant to which the Company has agreed to allot and issue to the 2016 Subscribers an aggregate of 2,500,000 new Shares in the share capital of the Company, at an issue price of S\$0.24 (the "**2016 Issue Price**") for each subscription share by way of a private placement, amounting to an aggregate amount of S\$600,000 (the "**2016 Subscription**"). The 2016 Issue Price represents a premium of approximately 9.09% to the VWAP of S\$0.22 for trades done on 26 September 2016 (being the full Market Day on which the 2016 Subscription Agreement was signed). The 2016 Subscription was completed on 31 October 2016.
- (b) On 1 October 2019, the Company proposed to undertake a renounceable non-underwritten rights cum warrants issue (the "**2019 Rights Issue with Warrants**") of up to 17,975,428 new Shares ("**Rights Shares**") with 17,975,428 Warrants of S\$0.10 for each Rights Share (the "**2019 Rights Issue Price**"), on the basis of one (1) Rights Share with one (1) free detachable and transferable Warrant for every two (2) existing Shares. The 2019 Rights Issue Price and the Warrant exercise price of S\$0.10 for each new Share represents (i) a discount of approximately 10.71% to the closing price of S\$0.112 per Share on 26 August 2019, being the last full Market Day on which the Shares were traded preceding the 2019 Rights Issue with Warrants announcement; and (ii) a discount of approximately 7.41% to the theoretical ex-rights price of S\$0.108 per Share. At the close of the 2019 Rights Issue with Warrants, valid acceptances and excess applications were received for a total of 37,254,311 Rights Shares with Warrants, representing approximately 207.25% of the total number of Rights Shares with Warrants available for subscription under the 2019 Rights Issue with Warrants.
- (c) On 8 September 2020, the Company entered into separate subscription agreements with Wong Kim Siong and Wong Chong Heng (collectively, the "**2020 Subscribers**") pursuant to which the Company has agreed to allot and issue to the Subscribers an aggregate of 9,500,000 new Shares in the share capital of the Company, at an issue price of S\$0.132 (the "**2020 Issue Price**") for each subscription share, amounting to an aggregate amount of S\$1,254,000 (the "**2020 Placement**"). The 2020 Issue Price represents a discount of approximately 10% to the VWAP of S\$0.1463 per Share for trades done on 7 September 2020 (being the last full Market Day on which the Shares

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were traded prior to the date of the subscription agreements. The 2020 Placement was completed on 5 October 2020.

Comparisons between the Offer, 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement in terms of the premium/(discount) implied by the Offer Price over/from the VWAP for the Shares prior to the respective announcement are presented in the table below:

	Announcement Date	Issue Price/ Offer Price (\$)	Discount of Offer Price over the Issue Price (%)
2016 Subscription	26 September 2016	0.240	91.67
2019 Rights Issue with Warrants	1 October 2019	0.100	80.00
2020 Placement	8 September 2020	0.132	84.85

For illustrative purpose only, we note the following:

- (a) in nominal terms, the Offer Price is lower than the 2016 Issue Price, 2019 Rights Issue Price and 2020 Issue Price; and
- (b) the Offer Price represents (i) a discount of 91.67% over the 2016 Issue Price; (ii) a discount of 80.00% over 2019 Rights Issue Price; and (iii) a discount of 84.85% over the 2020 Issue Price.

Shareholders should note that the above comparison is limited and has to be assessed in the context of the economic or general market conditions for the Shares or the prices for which the Shares were traded at the time then prevailing as well as the conditions for the current Offer may have been different from the 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement. Hence, any comparison between the Offer, the 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement above is necessarily limited and meant for illustration purpose only.

8.3.4 Absence of alternative or competing offers

As at the Latest Practicable Date, other than the Offer, there is no publicly available evidence of an alternative or competing offer for the Shares from any other party.

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

8.3.5 Existing interest in the Company by the Offeror Concert Party Group

Shareholders should note that, as at the Offer Announcement Date, the Offeror and his Concert Parties holds 36,828,233 Shares, representing approximately 49.97% of the total number of Shares.

Shareholders should note that if the Offeror Concert Party Group holds more than 50.0% of the total number of Shares upon the completion of the Offer, the Offeror Concert Party Group will have effective statutory control over the Company, which places the Offeror Concert Party Group in a position to significantly influence, *inter alia*, the management, operating and financial policies of the Company and the ability to pass all ordinary and/or special resolutions at the Company's general meetings on matters in which the Offeror Concert Party Group does not have any interest, save for situations where the Offeror is required by rules or authorities to abstain from voting.

As at the date of this letter, we noted that the Offeror has made the Offer Unconditional Announcement.

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Based on the announcement made by the Offeror on 24 December 2024, (i) the resultant shareholding (including valid acceptances of the Offer) of the Offeror and his Concert Parties amounted to 38,370,823 Shares, representing approximately 52.72% of the total number of Shares as at 1.00 p.m. (Singapore time) on 24 December 2024, and (ii) the resultant holdings of the Warrants (including valid acceptances of the Warrants Offer) of the Offeror and his Concert Parties amounted to 5,242,050 Warrants, representing approximately 68.03% of the total number of Warrants as at 1.00 p.m. (Singapore time) on 24 December 2024.

8.3.6 Rationale for the Offer and the Offeror's intention for the Group

We note from section 10 of the Offer Document that the Offer is made to comply with the requirements of the Code.

We note that the Offeror has no present intention to (i) introduce any major changes to the existing businesses of the Group; (ii) re-deploy fixed assets of the Group; or (iii) discontinue employment of the employees of the Group, other than in the ordinary course of business or which has been announced by the Company. However, the Offeror retains and reserves the right and flexibility to consider any options or opportunities which may present themselves during the course of the Offer and thereafter act in accordance with which he regards to be in his and the Company's best interest.

8.3.7 Offeror's intention relating to the listing status and compulsory acquisition

As set out in sections 11 and 12 of the Offer Document, it is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer and the Offeror does not intend to exercise his right of compulsory acquisition that may arise under Section 215(1) of the Companies Act. However, the Offeror reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the percentage of Shares (excluding treasury shares) held in public hands falls below 10.0%.

8.3.8 No increase in the Offer Price

As set out in section 2.2 of the Offer Document, Shareholders should note that the Offer Price is final and the Offeror does not intend to revise the Offer Price.

9 OUR OPINION AND ADVICE

9.1 **Key Considerations of the Offer and the Warrants Offer**

In arriving at our opinion and advice in respect of the Offer and Warrants Offer, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer and Warrants Offer. The following should be read in conjunction with, and in the context of, the full text of this letter:

- (a) an assessment of the market quotation and trading liquidity of the Shares during the Period Under Review, as set out in paragraph 8.1.1 of this letter;
- (b) historical financial performance of the Group, as set out in paragraph 8.1.2 of this letter;
- (c) the financial position of the Group, including the NAV and RNAV of the Group, as set out in paragraph 8.1.3 of this letter;
- (d) a comparison with the valuation statistics of the Comparable Companies, as set out in paragraph 8.1.4 of this letter;

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- (e) a comparison with recent non-privatisation mandatory general offer transactions for companies listed on the SGX-ST, as set out in paragraph 8.1.5 of this letter;
- (f) estimated range of value of the Shares, as set out in paragraph 8.1.6 of this letter;
- (g) an assessment of the market valuation of the Warrants, as set out in paragraph 8.2.1 of this letter;
- (h) theoretical value of the Warrants, as set out in paragraph 8.2.2 of this letter;
- (i) the Offer and Warrants Offer being mutually exclusive, and the choices by Warrantholders, as set out in paragraph 8.2.3 of this letter; and
- (j) other relevant considerations as follows:
 - (i) dividend track record of the Company, as set out in paragraph 8.3.1 of this letter;
 - (ii) outlook of the Group, as set out in paragraph 8.3.2 of this letter;
 - (iii) comparison with past fund-raising exercises, as set out in paragraph 8.3.3 of this letter;
 - (iv) absence of alternative or competing offers, as set out in paragraph 8.3.4 of this letter;
 - (v) existing interest in the Company by the Offeror Concert Party Group, as set out in paragraph 8.3.5 of this letter;
 - (vi) rationale for the Offer and the Offeror's intention for the Group, as set out in paragraph 8.3.6 of this letter;
 - (vii) Offeror's intention relating to the listing status and compulsory acquisition, as set out in paragraph 8.3.7 of this letter; and
 - (viii) there being no increase in the Offer Price, as set out in paragraph 8.3.8 of this letter.

9.2 Assessment of the Offer and Warrants Offer

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

9.2.1 Assessment of Fairness of the Offer

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

- (a) based on the asset-based approach, which provides an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the Offer Price represents a discount of 73.2% against the NAV per Share of S\$0.075 as at 30 September 2024. Accordingly, the P/NAV of the Group implied by the Offer Price would be 0.27 times as at 30 September 2024;

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- (b) the Offer Price represents a discount of approximately 87.23% against the RNAV per Share of S\$0.16 as at 30 September 2024. Accordingly, the P/RNAV of the Company implied by the Offer Price would be approximately 0.13 times as at 30 September 2024;
- (c) the historical P/NAV ratio as implied by the Offer Price are below the range of those of the Comparable Companies. As the Group was loss making and recorded negative EBITDA in the latest trailing 12 months period, any assessment of the valuation of the Group (implied by the Offer Price) based on the PER and EV/EBITDA approaches would not be meaningful;
- (d) the discounts as implied by the Offer Price over the VWAP of the Shares for the 6-, 3- and 1-month periods up to and including the Last Trading Day were inferior with respect to (i) the corresponding mean and median discounts of the Non-privatisation Take-over Transactions, and (ii) the corresponding mean and median premia of the Fair Non-privatisation Take-over Transactions;
- (e) the P/NAV and P/RNAV ratios as implied by the Offer Price of 0.27 times and 0.13 times respectively are below the range of offer price-to-NAV or offer price-to-NTA ratios of the Non-privatisation Take-over Transactions and Fair Non-privatisation Take-over Transactions; and
- (f) the Offer Price is below the estimated value range of the Shares of S\$0.063 and S\$0.076 per Share.

In view of the above, we are of the opinion that the Offer is **NOT FAIR**.

9.2.2 Assessment of Reasonableness of the Offer

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

- (a) the Offer Price represents a discount of 53.49% over the highest closing price of the Shares during the 12-month period up to and including the Last Trading Day;
- (b) the Offer Price represents a discount of 9.09%, 20.00% and 9.09% over the VWAP of the Shares for the 6-, 3- and 1-month periods up to and including the Last Trading Day respectively. The Offer Price was equivalent to the closing price of the Shares of S\$0.020 on the Last Trading Day;
- (c) the Shares have mostly traded above the Offer Price since 1 January 2019 and up to the Latest Practicable Date;
- (d) the trading of the Shares is erratic and appears to be relatively illiquid in the 12-, 6-, 3-, and 1-month period up to and including the Last Trading Day. It is to note that given the low liquidity of the Shares during the periods observed, the Offer Price may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash. In the absence of the Offer Price, such an exit for all Shareholders may not be readily available due to the low trading liquidity for the Shares;
- (e) the Offer Price represents a steep discount against the Group's NAV per Share and RNAV per Share as at 30 September 2024; and
- (f) we note that in respect of the 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement, the Offer Price represents (i) a discount of 91.67% over the 2016 Issue Price; (ii) a discount of 80.00% over 2019 Rights Issue Price; and (iii) a discount of 84.85% over the 2020 Issue Price. However, as set out in paragraph 8.3.3 of this letter, Shareholders should note that any comparison between the Offer, 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement is necessarily limited and meant for illustration purpose only, as the Group's businesses and operations, the economic or general market conditions then prevailing would have

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been different from the 2016 Subscription, the 2019 Rights Issue with Warrants and the 2020 Placement.

In view of the above, we are of the opinion that the Offer is **NOT REASONABLE**.

9.2.3 Assessment of Fairness of the Warrants Offer

In determining the fairness of the Warrants Offer, we have considered that the Warrants Offer Price is equivalent to the theoretical value of the Warrants as at the Latest Practicable Date, with no premium.

In view of the above, we are of the opinion that the Warrants Offer is **NOT FAIR**.

9.2.4 Assessment of Reasonableness of the Warrants Offer

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

- (a) the trading of the Warrants appears to be very illiquid. During the Period Under Review, there were no Warrants transacted. In addition, we noted that the Warrants were last transacted on 22 October 2020, with the closing price of the Warrants at S\$0.041; and
- (b) the Warrants will expire on 16 January 2025, which is only approximately one (1) month from the Latest Practicable Date and the Shares have traded below the Exercise Price since December 2020 and up to the Latest Practicable Date. Therefore, in view that the Warrants are issued at no consideration, the Warrants Offer allows Warrantheolders the opportunity to realise a value for their Warrants now, should they choose to do so, instead of waiting until the Expiration Date at which point the Warrants may or may not be “in-the-money.”.

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

9.3 **Our opinion on the Offer and Warrants Offer**

In conclusion, we are of the opinion that, on balance, (a) the financial terms of the Offer are **not fair and not reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to **reject** the Offer; and (b) the financial terms of the Warrants Offer are **not fair but reasonable**. Accordingly, we advise the Independent Directors to recommend Warrantheolders to **accept** the Warrants Offer.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder, Warrantheolder, any specific group of Shareholders or Warrantheolders. We recommend that any individual Shareholder, Warrantheolder, any specific group of Shareholders or Warrantheolders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Offer and Warrants Offer. The recommendation to be made by them to the Shareholders and Warrantheolders in respect of the Offer and Warrants Offer shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the purpose of the Offer and Warrants Offer.

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This letter is governed by and shall be construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Tan Kian Tiong
Partner and Head, Capital Markets

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Annex A

Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (S\$' million) ⁽¹⁾⁽²⁾	-----Trailing 12 Months -----		
					Financial year end	Revenue (S\$' million) ⁽¹⁾⁽²⁾	Net profit/(loss) after tax attributable to shareholders (S\$' million) ⁽¹⁾⁽²⁾
Shanghai Electric Group Company Limited	HKSE Shanghai Stock Exchange ("SSE")	Shanghai Electric Group Company Limited provides industrial-grade eco-friendly smart system solutions in Mainland China and internationally. It operates through Energy Equipment Business, Industrial Equipment Business, and Integrated Service Business segments. The company offers concentrated solar power equipment, thermal storage devices, battery cells, backup power for 5g communication base station, ups backup power, container platform for utility and commercial ESS, synchronous condensers, onshore and offshore wind turbines, gas turbines, combined cycle power plant, steam turbine, boilers, turbine generators, turbine island auxiliary equipment, boiler island auxiliary equipment, nuclear island main equipment, nuclear island auxiliary equipment, nuclear pumps and valves, nuclear auxiliary equipment, power transmission and distribution, multiple effect distillation, wastewater treatment, reverse osmosis, and inverters. It also provides aerospace automation equipment, metal 3D printing machine, new energy equipment, and numerically controlled machine tool; dewatering and drying integrated, solid-liquid 2-phase decanter centrifuge, solid-liquid-liquid 3-phase decanter centrifuge, engineering sludge reduction treatment, and river and lake environmental dredging systems; water treatment equipment; elevators, and basic industrial parts and components; and metallurgical, chemical, municipal water conservancy, and mine and building materials motors. In addition, the company offers energy engineering, environmental protection engineering, power transmission and distribution engineering, and	HKD3.03 CNY1.66	22,519.6 ⁽³⁾	31 December	20,794.7	41.1

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Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (S\$' million) ⁽¹⁾⁽²⁾	-----Trailing 12 Months -----		
					Financial year end	Revenue (S\$' million) ⁽¹⁾⁽²⁾	Net profit/(loss) after tax attributable to shareholders (S\$' million) ⁽¹⁾⁽²⁾
		industrial internet of things. Further, it provides industrial Internet; financial leasing, factoring, asset management, and insurance brokerage; and park and property management services.					
Dongfang Electric Corporation Limited	HKSE SSE	Dongfang Electric Corporation Limited engages in the design, develop, manufacture, and sale of power generation equipment in China and internationally. It operates in five segments: Renewable Energy Equipment, Clean and Efficient Energy Equipment, Engineering and Trade, Modern Manufacturing Services Industry, and Emerging Growth Industries. The company offers power generation equipment for wind power, solar power, hydropower, nuclear power, gas power, and thermal power, such as hydro-generating units, steam turbine generators, wind power units, power station steam turbines, and power station boilers. It also provides engineering contracting and services to global energy operators; trade and logistics services; and chemical containers, energy saving and environmental protection, power electronics and control; and hydrogen energy equipment. In addition, the company offers science and technology promotion and application, heat production, and research and experimental development services; and power generators, generating sets, and general equipment.	HKD9.63 CNY15.47	8,519.0 ⁽⁴⁾	31 December	11,599.5	604.0
Harbin Electric Company Limited	HKSE	Harbin Electric Company Limited, together with its subsidiaries, manufactures and sells power plant equipment in the People's Republic of China, the rest of Asia, Africa, Europe, and the United States. It operates through New Power System With New Energy As The Main Body; Clean and Efficient Industrial System; Green and Low-Carbon Drive	HKD2.61	1,009.6 ⁽⁵⁾	31 December	5,980.7	187.4

**APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT
DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER**

Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (S\$' million) ⁽¹⁾⁽²⁾	-----Trailing 12 Months -----		
					Financial year end	Revenue (S\$' million) ⁽¹⁾⁽²⁾	Net profit/(loss) after tax attributable to shareholders (S\$' million) ⁽¹⁾⁽²⁾
VPower Group International Holdings Limited	HKSE	System; and Other Businesses segments. The company provides thermal power main equipment, including boilers, steam turbines, and steam turbine generators; hydropower main equipment, such as hydropower generator units; nuclear power main equipment comprising nuclear island and conventional island equipment; and a set of steam power equipment consisting of 9F/9H class gas turbines, and combined gas and steam cycle sets. It also engages in the research and development, and production of clean energy products comprising solar energy, tidal power, desalination and provision of ancillary equipment for power stations, industrial steam turbines, industrial boilers, control devices, valves for power stations, pressure vessels, etc. In addition, the company is involved in the turnkey construction of power station projects; servicing of thermal and hydropower equipment; import and export of equipment for power stations; provision of after sales service for power station equipment products; research and development of engineering technology for power equipment and its ancillary products; and provision of environmental protection engineering services, such as desulfurization, denitrification, and dust removal. Further, it is engaged in the finance, leasing, water conservancy, environment, public facilities management. biomass power generation. business services, and science and technology promotion and application services businesses.	HKD0.18	204.6	31 December	227.7	(461.0)

**APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT
DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER**

Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (S\$' million) ⁽¹⁾⁽²⁾	-----Trailing 12 Months -----		
					Financial year end	Revenue (S\$' million) ⁽¹⁾⁽²⁾	Net profit/(loss) after tax attributable to shareholders (S\$' million) ⁽¹⁾⁽²⁾
XMH Holdings Ltd	SGX-ST	<p>Asian countries, and internationally. It operates in two segments, System Integration (SI) and Investment, Building and Operating (IBO). The SI segment designs, integrates, sells, and installs engine-based electricity generation units. The IBO segment designs, invests in, builds, and operates distributed power generation (DPG) stations to provide distributed power solutions. The company also engages in trading of engines and components, manufacturing, sale, and installation of power generation systems, and provision of technical services. It serves customers in various sectors, including industry-grade and utility-grade DPG stations, governmental, residential and commercial buildings, data centers, hotels, construction and mining operations, and railway and telecommunications projects.</p> <p>XMH Holdings Ltd., an investment holding company, provides diesel engine, propulsion, and power generating solutions for customers in the marine and industrial sectors in Singapore, Indonesia, Vietnam, and internationally. It operates through three segments: Distribution, After-sales, and Project. The company offers high-speed marine diesel engines for propulsion systems, pumps, deck machines, bow thrusters, power generating sets, and portable power packs; medium-speed marine diesel engines for propulsion systems and power generating sets, low-speed marine diesel engines for propulsion systems, power generating sets for auxiliary power supply to marine vessels, and industrial diesel engines for portable power packs, deck machinery, and power generating sets. It also supplies engines, general machinery, and machinery equipment for marine,</p>	\$S0.37	40.0	30 April	120.0	18.7

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND WARRANTS OFFER

Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (S\$' million) ⁽¹⁾⁽²⁾	-----Trailing 12 Months -----		
					Financial year end	Revenue (S\$' million) ⁽¹⁾⁽²⁾	Net profit/(loss) after tax attributable to shareholders (S\$' million) ⁽¹⁾⁽²⁾
		agriculture, construction, and industrial use, and manufactures, imports, and exports generating sets, spare parts, and general engineering and other related products. In addition, the company trades in machinery, spare parts, and equipment; assembles and sells generators and related accessories; manufactures and assembles transformers, generator sets, and power solution products; and offers after-sales maintenance services. Further, the company provides warehouse services, and supporting services to land transfer. It offers its marine products to shipyards, vessel owners, and dealers; and hotel proprietors, building owners, and contractors.					

Sources: S&P Capital IQ Pro, annual reports and/or announcements of the respective companies

Notes:

- (1) Based on exchange rate of S\$1: CNY5.403 as at the Latest Practicable Date (source: S&P Capital IQ Pro).
- (2) Based on exchange rate of S\$1: HKD5.781 as at the Latest Practicable Date (source: S&P Capital IQ Pro).
- (3) Shanghai Electric Group Company Limited has total issued shares of 15,579,809,092 of which 12,655,327,092 are "A" shares listed on the Shanghai Stock Exchange and 2,924,482,000 are "H" shares listed on the HKSE. The market capitalisation and valuation multiples have been based on the sum of its market capitalisations in both stock exchanges.
- (4) Dongfang Electric Corporation Limited has total issued shares of 3,117,499,457 of which 2,023,579,060 are "A" shares listed on the Shanghai Stock Exchange, 753,920,397 are "A" shares listed on the Shanghai Stock Exchange which are subject to trading restrictions and 340,000,000 are "H" shares listed on the HKSE. The market capitalisation and valuation multiples have been based on the sum of its market capitalisations in both stock exchanges.
- (5) The market capitalisation and valuation multiples of Harbin Electric Company Limited have been based on the total issued shares of 2,236,276,000 of which, 1,560,705,000 are domestic shares which are not freely traded and 675,571,000 are "H" shares which are listed on the HKSE.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

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

Name	Address	Designation
Mr. Benedict Chen Onn Meng	c/o 11 Tuas Avenue 16, Singapore 638929	Executive Director and Chief Executive Officer
Mr. Ernest Yogarajah s/o Balasubramaniam	c/o 11 Tuas Avenue 16, Singapore 638929	Non-Executive Non-Independent Director
Mr. Hew Koon Chan	c/o 11 Tuas Avenue 16, Singapore 638929	Non-Executive Independent Director
Mr. Tan Poh Chye Allan	c/o 11 Tuas Avenue 16, Singapore 638929	Non-Executive Independent Director

2. REGISTERED OFFICE

The registered office of the Company is 11 Tuas Avenue 16, Singapore 638929.

3. PRINCIPAL ACTIVITIES

The Company is a public company limited by shares incorporated in Singapore on 23 May 2000. The Company was listed on 8 September 2000 on SGX Sesdaq (now known as Catalist of the SGX-ST). On 28 September 2006, it was transferred to the Mainboard of the SGX-ST. The Company and its subsidiaries are principally engaged in three principal business segments, Projects (supply, design, manufacture, installation, commission and servicing of power generators and related spare parts and accessories), Power Plant (development, operation and management of power generator projects), and Others.

4. SHARE CAPITAL

4.1. Issued Share Capital

The Company has one (1) class of shares, being ordinary shares. As at the Latest Practicable Date and based on search conducted at the ACRA, the Company has an issued and paid-up share capital of S\$19,753,430.662 comprising 73,696,114 ordinary shares (excluding 1,076,800 treasury shares). The issued Shares are listed and quoted on the Mainboard of the SGX-ST.

4.2. Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are set out in Appendix IV to this Circular.

4.3. New Issues

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 March 2024, being the end of the last financial year.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

4.4. Outstanding Convertible Securities

As at the Latest Practicable Date, the Company has 7,705,598 Warrants in issue. Each Warrant carries the right to subscribe for one new Share at an exercise price of S\$0.10 for each new Share. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants expires at 5.00 p.m. (Singapore time) on 16 January 2025.

Save for the Warrants, the Company does not have any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights in the Company.

5. DISCLOSURE OF INTERESTS AND DEALINGS

5.1. Shareholdings and Dealings

(a) Interests of the Company in Offeror

Not applicable as the Offeror is a natural person.

(b) Dealings in Offeror by the Company

Not applicable as the Offeror is a natural person.

(c) Interests of the Directors in Offeror

Not applicable as the Offeror is a natural person.

(d) Dealings of the Directors in Offeror

Not applicable as the Offeror is a natural person.

(e) Interests of the Directors in Company Securities

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

Director	Direct Interest		Indirect/Deemed Interest		Total Interest	
	Number of Shares/Warrants	%	Number of Shares/Warrants	%	Number of Shares/Warrants	%
Benedict Chen Onn Meng						
– Shares	29,202,513	39.63 ⁽¹⁾	175,200	0.23 ⁽¹⁾	29,377,713	39.86 ⁽¹⁾
– Warrants	4,000,060	51.90 ⁽²⁾	–	–	4,000,060	51.90 ⁽²⁾

Notes:

(1) Based on 73,696,114 Shares, as at the Latest Practicable Date.

(2) Based on 7,705,598 outstanding Warrants, as at the Latest Practicable Date.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

(f) **Dealings in Company Securities by the Directors**

Save for the Offeror (i.e. Mr Benedict Chen Onn Meng), none of the Directors has dealt for value in the Company Securities during the Relevant Period. Based on the information provided by the Offeror, his dealings in Company Securities during the Relevant Period are set out below:

Name	Date	No. of Shares/ Warrants acquired or agreed to be acquired	No. of Shares/ Warrants disposed or agreed to be disposed	Price per Share/Warrant (S\$)
The Offeror ⁽¹⁾	–	17,202,333	Nil	S\$0.02

Note:

(1) These are the 17,202,333 Shares the Offeror acquired from the Sellers.

(g) **Company Securities owned or controlled by the IFA**

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis owns or controls any Company Securities.

(h) **Dealings in Company Securities by the IFA**

During the Relevant Period, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis has dealt for value in the Company Securities.

(i) **Intentions of the Directors in respect of the Offeror and Warrants Offer**

Save for Mr. Benedict Chen Onn Meng who is the Offeror, none of the Directors have any direct or indirect interest in Shares or Warrants.

In respect of Mr. Benedict Chen Onn Meng, a Director with interests in Company Securities as at the Latest Practicable Date as disclosed under paragraph 5(e) above, this disclosure is not applicable, as he is the Offeror, and the Offer excludes Shares already owned, controlled and agreed to be acquired by him, and the Warrants Offer is made to holders, other than himself, of the Warrants.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors and the Company or its subsidiaries which have more than twelve (12) months to run and which are not terminable by the employing company within the next twelve (12) months without paying any compensation; and

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

- (b) there are no such service contracts between any of the Directors or proposed directors and the Company or its subsidiaries entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit be made or given to any Director or to any 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 is no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) there are no material contracts entered into by the Offeror in which any Director (other than the Offeror) has a material personal interest, whether direct or indirect.

8. MATERIAL CONTRACTS WITH INTERESTED PERSONS

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

9. MATERIAL LITIGATION

As at the Latest Practicable Date, save as announced on SGXNet, disclosed in the Company's annual reports, and/or any publicly available information on the Group, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which may materially and adversely affect the financial position of the Company or the Group, taken as a whole, and save as announced on SGXNet, disclosed in the Company's annual reports, and/or any publicly available information on the Group, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

10. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for FY2022, FY2023, FY2024 (based on the audited consolidated financial statements for each of FY2022, FY2023 and FY2024) and 1H2025 (based on the unaudited consolidated financial statements for 1H2025) is set out below.

The summary of the financial information of the Group as set out in this Paragraph 10 is extracted from, and should be read together with, the annual reports and relevant financial statements, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 11 Tuas Avenue 16, Singapore 638929 during normal business hours, during which the Offer remains open for acceptance.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

The audited consolidated financial statements of the Group for FY2024 are set out in Appendix III to this Circular.

10.1. Consolidated Statement of Profit or Loss and Comprehensive Income

	1H2025 S\$'000	FY2024 S\$'000	FY2023 S\$'000	15MFY2022 S\$'000
Revenue	3,161	14,845	9,576	15,194
Cost of Sales	(2,460)	(12,318)	(9,258)	(13,100)
Gross profit	701	2,527	318	2,094
Other items of income				
Interest income	–	–	–	3
Other credits	155	1,078	31	153
Other income	–	117	167	143
Expenses				
Marketing and distribution costs	(4)	(85)	(85)	(147)
Administrative expenses	(1,107)	(2,861)	(2,384)	(2,675)
Reversal/(Provision) of impairment losses on financial assets	–	1,199	(2,594)	(996)
Finance costs	(267)	(626)	(387)	(559)
Other charges	(540)	(1,093)	(1,931)	(1,038)
Other expenses	(2)	(111)	(149)	(130)
Share of results of associates	128	42	(69)	(116)
(Loss)/Profit before income tax from continuing operations	(936)	187	(7,083)	(3,268)
Income tax expenses	–	(15)	(22)	(55)
(Loss)/Profit for the period/year from continuing operations	(936)	172	(7,105)	(3,323)
Discontinued operation				
Loss for the period from discontinued operation ⁽¹⁾	(525)	NA	NA	NA
(Loss)/Profit for the period/year	(1,461)	172	(7,105)	(3,323)

Note:

- (1) The Group had, on 4 November 2024, completed the disposal of its subsidiary (“Disposal”), Shanxi Weineng Coal Mine Gas Development Co., Ltd (“SXWN”) at a sales consideration of RMB30 million (including the settlement of inter-company balance of RMB10 million) or S\$5.6 million.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

10.2. Consolidated Statement of Financial Position

	1H2025 S\$'000	FY2024 S\$'000	FY2023 S\$'000	FY2022 S\$'000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	1,531	4,840	5,629	6,919
Investment property	2,697	2,697	2,850	3,049
Investment in associates	639	505	442	565
Right-of-use assets	374	585	812	976
Total non-current assets	5,241	8,627	9,733	11,509
<u>Current assets</u>				
Contract assets	675	2,314	1,888	2,500
Cash and cash equivalents	4,253	385	768	915
Trade and other receivables	5,075	9,344	6,943	10,454
Other assets	788	447	712	542
Inventories	719	969	2,048	2,340
Assets held for sale	4,714	–	–	–
Total current assets	16,224	13,459	12,359	16,751
Total assets	21,465	22,086	22,092	28,260
EQUITY AND LIABILITIES				
Share capital	19,084	19,084	19,084	19,084
Treasury shares	(388)	(388)	(388)	(388)
Accumulated losses	(11,942)	(10,484)	(10,666)	(3,612)
Reserves	(1,263)	(1,397)	(915)	(424)
Equity attributable to equity holders of the Company	5,491	6,815	7,115	14,660
Non-controlling interests	1,486	1,373	1,486	1,643
Total equity	6,977	8,188	8,601	16,303
<u>Non-current liabilities</u>				
Loans and borrowings	2,480	2,666	2,311	3,819
Lease liabilities	423	439	460	485
Total non-current liabilities	2,903	3,105	2,771	4,304
<u>Current liabilities</u>				
Income tax payable	125	113	119	119
Contract liabilities	516	1,105	1,829	1,062
Loans and borrowings	2,010	2,201	2,993	2,137
Payables and accruals	5,178	7,320	5,737	4,300
Provision	18	18	10	11
Lease liabilities	35	36	32	24
Liabilities held for sale	3,703	–	–	–
Total current liabilities	11,585	10,793	10,720	7,653
Total liabilities	14,488	13,898	13,491	11,957
Total equity and liabilities	21,465	22,086	22,092	28,260

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

10.3. 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 FY2024, which is reproduced in Appendix III to this Circular.

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2024, the FY2024 Results, and the announcements released by the Company on SGXNet), 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.

10.4. Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2024, the FY2024 Results, and the announcements released by the Company on SGXNet), 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.

10.5. Material Changes in Financial Position

Save as disclosed in publicly available information on the Company and in this Circular (including but not limited to that contained in the annual report of the Company for FY2024, the FY2024 Results, and the announcements released by the Company on SGXNet), as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 31 March 2024, being the date of the last published audited accounts of the Group laid before the Shareholders in general meeting.

10.6. Material Changes in Information

Save as disclosed in this Circular and save for the information relating to the Group and the Offer and Warrants 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.

11. VALUATION OF PROPERTIES

The Company had commissioned Cushman and Wakefield VHS Pte. Ltd. and CBRE WTW Valuation & Advisory Sdn Bhd to perform independent valuations of the Investment Property and Leasehold Property respectively. The Valuation Certificates are set out as Appendix V to this Circular.

The Independent Valuers had ascribed the market value of S\$4,547,000 and S\$4,500,000 to the Investment Property and Leasehold Property respectively. In arriving at the “Market Value” of the Investment Property, CBRE WTW Valuation & Advisory Sdn Bhd had adopted the comparison/market approach as the appropriate method for the valuation while in arriving at the “Market Value” of the Leasehold Property, Cushman and Wakefield VHS Pte. Ltd. had adopted the sales comparison method as the appropriate method for the valuation.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

Under Rule 26.3 of the Code, the Group is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. The Management has confirmed that the Investment Property and Leasehold Property (i.) are held for long-term purposes and internal use; and (ii.) there are no known immediate plans to dispose of its interest in the Investment Property and Leasehold Property. Accordingly, any potential tax liabilities are not likely to crystallise.

12. COST AND EXPENSES

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

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

The audited consolidated financial statements of the Group for FY2024 which are set out below have been reproduced from the Company's annual report for FY2024, 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 FY2024 set out below shall have the same meanings given to them in the annual report of the Company for FY2024.

A copy of the annual report of the Company for FY2024 is available for inspection at the registered office of the Company at 11 Tuas Avenue 16, Singapore 638929 during normal business hours from the date of this Circular and for the period during which the Offer and Warrants Offer remains open for acceptance.

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF
THE GROUP FOR FY2024**

**CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group 2024 \$'000	2023 \$'000
Revenue	4	14,845	9,576
Cost of sales		(12,318)	(9,258)
Gross profit		2,527	318
Other items of income			
Other credits	5	1,078	31
Other income		117	167
Expenses			
Marketing and distribution costs		(85)	(85)
Administrative expenses		(2,861)	(2,384)
Reversal/(Provision) for impairment losses on financial assets	6	1,199	(2,594)
Other charges	5	(1,093)	(1,931)
Finance costs	7	(626)	(387)
Other expenses		(111)	(149)
Share of results of associates	15	42	(69)
Profit/(Loss) before income tax	9	187	(7,083)
Income tax expenses	10	(15)	(22)
Profit/(Loss) for the financial year		172	(7,105)
Other comprehensive loss:			
Components of other comprehensive loss that will be reclassified to profit or loss, net of taxation			
Foreign currency translation		(585)	(597)
Total comprehensive loss for the financial year		(413)	(7,702)
Profit/(Loss) for the financial year attributable to:			
Owners of the Company		182	(7,054)
Non-controlling interests		(10)	(51)
		172	(7,105)
Total comprehensive loss for the financial year attributable to:			
Owners of the Company		(300)	(7,545)
Non-controlling interests		(113)	(157)
		(413)	(7,702)
Earnings/(Loss) per share attributable to owners of the Company (cents per share)			
Basic and diluted	11	0.25	(9.57)

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

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF
THE GROUP FOR FY2024**

**STATEMENTS OF
FINANCIAL POSITION**

AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	4,840	5,629	–	–
Investment property	13	2,697	2,850	–	–
Investment in subsidiaries	14	–	–	11,137	11,137
Investment in associates	15	505	442	–	–
Right-of-use assets	24	585	812	–	–
Total non-current assets		8,627	9,733	11,137	11,137
Current assets					
Contract assets	16	2,314	1,888	–	–
Cash and cash equivalents	17	385	768	33	23
Trade and other receivables	18	9,344	6,943	2,100	3,468
Other assets	19	447	712	22	26
Inventories	20	969	2,048	–	–
Total current assets		13,459	12,359	2,155	3,517
Total assets		22,086	22,092	13,292	14,654
EQUITY AND LIABILITIES					
Share capital	25	19,084	19,084	19,084	19,084
Treasury shares	25	(388)	(388)	(388)	(388)
Accumulated losses		(10,484)	(10,666)	(9,130)	(4,752)
Reserves	26	(1,397)	(915)	–	–
Equity attributable to equity holders of the Company		6,815	7,115	9,566	13,944
Non-controlling interests		1,373	1,486	–	–
Total equity		8,188	8,601	9,566	13,944
Non-current liabilities					
Loans and borrowings	21	2,666	2,311	1,533	–
Lease liabilities	24	439	460	–	–
Total non-current liabilities		3,105	2,771	1,533	–
Current liabilities					
Income tax payable		113	119	–	–
Contract liabilities	16	1,105	1,829	–	–
Loans and borrowings	21	2,201	2,993	–	–
Payables and accruals	22	7,320	5,737	2,193	710
Provision	23	18	10	–	–
Lease liabilities	24	36	32	–	–
Total current liabilities		10,793	10,720	2,193	710
Total liabilities		13,898	13,491	3,726	710
Total equity and liabilities		22,086	22,092	13,292	14,654

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

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF
THE GROUP FOR FY2024**

**STATEMENTS OF
CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Attributable to owners of the Company				Total \$'000	Non- controlling interests \$'000	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Reserves \$'000	Accumulated losses \$'000			
Group							
Balance at 1 April 2022	19,084	(388)	(424)	(3,612)	14,660	1,643	16,303
Loss for the financial year	-	-	-	(7,054)	(7,054)	(51)	(7,105)
Other comprehensive loss							
Foreign currency translation	-	-	(491)	-	(491)	(106)	(597)
Total other comprehensive loss, net of taxation	-	-	(491)	-	(491)	(106)	(597)
Total comprehensive loss for the financial year	-	-	(491)	(7,054)	(7,545)	(157)	(7,702)
Balance at 31 March 2023	19,084	(388)	(915)	(10,666)	7,115	1,486	8,601
Profit/(Loss) for the financial year	-	-	-	182	182	(10)	172
Other comprehensive loss							
Foreign currency translation	-	-	(482)	-	(482)	(103)	(585)
Total other comprehensive loss, net of taxation	-	-	(482)	-	(482)	(103)	(585)
Total comprehensive (loss)/ profits for the financial year	-	-	(482)	182	(300)	(113)	(413)
Balance at 31 March 2024	19,084	(388)	(1,397)	(10,484)	6,815	1,373	8,188

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

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF
THE GROUP FOR FY2024**

**STATEMENTS OF
CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total \$'000
Company				
Balance at 1 April 2022	19,084	(388)	(714)	17,982
Loss for the financial year, representing total comprehensive loss for the financial year	–	–	(4,038)	(4,038)
Balance at 31 March 2023	19,084	(388)	(4,752)	13,944
Loss for the financial year, representing total comprehensive loss for the financial year	–	–	(4,378)	(4,378)
Balance at 31 March 2024	19,084	(388)	(9,130)	9,566

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

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF
THE GROUP FOR FY2024**

**CONSOLIDATED STATEMENT
OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group 2024 \$'000	2023 \$'000
Operating activities			
Profit/(Loss) before income tax		187	(7,083)
Adjustments for:			
– Provision for allowance for slow moving inventories	5	30	188
– Reversal of allowance for slow moving inventories	5	(702)	–
– Loss on liquidation of subsidiary	5	(232)	–
– Provision for expected credit losses on contract assets	6	–	2,329
– Provision for expected credit losses on trade receivables	6	124	286
– Reversal of expected credit losses on trade receivables	6	(655)	(36)
– Reversal of expected credit losses on other receivables	6	(689)	–
– Written off of trade receivables	6	21	15
– Written off of trade payables	5	(332)	–
– Provision for performance bond to a customer	5	780	–
– Finance costs	7	626	387
– Depreciation of property, plant and equipment	12	441	717
– Provision for product warranty expense	5	8	2
– Depreciation of right-of-use assets	24	75	135
– Currency translation differences		443	387
– Share of results of an associate	15	(42)	69
– Loss in fair value of derivative financial instrument	5	2	–
Operating cash flows before movements in working capital		85	(2,604)
Changes in working capital			
– Inventories		1,752	100
– Trade and other receivables		(1,262)	2,875
– Contract assets		(426)	(1,717)
– Other assets		265	(182)
– Payables and accruals		(338)	1,552
– Contract liabilities		(724)	771
Cash (used in)/generated from operations		(648)	795
Income taxes paid		(23)	(14)
Interest paid		(560)	(301)
Net cash (used in)/generated from operating activities		(1,231)	480
Investing activity			
Purchase of property, plant and equipment	12	(94)	(8)
Net cash flows used in investing activity		(94)	(8)
Financing activities			
Proceeds from loans and borrowings		9,174	1,772
Repayment of loans and borrowings		(8,169)	(2,312)
Repayment of lease liabilities		(67)	(58)
Net cash generated from/(used in) financing activities		938	(598)
Net decrease in cash and cash equivalents		(387)	(126)
Effects of exchange rate changes on cash and cash equivalents		4	(21)
Cash and cash equivalents at beginning of the financial year		768	915
Cash and cash equivalents at end of the financial year	17	385	768

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

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF
THE GROUP FOR FY2024**

**CONSOLIDATED STATEMENT
OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Reconciliation of liabilities arising from financing activities

	At beginning of financial year \$'000	Financing cash inflows/ (outflows) \$'000	Operating cash inflows/ (outflows) \$'000	Non-cash movement				At end of financial year \$'000
				Interest expenses \$'000	Acquisition \$'000	Fair value adjustment \$'000	Other \$'000	
2024								
Liabilities								
Loans and borrowings	5,304	1,005	(560)	589	–	2	(1,473)	4,867
Lease liabilities	492	(67)	–	37	13	–	–	475
2023								
Liabilities								
Loans and borrowings	5,956	(540)	(301)	345	–	–	(156)	5,304
Lease liabilities	509	(58)	–	42	–	–	(1)	492

The 'Other' column includes the effect of offsetting against trade and other receivables.

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

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

1. GENERAL

VibroPower Corporation Limited (“the Company”) (Registration No. 200004436E) is listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and incorporated and domiciled in Singapore with its principal place of business and registered office at 11 Tuas Avenue 16, Singapore 638929.

The principal activities of the Company are those of an investment holding and the provision of management and administrative support to its subsidiaries.

The principal activities of the subsidiaries are described in Note 14 of the accompanying financial statements.

The financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 March 2024 were authorised for issue by the Board of Directors at the date of the Directors’ statement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) including related Interpretations of SFRS(I)s (“SFRS(I)s INT”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars (“SGD” or “\$”) which is the functional and presentation currency of the Company and the presentation currency for the financial statements and all values presented are rounded to the nearest dollar (“\$’000), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2023. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group’s and Company’s accounting policies, and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of “material” instead of “significant” accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users’ understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Going concern

The Group recorded a net operating cash outflows of \$1.2 million for the year ended 31 March 2024 and, as of that date, the Group's cash and cash equivalents amounted to \$0.39 million. On 1 March 2024, the subsidiary of the Group was issued a demand letter by a project customer. The letter called for the payment of performance bonds in the sum of \$0.78 million. In addition, the Company's current liabilities exceeded its current assets by \$0.04 million as of that date. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Group's and Company's ability to continue as a going concern.

The directors of the Company have reasons to believe that the Group and Company will be able to generate cash flows from their operations to meet obligations as and when they fall due. To support the financial statements having been prepared on a going concern basis and to ensure the adequacy of funds required to meet its obligations, working capital and capital commitment needs, the Group has prepared consolidated cash flow forecasts ("Cash Flow Forecast"). In preparing the Cash Flow Forecast, management has taken the following into consideration:

- i) As at 1 August 2024, the Group has received loans amounting to \$2,000,000 from a director of the Group which is repayable in August 2025. In addition, the director has given an undertaking not to recall or demand repayment of any part of the loans due to the director for the next 12 months from the date of approval the Company's financial statement; and
- ii) As disclosed in Note 33 regarding event subsequent to the reporting date, the Group entered into two Equity Transfer Agreements on 2 August 2024 with two separate buyers for the divestment of 100% of the registered and invested equity of a subsidiary, Shanxi Weineng Coal Mine Gas Development Co., Ltd. for a total sale consideration of RMB 30 million (approximately \$5.6 million). Of the total sale consideration of RMB 30 million, RMB 25 million is payable on completion of the sale and purchase transactions under the Equity Transfer Agreements. The Group anticipates collecting RMB25 million (approximately \$4.62 million) within next 18-months from the financial year ended, subject to the fulfilment of key conditions related to the subsidiary's disposal.

The ability of the Group and the Company to continue as going concerns is contingent on (a) the continued financial support from a director, (b) the successful completion of the subsidiary's disposal, as disclosed in Note 33 regarding event subsequent to the reporting date, and (c) the cash flows generated from its operations to meet its current liabilities and ongoing obligations as and when they fall due.

The events or conditions set out above indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively. Such adjustments have not been made to these financial statements.

Notwithstanding the above, the directors and management are confident that the Cash Flow Forecast is achievable and will allow the Group to fulfil its obligations as and when they arise. Accordingly, the directors have prepared the financial statements on a going concern basis.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Various	Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: <i>Supplier Finance Arrangements</i>	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in capital reserve and attributed to the owners of the Company.

When the Group loses control over its subsidiaries, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiaries and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiaries are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiaries at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 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 good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (Continued)

Sale of goods (power generators)

Revenue is recognised when control over the power generator has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For sale of power generators whereby the Group has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the costs incurred to date as a proportion of the estimated total costs to be incurred.

For sale of power generators whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified performance milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Advance consideration received from customers for sale of power generators not yet provided is recognised as a contract liability.

Sale of goods (electricity supply)

Revenue is recognised when the Group has transferred the electricity to its customer on the basis of the number of units of power supplied in accordance with joint meter readings and collectability of the related receivables is reasonably assured.

Rendering of services

Revenue from rendering services is recognised based on the extent of the services rendered.

Warranty obligations

The Group provides a one-year assurance-type warranty for the sale of goods (power generators). These warranties are accounted for under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* ("SFRS(I) 1-37"), refer to Note 23.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability 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 financial year.

2.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control 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.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Income tax (Continued)

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.8 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences arising from foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.9 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Property, plant and equipment (Continued)

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost 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 the management.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold property	Over the lease term to 2035
Plant and equipment	1 to 10 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 24.

The residual values, estimated useful lives and depreciation method of the property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end date. The effects of any revision are recognised in the profit or loss when the change arises. An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

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 Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss within "Other charges" or "Other credits".

2.10 Investment property

Investment property is property that either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprises completed investment property and property that is being constructed or developed for future use as investment property. Property held under operating leases are classified as investment property when the definition of an investment property is met.

The Group adopts cost model which is to measure the investment property at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

2.11 Investments in joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Investments in joint ventures and associates (Continued)

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the statement of the financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.12 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.13 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.3.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 30.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Payables and accruals

Payables and accruals are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.4). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Redeemable convertible bond

The Group's redeemable convertible bond is a hybrid instrument that combines feature of derivative liability component and non-convertible bond component.

The derivative liability component (conversion option) is recognised at its fair value, determined by applying the binomial valuation model. When the conversion option is exercised, its carrying amount is transferred to share capital.

The difference between the total proceeds and the derivative liability component is allocated to the non-convertible bond component and is classified as a financial liability. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set-off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.16 Leases

The Group as a lessee

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applies the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Leases (Continued)

The Group as a lessee (Continued)

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Leases (Continued)

The Group as a lessee (Continued)

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assesses and classifies each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Provisions (Continued)

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the Chief Executive Officer who make strategic decisions.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Financial guarantees

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of expected credit losses of amount due from associates

The Group determines whether there is significant increase in credit risk of amount due from associates since initial recognition. The Group reviews the financial performance and results of the associates. As at 31 March 2024, the carrying amount of amount due from associates was \$2,846,000 (2023: \$2,833,000) (Note 18) and no loss allowance was recognised.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Measurement of expected credit losses of trade and other receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the customer's actual default in the future. The information is about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 30.

The carrying amount of trade receivables and contract assets as at 31 March 2024 are \$4,928,000 and \$2,314,000 (2023: \$3,128,000 and \$1,231,000) respectively.

Net realisable value of inventories

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the most acceptable evidence available at the end of the financial year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the financial year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the financial year was \$969,000 (2023: \$2,705,000).

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Provision for income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's current tax payable as at 31 March 2024 was \$113,000 (2023: \$119,000).

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset was already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. Changes in the expected level of usage and technological developments could affect the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at 31 March 2024 was \$4,840,000 (2023: \$5,629,000) (Note 12).

Impairment of non-financial assets

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

Management assesses whether there are any indications of impairment of non-financial assets by reviewing internal and external factors/sources of information like economic, financial, industry, business etc affecting the assets. Where there are mixed indicators, management will exercise their judgement to determine, whether these events or circumstances indicate that the carrying amount may not be recoverable and accordingly the assets will be tested for impairment.

The recoverable amounts of these assets and, where applicable CGU, have been determined based on higher of the fair value less costs to sell or value-in use calculations. These calculations require the use of estimates.

The carrying amounts of the property, plant and equipment, investment property, investments in subsidiaries and associates are disclosed in Note 12, 13, 14, and 15 respectively to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. REVENUE

	Group	
	2024 \$'000	2023 \$'000
Revenue from contracts with customers	14,417	9,235
Rental income from leasehold property	428	341
	14,845	9,576

The disaggregation of revenue from contracts with customers is as follows:

	Projects		Power plant		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Major product or service lines						
Sale of power generators	12,946	6,905	–	–	12,946	6,905
Electricity supply	–	–	1,218	2,238	1,218	2,238
Rendering of services	253	92	–	–	253	92
	13,199	6,997	1,218	2,238	14,417	9,235
Timing of transfer of good or service						
At a point in time	253	341	1,218	2,238	1,471	2,579
Over time	12,946	6,656	–	–	12,946	6,656
	13,199	6,997	1,218	2,238	14,417	9,235

Judgement and methods used in estimating revenue

Recognition of revenue from sale of power generators over time

For the sale of power generators where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the power generators to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the power generators. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the power generators.

The estimated total costs are based on contracted amounts and other indirect overhead allocations. Management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates management takes into consideration the historical trends of the amounts incurred in its other similar projects, analysed by different generator ratings and geographical areas for the past 3 to 5 years.

Transaction price allocated to remaining performance obligation

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised in the following financial years are as follows:

	Group	
	2024 \$'000	2023 \$'000
Within one year	6,215	39
After one year within five years	2,067	26
	8,282	65

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. OTHER CREDITS AND (OTHER CHARGES)

	Group	
	2024 \$'000	2023 \$'000
Foreign exchange loss	(71)	(469)
Fair value loss on derivative financial instrument	(2)	–
Loss on liquidation of subsidiary	(232)	–
Provision for potential back charges from a customer	–	(600)
Provision for performance bond to a customer	(780)	–
Provision for liquidated damages	–	(672)
Provision for product warranty expense	(8)	(2)
Provision for allowance for slow moving inventories	(30)	(188)
Reversal of allowance for slow moving inventories	702	–
Written off of trade payables	332	–
Others	74	31
<hr/>		
Presented in profit or loss as:		
Other credits	1,078	31
Other charges	(1,093)	(1,931)

6. REVERSAL/(PROVISION) FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Group	
	2024 \$'000	2023 \$'000
Provision for expected credit losses on contract assets	–	(2,329)
Provision for expected credit losses on trade receivables	(124)	(286)
Reversal of expected credit losses on trade receivables	655	36
Reversal of expected credit losses on other receivables	689	–
Write-off of trade receivables	(21)	(15)
<hr/>		
	1,199	(2,594)

7. FINANCE COSTS

	Group	
	2024 \$'000	2023 \$'000
Interest expense on:		
– Loans and borrowings	589	345
– Lease liabilities (Note 24)	37	42
<hr/>		
	626	387

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2024 \$'000	2023 \$'000
Salaries and bonuses	2,116	2,143
Contributions to defined contribution plan	114	126
Other benefits	84	90
<hr/>		
	2,314	2,359

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9. PROFIT/(LOSS) BEFORE INCOME TAX

The following items have been included in arriving at profit/(loss) before tax:

	Note	Group 2024 \$'000	2023 \$'000
Audit fees to independent auditor of the Company		222	177
Audit fees to other independent auditors		37	16
Employees benefits expense (including directors' remuneration)	8	2,314	2,359
Inventories recognised as an expense in cost of sales	20	9,992	6,542
Depreciation of property, plant and equipment	12	441	717
Depreciation of right-of-use assets	24	75	135
Expenses relating to short term lease	24	332	10
Expenses relating to leases of low-value assets	24	–	3

10. INCOME TAX EXPENSES

	2024 \$'000	2023 \$'000
Current tax expense:		
Current financial year	–	(5)
Underprovision in respect of prior financial years	(15)	(17)
Income tax expense	(15)	(22)

A reconciliation between tax expense and profit/(loss) before tax multiplied by the applicable Singapore statutory income tax rate for the financial years ended 31 March 2024 and 2023 are as follows:

	2024 \$'000	2023 \$'000
Profit/(Loss) before income tax	187	(7,083)
Income tax credit at a tax rate of 17% (2023: 17%)	32	(1,204)
Effects of different tax rates in different countries	(38)	(5)
Income not subjected to taxation	(1)	(107)
Non-deductible items	140	314
Effect of partial tax exemption and tax relief	–	(10)
Under provision in respect of prior years	15	17
Others	1	38
Utilisation of previously unrecognised deferred tax assets	(197)	(28)
Deferred tax assets not recognised	63	1,007
Total income tax expense	15	22

At the end of the reporting period, the Group has tax losses of approximately \$12,071,000 (2023: \$12,859,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. Except for an amount of \$365,656 (2023: \$365,656) which will expire between 2027 and 2030, there is no time limit imposed on the utilisation of the remaining tax losses. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

11. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2024	2023
	\$'000	\$'000
Profit/(Loss) for the financial year attributable to the owners of the Company	182	(7,054)
	Number of shares	
Weighted average number of ordinary shares outstanding	73,696,114	73,696,114
Basic and diluted earnings/(loss) per share (cents)	0.25	(9.57)

There is no potential dilutive ordinary shares resulting from the redeemable convertible bond. Therefore, no share was assumed to have been issued on the deemed exercise of the Company's outstanding redeemable convertible bond during the year ended 31 March 2024. Accordingly, the diluted earnings/(loss) per share for financial year ended 31 March 2024 and 2023 was the same as the basic earnings/(loss) per share.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property and improvements \$'000	Plant and equipment \$'000	Total \$'000
Cost			
At 1 April 2022	3,099	11,021	14,120
Exchange differences	–	(700)	(700)
Additions	–	8	8
At 31 March 2023	3,099	10,329	13,428
Exchange differences	–	(244)	(244)
Additions	–	94	94
Reclassification from “right-of-use assets” upon full repayment of lease liabilities (Note 24)	–	567	567
At 31 March 2024	3,099	10,746	13,845
Accumulated depreciation			
At 1 April 2022	2,256	4,945	7,201
Exchange differences	–	(119)	(119)
Depreciation charge	65	652	717
At 31 March 2023	2,321	5,478	7,799
Exchange differences	–	353	353
Reclassification from “right-of-use assets” upon full repayment of lease liabilities (Note 24)	–	412	412
Depreciation charge	64	377	441
At 31 March 2024	2,385	6,620	9,005
Net carrying amount			
At 31 March 2024	714	4,126	4,840
At 31 March 2023	778	4,851	5,629

Asset pledged as security

The Group’s leasehold property and improvements with a carrying amount of \$714,000 (2023: \$778,000) are mortgaged to secure the Group’s other loan (Note 21).

Purchases of property, plant and equipment

As at 31 March 2024, the Group recognised additions to Property, plant and equipment of \$94,000 (2023: \$8,000).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. INVESTMENT PROPERTY

Group	Freehold land ⁽¹⁾ \$'000
Cost	
At 1 April 2022	3,049
Exchange differences	(199)
At 31 March 2023	2,850
Exchange differences	(153)
At 31 March 2024	2,697
Net carrying amount	
At 31 March 2024	2,697
At 31 March 2023	2,850

⁽¹⁾ Investment property pertains to a freehold land held by a subsidiary.

The land is located in Kluang, Malaysia.

Independent professional valuation of the Group's investment property has been performed by an independent valuer with appropriate recognised professional qualifications and recent experience with the location and category of the property being valued. The valuer has considered the direct comparison method for comparative properties in deriving the valuation of \$4,270,500 as at 31 March 2024 (2023: \$4,513,500).

Key inputs used in the valuations are the recent transactions and asking price of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning approval status, title restrictions if any and other relevant characteristics to arrive at the market value.

The fair value of the investment property is within level 3 of the fair value hierarchy.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
Unquoted equity shares	7,028	7,028
Amount due from a subsidiary ^(a)	8,914	8,914
	15,942	15,942
Impairment losses	(4,805)	(4,805)
Net carrying value at end of the year	11,137	11,137

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

	Company	
	2024 \$'000	2023 \$'000
Movements in allowance for impairment:		
Balance at beginning of the financial year	4,805	1,028
Allowance for impairment	–	3,777
Balance at end of the financial year	4,805	4,805

For the financial year ended 31 March 2023, the Company recognised an impairment loss of \$3,777,000 to write-down the carrying values of certain subsidiaries in view of economic uncertainties. The recoverable amounts determined are based on the fair value of these subsidiaries, which are estimated using the net asset value of these subsidiaries.

^(a) The Company does not have the intention of demanding for the settlement of the amount due from a subsidiary in the foreseeable future as the amount forms, in substance, a part of the Company's net investment in the subsidiary.

The subsidiaries held by the Company and the Group is listed below:

Name of subsidiaries	Country of incorporation/ Place of operations	Principal activities	Independent auditors	Effective percentage of equity held	
				2024 %	2023 %
Wholly-owned subsidiaries					
GMTM Holdings Pte. Ltd.	Singapore	Investment holding	Forvis Mazars LLP	100	100
Shanghai VibroPower Generators Equipment Co. Ltd. ^(a)	People's Republic of China	Import and sale of engines and spare parts	Shanghai Mingyu Certified Public Accountants Co.,Ltd	100	100
VibroPower Pte. Ltd.	Singapore	Supply, design, manufacture, installation, commissioning and servicing of power generators	Forvis Mazars LLP	100	100

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries held by the Company and the Group is listed below (Continued):

Name of subsidiaries	Country of incorporation/ Place of operations	Principal activities	Independent auditors	Effective percentage of equity held	
				2024 %	2023 %
Held through VibroPower Pte. Ltd.					
VibroPower (HK) Limited ^(a)	Hong Kong	Supply, installation, commissioning and servicing of power generators	Raymond Yeung & Co.	100	100
Indamex (UK) Limited ^(b)	United Kingdom	Trader in generator parts and accessories	–	100	100
VibroPower Generators Sdn. Bhd. ^(a)	Malaysia	Trading, installation, commissioning and servicing of diesel power generators	RSM Malaysia	100	100
VibroPower Generators (India) Private Limited ^(a)	India	Trading, installation, commissioning and servicing of diesel power generators	Suresh Surana & Associates LLP	100	100
VibroPower Sales and Services (S) Pte. Ltd.	Singapore	Trading, installation, commissioning and servicing of diesel power generators	Forvis Mazars LLP	100	100
Held through GMTM Holdings Pte. Ltd.					
VibroPower (UK) Limited ^(c)	United Kingdom	Import and export of engines and spare parts	–	–	100
Scott & English Pte. Ltd.	Singapore	Manufacture and repair of electric power generators	Forvis Mazars LLP	100	100
VibroPower Generators Middle East (FZE) ^(b)	United Arab Emirates	Manufacture and repair of electric power generators	–	100	100
Held through VibroPower (HK) Limited					
Shanxi Weineng Coal Mine Gas Development Co., Ltd.	People's Republic of China	Development, operation and management of power generations projects	Forvis Mazars in Beijing	100	100
Agrimal Project Sdn. Bhd ^(a)	Malaysia	Property developer	Lesmond & Associates, Malaysia	68.2	68.2

^(a) Audited by firms of accountants other than member firms of Forvis Mazars LLP (formerly known as Mazars LLP). Their names are indicated above.

^(b) Not audited as it is not required to be audited under the laws of the respective countries.

^(c) On 20 February 2024, the Group liquidated its subsidiary, VibroPower (UK) Limited. The Group de-recognised currency translation reserve of \$232,000.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Company holds 68.2% effective interest in Agrimal Project Sdn. Bhd., through its wholly owned subsidiary, VibroPower (HK) Limited and associated company VibroPower Green Energy Sdn. Bhd, which in turn hold 47% and 53% issued and paid-up share capital of Agrimal Project Sdn. Bhd., respectively.

The Group has the following subsidiary which have non-controlling interests that are material to the Group:

Subsidiary	Proportion of ownership interest held by NCI		Loss allocated to NCI during the financial year		Accumulated NCI at the reporting date	
	2024	2023	2024	2023	2024	2023
	%	%	\$'000	\$'000	\$'000	\$'000
Agrimal Project Sdn. Bhd.	31.8	31.8	10	51	1,373	1,486

Summarised financial information about subsidiary with material NCI

Summarised financial information before intercompany eliminations are as follows:

	Agrimal Project Sdn. Bhd.	
	2024	2023
	\$'000	\$'000
Assets:		
Non-current assets	254	268
Current assets	229	242
Liabilities:		
Current liabilities	293	287
Net assets	190	223
Accumulated non-controlling interests	60	70
Less: Fair value adjustments*	1,416	1,416
Exchanges differences on fair value adjustments	(103)	–
	1,373	1,486
Results:		
Profit/(Loss) before income tax	(33)	(160)
Profit/(Loss) for the financial year	(33)	(160)
Loss allocated to NCI	(10)	(51)

* It is related to fair value adjustments on land in relation to acquisition of Agrimal Project Sdn. Bhd. during the year 2017.

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15. INVESTMENT IN ASSOCIATES

	Group	
	2024 \$'000	2023 \$'000
Balance at the beginning of the financial year	442	565
Share of results	42	(69)
Exchange differences	21	(54)
	505	442

The details of the associates are as follows:

Name of associates	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2024 %	2023 %
Held through subsidiary				
VibroPower Green Energy Sdn. Bhd. ^(a)	To build and operate a biomass power plant	Malaysia	40	40
Vibro Biomass Energy Sdn.Bhd. ^(b)	Construction of power plant	Malaysia	40	40
Vibro Bio Energy Sdn. Bhd. ^(b)	Construction of power plant	Malaysia	40	40

^(a) Audited by Lesmond & Associates, Malaysia.

^(b) Audited by Chan Teng Chun & Co., Malaysia.

The summarised financial information in respect of VibroPower Green Energy Sdn. Bhd, based on *SFRS(I)* financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position

	VibroPower Green Energy Sdn. Bhd.	
	2024 \$'000	2023 \$'000
Current assets	261	11
Non-current assets	7,348	7,671
Total assets	7,609	7,682
Current liabilities	6,432	6,576
Total liabilities	6,432	6,576
Net assets	1,177	1,106
Group's share of net assets	471	442
Carrying amount of the investment	471	442

Summarised statement of comprehensive income

Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	134	(157)
Total comprehensive income/(loss) for the financial year	134	(157)

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16. CONTRACT ASSETS AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS

	31.3.2024 \$'000	Group 31.3.2023 \$'000	1.4.2022 \$'000
Contract assets			
Accrued revenue	5,032	4,606	2,889
Allowance for expected credit losses	(2,718)	(2,718)	(389)
	<u>2,314</u>	<u>1,888</u>	<u>2,500</u>
Contract liabilities			
Advance considerations from customers	<u>1,105</u>	<u>1,829</u>	<u>1,062</u>

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for sale of power generators. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the customer certifies the progress claim.

Contract assets of \$1,888,000 (2023: \$2,500,000) which were included at the beginning of the financial year were transferred to trade receivables during the financial year ended 31 March 2024.

Increase of contract assets for the financial year ended 31 March 2024 mainly due to the performance obligations have been fulfilled and the goods or services have been transferred to the customer which in line with the significantly increase in revenue.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances consideration from customers for sale of power generators.

Contract liabilities are recognised as revenue over the contract service term. Revenue recognised in the financial year ended 31 March 2024 which was included in the contract liabilities balance at the beginning of the financial year was \$1,829,000 (2023: \$1,062,000).

Decrease in contract liabilities during the financial year ended 31 March 2024 is attributed to the more advances released with the completion of contracts during the financial year.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at banks and on hand	<u>385</u>	<u>768</u>	<u>33</u>	<u>23</u>

Cash at banks and on hand denominated in currency other than the functional currencies of respective entities as at 31 March 2024 and 2023 are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
United States Dollar	<u>29</u>	<u>53</u>	<u>–</u>	<u>–</u>

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Trade receivables:</u>				
Due from external parties	5,449	4,878	–	–
Retention monies	795	694		
Due from related parties	582	–	–	–
Due from subsidiaries	–	–	79	79
Allowance for expected credit losses	(1,898)	(2,444)	(79)	(79)
	4,928	3,128	–	–
<u>Other receivables:</u>				
Due from external party	–	689	–	–
Due from related parties	852	–	–	–
Due from subsidiaries	–	–	5,951	3,502
Due from associates	2,846	2,833	–	–
Others	718	982	–	–
Allowance for expected credit losses	–	(689)	(3,851)	(34)
	4,416	3,815	2,100	3,468
Total trade and other receivables	9,344	6,943	2,100	3,468

Trade receivables:

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 60 days) credit terms. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

Other receivables:

As at 31 March 2023, the amounts due from external party of \$689,000 are unsecured, non-trade related, repayable on demand by cash, and is interest bearing at 12% per annum. The amount has been fully provided as at 31 March 2023. The amounts due from external party has been fully collected as at 31 March 2024 hence there is a reversal of expected credit losses on other receivables of \$689,000 disclosed in Note 6.

Amounts due from subsidiaries, associates and related parties are unsecured, non-interest bearing, non-trade related, and repayable on demand by cash.

Others are unsecured, non-interest bearing, non-trade related, and repayable on demand by cash.

Trade and other receivables denominated in currency other than the functional currencies of respective entities as at years ended 31 March 2024 and 2023 are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Hong Kong dollar	2	–	–	–
Malaysian Ringgit	1,068	–	–	–
United States dollar	9	432	–	–

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to customers is about 30 – 90 days (2023: 30 – 60 days). But some customers take a longer period to settle the amounts.

(i) Ageing analysis of the age of trade receivable amounts that are past due as at the end of the financial year but not impaired:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables:				
Less than 30 days	961	518	–	–
31 to 60 days	67	492	–	–
61 to 90 days	30	39	–	–
Over 90 days	682	1,723	–	–
Total	1,740	2,772	–	–

19. OTHER ASSETS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deposits to secure services	311	157	–	–
Prepayments	136	555	22	26
	447	712	22	26

20. INVENTORIES

	Group	
	2024 \$'000	2023 \$'000
Parts and components	969	2,048

Inventories are stated after deducting allowance for slow moving inventories:

Analysis of allowance:

Balance at beginning of the financial year	1,597	1,407
Provision for allowance for slow moving inventories (Note 5)	30	188
Reversal of allowance for slow moving inventories (Note 5)	(702)	–
Exchange differences	1	2
Balance at end of the financial year	926	1,597
Inventories recognised as an expense in cost of sales	9,992	6,542

The Group has recognised a reversal of \$702,000 (2023: \$Nil), being part of inventory write-down in the financial year ended 31 March 2023, as the inventory were sold above their carrying amounts in the current financial year ended 31 March 2024.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

21. LOANS AND BORROWINGS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Current:</u>				
Fixed rate other loans (unsecured)	1,217	2,259	–	–
Fixed rate bank loan (unsecured)	666	506	–	–
Floating rate other loan (secured)	318	228	–	–
Subtotal	2,201	2,993	–	–
<u>Non-current:</u>				
Fixed rate other loans (unsecured)	–	118	–	–
Fixed rate bank loan (unsecured)	–	667	–	–
Floating rate other loan (secured)	1,133	1,526	–	–
Redeemable convertible bond	1,533	–	1,533	–
Subtotal	2,666	2,311	1,533	–
Total	4,867	5,304	1,533	–

There are no loans and borrowings denominated in currency other than the functional currencies of respective entities for the financial year ended 31 March 2024 and 2023.

The ranges of floating interest rates paid were as follows:

	2024 % per annum	2023 % per annum
Floating rate other loan (secured)	6.90	4.85 – 6.90

(a) Fixed rate other loans (unsecured)

Loan from a financing company

The loan amounted to \$293,000 as at 31 March 2024 (2023: \$977,000). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 31 May 2024
2. Interest rate at 4.25% per annum
3. Corporate guarantee from the Company
4. Personal guarantee from a director

Loans from a substantial shareholder and director

The loans of \$Nil (2023: \$285,000) were provided among other matters for the following:

1. Loan tenure from 6 – 12 months (2023: 3 – 10 months)
2. Interest rate at 1.00% – 3.00% per month (2023: 1.35% – 3.00 % per month)

Loans from a related party

The loan of \$38,000 (2023: \$Nil) was provided among other matters for the following:

1. Loan tenure from 12 months
2. Interest free

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

21. LOANS AND BORROWINGS (CONTINUED)

(a) Fixed rate other loans (unsecured) (Continued)

Loans from third parties

The loans of \$373,000 (2023: \$Nil) were provided among other matters for the following:

1. Loan tenure from 12 months
2. Interest rate at 1.00% per month

Loans from a financing company

The loans of \$446,000 (2023: \$800,000) were provided among other matters for the following:

1. Loan tenure from 1 – 2 months (2023: 3 – 10 months)
2. Interest rate at reference rate plus 4.50% per annum (2023: 1.35% – 3.00 % per month)

Loan from a financing company

The loan amounted to \$67,000 as at 31 March 2024 (2023: \$148,000). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 6 September 2024 (2023: 17 January 2024)
2. Interest rate at 3.0% per month (2023: 2.5% per month)
3. Personal guarantee from a director

(b) Fixed rate bank loan (unsecured)

Temporary Bridging Loan

The temporary bridging loan amounted to \$666,000 as at 31 March 2024 (2023: \$1,173,000). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 4 June 2025.
2. Interest rate at 4.75% per annum.
3. Corporate guarantee from the Company.

The Company's subsidiary was required by a bank to maintain a minimum tangible net worth of \$6,000,000 throughout of the facility. Tangible net worth is defined as total assets less total liabilities and intangibles. As at 31 March 2024, the adjusted tangible net worth is \$5,962,000. Additionally, the subsidiary failed to submit the annual audited/certified financial statements within six months of the close of the financial year. No waiver letter has been received from the bank. Accordingly, the bank loans of the subsidiary from the said bank of \$137,000 had been reclassified from non-current liabilities to current liabilities in the statement of financial position as at 31 March 2024. As at the date of this report, management is of the opinion that the said bank will continue to support the subsidiaries. The bank had not requested for immediate repayment of the outstanding bank loans as at the date when these financial statements were authorised for issue.

(c) Floating rate other loan (secured)

The other loan from a finance company amounted to \$1,451,000 as at 31 March 2024 (2023: \$1,754,000). It was provided among other matters for the following:

1. Repayable by monthly instalment and due on 26 February 2028.
2. Corporate guarantee from the Company.
3. Interest rate at 6.90% per annum.
4. Secured by a first mortgage over Group's leasehold property and improvements (Note 12).

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21. LOANS AND BORROWINGS (CONTINUED)

(d) Redeemable convertible bond

	Group and Company	
	2024	2023
	\$'000	\$'000
Host debt	1,229	–
Derivative financial instrument	304	–
	1,533	–

The Company had on 31 October 2023 entered into a joint venture agreement (“JVA”) with Interra Resources Ltd (“the Lender”) to cooperate and join efforts to construct a Solar Farm in Malaysia. Pursuant to the terms of the JVA, the Lender agreed to participate in the Joint Venture by purchasing a redeemable convertible bond to be issued by the Company in the principal amount of \$1,500,000.

In accordance to the agreement, the option to convert into ordinary shares may only be exercised by lender when (a) if the Company fails to pay the principal amount by the maturity date or (b) if the Company is unable to fulfill the interest payment obligations or default interest charges. The maturity period is 36 months commencing from 1 December 2023. The convertible bond bears an interest rate of 8.5% per annum, which is payable every month. The conversion price is at a 10% discount to the 30-day weighted average price at the conversion date.

The instrument is classified as a hybrid instrument, consisting of a liability component and embedded derivative. The embedded derivative is separated from the host and measured the derivatives at fair value at initial recognition and subsequently at fair value through profit or loss. For the liability component, at initial recognition, it is measured at the residual amount after separating the embedded derivative. For subsequent measurement, it is measured at amortised cost using the effective interest method.

The Group has engaged external valuer to estimate the fair value of the derivative financial instrument which were determined by applying the binomial tree model. The key inputs to the binomial tree model are the market value of share, risk-free rate and volatility of share price. Management considered the appropriateness of the valuation technique and assumptions applied by external valuer. The fair value measurement is categorised in Level 2 of the fair value hierarchy. Accordingly, a fair value loss of \$2,000 has been recognised during the financial year ended 31 March 2024.

The movement of redeemable convertible bond as below:–

	Group and Company	
	2024	2023
	\$'000	\$'000
<u>Host debt</u>		
Balance at beginning of the financial year	–	–
Proceeds from loan entered during the financial year	1,500	–
Fair value of derivative financial instrument at inception date	(302)	–
Accretion of interest	74	–
Interest expenses paid	(43)	–
	1,229	–

The effective interest rate of host debt is 18.5% per annum.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

21. LOANS AND BORROWINGS (CONTINUED)

(d) Redeemable convertible bond (Continued)

	Group and Company	
	2024	2023
	\$'000	\$'000
<u>Derivative financial instrument</u>		
Fair value as at inception date	302	–
Fair value adjustment through profit or loss (Note 5)	2	–
Financial liability at fair value through profit or loss at the end of the financial year	304	–

22. PAYABLES AND ACCRUALS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables and accruals:</u>				
External parties	3,008	3,490	582	359
Accruals	3,827	2,154	406	233
Due to related parties	323	–	–	–
Subtotal	7,158	5,644	988	592
<u>Other payables:</u>				
Due to subsidiaries	–	–	1,205	118
Deposit received	124	93	–	–
Others	38	–	–	–
Subtotal	162	93	1,205	118
Total payables and accruals	7,320	5,737	2,193	710

Trade payables:

These amounts are non-interest bearing and normally settled on 30 – 90 days' terms.

Accruals

During the financial year, the Group accrued costs for a performance bond with an amount of \$780,000. In the previous year, the Group recognised accruals for liquidated damages and potential backcharges from a customer, amounting to \$600,000 and \$672,000, respectively.

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22. PAYABLES AND ACCRUALS (CONTINUED)

Amounts due to subsidiaries and related parties:

Amounts due to subsidiaries and related parties are unsecured, non-interest bearing, repayable on demand by cash and denominated in Singapore dollars.

Payables and accruals denominated in currency other than the functional currencies of respective entities for the financial year ended 31 March 2024 and 2023 are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
United States Dollar	26	432	–	–
Euro	6	13	–	–
Chinese Renminbi	22	22	–	–
Malaysian Ringgit	–	63	–	–

23. PROVISION

	Group	
	2024 \$'000	2023 \$'000
<u>Provision product warranty:</u>		
Balance at beginning of the financial year	10	11
Charged for profit or loss included in other charges (Note 5)	8	2
Exchange differences	–	(3)
Balance at end of the financial year	18	10

Goods are sold with a warranty under which customers are covered for the cost of repairs of any manufacturing defects that become apparent within the first twelve months after installation. A warranty provision is made based on past experience and future expectations and an assessment of probability of an outflow for the warranty obligations as a whole. It is expected that most of these costs will be incurred within the next 12 months from the end of the financial year.

24. LEASES

The Group has lease contracts for motor vehicle, equipment land and leasehold property used in its operations. Land and leasehold property generally have lease terms between 10 and 16 years (2023: 10 and 16 years), while motor vehicle has a lease term of 7 years (2023: motor vehicle and equipment have a lease term of 7 years and 2 years, respectively). The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. LEASES (CONTINUED)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold land \$'000	Leasehold property \$'000	Plant and equipment \$'000	Motor vehicle \$'000	Total \$'000
As at 1 April 2022	404	307	212	53	976
Depreciation charge	(31)	(40)	(57)	(7)	(135)
Exchange differences	–	(29)	–	–	(29)
As at 31 March 2023	373	238	155	46	812
Depreciation charge	(32)	(36)	–	(7)	(75)
Modification	13	–	–	–	13
Reclassification to “property, plant and equipment” upon full repayment of lease liabilities (Note 12)	–	–	(155)	–	(155)
Exchange differences	–	(10)	–	–	(10)
As at 31 March 2024	354	192	–	39	585

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024 \$'000	2023 \$'000
At beginning of the financial year	492	509
Modification	13	–
Accretion of interest	37	42
Lease payments	(67)	(58)
Exchange differences	–	(1)
At end of the financial year	475	492
Current	36	32
Non-current	439	460

The maturity analysis of lease liabilities are disclosed in Note 30.

The following are the amounts recognised in profit or loss:

	Note	2024 \$'000	2023 \$'000
Interest expense on lease liabilities	7	37	42
Depreciation expense of right-of-use assets	9	75	135
Expense relating to short-term leases	9	332	10
Expense relating to leases of low-value assets	9	–	3
Total amount recognised in profit or loss		444	190

The Group had total cash outflows for leases of \$67,000 in 2024 (2023: \$58,000).

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25. SHARE CAPITAL AND TREASURY SHARES

Share capital

	Group and Company			
	2024	2023		
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary shares with no par value				
At beginning and end of the year	73,696	19,084	73,696	19,084

In 2020, the Company had issued 17,975,428 free detachable warrants to its shareholders, each carrying the right to subscribe for 1 new ordinary share at an exercise price of \$0.10 per share. Each warrant may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring on the date immediately preceding five (5) years from the date of issue of the Warrants. The exercise price of the warrants and the number of warrants are fixed except for certain events pursuant to the terms and conditions of the Warrants set out in the Deed Poll. As at 31 March 2024, the exercise price of the warrants was \$0.10 and a total of 7,705,598 Warrants remains outstanding.

Treasury shares

	Group and Company			
	2024	2023		
	Number of shares	\$'000	Number of shares	\$'000
At beginning and end of the financial year	(1,077)	(388)	(1,077)	(388)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

26. RESERVE

	2024 \$'000	2023 \$'000
Foreign currency translation reserve	(1,397)	(915)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Group entities whose functional currencies are different from that of the Group's presentation currency.

27. CONTINGENT LIABILITIES

	2024 \$'000	2023 \$'000
Corporate guarantee given for a subsidiary's credit facilities	2,410	4,271
Performance bond of a contract terminated by a customer	–	780
Total	2,410	4,979

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27. CONTINGENT LIABILITIES (CONTINUED)

As at 31 March 2024, the Company has given corporate guarantee amounting to \$2,410,000 (2023: \$4,271,000) to the bank and financing companies in respect of loan facilities granted to the subsidiaries.

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantee to the financial institution with regard to the subsidiary is not significant. The Company has not recognised any liability in respect of the guarantees given to the bank and financing companies for the loan facilities granted to the subsidiaries as the Board of Directors has assessed that the likelihood of the subsidiaries defaulting on repayment of its banking facilities are remote. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

As at the end of the financial year, the Company has also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to meet their obligations as and when they fall due so that they will continue to operate as going concerns in the foreseeable future.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employees are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

In addition to the related party information disclosed elsewhere in the financial statements, the Group has the following significant transaction with related parties on terms agreed between the parties as follows:

	2024 \$'000	2023 \$'000
Sales to an associate	7	–
Rental income from a related party	–	30
Rental expense charged from a related party	305	–
Subcontractor fee received from a related party	–	5
Purchased of goods and services from a related party	330	1,955
Subcontractor costs paid to related parties	789	432
Reimbursement of expenses to a related party	358	102
Loans from related parties	1,676	–
Interest on loans from related parties	23	–
Expenses on loans from related parties	81	–
Loan from a substantial shareholder and director	2,951	320
Interest on loan from a substantial shareholder and director	48	9
Expenses on loan from a substantial shareholder and director	114	–

The above related parties refer to entities where the Company's director has beneficial interests or the close family members of a director who have significant influence over transactions with the Company.

Compensation of directors and key management personnel

	Group	
	2024 \$'000	2023 \$'000
Short-term employee benefits	766	766
Central Provident Fund contributions	21	20
	787	786

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2024 \$'000	2023 \$'000
Remuneration of directors of the Company	505	504
Remuneration of other key management personnel	142	142
Fees to directors of the Company	140	140
	787	786

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

Further information about the remuneration of individual directors is provided in the report on corporate governance.

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29. FINANCIAL INFORMATION BY OPERATION SEGMENT

Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported results or financial position of the group.

The group mainly has two principal activities, one is supplying, designing, manufacturing, installing, commissioning and servicing of power generators used mainly in commercial and industrial projects and housing projects, the other is supplying electricity to power grid.

Analysis by Business Segments

The group is organised into three business segments – Projects (supplying power generators), Power plant (supplying electricity) and Others.

Analysis by Geographical Segments

The group is organised into two major geographical areas – Singapore and Asia (excluding Singapore).

In presenting information on the basis of geographical segments, segment is based on the geographical location of assets (same as the location of the customers).

Segment revenue, expenses, assets and liabilities comprise amounts that are either directly attributable to, or can be allocated on a reasonable basis to a segment. Addition of non-current assets is the total cost incurred during the year to acquire property, plant and equipment.

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29. FINANCIAL INFORMATION BY OPERATION SEGMENT (CONTINUED)

Profit or loss from operations and reconciliations

Segment information by business described above is presented below:

	Notes	Projects		Power plant		Others		Adjustment and elimination		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External customers		13,199	6,997	1,218	2,238	428	341	–	–	14,845	9,576
Inter-segment		11,815	5,784	–	–	–	–	(11,815)	(5,784)	–	–
Total revenue	A	25,014	12,781	1,218	2,238	428	341	(11,815)	(5,784)	14,845	9,576
Results:											
Interest income		–	–	–	–	110	87	(110)	(87)	–	–
Finance costs		(582)	(404)	(29)	(4)	(74)	–	59	21	(626)	(387)
Depreciation		(345)	(358)	(171)	(494)	–	–	–	–	(516)	(852)
Reversal/ (Provision) for impairment losses on financial assets		1,199	(2,594)	–	–	–	–	–	–	1,199	(2,594)
Share of results of an associate		–	–	42	(69)	–	–	–	–	42	(69)
Segment profit/ (loss) before tax		878	(6,609)	73	(84)	(714)	(339)	(50)	(51)	187	(7,083)
Addition of non-current assets		15	6	79	2	–	–	–	–	94	8
Non-current assets	B	2,318	1,559	3,639	4,070	2,670	2,850	–	–	8,627	8,479
Segment assets	C	53,948	32,843	7,210	8,029	13,775	18,846	(52,847)	(37,626)	22,086	22,092
Segment liabilities	D	53,592	30,306	3,978	3,909	4,019	901	(47,691)	(21,625)	13,898	13,491

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29. FINANCIAL INFORMATION BY OPERATION SEGMENT (CONTINUED)

Profit or loss from operations and reconciliations (Continued)

Segment information of these geographical areas described above is presented below:

	2024	2023
	\$'000	\$'000
Revenue		
Singapore	12,761	6,880
Asia (excluding Singapore)	2,084	2,696
	14,845	9,576
Non-current assets		
Singapore	1,421	1,559
Asia (excluding Singapore)	6,116	6,920
	7,537	8,479

Notes Nature of adjustment and eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation.
- B Non-current assets only include property, plant and equipment and investment property.
- C Inter-segments assets are deducted from segment assets to arrive at total assets reported in the statement of financial position.
- D Inter-segments liabilities are deducted from segment liabilities to arrive at total liabilities reported in the statement of financial position.

Information about a major customer

Revenue from one major customer amounted to \$2,625,000, arising from sales of power generators in Singapore (2023: \$859,000) in Singapore.

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Group's activities expose it to credit risk, market risk (including foreign currency risk and interest rate risks) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risks, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 30 days past due as per SFRS(I) 9's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks ^{Note 1}	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is \leq 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Trade receivables (Note 18) and contract assets (Note 16)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and contract assets, where the loss allowance is equal to lifetime ECL.

The contract assets relate mainly to unbilled revenue and have substantially the same risk characteristics as trade receivables for the same type of contract. Therefore, the Group concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the credit loss rates of the contract assets.

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the Group's historical observed default rates analysed in accordance to 90 days past due. The loss allowance provision as at 31 March 2024 is determined by incorporating forward looking information such as forecast of economic conditions where the gross domestic product will improve over the next year, leading to a decreased number of defaults.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

Information regarding loss allowance movement of trade receivables and contract assets is disclosed in Note 18 and Note 16 respectively.

The trade receivables and contract assets that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These are not secured by any collateral or credit enhancements.

Other receivables (Note 18) and other assets (excluding prepayments) (Note 19)

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk.

Accordingly, the Group determined that the ECL for other receivables are insignificant.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

The loss allowance for trade receivables and contract assets are determined as follows:

Group	Expected credit loss rate	Gross carrying amount \$'000	Loss allowance on receivables \$'000	Net carrying amount \$'000
2024				
<i>Other than credit impaired customers</i>				
Not past due	**	5,506	(4)	5,502
Past due less than 30 days	1%	966	(5)	961
Past due 31 to 60 days	0%	67	*	67
Past due 61 to 90 days	0%	30	*	30
Past due over 90 days	4%	709	(27)	682
		7,278	(36)	7,242
Credit impaired customers		4,580	(4,580)	–
		11,858	(4,616)	7,242
2023				
<i>Other than credit impaired customers</i>				
Not past due	0%	1,587	–	1,587
Past due less than 30 days	0%	518	–	518
Past due 31 to 60 days	0%	492	–	492
Past due 61 to 90 days	0%	39	–	39
Past due over 90 days	24%	2,266	(543)	1,723
		4,902	(543)	4,359
Credit impaired customers		4,619	(4,619)	–
		9,521	(5,162)	4,359

* Less than \$1,000

** Less than 1%

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade and other receivables and contract assets is as follows:

Group Internal credit risk grading	Trade receivables			Contract assets			Other receivables		
	Note (i) \$'000	Category 4 \$'000	Total \$'000	Note (i) \$'000	Category 4 \$'000	Total \$'000	Category 1 \$'000	Category 4 \$'000	Total \$'000
Loss allowance									
Balance at 1 April 2022	19	2,747	2,766	–	389	389	–	689	689
Allowance made during the financial year	–	286	286	–	2,329	2,329	–	–	–
Impairment loss on receivables written back	–	(36)	(36)	–	–	–	–	–	–
Impairment loss on receivables written off	–	(509)	(509)	–	–	–	–	–	–
Exchange differences	–	(63)	(63)	–	–	–	–	–	–
Balance at 31 March 2023	19	2,425	2,444	–	2,718	2,718	–	689	689
Allowance made during the financial year	17	107	124	–	–	–	–	–	–
Impairment loss on receivables written back	–	(655)	(655)	–	–	–	–	–	–
Impairment loss on receivables written off	–	(34)	(34)	–	–	–	–	(689)	(689)
Exchange differences	–	19	19	–	–	–	–	–	–
Balance at 31 March 2024	36	1,862	1,898	–	2,718	2,718	–	–	–
Gross carrying amount									
At 31 March 2023	3,147	2,425	5,572	1,231	2,718	3,949	3,815	689	4,504
At 31 March 2024	4,964	1,862	6,826	2,314	2,718	5,032	4,416	–	4,416
Net carrying amount									
At 31 March 2023	3,128	–	3,128	1,231	–	1,231	3,815	–	3,815
At 31 March 2024	4,928	–	4,928	2,314	–	2,314	4,416	–	4,416

Note (i): For trade receivables and contract assets, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of the trade and other receivables is as follows:

Company Internal credit risk grading	Note (i) \$'000	Trade receivables Category 4 \$'000	Total \$'000	Category 1 \$'000	Other receivables Category 4 \$'000	Total \$'000
Loss allowance						
Balance at 1 April 2022	–	79	79	–	34	34
Allowance made during the financial year	–	–	–	–	–	–
Impairment loss on receivables written back	–	–	–	–	–	–
Impairment loss on receivables written off	–	–	–	–	–	–
Exchange differences	–	–	–	–	–	–
Balance at 31 March 2023	–	79	79	–	34	34
Allowance made during the financial year	–	–	–	–	3,817	3,817
Impairment loss on receivables written back	–	–	–	–	–	–
Impairment loss on receivables written off	–	–	–	–	–	–
Exchange differences	–	–	–	–	–	–
Balance at 31 March 2024	–	79	79	–	3,851	3,851
Gross carrying amount						
At 31 March 2023	–	79	79	3,468	34	3,502
At 31 March 2024	–	79	79	2,100	3,851	5,951
Net carrying amount						
At 31 March 2023	–	–	–	3,468	–	3,468
At 31 March 2024	–	–	–	2,100	–	2,100

Note (i): For trade receivable, the Company uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL. No loss allowance was recognised with respect to these trade receivables.

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Credit risk (Continued)

Amount due from subsidiaries (Note 14 and Note 18)

The Company used the general approach and estimated the 12-months expected credit losses when there was no indication of significant deterioration in credit risk based on the financial performance of its subsidiaries. When a significant increase in credit risk has occurred, the Company estimated the lifetime ECLs for such financial assets. In determining whether a significant increase in credit risk has occurred, the Company also considered events such as significant adverse changes in financial conditions and changes in the operating results of the subsidiaries. As of 31 March 2024, the Company has made a loss allowance of \$3,930,000 (2023: \$113,000) for the amount due from subsidiaries based on lifetime ECL.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's and the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily USD. The foreign currencies in which these transactions are denominated are mainly SGD. The Group's trade receivable and trade payable balances at the end of the financial year have similar exposures.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Company itself does not have significant exposure to the foreign currency risk. The non-functional currencies balances as at end of the financial year are not significant.

The Group has certain practices for the management of financial risks. The following guidelines are followed:

- All financial risk management activities are carried out and monitored by senior management staff.
- All financial risk management activities are carried out following good market practices.

Sensitivity analysis of foreign currency risk

The following table demonstrates the sensitivity to the Group's loss net of tax to a reasonably possible change in the USD exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

	Increase / (Decrease)	
	Loss net of tax	
	2024	2023
	\$'000	\$'000
Group		
SGD / USD		
– strengthened 2% (2023: 2%)	–	(82)
– weakened 2% (2023: 2%)	–	82
	–	82

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the end of the reporting period, approximately 39% (2023: 67%) of the Group's borrowings are at fixed rates of interest.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Loans and borrowings:</u>				
Fixed rates	1,883	3,550	–	–
Floating rates	1,451	1,754	–	–
Redeemable convertible bond	1,533	–	1,533	–
Total at end of the year	4,867	5,304	1,533	–

The floating rate debt obligations are with interest rates that are re-set as and when market rates change. The interest rates are disclosed in the respective notes.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2023: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been \$15,000 lower/higher (2023: Group's loss before tax would have been \$18,000 lower/higher), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain sufficient level of cash at banks and on hand to meet its working capital requirements. The Group maintains a balance between continuity of funding and flexibility through the use of stand-by financial and credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group and to mitigate the effects of fluctuations in cash flows.

Short-term funding may be obtained from short-term loans where necessary without incurring unacceptable losses or risking damage to the Group's reputation.

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
31 March 2024				
Financial assets				
Trade and other receivables	9,344	–	–	9,344
Other assets (excluding prepayments)	311	–	–	311
Cash at banks and on hand	385	–	–	385
Total undiscounted financial assets	10,040	–	–	10,040
Financial liabilities				
Loans and borrowings	2,496	2,993	–	5,489
Lease liabilities	67	245	359	671
Payables and accruals (excluding GST payables)	7,115	–	–	7,115
Total undiscounted financial liabilities	9,678	3,238	359	13,275
Total net undiscounted financial assets/(liabilities)	362	(3,238)	(359)	(3,235)
31 March 2023				
Financial assets				
Trade and other receivables	6,943	–	–	6,943
Other assets (excluding prepayments)	157	–	–	157
Cash at banks and on hand	768	–	–	768
Total undiscounted financial assets	7,868	–	–	7,868
Financial liabilities				
Loans and borrowings	3,428	2,516	–	5,944
Lease liabilities	78	245	407	730
Payables and accruals	5,737	–	–	5,737
Total undiscounted financial liabilities	9,243	2,761	407	12,411
Total net undiscounted financial liabilities	(1,375)	(2,761)	(407)	(4,543)

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30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Company	Less than 1 year \$'000	1 to 5 years \$'000	Total \$'000
31 March 2024			
Financial assets			
Trade and other receivables	2,100	–	2,100
Cash at banks and on hand	33	–	33
Total undiscounted financial assets	2,133	–	2,133
Financial liabilities			
Payables and accruals (excluding GST payables)	1,963	–	1,963
Loans and borrowings	128	1,713	1,841
Total undiscounted financial liabilities	2,091	1,713	3,804
Total net undiscounted financial liabilities	42	(1,713)	(1,671)
31 March 2023			
Financial assets			
Trade and other receivables	3,468	–	3,468
Cash at banks and on hand	23	–	23
Total undiscounted financial assets	3,491	–	3,491
Financial liabilities			
Payables and accruals	710	–	710
Total undiscounted financial liabilities	710	–	710
Total net undiscounted financial assets	2,781	–	2,781

For financial guarantee contracts, the maximum amount that could be payable under the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the financial year, no claims on the financial guarantees are expected. The following table shows the maturity analysis of the contingent liabilities:

Company	Less than 1 year \$'000	1 to 5 years \$'000	Total \$'000
31 March 2024			
Corporate guarantee in favour of subsidiary	1,277	1,133	2,410
31 March 2023			
Corporate guarantee in favour of subsidiary	1,960	2,311	4,271

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31. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for asset or liability that are not based on observable market or observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The table below analyses the Group's liabilities that are measured at fair value on a recurring basis in the statement of financial position after initial recognition.

Group	Fair value measurements using			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
2024				
Financial liability				
Redeemable convertible bond	–	304	–	304

Level 2

Redeemable convertible bond

The debt component of the convertible bond was valued using the discounted cash flow method while the derivative component of the convertible bond was valued using the binomial tree model based on the market value of share, risk-free rate and volatility of share price

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Contract assets and liabilities (Note 16), Cash and other equivalents (Note 17), Trade and other receivables (Note 18), Current other assets (Note 19), Loans and borrowings (Note 21), Payables and accruals (Note 22), Provisions (Note 23) and Lease liabilities (Note 24)

The carrying amounts of these financial assets and liabilities are reasonable approximation of 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.

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32. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the financial year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash at banks and on hand. Adjusted capital comprises all components of equity (i.e. share capital and retained earnings).

	Group	
	2024	2023
	\$'000	\$'000
<u>Net debt:</u>		
All current and non-current borrowings (Note 21)	4,867	5,304
Lease liabilities (Note 24)	475	492
Less: Cash at banks and on hand (Note 17)	(385)	(768)
	4,957	5,028
<u>Adjusted capital:</u>		
Total equity attributable to Equity Holders	6,815	7,115
Adjusted capital	6,815	7,115
Debt-to-adjusted capital ratio	73%	71%

33. EVENT SUBSEQUENT TO THE REPORTING DATE

a) Disposal of subsidiary, Shanxi Weineng Coal Mine Gas Development Co., Ltd.

On 2 August 2024, the Group has signed the Equity Transfer Agreement for the disposal of a subsidiary, Shanxi Weineng Coal Mine Gas Development Co., Ltd., at a sales consideration of RMB30 million (including the settlement of inter-company balance of RMB10 million) or approximately \$5.6 million

b) Loan from a substantial shareholder and director

On 1 August 2024, the Group has received loans amounting to \$2 million from a director of the Group which is repayable in August 2025.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

34. PRIOR YEAR RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended on the notes to the financial statements. Comparative figures have been reclassified to conform with the current year's presentation.

The items reclassified are summarised as follows:

	Balance as previously reported \$'000	Reclassification \$'000	Balance as reclassified \$'000
As at 31 March 2023			
Statement of financial position			
Contract assets	1,703	185	1,888
Trade and other receivables	7,128	(185)	6,943

The above reclassification did not have any financial implication to the period before the prior year's statement of financial position of the Group. Accordingly, management did not present the statement of financial position of the Group as at 1 April 2023.

APPENDIX IV – 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 Company’s registered address at 11 Tuas Avenue 16, Singapore 638929 during normal business hours from the date of this Circular and for the period during which the Offer and Warrants Offer remains open for acceptance.

1. Rights in respect of capital

CAPITAL OF THE COMPANY

- | | | |
|----|---|----------------------------|
| 5. | The Company may be Ordinary Resolution – | Alteration of
Capital |
| | (a) consolidate and divide all or any of its share capital; | |
| | (b) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled; and | |
| | (c) subdivide its shares or any of them (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced shares is derived. | |
| 6. | The Company may by Special Resolution reduce its share capital, or any undistributable reserve in any manner and subject to any capital incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. | Power to reduce
capital |

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

SHARES

7. Subject to the Act and these Articles relating to new shares and to any special rights attached to any share for the time being issued, all shares shall be under the absolute control of the Members in General Meetings but subject thereto, the Directors may allot, grant options over or otherwise dispose of the same to such persons on such terms and conditions, for such consideration and at such times as the Directors may determine. Provided that;–
- Shares under control of General Meeting
- (a) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and
- (b) no shares may be issued to transfer a controlling interest without the prior approval of the Company in General Meeting.
8. Subject to any direction to the contrary that may be given by the Members in General Meeting and except as permitted under the listing rules of the Exchange, all new shares shall, before issue, be offered to such Members 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 admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares, the offer shall be made by notice specifying the number of shares offered and limiting 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, or of which new shares which could not be offered to Members outside Singapore, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may likewise so dispose of any such 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 Directors, be conveniently offered in the manner hereinbefore provided.
- Issue of new shares
9. Notwithstanding Article 8, 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
- Authority to Directors, to issue shares and convertible securities
- (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (b) notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force.

Provided that:–

- (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 the Exchange; and
- (b) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and

(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 Meeting of the Company next following the passing of the Ordinary Resolution or the date by which such Annual 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).

10. Any share in the Company may be issued with such preferred, deferred or other special rights, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Act (and these Articles) 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. Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. The total number of issued preference shares shall not exceed the total number of issued ordinary shares. Company may issue shares with preferred, deferred or other special rights
11. In the event of the Company at any time issuing preference capital, the Company shall have power to issue further preference capital ranking equally with or in priority to the preference shares already issued and the rights conferred upon the holders of preference shares shall not unless otherwise expressly provided by the conditions of issue of such preference shares be deemed to be altered by the creation or issue of such further preference capital ranking equally with or in priority thereto. Issue of further preference shares

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

12. Subject to the provisions of the Act, all or any of the special rights or privileges for the time being attached to any preference shares 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 Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting all the provisions of these Articles as to Meetings of the Company shall *mutatis mutandis* apply but so that the necessary quorum shall be two holders of preference shares present either in person or by proxy representing not less than one-third of the preference shares issued and that every such holder of preference shares shall be entitled on a poll to one vote for every preference share held by him, and that any holder of preference shares present either in person or by proxy may demand a poll.
- Alteration of rights of preference shareholders
- Provided that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holder or 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.
13. Preference shareholders shall have the same rights as ordinary shareholders as regards to 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 a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or where the dividend on the preference shares is more than six months in arrears.
- Rights of preference shareholders
14. If by the conditions of allotment of any shares, 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 persons who for the time being, and from time to time, shall be holders for the time being of the shares, or their legal personal representatives.
- Instalments of shares

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

15. The Company may pay a commission or brokerage to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company or options therefor. Any such commission may be paid at such rate or amount and in such manner as the Directors may deem fit and the Company may, in addition to, or in lieu of, such commission or brokerage, in consideration of any person so subscribing or agreeing to subscribe, whether absolutely or conditionally, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company or options therefor, confer on any such person an option to call within a specified time for a specified number or amount of shares in the Company at a specified price. The requirements of the provisions of the Act shall be observed, so far as applicable. Commission for subscribing
18. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, prescribed pursuant to, the Act. Treasury shares

JOINT HOLDERS OF SHARES

20. (1) The Company and the CDP shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or administrators of the estate of a deceased Member. Joint holders and Depositors
- (2) Subject to Article 20(1), any two or more persons may be registered as joint holders of any share or named in the Depository Register as joint Depositors. In the case of the death of any one or more of the joint registered holders or joint Depositors of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in such share but the Company may require such evidence of death as it may deem fit.
- (3) Any one of the joint holders of any share or joint Depositors may give effectual receipts for any dividends, bonuses or other moneys payable to such joint holders or joint Depositors. The first named on the Register or the Depository Register shall, however, as regards voting, appointment of proxies, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share and any notice given to such person shall be deemed notice to all the joint holders or joint Depositors, as the case may be.
- (4) The joint holders of any share or the joint Depositors in respect of any share shall be liable jointly and severally in respect of all payments and liabilities in respect of such share.

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

21. Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and a Depositor as the absolute owner of the number of shares which are entered against his name in the Depository Register and accordingly, shall not be bound (except as ordered by a court of competent jurisdiction or as required by law) to recognise even when having notice of any equitable or other claim to or interest in any such share on the part of any person. Member absolute power
22. No person shall exercise any rights or privileges as a Member until his name shall have been entered in the Register or the Depository Register and he shall have paid all calls and other moneys for the time being due and payable on any share in respect of which he is a Member alone or jointly with any other person. Exercise of rights of Members

SHARE CERTIFICATE

23. Every certificate for shares shall be under the Seal or the Share Seal as provided in Article 131. Share certificates
24. Every registered holder shall be entitled to receive, and the Company shall allot and despatch to CDP for the account of every Depositor who are Members, within ten Market Days (or such other period as may be prescribed or approved by the Exchange from time to time) of the closing date for the subscription of securities or within such period as the conditions of issue shall provide or, where applicable, within ten Market Days (or such other period as may be prescribed or approved by the Exchange from time to time) after the day of lodgement of a registered transfer (as defined in Article 46) (other than such transfer as the Company is for any reason entitled to refuse to register and does not register), one certificate in respect of each class of shares held by him or registered in the name of CDP, as the case may be, for all his shares or shares registered in the name of CDP, as the case may be, of that class or several certificates in such denominations as the Company shall, in its absolute discretion, consider reasonable for his shares or shares registered in the name of CDP, as the case may be, of that class in the case of the registered holder, upon payment of two dollars per certificate (or such lesser sum as the Directors shall from time to time determine) and in the case of a Depositor, the Directors shall waive all payments for every certificate after the first. Provided that (i) the Company shall not be bound to issue more than one certificate in respect of a share held jointly by several persons (including Depositors) and delivery thereof to one or several joint holders or, in the case of shares registered in the name of CDP, to CDP, shall be sufficient delivery to all such holders (including Depositors) and (ii) where a registered holder or CDP has transferred part of his shares or shares registered in the name of CDP, as the case may be, comprised in a share certificate the Company shall without charge and within ten Market Days (or such other period as may be prescribed or approved by the Exchange from time to time) after the lodgement of the registered transfer despatch to the registered holder or CDP as the case may be a certificate in respect of the shares not transferred. Registered holder’s right to certificate

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| 25. | Every certificate of shares shall specify the number and class of shares to which it relates and the amount paid and the amount (if any) unpaid thereon. No certificate shall be issued representing shares of more than one class. | Certificates shall specify number and class of shares |
| 26. | Subject to the provisions of the Act, if any such certificate shall be defaced, worn out, destroyed, stolen or lost, it may be replaced on such evidence being produced and on such indemnity or undertaking (if required) being given by the Member, registered holder, CDP, transferee, person entitled thereto or the purchasing member company of the Exchange or on behalf of its client as the Directors shall require and (in the case of defacement or wearing out) on delivery of the old certificate and (in any case) on payment of such sum not exceeding two dollars per replacement certificate as the Directors may from time to time require. In the case of theft, destruction or loss the person entitled to such replacement certificate 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 and to such indemnity or undertaking. | Issue of replacing certificates |
| 27. | The certificates of shares, or options in respect of shares, registered in the names of two or more persons may, without prejudice to the provisions of Article 24, be delivered to the person first named on the Register or, in the case of shares or options registered in the name of CDP, to CDP. | Delivery of share certificates |

LIEN ON SHARES

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| 28. | 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. Provided the Company’s lien shall be restricted to unpaid calls and instalments, costs, charges and expenses referred to in Article 33 and interest (if any) on the specific shares in respect of which such amounts are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. | Company’s lien on shares |
| 29. | For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof 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 such Member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven days after such notice. | Right to enforce lien by sale |

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30. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and the Directors may enter the purchaser’s name in the Register as holder of the shares or may request the CDP to enter the purchaser’s name in the Depository Register as the Depositor thereof, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money, and after his name has been entered in the Register or the Depository Register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only.
- How sale to be effected

CALL ON SHARES

31. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares of which by the conditions of allotment thereof is not 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
32. The joint holders of a share or the joint Depositors in respect of a share shall be jointly and severally liable to pay all calls or instalments and the interest, costs, charges or expenses referred to in Article 33 (if any) in respect thereof.
- Joint and several liability of joint holders and Depositors
33. If before or on the day appointed for payment thereof a call or instalment thereof payable in respect of a share is not paid, the person from whom the amount of the call or instalment is due shall pay interest on such amount at such rate as the Directors shall decide from time to time from the day appointed for payment thereof to the time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to recover payment of or in consequence of non-payment of such call or instalment, but the Directors may waive payment of such interest, costs, charges and expenses wholly or in part.
- Interest/ expenses on unpaid calls
34. Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date or 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, costs, charges and expenses, forfeiture and the like, and all the other relevant provisions of the Act or of these Articles shall apply as if such sum were a call duly made and notified as herein provided.
- Sums payable under terms of allotment to be deemed calls

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

35. The Directors may from time to time make arrangements on the issue of shares differentiate between the Members in respect 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 Members
36. 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 or in respect of shares, 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 (8%) 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 whilst carrying interest shall not confer a right to participate in profits. Payment of call in advance

FORFEITURE OF SHARES

37. If any Member fails to pay the whole or any part of any call or instalment or interest, costs, charges or expenses referred to in Article 33, on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment or interest, costs, charges or expenses remain 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
38. 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 or interest, costs, charges or 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 is payable shall be liable to be forfeited. Form of notice
39. If the Member shall fail to comply with the requirements of any notice as aforesaid, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments or interest, costs, charges 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. If notice not complied with shares may be forfeited
40. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same upon such terms and 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 effect a transfer of the share in favour of the person to whom the share is sold or disposed and his name shall thereupon be entered in either the Register or the Depository Register, as may be appropriate, in respect of the share and he shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. Forfeited shares property of Company

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THE COMPANY’S CONSTITUTION**

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| 41. | The net proceeds of sale whether of a share forfeited by the Company or of a share over which the Company had a lien, after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall be paid to the person entitled to the shares at the time of the sale or his executors, administrators or assignees or as he or they may direct. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser. | Application of proceeds of such sale |
| 42. | When any share shall have been so forfeited notice of the forfeiture shall be given to the Member in respect of such share prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register and the Company shall request CDP to make a corresponding entry in the Depository Register. The provisions of this Article are directory only and no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid. | Notice of forfeiture to be given to Members |
| 43. | The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit. | Power to annul forfeiture |
| 44. | Any Member whose or in respect of whom shares shall have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding, be liable to pay, and shall forthwith pay to the Company all calls or instalments or interest, costs, charges and expenses owing upon or in respect of such shares at the time of forfeiture, as if the shares had not been forfeited and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of forfeiture together with any interest thereon from the time of forfeiture until payment, at the rate of eight per cent. (8%) 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 to do so. Any residue after the satisfaction of the unpaid calls, accrued interest, costs, charges and expenses shall be paid to the Member, his executor, administrator or assignee or as he directs. | Liability on forfeited share |
| 45. | A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that shares in the Company have been duly forfeited 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 shares. | Declaration by Director conclusive of fact of forfeiture |

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

TRANSFER OF SHARES

46. Subject to the restrictions of these Articles and any restrictions imposed by law or the Exchange or CDP, any Member may transfer all or any of his shares, but every transfer by any Member must either be by means of:—
- (a) an instrument in the form approved by the Exchange, which must be left at the Office or such other place or places as the Directors may appoint from time to time for registration and accompanied by the certificates of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor or his right to transfer the shares (“a registered transfer”); or
- (b) book-entry in the Depository Register in accordance with the Act
47. The instrument of transfer of a share which is the subject of a registered transfer shall be signed by or on behalf of both the transferor and the transferee and be witnessed and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register in respect thereof. CDP may transfer any share in respect of which its name is entered in the Register by means of a registered transfer. CDP shall not be required as transferee to sign any form of transfer for transfer of shares to it. The Directors may dispense with the execution of the instrument of transfer by the transferee and the requirement that the instrument of transfer be witnessed in any case in which they think fit in their discretion so to do. Shares of different classes shall not be comprised in the same instrument of transfer. This Article 47 shall not apply to any transfer of shares by way of book-entry in compliance with the Act.
48. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.
- Nothing in this Article shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
49. In the case of registered transfers, all instruments of transfers submitted which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.
50. In the case of a registered transfer, a fee not exceeding two dollars for each transfer as the Directors may from time to time determine shall be charged for the registration of a transfer except that CDP shall not be liable to pay any fee in respect of the registration of a transfer.

Member may transfer shares

Instrument of transfer to be executed

Restriction on transfer

Instrument of transfer to be retained

Transfer fee

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 51. | The Directors may decline to register any transfer of shares of which stamp duty if applicable is not paid or on which the Company has a lien and in the case of shares not fully paid up. | Power of Directors to refuse to register transfer |
| 52. | In the case of a registered transfer, if the Directors refuse to register any transfer of any shares they shall serve on the transferor and transferee, within ten Market Days (or such other period as may be prescribed or approved by the Exchange from time to time) after the day on which the transfer was lodged with the Company, a notice in writing informing each of them of such refusal and the reasons therefor. | Notice of refusal to register to be sent by Company |
| 53. | The Company shall provide a book to be called “Register of Transfers”, which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer or transmission of shares (other than a transfer or transmission of shares by means of book-entry in the Depository Register). | Register of Transfers |
| 54. | The Register of Transfers may be closed at such times and for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty days in any calendar year, and during such periods the Directors may suspend the registration of transfers. At least ten Market Days’ notice (or such other period as may be prescribed or approved by the Exchange from time to time) of such closure shall be given. | Closure of Register of Transfers |

TRANSMISSION OF SHARES

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| 56. | In the case of the death of a Member, the survivor where the deceased was a joint registered holder or a joint Depositor, and the legal personal representative of the deceased where he was a sole or only surviving registered holder or joint Depositor, save as otherwise provided herein or required or provided by law, shall be the only person recognised by the Company as having any title to or interest in respect of his shares, but nothing herein contained shall release the estate of a deceased holder or Depositor from any liability in respect of any share in respect of which he was a Member solely or jointly. | Transmission of shares |
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APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

57. Any person becoming entitled to a share in consequence of the death or bankruptcy of a registered holder of a share shall upon producing such evidence of his title as the Directors may require, have the right either to register himself as the holder of the share or to make such transfer thereof to some other person as the deceased or bankrupt holder could have made, Provided that the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt holder before the death or bankruptcy.

Title on death
or bankruptcy

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects. For the purposes of these Articles relating to the registration of transfers of shares, such notice shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer executed by the person from whom the title by transmission is derived.

In the case of any person becoming entitled to the interest of a Depositor in respect of a share in consequence of the death of the Depositor, Section 130K(1) of the Act shall apply.

58. A person becoming entitled to a share or an interest in respect of a share in consequence of the death or bankruptcy of any Member shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder or named in the Depository Register as the Depositor in respect thereof Provided always that the Directors may at any time give notice requiring any such person to elect either to register himself or be named in the Depository Register or to transfer the share, and if the notice is not complied with in accordance with these Articles within ninety days, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.
59. The Company shall be entitled to charge a fee not exceeding ten dollars or such other sum as may be determined from time to time on the registration in the Register of every probate, letter of administration, death or marriage certificate, power of attorney, or any document relating to or affecting the title to the shares.

Persons entitled
to dividends on
transmission

Fee on
registration of
probate, etc

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

MODIFICATION OF CLASS RIGHTS

60. Subject to the provisions of the Act, 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 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 such shares 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 of the holders of such shares of the class, and all the provisions contained in these Articles relating to general meeting shall *mutatis mutandis* apply to every such meeting, but so that the quorum thereof shall be not less than two persons personally present and being or representing by proxy of one-third of the issued shares of the class, and that any holder of such shares, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class in respect of which he is a holder of such shares, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of such 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 Accounting and Corporate Regulatory Authority.
- Modification of class rights

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

148. (1) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 9):
- Bonus Issues
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register or (as the case may be) the Depository Register at the close of business on:
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to Article 9) such other date as may be determined by the Directors.

in proportion to their then holdings of shares; and

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(b) capitalise any sum for the time being standing to the credit of any of the Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register or the Depository Register (as the case may be) at the close of business on:

- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to Article 9) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

- (2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Article 148(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (3) In addition and without prejudice to the powers provided for by Articles 148(1) and 148(2), the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

WINDING UP

168. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, at the commencement of the winding up, on the shares in respect which they are Members respectively. If in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid up on the shares in respect which they are Members respectively. This Article is to be without prejudice to the rights of the holders or Depositors of shares issued upon special terms and conditions. Distribution of assets in winding up
169. If the Company shall be wound up, the liquidators of the Company may, with the sanction of a Special Resolution, divide among the Members in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the Members, but so that if any division is resolved or otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any share or other consideration receivable by the liquidators amongst the Members otherwise than in accordance with their existing rights. Any such determination shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section. Distribution of assets in specie

2. Rights in respect of dividends

DIVIDENDS

134. 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 or credited as paid on the shares held by them respectively. Appropriation of Profits
135. The Company in General Meeting may declare a dividend to the Members according to their rights and interests 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 Meeting may declare a smaller dividend. Declaration of Dividend

**APPENDIX IV – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

136. (1) Whenever the Company in general meeting has resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- Scrip Dividend Scheme
- (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 136;

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- (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 of which the right of 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 and for such purpose (notwithstanding the provisions of the Articles to the contrary), the Directors shall:–
 - (i) capitalise 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 available 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 among the holders of the Elected Ordinary Shares on such basis, or
 - (ii) apply the sum which would otherwise have been payable in cash to the holders of the Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.
- (2) (a) The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Article 136 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.

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article 136, 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).
- (3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 136, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit.
- (4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 136, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore and if they have not supplied CDP or the Company (as the case may be) addresses in Singapore for the service of notices or documents or to such other Members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (5) Notwithstanding the foregoing provisions of this Article 136, if at any time after the Directors’ resolution to apply the provisions of paragraph (1) of this Article 136 in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstances (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (1) of this Article 136.
137. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors. No dividend shall carry interest. Payment of dividends

**APPENDIX IV – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

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| 138. | The declaration of the Directors as to the net profits of the Company shall be conclusive. | Declaration conclusive |
| 139. | If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they think fit. | Payment of preference and interim dividends |
| 140. | The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of or in connection with calls due or payable. | Deduction of debts due to Company |
| 141. | 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 |
| 142. | 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 transfer in the Depository Register, as the case may be. | Effect of transfer |
| 143. | 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 debentures stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular, may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 63 of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective. | Dividend in specie |
| 144. | The Company may retain the dividends payable upon shares or any part thereof in respect of which any person is, under Article 56, entitled to become entered in the Register or the Depository Register, as the case may be, as a Member, or which any person under that Article 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 |
| 145. | In case several persons are jointly Members in respect of any shares, any one of such persons may give effectual receipts for dividends and payment on account of dividends in respect of such shares. | Any joint Member may give receipt |

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

146. Unless otherwise directed, any dividend may be paid by cheque, dividend warrant or Post Office Order, sent through the post to the address of the Member entitled appearing in the Register or the Depository Register, as the case may be, or in the case of a joint Member to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect of the joint shareholding, and every cheque, dividend warrant or Post Office Order so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible for the loss of any cheque, dividend warrant, or Post Office Order, which shall be sent by post duly addressed to the Member for whom it is intended. The payment by the Company to CDP of any dividend payable or distribution due to a Depositor shall, to the extent of the payment or distribution made, discharge the Company from any liability in respect of that payment or distribution. Payment by post
147. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of 6 years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company. Unclaimed dividends

RESERVE

149. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for the special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide. Power to carry profit to reserve
Application of reserve
Division of reserve into special funds

3. Rights in respect of voting

GENERAL MEETINGS

65. In addition to any other meetings, a General Meeting shall be held at least once 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. General Meetings
66. The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings. Annual General Meetings

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THE COMPANY’S CONSTITUTION**

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| 67. | The First Annual General Meeting of the Company shall be held at such time within a period of not more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine. | First Annual
General
Meeting |
| 68. | The Directors may call an Extraordinary General Meeting of the Company whenever they think fit. | Directors may
call
Extraordinary
General
Meetings |
| 69. | The Directors shall, on the requisition of the Members holding at the date of the deposit of the requisition not less than 10% of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings (excluding paid up capital held as treasury shares) of the Company, forthwith proceed to convene an Extraordinary Meeting of the Company, and in the case of such requisition the following provisions shall have effect:– | Extraordinary
General
Meetings to be
called on
requisition of
Members |
| | (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists; | |
| | (2) 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 requisition being so deposited, the requisitionists 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; | |
| | (3) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the meeting shall be deemed not to be duly convened by the Directors if they do not give such notice as is required by the provisions of the Act; and | |
| | (4) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors. | |

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

70. Subject to any requirements of the Act or the listing rules for the giving of notice of resolutions, any Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by at least twenty-one days’ notice in writing and any Annual General Meeting and any other Extraordinary Meeting by at least fourteen days’ notice in writing (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day of the meeting for which the notice is given) in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained and the Act entitled to receive notice from the Company and at least fourteen days’ notice of such meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed. Provided that a Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:–
- (a) in the case of an Annual Meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary Meeting by a majority in the number of Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the Members having a right to vote at that Meeting.
71. The accidental omission to give any notice to or non-receipt of any such notice by any Member shall not invalidate the General Meeting for which the notice was given or any resolution passed or proceedings at any General Meeting.
72. Subject to Article 106, any Member entitled to be present and vote at a General 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 by the Member and the day appointed for the General Meeting, there shall be not less than seven or more than fourteen intervening days.
73. Upon receipt of any such notice in accordance with the conditions as mentioned in the last preceding Article, the Secretary shall include in the notice of the General Meeting in any case where the notice of intention is received before the notice of the General Meeting is issued, and shall in any other case (save as provided in Article 106) issue as quickly as possible to the Members notice that such resolution will be proposed.
- Notice of Meeting
- Accidental omission to give notice
- Members may submit resolution to meeting on giving notice to Company
- Secretary to give notice to Members

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

PROCEEDINGS AT GENERAL MEETINGS

74. 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 fees 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
75. Except at any time when a corporation is the sole Member, 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 requisite quorum is present at the commencement of the business. For the purposes of this Article, “Member” includes a person attending as a proxy. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 88. Quorum
76. 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, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved. If quorum not present
77. The Chairman (if any) of the Board of Directors shall preside as chairman at every General Meeting, and may from time to time appoint any other Director to be the chairman of such 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 have not appointed any other Director to be the chairman of such meeting, 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
78. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, 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. Whenever any meeting is adjourned for fourteen days or more, at least three days’ notice of the place and hour of such adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. Power to adjourn

**APPENDIX IV – RELEVANT EXTRACTS FROM
THE COMPANY’S CONSTITUTION**

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| 79. | 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 or by proxy and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded (a) by the chairman of the meeting or (b) by not less than five Members present in person or by proxy, and entitled to vote at the meeting, or (c) by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting or (d) by a Member or Members holding 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 10% of the total sum paid up on all the shares conferring that right. Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the book of proceedings 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. A demand for a poll may be withdrawn. | How matters to be decided |
| 80. | Without prejudice to the aforesaid, on a poll, a person entitled to more than one vote need not use all his votes or cast all his votes he uses in the same way. | Utilisation of his vote |
| 81. | If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which a poll has been demanded. | Chairman's direction as to poll |
| 82. | 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 |
| 83. | 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. | Poll on election of chairman of a meeting |
| 84. | 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. | Error in the counting of votes |

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

VOTE OF MEMBERS

85. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 18 each Member entitled to vote may vote in person or by proxy. On a show of hands every Member who is present in person or by proxy shall have one vote (provided that in the case of a Member who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the chairman of the Meeting in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every Member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time for the relevant General Meeting as certified by CDP to the Company. Every member shall be entitled to be present and to vote at any General Meeting either personally or by proxy and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. Voting rights
86. In the case of joint Members 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 Members; 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. Voting right of joint Members
87. 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 show of hands or on a poll, vote by proxy. Provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting. Votes of Members of unsound mind
88. Any corporation which is a Member may, by resolution of its Directors, authorise any person to act as its representative at any meetings 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 and such corporation shall for the purpose of these Articles (but subject to the Act) be deemed to be present in person at any such Meeting if a person so authorised is present thereat. Corporation may attend by representative

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 89. | The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal, or under the hand of an official or attorney duly authorised by the corporation. An instrument of proxy shall not, unless the Directors in their absolute discretion determine otherwise, be required to be witnessed. | Instrument of proxy to be in writing |
| 90. | The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall, if required by law, be duly stamped and deposited at the Office, not less than 48 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. | Authority to sign instrument of proxy to be deposited with Company |
| 91. | (1) A proxy need not be a Member.

(2) A Member may appoint not more than two proxies to attend and vote at the same General Meeting. A Member appointing more than one proxy shall specify the proportion of shares to be represented by each proxy and if no proportion is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. An instrument appointing a proxy shall be in such form as the Directors may from time to time approve. The Company shall be entitled (i) to reject any instrument of proxy executed by a Depositor if the Depositor’s name does not appear in the Depository Register 48 hours prior to the commencement of the relevant General Meeting as certified by CDP to the Company, and (ii) for the purpose of a poll, to treat an instrument of proxy executed by a Depositor as representing the number of shares equal to the number of shares appearing against his name in the Depository Register referred to in (i) above, notwithstanding the number of shares actually specified in the relevant instrument of proxy. | Proxy need not be a Member

Appointment of proxies |
| 92. | 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 That no notice in writing of the death or revocation or transfer shall have been received at the Office at least 48 hours before the time fixed for holding the meeting. | When vote by proxy valid though authority revoked |
| 93. | The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll to move any resolution or amendment thereto and to speak at the Meeting. | Instrument deemed to confer authority to demand for poll |

**APPENDIX IV – RELEVANT EXTRACTS FROM
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94. Where the capital of the Company consists of shares of different monetary denominations, voting rights may, at the discretion of the Board, 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

APPENDIX V – VALUATION CERTIFICATES



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Company Registration No. 200709839D

13 December 2024

VibroPower Pte Ltd
11 Tuas Avenue 16,
Singapore 638929

Dear Sirs/Mesdames,

VALUATION OF 11 TUAS AVENUE 16, SINGAPORE 638929

Cushman & Wakefield (“C&W”) has been instructed by VibroPower Pte Ltd (“the Client”) to provide the Market Value as at 1 October 2024 and report in respect of the abovementioned property (“the Property”) for the purpose of inclusion in a circular which is to be published by VibroPower Corporation Limited pursuant to the mandatory conditional cash offer.

C&W has prepared the valuation in accordance with the requirements of the instruction and the following international definition of Market Value:

“Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after property marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation has been made on the assumption that the owner sells the property on the open market in their existing state taking into account the terms of the existing occupancy arrangements, where appropriate, but without the benefit of any other deferred term contract, joint venture or any similar arrangement which would affect the value of the property.

We provide a valuation summary on the Property together with the key factors that have been considered in determining the market value of the Property. The value conclusion reflects all information known by the valuers of C&W who worked on the valuation in respect to the Property, market conditions and available data.

Reliance on This Letter

This letter is a summary of the report that C&W has prepared and it does not contain all the necessary information and assumptions that are included in the report. Further reference may be made to the report, a copy of which is held by the Client.

The valuation contained in the report is not a guarantee or a prediction but is based on the information obtained from reliable and reputable agencies and sources, the Client and other related parties. Whilst C&W has endeavoured to obtain accurate information, it has not independently verified all the information provided by the Client or other reliable and reputable agencies.

C&W has also relied to a considerable extent the property data provided by the seller on matters such as land leases, tenancy details, income and expenses information, site and building plans, site and floor areas, dates of completion and all other relevant matters.

Also, in the course of the valuation, we have assumed that all leases are legally valid and enforceable and the Property has proper legal titles that can be freely transferred, leased and sub-leased in the market without being subject to any land premium or any extra charges, C&W has no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Property. C&W has assumed that the Property is free from encumbrances, restrictions or other outgoing of an onerous nature which would affect the market values, other than those which have been made known to C&W.

The methodology used in valuing the Property is the Sales Comparison Method.

We have not conducted structural surveys nor tested the building services as this is not part of our terms of reference and, as such, we cannot report that the Property is free from rot, infestation or any other structural defects. For the purpose of this valuation, the Property is assumed to be in sound structural condition and the building services in good working order. Our valuation assumes that the premises and any works thereto comply with all relevant statutory and planning regulations.

APPENDIX V – VALUATION CERTIFICATES

VALUATION OF 11 TUAS AVENUE 16,
SINGAPORE 638929



Similarly, we have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Valuation Rationale

In arriving at our valuation, we have considered relevant general and economic factors and researched recent transactions of comparable properties that have occurred in the vicinity or in similar standard localities. We have utilised Comparison Method in undertaking our assessment of the Property.

Comparison Method

In the Comparison Method, reference to comparable sale transactions where available in the relevant market have been made. Appropriate adjustments for differences such as location, tenure, age and condition and sizes, amongst other factors, are made between the property and the comparables.

The Property

The Property is located at 11 Tuas Avenue 16, along Tuas Avenue 16 and off Tuas Crescent; and has balance tenure of approximately 10 years as at date of valuation.

The following table summarises the key details of the Property such as:

Land Area:	3,531.7 square metres
Gross Floor Area (GFA):	3,390.37 square metres – according to information provided
Occupancy:	The Property is presently partially tenanted and partially owner-occupied.

Summary of Valuation

The valuation of the Property, free from encumbrances, is in the region of:

S\$4,500,000/-

(Singapore Dollars Four Million and Five Hundred Thousand Only)

Our valuation is exclusive of Goods and Services Tax, where applicable.

The Valuation Certificate containing more property details is attached.

APPENDIX V – VALUATION CERTIFICATES

VALUATION OF 11 TUAS AVENUE 16,
SINGAPORE 638929



Disclaimers and General Comments

We have prepared this valuation summary on the Property for inclusion in a circular which is to be published by VibroPower Corporation Limited pursuant to the mandatory conditional cash offer. We only make warranty or representation as to the accuracy of the information in this valuation summary and the report.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the client is contracting with.

The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorised to practice as valuers in the respective jurisdictions and have more than 30 years' experience in valuing similar types of properties.

Yours faithfully,

For and on behalf of

CUSHMAN & WAKEFIELD VHS PTE. LTD.

A handwritten signature in black ink, appearing to read "Chew May Yenk".

Chew May Yenk
MSISV
Licensed Appraiser No AD41-2004419H
Executive Director
Valuation & Advisory, Singapore

A handwritten signature in blue ink, appearing to read "Chen Tze Hui".

Chen Tze Hui
MSISV
Licensed Appraiser No AD41-2003956E
Director
Valuation & Advisory, Singapore

Enc: Valuation Certificate

APPENDIX V – VALUATION CERTIFICATES

VALUATION OF 11 TUAS AVENUE 16,
SINGAPORE 638929



VALUATION CERTIFICATE

Date of Valuation:	1 October 2024	
Property Address:	11 Tuas Avenue 16, Singapore 638929 (the "Property")	
Client:	VibroPower Pte Ltd	
Interest to be Valued:	Leasehold interest in the Property with balance 10 years approximately.	
Purpose of Valuation:	For inclusion in the circular to be issued by VibroPower Corporation Limited pursuant to the mandatory conditional cash offer.	
Basis of Valuation	Market value of the remaining leasehold interest in the Property, with existing tenancy arrangements.	
Registered Lessee:	VibroPower Pte Ltd	
Legal Description:	Lot 1025W of Mukim 7	
Tenure:	Leasehold 22 years 7 months commencing 1 March 2013 (balance approximately 10 years)	
Master Plan Zoning:	Zoned "Business 2" with a permissible plot ratio up to 1.4 (2019 Edition)	
Location Description:	<p>The Property is located along Tuas Avenue 16, off Tuas Crescent. It is situated about 24 km away from the city centre at Raffles Place, in the western part of Singapore.</p> <p>Surrounding developments are generally industrial in nature, comprising a mix of factories and warehouse/logistic developments, amongst others.</p>	
Brief Description of Property:	A single-storey purpose-built factory building with an adjoining 3-storey ancillary office. The Property was originally completed circa 1980s and had undergone alteration and addition ("A&A") works. The Certificate of Statutory Completion ("CSC") was granted in 2016.	
Land Area:	3,531.7 square metres	
Gross Floor Area (GFA):	3,390.37 square metres – according to information provided	
Tenancy Details:	The Property is presently partially tenanted and partially owner-occupied.	
Valuation Approach:	Sales Comparison	

Valuation as at 1 October 2024:

subject to existing tenancies, assuming free from encumbrances, is in the region of:

Market Value: **S\$4,500,000**
(approximately \$1,327 psm or \$123 psf over GFA)

APPENDIX V – VALUATION CERTIFICATES



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
(formerly known as C.H. Williams Talhar & Wong Sdn Bhd)

No., 32C-1A, Jalan Rahmat
83000 Batu Pahat
Johor Darul Takzim
Malaysia

Report and Valuation

Our ref : WTW/11/V/005952/24/JTZ

30 November 2024

PRIVATE & CONFIDENTIAL

The Board of Directors VIBROPOWER CORPORATION LIMITED

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Singapore 638929

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Dear Sirs,

VALUATION OF AN APPROVED HEAVY INDUSTRIAL DEVELOPMENT (BIOMASS POWER PLANT) MEASURING APPROXIMATELY 23.84 ACRES HELD UNDER PARENT LOT NOS. PTD 27356 TO PTD 27722 MUKIM OF KLUANG, DISTRICT OF KLUANG, JOHOR

We refer to the instructions from VibroPower Corporation Limited (the "Company") for us to assess the market value of the above captioned property for the purpose of inclusion in the circular in relation to the proposed mandatory conditional cash offer by Mr. Benedict Chen Onn Meng (the "Offeror") to acquire all the issued and paid-up ordinary shares in the share capital of the Company excluding treasury shares and those share already owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with him (the "Proposal").

We confirm that we have carried out a site inspection on 28 November 2024, by Mr Joel Teo Zhili under the supervision of the Qualified Valuer, Sr Lo Kin Weng, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at the date of inspection.

Valuation Basis and Assumptions

The valuation has been prepared in accordance with the requirements as set out in the Malaysian Valuation Standards ("MVS") issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia ("BOVEAP") and other established valuation manuals and standards such as the International Valuation Standards ("IVS") published by the International Valuation Standards Council ("IVSC") and the RICS Valuation - Global Standards (the "Red Book") published by Royal Institution of Chartered Surveyors ("RICS").

The basis of the valuation is Market Value which is defined by the MVS and IVS to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation has been made on the assumption that the owner sells the subject property on the open market in its existing state and without the benefit of a deferred terms contract, joint venture, or any similar arrangement which would affect the value of the subject property.

No allowances are made in our valuation for any charges, pledges or amounts owing on the subject property nor any expense of realisation or for taxation which may be arise in the event of a disposal, deemed or otherwise. We have considered the subject property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assume the subject property is free of statutory notices and outgoings.



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Source of Information

Where applicable, information as to title particulars, site area and tenure are obtained from searches carried out at Registry of Land and Mines, Johor, Malaysia. We have also relied to a very considerable extent on information provided to us by our client. Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. All information provided is treated as true and accurate and we accept no responsibility for subsequent changes in information and reserves the right to change our opinion of value if any other information provided were to materially change.

Confidentiality and Disclaimers

This letter and Valuation Certificate may only be relied upon by the Company for purpose of inclusion in the circular in connection with the Proposal. This confidential document is for the sole use of persons directly provided with it by us. No liability can be accepted by us for any loss arising from any unauthorised use or reliance of this document.

Valuation Rationale

In arriving at the market value of the subject property, we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the Johor's property market.

In arriving at the market value of the subject property, we have adopted the Comparison/Market Approach.

In essence, the Comparison/Market Approach entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning approval status, title restrictions if any and other relevant characteristics to arrive at the market value.

Valuer's Interest

We affirm that the valuers are authorised under law to practice as valuers and have at least 5 years continuous experience in valuation and do not have a pecuniary interest that could conflict with the proper valuation of the subject property.

The key details and valuation of the subject property are detailed in the Valuation Certificate attached overleaf.

Yours faithfully
for and on behalf of

CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)



Sr LO KIN WENG

B. (Hons) Estate Management, MRICS, MRISM, MPEPS
Chartered Surveyor
BOVEAP Registration No. V-917
Director

Note: Sr LO KIN WENG is a Chartered Surveyor who has over 15 years' experience in the valuation of properties in Malaysia

APPENDIX V – VALUATION CERTIFICATES



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Valuation Certificate

Subject Property :	An approved heavy industrial development with the benefit of Planning Permission ("Kebenaran Merancang") and Building Plans Approvals for Biomass Power Plant use
Client :	VibroPower Corporation Limited
Purpose :	Proposed mandatory conditional cash offer by Mr. Benedict Chen Onn Meng to acquire all the issued and paid-up ordinary shares in the share capital of VibroPower Corporation Limited excluding treasury shares and those share already owned, controlled or agreed to be acquires by Mr. Benedict Chen Onn Meng and persons acting in concert with him
Legal Description :	Parent Lot Nos. PTD 27356 to PTD 27722 Mukim of Kluang, District of Kluang, Johor
Interest Valued :	Freehold / Term In Perpetuity
Basis of Valuation :	Market Value
Registered Proprietor :	Agrimal Project Sdn Bhd
Land Area Under Valuation :	Approximately 9.649 hectares (23.84 acres)
Town Planning :	Designated for Heavy Industrial (Biomass Power Plant) use as per the Planning Permission granted by the Majlis Perbandaran Kluang
Brief Description :	<p>The subject property comprises 367 subdivided residential, commercial and public amenities plots with the benefit of Planning Permission ("Kebenaran Merancang") and Building Plans Approvals for heavy industrial development (Biomass Power Plant) use.</p> <p>The proposed industrial development is near rectangular in shape, located along Jalan Mersing and sandwiched between Kawasan Perindustrian Matahari and Kawasan Perindustrian Kluang, Kluang, Johor. Is it sited about 8 kilometres and 28 kilometres by road to the north-east of Kluang town centre and the Ayer Hitam Toll Plaza of North-South Highway (PLUS), respectively.</p>
Valuation Approach :	Comparison/Market Approach
Date of Inspection :	28 November 2024
Date of Valuation :	28 November 2024
Market Value : (100% Interest)	RM15,000,000/- (Ringgit Malaysia : Fifteen Million Only)
Assumptions, Disclaimers, Limitations & Qualifications	<i>This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed through this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part if the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the subject property.</i>
Prepared by :	CBRE WTW Valuation & Advisory Sdn Bhd

APPENDIX V – VALUATION CERTIFICATES



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Limiting Conditions

These are limiting conditions upon which our Report and Valuation are normally prepared, unless specifically mentioned otherwise in the report.

1. Malaysian Valuation Standards

Our Report and Valuation is carried out in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers.

2. Confidentiality

This Report is confidential to the Client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the Client in respect of that purpose, but the Client shall not disclose the report to any other person.

Neither the whole, nor any part of the Valuation Report or Certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear.

We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publication of the Valuation Report, whether in part or in whole.

3. Use of Report

The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Valuation Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context.

4. Title Search

Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office. Legal advice may be sought to verify the title details, if required.

5. Town Planning and Other Statutory Enquiries

We have obtained only verbal town planning information from the relevant authorities whilst we also relied upon published Structure and/or Local Plans, if any.

Such enquiries are conducted at the respective offices or by extracting the required information from published reports and are deemed sufficiently reliable in the profession.

6. Measurements

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Royal Institution of Surveyors Malaysia, or such other building measurement standards as acceptable and agreed to by the client.

For properties situated outside Malaysia, the appropriate/applicable methods of measurement such as the International Property Measurement Standards (IPMS) are used in parallel with the Uniform Method of Measurement of Buildings (UMMB).

7. Site Surveys

We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

8. Structural Surveys

While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor have we inspected any woodwork or other parts of the structure which were covered or inaccessible. We are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance of the absence in respect of any rot, termite or pest infestation or other hidden defects.

9. Contamination

We have not carried out investigations into the past and present use of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.

APPENDIX V – VALUATION CERTIFICATES



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10. Deleterious or Hazardous Materials

No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.

11. Soil Investigation

No soil investigation has been carried out to determine the suitability of soil conditions and / or availability of services for the existing or any future development or planting.

No soil investigation has been carried out to determine the soil suitability for the continued use of the property in its current condition or for any redevelopment.

12. Disease or infestation

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.

13. Leases and Tenancies

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.

14. Development Agreements

Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.

15. Outstanding Debts

In the case of buildings where works are in hand or have recently been completed, no allowances were made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16. Taxation, Encumbrances, Statutory Notices and Outgoings

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assume the property is free of statutory notices and outgoings.

17. Attendance

The instruction and the valuation assignment does not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instructions were given or subsequently agreed upon.

18. Source of information

This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the Valuation have been made known to us and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us for information or facts that have been suppressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it expressed or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources.

19. Validity Period of Valuation Report

A Valuation Report is current as at the date of valuation only. The value assessed herein 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.

No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

20. Limitation of Liability

Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between the client and the Valuer and clearly set out in the terms of engagement.