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This Scheme Document is issued by 5E Resources Limited ("**Company**"). Unless otherwise defined, all capitalised terms appearing on the cover of this Scheme Document shall bear the same meanings as ascribed to them in this Scheme Document.

This Scheme Document (together with the Notice of Scheme Meeting, the Proxy Form and the Request Form) has been made available on SGXNet at the URL <u>https://sgx.com/securities/company-announcements</u> and the Company's corporate website at the URL <u>https://www.5e-resources.com/announcements</u>. A printed copy of this Scheme Document will **NOT** be despatched to Shareholders (unless upon request). Instead, only printed copies of the Notice of Scheme Meeting, the Proxy Form and the Request Form will be despatched to Shareholders.

If you have sold or transferred all or any of your shares in the capital of the Company, you should immediately inform the purchaser or the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward notification to the purchaser or the transferee, that this Scheme Document (together with the Notice of Scheme Meeting, the Proxy Form and the Request Form) may be accessed on SGXNet at the URL <u>https://sgx.com/securities/company-announcements</u> and the Company's website at the URL <u>https://www.5e-resources.com/announcements</u>.

This Scheme Document has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Leong Weng Tuck at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: <u>sponsor@rhtgoc.com</u>.



5E RESOURCES LIMITED

(Incorporated in Singapore) (Company Registration No. 202136285K)

PROPOSED ACQUISITION BY

GREENEDGE SDN. BHD.

(Incorporated in Malaysia) (Company Registration Number: 202401031980 (1577829-P))

OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF 5E RESOURCES LIMITED (OTHER THAN TREASURY SHARES AND SHARES HELD BY THE OFFEROR CONCERT PARTY GROUP) BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT 1967 OF SINGAPORE

Independent Financial Adviser to the Non-Conflicted Directors:



IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form Date and time of Scheme Meeting Venue of the Scheme Meeting

- : 19 January 2025 at 10.00 a.m.
- : 22 January 2025 at 10.00 a.m.
- : SAF Yacht Club, West Wing Poolside Lounge, Level 1, 43 Admiralty Road West, Singapore 759962

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

"1HFY2024"	:	The six months ended 30 June 2024
"Acquisition"	:	The proposed acquisition by the Offeror of all the Shares (excluding treasury shares and Shares held by the Offeror Concert Party Group)
"ACRA"	:	The Accounting and Corporate Regulatory Authority of Singapore
"Business Day"	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which banks in Singapore are generally open for business
"Catalist Rules"	:	The SGX-ST's Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"Companies Act"	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"Company"		
"Company Board"	:	The board of Directors of the Company
"Company Securities"	:	(a) Shares;
		(b) securities which carry voting rights in the Company; and
		 (c) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in the Company
"Company's Warranties"	:	Warranties of the Company in the Implementation Agreement set out in Appendix K to this Scheme Document
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"Court"	:	The General Division of the High Court of the Republic of Singapore or, in the event of an appeal, the Appellate Division of the High Court of the Republic of Singapore or the Court of Appeal of the Republic of Singapore (as may be applicable)
"Court Order"	:	The order of the Court pursuant to Section 210 of the Companies Act sanctioning the Scheme

"Cut-Off Date"	:	The date falling nine months from the Joint Announcement Date or such other date as may be agreed in writing between the Offeror and the Company
"Delisting"	:	The delisting and removal of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms
"Directly-Held Shares"	:	Shares held by an Entitled Shareholder as a Depositor or in scrip form registered in its name
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"Effective Date"	:	The date on which the Scheme, if approved and sanctioned by the Court, becomes effective in accordance with its terms
"Encumbrance"	:	Any claim, charge, mortgage, security, pledge, lien, option, restriction, equity, power of sale, hypothecation or other third party rights or interest, retention of title, right of pre-emption, right of first refusal or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
"Entitled Depository Agent"	:	An Entitled Shareholder who is a Depository Agent
"Entitled Shareholders"	:	All Shareholders as at 5.00 p.m. on the Record Date
"Exempted Directors"	:	Collectively, Mdm. Sok Ching, Mr. Te Hua and Mr. Shankar
"Explanatory Statement"	:	The explanatory statement in compliance with Section 211 of the Companies Act set out in Appendix A to this Scheme Document
" FY "	:	Financial year ended or ending 31 December, as the case may be
"FY2021"	:	The financial year ended 31 December 2021
"FY2022"	:	The financial year ended 31 December 2022
"FY2023"	:	The financial year ended 31 December 2023
"Group"	:	The Company and its subsidiaries, and each, a "Group Company"
"Holding Announcement"	:	The holding announcement by the Company dated 18 October 2024
"Holding Announcement Date"	:	18 October 2024, being the date of the Holding Announcement
"IFA", "Independent Financial Adviser" or "W Capital"	:	W Capital Markets Pte. Ltd., the independent financial adviser appointed by the Company to advise the Non-Conflicted Directors in connection with the Scheme

"IFA Letter"	:	The letter from the IFA to the Non-Conflicted Directors set out in Appendix B to this Scheme Document
"Implementation Agreement"	:	The implementation agreement dated 25 October 2024 entered into between the Company and the Offeror setting out the terms and conditions on which Acquisition and the Scheme will be implemented
"Indirectly-Held Shares"	:	Shares held by an Entitled Shareholder in its capacity as a Depository Agent on behalf of sub-account holder(s)
"IPO"	:	Initial Public Offering
"Joint Announcement"	:	The joint announcement by the Company and the Offeror dated 25 October 2024 in relation to, <i>inter alia</i> , the Acquisition and the Scheme
"Joint Announcement Date"	:	25 October 2024, being the date of the Joint Announcement
"Kim Fatt"	:	Mr. Wong Kim Fatt, (a) a shareholder of the Offeror and the spouse of Mdm. Sok Ching and the brother of Mr. Kim Wah and (b) a substantial Shareholder of the Company
"Kim Wah"	:	Mr. Ban Kim Wah, (a) a shareholder of the Offeror and the brother of Mr. Kim Fatt and the brother-in-law of Mdm. Sok Ching and (b) a substantial Shareholder of the Company
"Last Undisturbed Trading Day"	:	18 October 2024, being the last full trading day of the Shares on the SGX-ST immediately before the Holding Announcement Date
"Latest Practicable Date"	:	31 December 2024, being the latest practicable date prior to the publication of this Scheme Document
"Letter to Shareholders"	:	The letter from the Company to the Shareholders set out on pages 14 to 27 of this Scheme Document
"Market Day"	:	A day on which the SGX-ST is open for the trading of securities
"MYR"	:	Malaysian ringgit, being the lawful currency of Malaysia
"NAV"	:	Net asset value
"Non-Conflicted Directors"	:	The Directors who are considered independent for the purposes of making a recommendation to the Shareholders on the Scheme, being all Directors other than the Exempted Directors, namely Mr. Wong Chee Meng Lawrence, Mr. Kam Chai Hong, Mr. Siow Chin How and Mr. Wang Han Lin
"Notice of Scheme Meeting"	:	The notice of the Scheme Meeting as set out in Appendix P to this Scheme Document
"Offeror"	:	GreenEdge Sdn. Bhd., a private company incorporated in Malaysia

"Offeror Board"	:	The board of directors of the Offeror
"Offeror Concert Party Group"	:	The Offeror and persons acting or presumed to be acting in concert with the Offeror in relation to the Acquisition and the Scheme (which, for the avoidance of doubt, includes Mdm. Sok Ching, Mr. Te Hua, Mr. Shankar, Mr. Kim Fatt and Mr. Kim Wah)
"Offeror Securities"	:	(a) Offeror Shares;
		(b) securities which carry voting rights in the Offeror; and
		(c) convertible securities, warrants, options or derivatives in respect of such Offeror Shares
"Offeror Shares"	:	Ordinary shares in the capital of the Offeror
"Offeror's Letter"	:	The letter from the Offeror to the Shareholders set out in Appendix C to this Scheme Document
"Offeror's Warranties"	:	Warranties of the Offeror in the Implementation Agreement set out in Appendix J to this Scheme Document
"Overseas Shareholders"	:	Shareholders whose addresses are outside Singapore, as shown on the Register of Members, or as the case may be, in the records of CDP
"Parties"	:	The parties to the Implementation Agreement, being the Company and the Offeror, and "Party" means any one of them
"Prescribed Occurrence"	:	The Prescribed Occurrences in the Implementation Agreement set out in Appendix I to this Scheme Document
"Proxy Form"	:	The accompanying proxy form for the Scheme Meeting
"Record Date"	:	The date to be announced (before the Effective Date) by the Company on which the Transfer Books and Register of Members will be closed in order to determine the entitlements of the Shareholders in respect of the Scheme
"Register of Members"	:	The Register of Members of the Company
"Regulatory Approvals"	:	The regulatory approvals set out in paragraph (d) of Appendix H to this Scheme Document
"Relevant Date"	:	The date immediately prior to the date on which the Court Order is lodged in accordance with Section 210(5) of the Companies Act
"Request Form"	:	The request form for Shareholders to request for a printed copy of this Scheme Document

"relevant intermediary"	:	Means:
		 (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
		(b) a person holding a capital markets services licence to provide custodial services for securities under the SFA, and who holds shares in that capacity; or
		(c) the Central Provident Fund Board (" CPF Board ") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation
"Scheme"	:	The scheme of arrangement under Section 210 of the Companies Act dated 7 January 2025 set out in Appendix O to this Scheme Document (as may be amended or modified from time to time)
"Scheme Conditions"	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Cut-Off Date for the Scheme to be implemented and which are reproduced in Appendix H to this Scheme Document
"Scheme Consideration"	:	S\$0.38 in cash for each Share
"Scheme Document"	:	This document dated 7 January 2025 (and any other document(s) which may be issued by or on behalf of the Company to the Shareholders to amend, revise, supplement or update the document(s) from time to time) containing, <i>inter alia</i> , the Scheme, the Explanatory Statement, the Notice of Scheme Meeting and the Proxy Form
"Scheme Meeting"	:	The meeting of the Shareholders to be convened at the direction of the Court to consider and, if thought fit, approve the Scheme (including any adjournment thereof), notice of which is set out in Appendix P to this Scheme Document
"Scheme Resolution"	:	The resolution relating to the Scheme referred to in the Notice of Scheme Meeting dated 7 January 2025 set out in Appendix P to this Scheme Document
"Securities Account"	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time

"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SGX-ST Delisting Approval"	:	The SGX-ST advising that it has no objections to the Company's application for the Delisting
"SGXNet"	:	Singapore Exchange Network
"Shankar"	:	Mr. Shankar A/L Narasingam, (a) an Executive Director and the Chief Operating Officer of the Company and (b) a shareholder of the Offeror
"Share Registrar"	:	In.Corp Corporate Services Pte. Ltd., the share registrar of the Company
"Shareholders"	:	Persons who are registered as holders of the Shares in the Register of Members and Depositors registered in the Depository Register as having Shares credited to their Securities Account
"Shares"	:	The issued and paid-up ordinary shares in the capital of the Company
"SIC"	:	Securities Industry Council of Singapore
"SIC Public Statements on Electronic Despatch"	:	The Public Statement on the Extension of the Temporary Measures to Allow for Electronic Despatch of Take-Over Documents under the Code issued by the SIC on 29 September 2020 and the Public Statement on the Further Extension of the Temporary Measures to Allow for Electronic Despatch of Take-Over Documents under the Code issued by the SIC on 29 June 2021
"SIC Application"	:	The application made by the Offeror to the SIC to seek certain rulings and confirmations in relation to the Acquisition and the Scheme
"SIC Rulings"	:	The rulings obtained from the SIC on 20 September 2024 pursuant to the SIC Application as set out in paragraph 6.2 of the Letter to Shareholders
"Sok Ching"	:	Mdm. Loo Sok Ching, (a) the Chairperson of the Company Board and an Executive Director and a substantial Shareholder of the Company and (b) a shareholder and a director of the Offeror
"Sponsor"	:	RHT Capital Pte. Ltd.
"SRS"	:	Supplementary Retirement Scheme
"SRS Agent Banks"	:	Agent banks included under the SRS
"SRS Investors"	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
"S\$" or "SGD" and "cents"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore

"Taxes" or "Taxation" :		All forms of taxation whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or other reference and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, rates and levies, whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of any person and all penalties, charges, costs and interest relating thereto		
"Te Hua"		Mr. Lim Te Hua, (a) an Executive Director and the Chief Executive Officer and a substantial Shareholder of the Company and (b) a shareholder and a director of the Offeror		
"Transfer Books"		The transfer books of the Company		
" VWAP " :		Volume-weighted average price		
"%" or " per cent. " :		Per centum or percentage		

The term "acting in concert" shall have the meaning ascribed to it in the Code, and "concert party" of a person means a person acting in concert with the first mentioned person.

The terms **"Depositor**", **"Depository Agent**", **"Depository Register**" and **"sub-account holder**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "**treasury shares**", "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 4, 5 and 6 of the Companies Act.

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

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

Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.

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

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

In this Scheme Document, the total number of Shares as at the Latest Practicable Date is 147,474,784 Shares comprising 141,122,084 Shares (excluding treasury shares) and 6,352,700 Shares held by the Company in treasury. Unless stated otherwise, all references to percentage shareholding in the issued share capital of the Company in this Scheme Document are based on 141,122,084 Shares (excluding 6,352,700 treasury shares) in the issued share capital of the Company as at the Latest Practicable Date.

FORWARD-LOOKING STATEMENTS

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

EXPECTED TIMETABLE

Last date and time for submission of questions in advance of the Scheme Meeting	:	15 January 2025, 10.00 a.m.
Last date and time for the Company's responses to substantial and relevant questions received from Shareholders	:	17 January 2025, 10.00 a.m.
Last date and time for lodgement of Proxy Form for the Scheme Meeting	:	19 January 2025, 10.00 a.m. ⁽¹⁾⁽²⁾
Date and time of Scheme Meeting	:	22 January 2025, 10.00 a.m.
Venue of Scheme Meeting	:	SAF Yacht Club, West Wing Poolside Lounge, Level 1, 43 Admiralty Road West, Singapore 759962
Expected date of Court hearing of the application to sanction the Scheme	:	On or around 5 February 2025 (3)
Expected last day of trading of the Shares	:	On or around 11 February 2025
Expected Record Date	:	On or around 20 February 2025, 5.00 p.m.
Expected Effective Date	:	On or around 21 February 2025 ⁽⁴⁾
Expected date for payment of the Scheme Consideration	:	On or prior to 4 March 2025
Expected date for the Delisting of the Shares	:	On or around 6 March 2025 (5)

You should note that save for (a) the last date and time for submission of questions in advance of the Scheme Meeting, (b) the last date and time for the Company's responses to substantial and relevant questions received from the Shareholders, (c) the last date and time for the lodgement of the Proxy Form for the Scheme Meeting and (d) the date, time and venue of the Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as "expected", please refer to future announcement(s) by the Company and/ or the SGX-ST for the exact dates of these events.

Notes:

- (1) Shareholders are requested to lodge the Proxy Form for the Scheme Meeting in accordance with the instructions contained therein not less than 72 hours before the time appointed for the Scheme Meeting.
- (2) All Proxy Forms for the Scheme Meeting must be submitted to the Company in the following manner:
 - (a) if submitted electronically, a clear, scanned completed and signed copy in PDF format be submitted via email to shareregistry@incorp.asia; or
 - (b) if submitted by post, be deposited with the Share Registrar, In.Corp Corporate Services Pte. Ltd., at (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712, or (on or after 13 January 2025) 36 Robinson Road, #20-01 City House, Singapore 068877.

Shareholders are strongly encouraged to submit their completed Proxy Forms electronically via email. Completion and lodgement of the Proxy Form will not prevent a Shareholder from attending and voting in person at the Scheme Meeting if they subsequently wish to do so. In such event, the Proxy Form will be deemed to be revoked.

(3) The date of the Court hearing of the application to sanction the Scheme will depend on the date that is allocated by the Court.

EXPECTED TIMETABLE

- (4) On the basis that all the Scheme Conditions have been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement and the Court Order is lodged with ACRA pursuant to Section 210(5) of the Companies Act by the Company on a date to be reasonably agreed between the Parties falling within seven Business Days from the Record Date. The Scheme will only become effective if all the Scheme Conditions have been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement and a copy of the Court Order has been lodged with ACRA.
- (5) The Delisting is conditional upon the SGX-ST Delisting Approval.

Any queries relating to this Scheme Document, the Acquisition or the Scheme should be directed to the Company at either the following:

(a) 5E Resources Limited

Attention: Ms. Sim Ting Ling

Email: <u>ir@5e-resources.com</u>

(b) GreenEdge Sdn. Bhd.

- Attention: Mr. Lim Te Hua
- Email: <u>thlim@5e-resources.com</u>

CORPORATE INFORMATION

DIRECTORS OF THE COMPANY	:	Mdm. Loo Sok Ching <i>(Chairperson and Executive Director)</i> Mr. Lim Te Hua <i>(Executive Director and Chief Executive Officer)</i> Mr. Shankar A/L Narasingam <i>(Executive Director and Chief Operating Officer)</i> Mr. Wong Chee Meng Lawrence <i>(Lead Independent and Non-Executive Director)</i> Mr. Kam Chai Hong <i>(Independent and Non-Executive Director)</i> Mr. Siow Chin How <i>(Independent and Non-Executive Director)</i> Mr. Wang Han Lin <i>(Independent and Non-Executive Director)</i> Mr. Wang Han Lin <i>(Independent and Non-Executive Director)</i>
COMPANY SECRETARIES	:	Kong Wei Fung (ACS, ACG) Cheok Hui Yee (ACS, ACG)
REGISTERED OFFICE	:	With effect from 13 January 2025: 36 Robinson Road #20-01 City House Singapore 068877 Before 13 January 2025: 30 Cecil Street #19-08 Prudential Tower Singapore 049712
SHARE REGISTRAR	:	With effect from 13 January 2025: In.Corp Corporate Services Pte. Ltd. 36 Robinson Road #20-01 City House Singapore 068877 Before 13 January 2025: In.Corp Corporate Services Pte. Ltd. 30 Cecil Street #19-08 Prudential Tower Singapore 049712
LEGAL ADVISER TO THE COMPANY	:	Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937
INDEPENDENT FINANCIAL ADVISER TO THE NON-CONFLICTED DIRECTORS	:	W Capital Markets Pte. Ltd. 65 Chulia Street #43-01 OCBC Centre Singapore 049513
AUDITOR	:	Foo Kon Tan LLP 1 Raffles Place #04-61/62 One Raffles Place Tower 2 Singapore 048616

5E RESOURCES LIMITED

(Incorporated in Singapore) (Company Registration Number: 202136285K)

Directors:

Registered Office:

Singapore 049712

#19-08 Prudential Tower

30 Cecil Street

Mdm. Loo Sok Ching (Chairperson and Executive Director) Mr. Lim Te Hua (Executive Director and Chief Executive Officer) Mr. Shankar A/L Narasingam (Executive Director and Chief Operating Officer) Mr. Wong Chee Meng Lawrence (Lead Independent and Non-Executive Director) Mr. Kam Chai Hong (Independent and Non-Executive Director) Mr. Siow Chin How (Independent and Non-Executive Director) Mr. Wang Han Lin (Independent and Non-Executive Director)

7 January 2025

To: The Shareholders of 5E Resources Limited

Dear Sir/Madam

PROPOSED ACQUISITION BY GREENEDGE SDN. BHD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF 5E RESOURCES LIMITED (OTHER THAN TREASURY SHARES AND SHARES HELD BY THE OFFEROR CONCERT PARTY GROUP) BY WAY OF A SCHEME OF ARRANGEMENT

1. INTRODUCTION

1.1 Joint Announcement

Further to the Holding Announcement made by the Company on 18 October 2024, on 25 October 2024, the Company Board and the Offeror Board jointly announced via SGXNet the proposed acquisition of all the Shares in the capital of the Company by the Offeror, other than treasury shares held by the Company and Shares held by the Offeror Concert Party Group, which will be effected by the Company by way of a scheme of arrangement in accordance with Section 210 of the Companies Act and the Code.

A copy of the Joint Announcement is available on SGXNet at the URL <u>https://www.sgx.com/securities/company-announcements.</u>

1.2 Purpose

The purpose of this Scheme Document is to set out information pertaining to the Scheme, to seek Shareholders' approval of the Scheme, and to give Shareholders notice of the Scheme Meeting.

1.3 Explanatory Statement

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

1.4 Information on the Company

The Company was incorporated in Singapore on 18 October 2021 under the Companies Act and was listed on the Catalist Board of the SGX-ST on 12 May 2022. The Group is one of the largest scheduled waste management services providers in Malaysia, focusing on the collection, transportation and treatment of scheduled waste. The Group also has two other complementary business segments, being the sale of recovered and recycled products and trading of chemicals.

The Company Board comprises the following:

- (a) Mdm. Sok Ching (Chairperson and Executive Director);
- (b) Mr. Te Hua (Executive Director and Chief Executive Officer);
- (c) Mr. Shankar (Executive Director and Chief Operating Officer);
- (d) Mr. Wong Chee Meng Lawrence (Lead Independent and Non-Executive Director);
- (e) Mr. Kam Chai Hong (Independent and Non-Executive Director);
- (f) Mr. Siow Chin How (Independent and Non-Executive Director); and
- (g) Mr. Wang Han Lin (Independent and Non-Executive Director).

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$28,172,464 comprising 147,474,784 Shares. As at the Latest Practicable Date, the total number of shares is 141,122,084 Shares (excluding treasury shares) and the Company holds 6,352,700 Shares in treasury.

1.5 Information on the Offeror

As stated in the Offeror's Letter:

- (a) the Offeror is a special purpose vehicle incorporated in Malaysia for the purpose of the Acquisition and the Scheme. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Acquisition;
- (b) as at the Latest Practicable Date:
 - (i) the Offeror has an issued and paid-up share capital of MYR1,000 comprising 1,000 ordinary shares;
 - (ii) the shareholders of the Offeror are as follows:
 - (A) Mdm. Sok Ching holding 361 shares, representing approximately 36.10% of the total number of issued shares of the Offeror;
 - (B) Mr. Kim Fatt holding 278 shares, representing approximately 27.80% of the total number of issued shares of the Offeror;
 - (C) Mr. Kim Wah holding 155 shares, representing approximately 15.50% of the total number of issued shares of the Offeror;
 - (D) Mr. Te Hua holding 146 shares, representing approximately 14.60% of the total number of issued shares of the Offeror; and
 - (E) Mr. Shankar holding 60 shares, representing approximately 6.00% of the total number of issued shares of the Offeror;
 - (iii) the Offeror Board comprises Mdm. Sok Ching and Mr. Te Hua, who are also Directors on the Company Board;
 - (iv) the Offeror does not hold any Shares; and

- (v) the Offeror Concert Party Group collectively holds an aggregate of 108,974,784 Shares, representing 77.22% of the total number of issued Shares (excluding treasury shares), as follows:
 - (A) Mdm. Sok Ching holds directly 39,339,900 Shares, representing approximately 27.88% of the total number of issued Shares (excluding treasury shares);
 - (B) Mr. Kim Fatt holds directly 30,262,296 Shares, representing approximately 21.44% of the total number of issued Shares (excluding treasury shares);
 - (C) Mr. Kim Wah holds directly 16,901,988 Shares, representing approximately 11.98% of the total number of issued Shares (excluding treasury shares);
 - (D) Mr. Te Hua holds directly 15,888,522 Shares, representing approximately 11.26% of the total number of issued Shares (excluding treasury shares); and
 - (E) Mr. Shankar holds directly 6,582,078 Shares, representing approximately 4.66% of the total number of issued Shares (excluding treasury shares).

Further details on the Offeror can be found in Schedule A of the Offeror's Letter.

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

2.1 The Offeror's Rationale

The Offeror's rationale for the Acquisition is stated in paragraph 5.1 of the Offeror's Letter (an extract of which is reproduced in italics below):

"5.1 Rationale for the Acquisition

(a) Flexibility in managing business of the Group

The Offeror believes that the Acquisition and subsequent privatisation of the Company will provide the Offeror and the management of the Company with greater flexibility to manage and develop the business of the Group with a focus on long-term execution whilst helping it save costs and resources associated with maintaining its listed status.

(b) Opportunity for the Shareholders to Realise their Investment in the Shares at a Premium Over Market Price without incurring Brokerage Costs

The Acquisition represents an opportunity for the Shareholders to realise their investment in the Shares at a compelling premium over historical market prices without incurring brokerage and trading costs.

Description	Benchmark Price (S\$) ⁽²⁾	Premium over Benchmark Price (%) ⁽³⁾
Last traded price of the Shares on the SGX-ST on 24 October 2024, being the last full trading day immediately prior to the Joint Announcement Date	0.315	20.6
Last traded price of the Shares on the SGX-ST on the Last Undisturbed Trading Day	0.310	22.6
VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.311	22.2
VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.312	21.8
VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.301	26.2
VWAP of the Shares traded on the SGX-ST for the twelve (12)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.288	31.9
IPO price on 12 May 2022	0.260	46.2
Unaudited NAV per Share as at 30 June 2024 ⁽⁴⁾⁽⁵⁾	0.250	52.0

Notes:

- (1) Based on data extracted from Bloomberg LP. The VWAP of the Shares are calculated by using the total value over the total volume of Shares traded in the relevant period prior to and including the Last Undisturbed Trading Day.
- (2) Rounded to the nearest three decimal places.
- (3) Rounded to the nearest one decimal place.
- (4) Based on the unaudited NAV per Share as at 30 June 2024 as disclosed in the Company's latest financial statements for the financial period ended 30 June 2024, rounded to the nearest three decimal places.
- (5) Based on the exchange rate of S\$1.00:MYR3.2789 on the Holding Announcement Date, extracted from <u>https://www.bnm.gov.my/exchange-rates</u>.

(c) Low Trading Liquidity

The trading volume of the Shares has been low, with an average daily trading volume of approximately 52,876¹ Shares recorded since the Company's IPO, up to and including the Last Undisturbed Trading Day. For the one (1)-month, three (3)-month, six (6)-month and twelve (12)-month periods, the average daily trading volumes were approximately 25,768 Shares, 16,171¹ Shares, 26,146¹ Shares and 56,121¹ Shares, respectively. Each of these represents 0.04% or less² of the total number of issued Shares for any of the aforementioned relevant periods.

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

¹ Due to an inadvertent error, the figures set out in this paragraph 5.1(c) supersede the prior figures set out in paragraph 3.3 of the Joint Announcement.

² The average daily trading volume as a percentage of total number of the Shares is based on data extracted from Bloomberg L.P. as at the Last Undisturbed Trading Day and calculated using the total volume of Shares traded divided by the number of market days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period up to and including the Last Undisturbed Trading Day, rounded to the nearest two decimal places.

2.2 The Offeror's Future Intentions

As stated in paragraph 5.2 of the Offeror's Letter (an extract of which is reproduced in italics below):

"5.2 Future Intentions for the Company"

There is presently no intention by the Offeror to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the employees of the Group, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Group which may be implemented after the Effective Date.

However, the board of directors of the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Group."

3. THE ACQUISITION AND THE SCHEME

3.1 Terms of the Scheme

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

Under the Scheme:

- (a) all the Shares held by Entitled Shareholders (other than those already held by the Company as treasury shares and those already held by the Offeror Concert Party Group) will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from all Encumbrances; and
 - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date.
- (b) In consideration of the transfer of the Shares pursuant to paragraph 3.1(a) of this Letter to Shareholders, each Entitled Shareholder will be entitled to receive the Scheme Consideration of <u>S\$0.38 in cash</u> for each Share.
- (c) If any dividends, rights or other distributions, are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions.

3.2 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Company or the Offeror pursuant to the terms of the Implementation Agreement:

(a) the Implementation Agreement shall cease to have any further force or effect (save for certain surviving provisions of the Implementation Agreement); and

(b) neither the Company nor the Offeror shall have any further liability or obligation to the other Party (save for certain surviving provisions of the Implementation Agreement).

4. NO CASH OUTLAY

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

5. WAIVER OF RIGHTS TO A GENERAL OFFER

In accordance with the SIC Rulings as set out in paragraph 6.2 of this Letter to Shareholders, Shareholders should note that by voting in favour of the Scheme, Shareholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Shares under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Company without having to make a general offer for the Company.

In accordance with the SIC Rulings as set out in paragraph 6.2 of this Letter to Shareholders, it is expected that (a) there will be no change in the voting rights in the Offeror of the Offeror Concert Party Group (excluding the Offeror) immediately following completion of the Acquisition and the Scheme; and (b) there will be no change in the voting rights in the Company of the Offeror Concert Party Group (excluding the Offeror) immediately following completion of the Acquisition and the Scheme; and (b) there will be no change in the voting rights in the Company of the Offeror Concert Party Group (excluding the Offeror) immediately following completion of the Acquisition and the Scheme.

6. APPROVALS REQUIRED

6.1 Scheme Meeting and Court Sanction

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

- (a) the approval of the Scheme by a majority in number of the Shareholders, present and voting, either in person or by proxy at the Scheme Meeting, such majority representing not less than three-fourths in value of the Shares voted at the Scheme Meeting, pursuant to the requirements of Section 210(3AB) of the Companies Act; and
- (b) the sanction of the Scheme by the Court.

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

6.2 SIC Rulings

Pursuant to the SIC Application made by the Offeror to the SIC to seek certain rulings in relation to the Acquisition and the Scheme, the SIC had, on 20 September 2024, confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, Note 1(b) to Rule 19, 20.1, 21, 22, 28, 29 and 33.2 of the Code, subject to the following conditions:
 - (i) the Offeror and its concert parties abstain from voting on the Scheme;
 - (ii) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand, abstain from voting on the Scheme;

- (iii) the Directors on the Company Board who are also directors of the Offeror Board or who are acting in concert with those persons in sub-paragraphs (a)(i) and (a)(ii) above abstain from making a recommendation on the Scheme to the Shareholders;
- (iv) the Scheme Document contains advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
- (v) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the Latest Practicable Date and their voting rights in the Offeror and the Company after the Scheme;
- (vi) the Company appoints an independent financial advisor to advise the Shareholders on the Scheme; and
- (vii) the Scheme being completed within six months (unless extended with SIC's consent) from the Joint Announcement Date;
- (b) it has no objections to the Scheme Conditions; and
- (c) each of the Exempted Directors are exempted from making, and assuming responsibility for, any recommendation to Shareholders in respect of the Scheme. Each of the Exempted Directors must, however, still assume responsibility for the accuracy of facts stated and opinions expressed in the documents and advertisements issued by the Company in connection with the Scheme.

7. ABSTENTION FROM VOTING ON THE SCHEME

In accordance with the SIC Rulings as set out in paragraph 6.2 of this Letter to Shareholders, the Offeror Concert Party Group will abstain from voting on the Scheme.

8. DELISTING

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will be wholly-owned by the Offeror Concert Party Group, and consequently will not be able to meet the listing requirements of the SGX-ST, including the requirement under Rule 723 of the Catalist Rules which requires the Company to ensure that at least 10% of the total number of Shares in issue (excluding Shares held in treasury) is at all times held by the public.

The Company will, through its Sponsor, submit an application in respect of the proposed Delisting to the SGX-ST in due course. The Delisting will be conditional upon the SGX-ST Delisting Approval.

Please note that the SGX-ST's decision is not to be taken as an indication of the merits of the Scheme, the Delisting, the Company, its subsidiaries and/or their securities.

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

9. CONFIRMATION OF FINANCIAL RESOURCES

As stated in paragraph 11 of the Offeror's Letter, RHT Capital Pte. Ltd., being the continuing sponsor to the Company, has confirmed that sufficient financial resources are available to the Offeror to satisfy in full the Scheme Consideration payable by the Offeror for all the Shares (excluding treasury shares held by the Company and Shares held by the Offeror Concert Party Group) to be acquired by the Offeror pursuant to the Scheme. For the avoidance of doubt, the continuing sponsor is not acting as the financial adviser to the Offeror.

10. INDEPENDENT FINANCIAL ADVISER TO THE NON-CONFLICTED DIRECTORS

10.1 Appointment of IFA

Pursuant to the SIC Rulings, the Code and Rule 1308(2) of the Catalist Rules, W Capital Markets Pte. Ltd. has been appointed as the Independent Financial Adviser to advise the Non-Conflicted Directors as to whether the terms of the Scheme are fair and reasonable for the purposes of the Non-Conflicted Directors making a recommendation to the Shareholders in connection with the Scheme.

Shareholders should consider carefully the recommendation of the Non-Conflicted Directors and the advice of the IFA to the Non-Conflicted Directors before deciding whether or not to vote in favour of the Scheme at the Scheme Meeting. The advice of the IFA in relation to the Scheme is set out in the IFA Letter dated 7 January 2025 in Appendix B to this Scheme Document.

10.2 Factors Taken Into Consideration by the IFA

In arriving at its recommendation, the IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix B** to this Scheme Document. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall bear the same meanings ascribed to them in the IFA Letter.

"8. OUR OPINION AND RECOMMENDATION TO THE NON-CONFLICTED DIRECTORS

In arriving at our opinion in respect of the Scheme, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Scheme. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

In determining the fairness of the financial terms of the Scheme, we have considered, inter alia, the following pertinent factors pertaining to the value of the Shares:

- (a) Based on the NAV 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 Scheme Consideration represents a premium of approximately 61.1% over the latest announced NAV per Share of the Company as at 30 June 2024. Accordingly, the P/ NAV of the Group implied by the Scheme Consideration would be approximately 1.6 times;
- (b) In arriving at our estimated range of value, we have considered and utilised the mean and median of the EV/TTM EBITDA, TTM P/E and P/NAV valuation multiples (excluding outliers) of the Comparable Companies to arrive at a blended valuation range. Although the EV/TTM EBITDA of the Group (as implied by the Scheme Consideration) of 4.8 times is below the mean and median EV/TTM EBITDA ratios of the Comparable Companies of 5.7 times and 6.2 times respectively and the TTM

P/E of the Group (as implied by the Scheme Consideration) of 9.1 times is below both the mean and median of the TTM *P/E* ratio of the Comparable Companies of 12.6 times and 9.5 times, the *P/NAV* (as implied by the Scheme Consideration) of 1.6 times is significantly above both the mean and median *P/NAV* ratios of the Comparable Companies of 0.8 times and 0.6 times;

- (c) The Scheme Consideration is above the estimated range of values of the Shares of S\$0.324 to S\$0.394 per Share;
- (d) The premia as implied by the Scheme Consideration over the VWAP of the Shares for the 6-month, 3-month and 1-month periods up to and including the Last Undisturbed Trading Day are within the respective range of the Precedent Privatisation Transactions; and
- (e) The P/NAV ratio (as implied by the Scheme Consideration) of 1.6 times is higher than both the mean and median P/NAV ratios of the Precedent Privatisation Transactions.

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

In determining the reasonableness of the Scheme, apart from the above assessment that the Scheme is FAIR, we have also considered, inter alia, the following pertinent factors:

- (a) The Scheme Consideration represents a premium of approximately 22.6% and 20.6% over the closing price of the Shares on the Last Undisturbed Trading Day and on 24 October 2024 (being the last full trading day immediately prior to the Joint Announcement) respectively;
- (b) The Scheme Consideration represents a premium of approximately 46.2% over the Company's IPO price and is above the highest closing price of the Shares of S\$0.320 for the period since the Company's listing on the SGX-ST on 12 May 2022 up to the Last Undisturbed Trading Day;
- (c) The trading of the Company's shares appears to be relatively illiquid since the IPO and in the 12-month, 6-month, 3-month and 1-month period up to and including the Last Undisturbed Trading Day. Given the low liquidity of the Company's Shares during the periods observed, the Scheme may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash, which may not otherwise be readily available; and
- (d) As at the Latest Practicable Date, other than the Scheme, there are no alternative or competing offer for the Shares of the Company from any other party. In addition, the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror Concert Party Group holds an aggregate of 108,974,784 Shares, representing approximately 77.22% of the total number of issued Shares (excluding treasury Shares).

In view of the above and as we consider the Scheme to be **FAIR**, we are of the opinion that the Scheme is **REASONABLE**."

10.3 Advice of the IFA on the Scheme

After having regard to the considerations set out in the IFA Letter, and based on the information available to the IFA as at the Latest Practicable Date, the IFA has given its advice in respect of the Scheme to the Non-Conflicted Directors (an extract of which is reproduced in italics below).

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

"Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the terms of the Scheme are FAIR AND REASONABLE. Accordingly, we advise the Non-Conflicted Directors to recommend Shareholders to <u>vote in favour</u> of the Scheme."

11. NON-CONFLICTED DIRECTORS' RECOMMENDATION

11.1 Independence

The SIC has ruled that each of the Exempted Directors, namely Mdm. Sok Ching, Mr. Te Hua and Mr. Shankar, are exempted from making, and assuming responsibility for, any recommendation to Shareholders in respect of the Scheme.

Nonetheless, each of the Exempted Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Scheme.

Save for the Exempted Directors, the Non-Conflicted Directors consider themselves to be independent for the purposes of making a recommendation to Shareholders in respect of the Scheme.

11.2 Recommendation

The Non-Conflicted Directors, having considered carefully the terms of the Scheme and the advice given by the IFA in the IFA Letter as set out in **Appendix B** to this Scheme Document, the lack of a competing offer and the fact that the Offeror Concert Party Group has statutory control over the Company, concur with the recommendation of the IFA in respect of the Scheme and recommend that Shareholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.

Shareholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Shares will be maintained at the current levels prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. In the event the Scheme becomes effective, it will be binding on all Shareholders whether or not they were present in person or by proxy or voted to approve the Scheme at the Scheme Meeting. Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

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

11.3 No Regard to Specific Objectives

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

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

As each Shareholder would have different investment objectives and profiles, the Non-Conflicted Directors recommend that any individual Shareholder who may require advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

12. DIRECTORS' INTERESTS AND INTENTIONS WITH RESPECT TO THEIR SHARES

The interests of Directors in the Shares as at the Latest Practicable Date are set out in **Appendix D** to this Scheme Document.

In accordance with the SIC Rulings as set out in paragraph 6.2 of this Letter to Shareholders, all of the Exempted Directors are required to abstain from voting at the Scheme Meeting.

Save for the Exempted Directors, none of the other Directors has any Shares in the Company.

13. OVERSEAS SHAREHOLDERS

13.1 Overseas Shareholders

The applicability of the Scheme to the Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending this Scheme Document and any related documents to any overseas jurisdiction, the Offeror reserves the right not to send such documents to Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Shareholders (including Overseas Shareholders), including those to whom this Scheme Document and any related documents will not be, or may not be, sent, provided that this Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

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

13.2 Copies of Scheme Document

The Constitution provides that any Shareholder whose registered address is outside Singapore and who has not supplied to the Company or CDP (as the case may be) an address within Singapore for the service of notices and documents shall not be entitled to receive any such notices or documents from the Company. Accordingly, the Offeror and the Company reserve the right not to send the Notice of Scheme Meeting, the Proxy Form and the Request Form to any Overseas Shareholder, including where there are potential restrictions on sending the Notice of Scheme Meeting, the Proxy Form to the relevant overseas jurisdiction. Hence, this Scheme Document and any related documents has not been and will not be sent to any Overseas Shareholder.

Electronic copies of this Scheme Document (together with the Notice of Scheme Meeting, the Proxy Form and the Request Form) have been made available on SGXNet at the URL <u>https://sgx.com/securities/company-announcements</u> and the Company's corporate website at the URL <u>https://www.5e-resources.com/announcements</u>. A Shareholder will need an internet browser and PDF reader to view these documents on the SGXNet announcement page of the Company and the corporate website of the Company.

Shareholders (including Overseas Shareholders) may obtain printed copies of this Scheme Document by submitting the Request Form to the Share Registrar, In.Corp Corporate Services Pte. Ltd., either:

- (a) by post at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877; or
- (b) via email to <u>shareregistry@incorp.asia</u>,

in either case by no later than **10.00 a.m. on 15 January 2025**. Printed copies of this Scheme Document will be sent to the address in Singapore specified by the Shareholder by ordinary post at its own risk, up to three Market Days prior to the date of the Scheme Meeting.

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

It is the responsibility of any Overseas Shareholder who wishes to request for this Scheme Document and any related documents to satisfy itself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents or participating in the Scheme, the Overseas Shareholder represents and warrants to the Offeror and the Company that it is in full observance of the laws of the relevant jurisdiction in that connection, and that it is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about its position, it should consult its professional adviser in the relevant jurisdiction.

13.3 Notice

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

Notwithstanding that any Overseas Shareholder may not receive the Notice of the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective in accordance with its terms.

13.4 Foreign Jurisdiction

It is the responsibility of any Overseas Shareholder who wishes to participate in the Scheme to satisfy itself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In participating in the Scheme,

the Overseas Shareholder represents and warrants to the Offeror and the Company that it is in full observance of the laws of the relevant jurisdiction in that connection, and that it is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about its position, it should consult its professional adviser in the relevant jurisdiction.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the Scheme Meeting are requested to complete the Proxy Form in accordance with the instructions printed thereon and lodge them with the Share Registrar either:

- (a) via email at <u>shareregistry@incorp.asia;</u> or
- (b) by post to In.Corp Corporate Services Pte. Ltd. at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877,

in either case, not less than 72 hours before the time fixed for the Scheme Meeting.

The completion and lodgement of the Proxy Form will not prevent Shareholders from attending and voting in person at the Scheme Meeting if they subsequently wish to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

15. INFORMATION RELATING TO SRS INVESTORS

SRS Investors should consult their SRS Agent Banks for further information on the Scheme. If they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of the preparation of this Scheme Document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Scheme Document which relate to the Company (excluding **Appendix B** and **Appendix C** to this Scheme Document, and any information relating to the Offeror and the Offeror Concert Party Group or any opinion expressed by the Offeror, the Offeror Concert Party Group and/or the IFA) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this Scheme Document. The Directors jointly and severally accept full responsibility for the accuracy of the information given in this Scheme Document (excluding **Appendix B** and **Appendix C** to this Scheme Document, and any information relating to the Offeror and the Offeror Concert Party Group or any opinion expressed by the Offeror given in this Scheme Document (excluding **Appendix B** and **Appendix C** to this Scheme Document, and any information relating to the Offeror and the Offeror Concert Party Group or any opinion expressed by the Offeror, the Offeror Concert Party Group and/or the IFA).

The Directors confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Scheme Document constitutes full and true disclosure of all material facts about the Acquisition, the Scheme and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

Where any information in this Scheme Document (including information which relates to the Company) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the Offeror Concert Party Group and/or the IFA, the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Scheme Document in its proper form and context.

In respect of the IFA Letter set out in **Appendix B** to this Scheme Document, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

17. GENERAL INFORMATION

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

In particular, your attention is also drawn to paragraph **13** of the Explanatory Statement explaining the procedures and timing for the settlement of the Scheme Consideration.

Yours faithfully For and on behalf of the Board of Directors of **5E Resources Limited**

Loo Sok Ching Chairperson and Executive Director

APPENDIX A – EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

PROPOSED ACQUISITION OF THE COMPANY BY THE OFFEROR BY WAY OF THE SCHEME

1. INTRODUCTION

1.1 Joint Announcement

Further to the Holding Announcement made by the Company on 18 October 2024, on 25 October 2024, the respective board of directors of the Company and the Offeror jointly announced via SGXNet the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror, other than treasury shares held by the Company and Shares held by the Offeror Concert Party Group, which will be effected by the Company by way of a scheme of arrangement in accordance with Section 210 of the Companies Act and the Code.

A copy of the Joint Announcement is available on SGXNet at the URL <u>https://www.sgx.com/securities/company-announcements</u>.

1.2 Explanatory Statement

The purpose of this Explanatory Statement is to provide Shareholders with information on the Scheme and to explain the rationale for and effect of the Scheme. This Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out in **Appendix O** to this Scheme Document.

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this Explanatory Statement shall bear the same meanings ascribed to them in this Scheme Document.

2. GENERAL

2.1 What is a scheme of arrangement?

Under Singapore law, a scheme of arrangement of the kind proposed here is a compromise or arrangement provided for under Section 210 of the Companies Act to take effect between a company and its members or creditors. The arrangement becomes legally binding on <u>all of the</u> <u>members</u> or creditors to whom it is intended to apply if a majority in number of the members or creditors, present and voting, either in person or by proxy at the meeting convened with the permission of the Court, such majority representing not less than three-fourths in value of the shares voted at the meeting or the creditors, vote in favour of it at the meeting, and if the Court subsequently approves it.

2.2 What are Shareholders required to do?

If you are a Shareholder, you are entitled to vote at the Scheme Meeting for the purpose of approving the Scheme. The Scheme Meeting will be held on **22 January 2025 10.00 a.m.**, notice of which is set out in **Appendix P** to this Scheme Document. You may attend the Scheme Meeting in person or you may vote by proxy in accordance with paragraph 14 of the Letter to Shareholders.

3. RATIONALE FOR THE ACQUISITION

The Offeror's rationale for the Acquisition is set out in paragraph 5.1 of the Offeror's Letter.

4. THE SCHEME

4.1 Terms of the Scheme

The Scheme is proposed to all Shareholders.

Under the Scheme:

- (a) All the Shares held by Entitled Shareholders (other than those already held by the Company as treasury shares and those already held by the Offeror Concert Party Group) will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from all Encumbrances; and
 - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date.
- (b) In consideration of the transfer of the Shares pursuant to paragraph 4.1(a) of this Explanatory Statement, each Entitled Shareholder will be entitled to receive the Scheme Consideration of <u>S\$0.38 in cash</u> for each Share.
- (c) If any dividends, rights or other distributions, are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions.

4.2 No Cash Outlay

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

4.3 Waiver of Rights to a General Offer

In accordance with the SIC Rulings as set out in paragraph 6.2 of the Letter to Shareholders, Shareholders should note that by voting in favour of the Scheme, Shareholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Shares under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Company without having to make a general offer for the Company.

In accordance with the SIC Rulings as set out in paragraph 6.2 of the Letter to Shareholders, it is expected that (a) there will be no change in the voting rights in the Offeror of the Offeror Concert Party Group (excluding the Offeror) immediately following completion of the Acquisition and the Scheme; and (b) there will be no change in the voting rights in the Company of the Offeror Concert Party Group (excluding the Offeror) immediately following completion of the Acquisition and the Scheme.

5. NO IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, none of (a) the Offeror, (b) the directors of the Offeror Board and (c) the Offeror Concert Party Group has received any irrevocable undertaking from any party to vote in favour of the Scheme at the Scheme Meeting.

6. INFORMATION ON THE OFFEROR

Information on the Offeror, as well as the Offeror's rationale for the Acquisition and future intentions for the Group, can be found in the Offeror's Letter.

7. SCHEME MEETING

7.1 Scheme Meeting

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

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

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

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

7.2 Convening of Scheme Meeting

Pursuant to an application by the Company to the Court, the Court has ordered, amongst other things, that:

- (a) the Company be at liberty to convene the Scheme Meeting within three months of 24 December 2024, for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme; and
- (b) the Scheme Meeting shall be convened in the manner set out in **Appendix N** to this Scheme Document.

The Scheme Meeting will be held on **22 January 2025 at 10.00 a.m.** and convened in the manner set out in **Appendix N** to this Scheme Document for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme Resolution.

7.3 Voting at the Scheme Meeting

As set out in **Appendix N** to this Scheme Document:

(a) each Shareholder which is not a relevant intermediary and is entitled to attend and vote at the Scheme Meeting may only appoint one (1) proxy to attend and vote in his/her/its stead and may only cast all the voting rights attached to his/her/its Shares at the Scheme Meeting (whether in person or by proxy) in one (1) way. Where a Shareholder which is not a relevant intermediary appoints more than one (1) proxy, such additional appointments shall be invalid.

- (b) in relation to any Shareholder which is a relevant intermediary:
 - subject to paragraph 7.3(b)(ii) below, a Shareholder which is a relevant intermediary need not cast all the voting rights attached to the Shares held on behalf of its subaccount holders in the same way provided that each vote is exercised in relation to a different Share or Shares; and
 - (ii) a Shareholder which is a relevant intermediary may appoint more than two (2) proxies in relation to the Scheme Meeting to exercise all or any of the Shareholder's rights to attend and to speak and vote at the Scheme Meeting, but each proxy must be appointed to exercise the voting rights attached to a different Share or Shares held by the Shareholder (which number and class of Shares must be specified). Each proxy appointed in accordance with this paragraph 7.3(b)(ii) may only cast all the voting rights attached to such Share or Shares at the Scheme Meeting in one way; and
- (c) for the purposes of determining whether the conditions under Section 210(3AB)(a) of the Companies Act ("Headcount Test") and Section 210(3AB)(b) of the Companies Act ("Value Test") are satisfied:
 - (i) the Company shall treat each proxy appointed in accordance with paragraph 7.3(a) above and which casts a vote in respect of its Shares for or against the Scheme as:
 - (1) casting one (1) vote in number for purposes of the Headcount Test; and
 - (2) the value represented by the proxy for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy.

For the avoidance of doubt, where a person has been appointed as proxy of more than one Shareholder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing Shareholder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified);

- (ii) the Company shall treat each proxy appointed in accordance with paragraph 7.3(b)
 (ii) above or each sub-account holder on whose behalf the Shareholder which is a relevant intermediary holds Shares, and which casts a vote for or against the Scheme as:
 - (1) casting one (1) vote in number for purposes of the Headcount Test; and
 - (2) the value represented by the proxy or sub-account holder for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy or the sub-account holder.

For the avoidance of doubt, where a person has been appointed as proxy of more than one sub-account holder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing sub-account holder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified). The Shareholder which is a relevant intermediary shall submit to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., either:

- A. by post at:
 - (1) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (2) (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877; or
- B. send by email to <u>shareregistry@incorp.asia</u>,

the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares);

- (iii) where a Shareholder which is a relevant intermediary casts the voting rights attached to the Shares held on behalf of its sub-account holder(s) both for and against the Scheme otherwise than in accordance with paragraph 7.3(b)(ii) above or without specifying the number of sub-account holders, the number and class of Shares held by each sub-account holder and the vote cast by each sub-account holder, without prejudice to the treatment of any proxies appointed in accordance with paragraph 7.3(b)(ii) above:
 - the Company shall treat the relevant intermediary as casting one (1) vote in favour of the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes for the Scheme than against the Scheme;
 - (2) the Company shall treat the relevant intermediary as casting one (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes against the Scheme than for the Scheme;
 - (3) the Company shall treat the relevant intermediary as casting one (1) vote for and one (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts equal votes for and against the Scheme; and
 - (4) with respect to each of the scenarios set out in paragraphs 7.3(c)(iii)(1), (2) and (3) above, the value represented by the relevant intermediary for purposes of the Value Test shall be the number of Shares in relation to which voting rights "for" and "against" the Scheme are being exercised by the relevant intermediary.

<u>For example, to illustrate</u> – a Shareholder who is a relevant intermediary holds 100 Shares on behalf of 10 sub-account holders who each beneficially own 10 Shares.

Two (2) of these sub-account holders ask to attend the Scheme Meeting in person, one to vote "for" the Scheme and the other to vote "against" the Scheme. The relevant intermediary submits one (1) proxy form on behalf of each of these two (2) sub-account holders appointing each of them as proxies. Pursuant to paragraph 7.3(c)(i) above, the Company shall treat the proxy who casts a vote "for" the Scheme as casting one (1) vote "for" for purposes of the Headcount Test (representing 10 Shares "for" the Scheme as casting one (1) vote "against" for purposes of the Headcount Test (representing 10 Shares "against" the Scheme for purposes of the Scheme for purposes of the Headcount Test (representing 10 Shares "against" the Scheme for purposes of the Value Test).

Another two (2) of the sub-account holders do not ask to attend the Scheme Meeting in person. One of them instructs the relevant intermediary to vote "for" the Scheme and the other instructs the relevant intermediary to vote "against" the Scheme. The relevant intermediary submits one (1) proxy form for both the two (2) sub-account holders including

the following information: (a) the name of one (1) sub-account holder but not the other, (b) that 10 shares are attributed to each sub-account holder and (c) one sub-account holder has voted "for" the Scheme and one sub-account holder has voted "against" the Scheme. Pursuant to paragraph 7.3(c)(ii) above, the Company shall treat the sub-account holder who casts a vote "for" the Scheme as casting one (1) vote "for" for purposes of the Headcount Test (representing 10 Shares "for" the Scheme for purposes of the Value Test) and the sub-account holder who casts a vote "against" the Scheme as casting one (1) vote "against" the Scheme for purposes of the Value Test) and the sub-account holder who casts a vote "against" the Scheme as casting one (1) vote "against" for purposes of the Headcount Test (representing 10 Shares "against" the Scheme for purposes of the Scheme for purposes of the Value Test).

The remaining six (6) sub-account holders do not ask to attend the Scheme Meeting in person but:

- <u>Scenario 1</u>: Five (5) of these sub-account holders give instructions to the relevant intermediary to vote "for" the Scheme while the remaining one (1) gives instructions to the relevant intermediary to vote "against" the Scheme. The relevant intermediary submits one (1) proxy form on behalf of these six (6) sub-account holders collectively indicating 50 shares "for" the Scheme and 10 shares "against" the Scheme in the proxy form without specifying the names or number of sub-account holders, the number and class of Shares held by each sub-account holder and the vote cast by each sub-account holder. Pursuant to paragraph 7.3(c)(iii)(1) above, the Company shall treat the relevant intermediary as casting one (1) vote for the Scheme and 10 Shares "against" the Scheme for purposes of the Value Test).
- <u>Scenario 2</u>: One (1) of these sub-account holders gives instructions to the relevant intermediary to vote "for" the Scheme while the remaining five (5) give instructions to the relevant intermediary to vote "against" the Scheme. The relevant intermediary submits one (1) proxy form on behalf of these six (6) sub-account holders collectively indicating 10 shares "for" the Scheme and 50 shares "against" the Scheme in the proxy form without specifying the names or number of sub-account holders, the number and class of Shares held by each sub-account holder and the vote cast by each sub-account holder. Pursuant to paragraph 7.3(c)(iii)(2) above, the Company shall treat the relevant intermediary as casting one (1) vote against the Scheme for the purposes of the Headcount Test (representing 10 Shares "for" the Scheme and 50 Shares "against" the Scheme and 50 Shares "against" the Scheme for purposes of the Value Test).
- <u>Scenario 3</u>: Three (3) of these sub-account holders give instructions to the relevant intermediary to vote "for" the Scheme while the remaining three (3) give instructions to the relevant intermediary to vote "against" the Scheme. The relevant intermediary submits one (1) proxy form on behalf of these six (6) sub-account holders collectively indicating 30 shares "for" the Scheme and 30 shares "against" the Scheme in the proxy form without specifying the names or number of sub-account holders, the number and class of Shares held by each sub-account holder and the vote cast by each sub-account holder. Pursuant to paragraph 7.3(c)(iii)(3) above, the Company shall treat the relevant intermediary as casting one (1) vote for and one (1) vote against the Scheme for the purposes of the Headcount Test (representing 30 Shares "for" the Scheme and 30 Shares "against" the Scheme for purposes of the Value Test).

7.4 Notice of Scheme Meeting

The Notice of the Scheme Meeting is set out in **Appendix P** to this Scheme Document. Shareholders are requested to take note of the date, time and venue of the Scheme Meeting.

APPENDIX A – EXPLANATORY STATEMENT (in compliance with Section 211 of the Companies Act)

8. CONDITIONS OF THE SCHEME

8.1 Scheme Conditions

The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions by the Cut-Off Date.

A list of the Scheme Conditions is set out in **Appendix H** to this Scheme Document

8.2 Update on Status of Scheme Conditions

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

- (a) the SIC has in the SIC Rulings confirmed, *inter alia*, that:
 - (i) the Scheme is exempted from complying with Rules 14, 15, 16, 17, Note 1(b) to Rule 19, 20.1, 21, 22, 28, 29 and 33.2 of the Code, subject to certain conditions; and
 - (ii) it has no objections to the Scheme Conditions.

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

(b) the Sponsor has on 6 January 2025 given its clearance for this Scheme Document.

Other than as set out in this paragraph 8.2, none of the other Scheme Conditions have, as at the Latest Practicable Date, been satisfied (or, where applicable, waived).

8.3 Remaining Scheme Conditions

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

8.4 Non-fulfilment of Scheme Conditions

The Scheme will only become effective and binding if all the Scheme Conditions have been satisfied or, where applicable, waived, in accordance with the terms of the Implementation Agreement. Shareholders should note that if any of the Scheme Conditions is not satisfied (or, where applicable, waived) on or before 5.00 p.m. on the Cut-Off Date, the Scheme will not become effective and binding.

8.5 Notice of Prescribed Occurrence and Non-Satisfaction

If immediately prior to the Relevant Date, any event which constitutes a Prescribed Occurrence, or any event that will prevent a Scheme Condition from being satisfied, occurs, the Offeror or the Company (as the case may be) will (to the extent legally permissible) give written notice to the other Party as soon as possible as to whether or not it waives the breach or non-fulfilment of any Scheme Condition resulting from the occurrence of that event, specifying the Scheme Condition and the event in question. For the avoidance of doubt, the Parties agree that the Scheme Conditions in paragraph (a) (in relation to approval of the Scheme by the Shareholders), paragraph (b) (in relation to the grant of the Court Order), paragraph (c) (in relation to the lodgement of the Court Order) and paragraph (d) (in relation to the Regulatory Approvals set out in **Appendix H** to this Scheme Document) of **Appendix H** to this Scheme Document are not capable of being waived by either Party or both Parties.

8.6 Termination

- (a) Notification of Failure of Scheme Conditions. If any of the Scheme Conditions set out in Appendix H to this Scheme Document is not satisfied (or duly waived), or there is an act, omission, event or occurrence that will or, as far as the Company or the Offeror (as the case may be) is aware, is likely to prevent any of the Scheme Conditions from being satisfied, the Company or the Offeror (as the case may be) shall immediately notify the other in writing (and in any event prior to the Relevant Date), and, subject to paragraph 8.6(b) of this Explanatory Statement, may terminate the Implementation Agreement by notice in writing to the other Party.
- (b) **SIC Determination**. The Offeror and/or the Company (as the case may be) may only invoke the non-satisfaction of any of the Scheme Conditions to terminate the Implementation Agreement if it has first consulted the SIC and the SIC gives its approval for, or states that it has no objection to, such termination.
- (c) **Effect of Termination**. In the event of termination of the Implementation Agreement by either the Company or the Offeror pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall cease to have any further force or effect (save for certain surviving provisions of the Implementation Agreement), and neither Party shall have any further liability or obligation to the other Party (save for certain surviving provisions of the Implementation Agreement).

8.7 Obligations of the Offeror and the Company

Pursuant to the terms of the Implementation Agreement, the Offeror and the Company shall in connection with the implementation of the Scheme, as expeditiously as practicable, comply with the obligations set out respectively in **Appendix L** and **Appendix M** to this Scheme Document.

The obligations of the Company in **Appendix M** to this Scheme Document are subject to fiduciary duties of its Directors and compliance with all applicable laws.

9. SCHEME CONDITIONS AND REGULATORY APPROVALS

9.1 SIC

- (a) **Code**. Pursuant to the SIC Application, the SIC has, on 20 September 2024 confirmed, *inter alia*, that the Scheme is exempted from complying with Rules 14, 15, 16, 17, Note 1(b) to Rule 19, 20.1, 21, 22, 28, 29 and 33.2 of the Code, subject to the following conditions:
 - (i) the Offeror and its concert parties abstain from voting on the Scheme;
 - (ii) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand, abstain from voting on the Scheme;
 - the directors of the Company who are also directors of the Offeror or who are acting in concert with those persons in sub-paragraphs (a)(i) and (a)(ii) above abstain from making a recommendation on the Scheme to the Shareholders;
 - the Scheme Document contains advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
 - (v) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the Latest Practicable Date and their voting rights in the Offeror and the Company after the Scheme;

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- (vi) the Company appoints an independent financial advisor to advise the Shareholders on the Scheme; and
- (vii) the Scheme being completed within six months (unless extended with SIC's consent) from the Joint Announcement Date.

As at the Latest Practicable Date, in respect of the conditions set out above:

- (A) in accordance with the SIC's confirmations set out above, the common substantial shareholders of the Offeror Concert Party Group on the one hand, and the Company on the other hand, will abstain from voting on the Scheme;
- (B) paragraph 5 of the Letter to Shareholders and paragraph 4.3 of this Explanatory Statement contain advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
- (C) paragraphs 6.1 and 7.1 of the Offeror's Letter and Schedule B of the Offeror's Letter discloses the Offeror Concert Party Group, their current voting rights in the Company as of the Latest Practicable Date and their voting rights in the Offeror and the Company after the Scheme; and
- (D) the Company has appointed the IFA to advise the Shareholders on the Scheme.
- (b) **Scheme Conditions**. The SIC has by way of the SIC Rulings, confirmed, *inter alia*, that it has no objections to the Scheme Conditions.

9.2 Court

The Scheme is subject to the sanction of the Court as stated in paragraph (b) of **Appendix H** to this Scheme Document.

9.3 SGX-ST

As set out in paragraph 10 of this Explanatory Statement, the Company will, through its Sponsor, submit an application in respect of the Delisting to the SGX-ST in due course. The Delisting will be conditional upon the SGX-ST Delisting Approval.

10. EFFECT OF THE SCHEME AND DELISTING

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will be wholly-owned by the Offeror Concert Party Group, and consequently will not be able to meet the listing requirements of the SGX-ST, including the requirement under Rule 723 of the Catalist Rules which requires the Company to ensure that at least 10% of the total number of Shares in issue (excluding Shares held in treasury) is at all times held by the public.

The Company will, through its Sponsor, submit an application in respect of the Delisting to the SGX-ST in due course. The Delisting will be conditional upon the SGX-ST Delisting Approval.

Please note that the SGX-ST's decision is not to be taken as an indication of the merits of the Scheme, the Delisting, the Company, its subsidiaries and/or their securities.

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

11. IMPLEMENTATION OF THE SCHEME

11.1 Application to Court for Sanction

Upon the Scheme being approved by a majority in number of Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Shares voted at the Scheme Meeting, an application will be made to the Court by the Company for the sanction of the Scheme.

11.2 Procedure for Implementation

If the Court sanctions the Scheme, the Offeror and the Company will (subject to the Scheme Conditions having been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement on or before 5.00 p.m. on the Cut-Off Date) take the necessary steps to render the Scheme effective and binding in accordance with its terms, and the following will be implemented:

- (a) the Shares held by Entitled Shareholders (other than those already held by the Company as treasury shares and those already held by the Offeror Concert Party Group) will be transferred to the Offeror for the Scheme Consideration to be paid by the Offeror to Entitled Shareholders for each Share, in the following manner:
 - (i) in the case of Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders an instrument or instruction of transfer of all the Shares held by such Entitled Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholder; and
 - (ii) in the case of Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Entitled Shareholders, to debit, not later than seven Business Days after the Effective Date, all the Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror;
- (b) from the Effective Date, all existing share certificates relating to the Shares held by Entitled Shareholders (not being Depositors) will cease to be evidence of title of the Shares represented thereby;
- (c) Entitled Shareholders (not being Depositors) are required to forward their existing share certificates relating to their Shares to the Share Registrar, In.Corp Corporate Services Pte. Ltd., at (<u>before 13 January 2025</u>) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712, or (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877 as soon as possible, but not later than seven Business Days after the Effective Date for cancellation; and
- (d) the Offeror shall, not later than seven Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 11.2(a) of this Explanatory Statement above, make payment of the Scheme Consideration in the manner set out in paragraph 11.3 of this Explanatory Statement.

11.3 The Scheme Consideration

- (a) The Offeror shall, not later than seven Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 11.2(a) of this Explanatory Statement above, make payment of the aggregate Scheme Consideration to Entitled Shareholders for their Shares as follows:
 - (i) Entitled Shareholders whose Shares are not deposited with CDP. The Offeror shall pay each Entitled Shareholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of such Entitled Shareholder by ordinary post to its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Shareholder, or in the case of joint Entitled Shareholders, to the first-named Entitled Shareholder made out in favour of such Entitled Shareholder by ordinary post to its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Entitled Shareholders.
 - (ii) Entitled Shareholders whose Shares are deposited with CDP. The Offeror shall pay each Entitled Shareholder (being a Depositor) by making payment of the aggregate Scheme Consideration payable to such Entitled Shareholder to CDP. CDP shall:
 - (A) in the case of an Entitled Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Scheme Consideration payable to such Entitled Shareholder, to the designated bank account of such Entitled Shareholder; and
 - (B) in the case of an Entitled Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Shareholder's cash ledger with CDP and such Scheme Consideration shall be subject to the same terms and conditions applicable to "Cash Distributions" under "The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions" as amended, modified or supplemented from time to time, copies of which are available from CDP.

Assuming that the Scheme becomes effective and binding in accordance with its terms on 21 February 2025, the crediting by CDP of the Scheme Consideration into the designated bank accounts of Entitled Shareholders (in the case of Entitled Shareholders being Depositors and who have registered with CDP for its direct crediting service) or, as the case may be, the Entitled Shareholder's cash ledger with CDP (in the case of Entitled Shareholders being Depositors and who have not registered with CDP for its direct crediting service) in the manner set out in paragraphs 11.3(a)(ii)(A) and 11.3(a)(ii)(B) of this Explanatory Statement above is expected to take place on or before 4 March 2025.

The despatch of payment by the Offeror to each Entitled Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

(b) Retention and Release of Proceeds

(i) In relation to Entitled Shareholders, on and after the day being six calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Company's name with a licensed bank in Singapore selected by the Company.

APPENDIX A – EXPLANATORY STATEMENT (in compliance with Section 211 of the Companies Act)

- (ii) The Company or its successor entity shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clause 3.4 of the Scheme as set out in Appendix O to this Scheme Document to persons who satisfy the Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in Clause 3.4 of the Scheme Document for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to Clause 3.1 of the Scheme as set out in Appendix O
- (iii) On the expiry of six years from the Effective Date, the Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under this Scheme and the Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in Clause 3.5(a) of the Scheme as set out in Appendix O to this Scheme Document including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.

12. RECORD DATE

12.1 Notice of Record Date

Subject to the approval by the requisite majority of Shareholders at the Scheme Meeting and the sanction of the Scheme by the Court, notice of the Record Date will be given in due course for the purposes of determining the entitlements of Entitled Shareholders to the Scheme Consideration under the Scheme.

The Record Date is expected to be on 20 February 2025 at 5.00 p.m. The Company will make a further announcement in due course on the Record Date.

12.2 Transfer of Shares after Record Date

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

12.3 Trading in Shares on the SGX-ST

The Scheme is tentatively scheduled to become effective and binding in accordance with its terms on or about 21 February 2025.

Assuming the Scheme becomes effective and binding in accordance with its terms on 21 February 2025 and subject to the SGX-ST Delisting Approval being obtained, the Shares are expected to be delisted and removed from the Official List of the SGX-ST after the settlement of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Shares will cease to be traded on the SGX-ST on or about 11 February 2025 at 5.00 p.m., being seven (7) Market Days before the expected Record Date on 20 February 2025 at 5.00 p.m.

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

13. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Scheme becoming effective and binding in accordance with its terms, the following settlement and registration procedures will apply:

13.1 Entitled Shareholders whose Shares are not deposited with CDP

Entitlements of Entitled Shareholders (not being Depositors) under the Scheme will be determined on the basis of their holdings of Shares appearing in the Register of Members as at 5.00 p.m. on the Record Date.

Entitled Shareholders (not being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are registered in their names with the Share Registrar by 5.00 p.m. on the Record Date.

From the Effective Date, all existing share certificates relating to the Shares held by Entitled Shareholders (not being Depositors) will cease to be evidence of title to the Shares represented thereby.

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

13.2 Entitled Shareholders whose Shares are deposited with CDP

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

Entitled Shareholders (being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are credited to their Securities Accounts by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit all the Shares standing to the credit of each relevant Securities Account of each Entitled Shareholder (being a Depositor) and credit all of such Shares to the Securities Account(s) of the Offeror in such Securities Account(s) as directed by the Offeror, within seven Business Days of the Effective Date and prior to delisting of Company.

Within seven Business Days of the Effective Date, CDP shall, based on the number of Shares standing to the credit of the Securities Account of Entitled Shareholders (being Depositors) as at 5.00 p.m. on the Record Date make payment of the Scheme Consideration to each Entitled Shareholder (being a Depositor).

14. DIRECTORS' INTERESTS

The interests of Directors in the Shares as at the Latest Practicable Date are set out in **Appendix D** to this Scheme Document.

Save as otherwise disclosed in this Scheme Document, the effect of the Scheme on the interests of the Directors does not differ from that of the other Shareholders.

APPENDIX A – EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

15. ELECTRONIC DESPATCH OF THE SCHEME DOCUMENT

Pursuant to the SIC Public Statements on Electronic Despatch, documents related to a takeover or merger transaction under the Code may be despatched electronically to the Shareholders through publication on SGXNet and on the corporate website of the Company. In line with the SIC Public Statements on Electronic Despatch, no printed copies of this Scheme Document will be despatched to the Shareholders (unless upon request). Instead, only printed copies of the Notice of Scheme Meeting, the Proxy Form and the Request Form will be despatched to the Shareholders.

Electronic copies of this Scheme Document (together with the Notice of Scheme Meeting and accompanying Proxy Form) has been made available on SGXNet at the URL <u>https://sgx.com/securities/company-announcements</u> and the Company's corporate website at the URL <u>https://www.5e-resources.com/announcements</u>. A Shareholder will need an internet browser and PDF reader to view these documents on the SGXNet announcement page of the Company and the corporate website of the Company.

Shareholders (including Overseas Shareholders) may obtain printed copies of this Scheme Document by submitting the Request Form to the Share Registrar, In.Corp Corporate Services Pte. Ltd., either:

- (a) by post at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (<u>on or after 13 January 2025</u>) at 36 Robinson Road, #20-01 City House, Singapore 068877; or
- (b) via email to <u>shareregistry@incorp.asia</u>,

in either case by no later than **10.00 a.m. on 15 January 2025**. Printed copies of this Scheme Document will be sent to the address in Singapore specified by the Shareholder by ordinary post at its own risk, up to three Market Days prior to the date of the Scheme Meeting.

16. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The IFA Letter setting out the advice of the IFA to the Non-Conflicted Directors is set out in **Appendix B** to this Scheme Document.

17. NON-CONFLICTED DIRECTORS' RECOMMENDATION

The recommendation of the Non-Conflicted Directors in relation to the Scheme is set out in paragraph 11.2 of the Letter to Shareholders.

18. GENERAL INFORMATION

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



W CAPITAL MARKETS PTE. LTD.

(Incorporated in the Republic of Singapore) (Company Registration Number: 201813207E) 65 Chulia Street #43-01 OCBC Centre Singapore 049513

7 January 2025

The Directors of 5E Resources Limited who are deemed independent for the purposes of the Acquisition (the "**Non-Conflicted Directors**")

Mr. Wong Chee Meng Lawrence Mr. Kam Chai Hong Mr. Siow Chin How Mr. Wang Han Lin Lead Independent and Non-Executive Director Independent and Non-Executive Director Independent and Non-Executive Director Independent and Non-Executive Director

Dear Sirs,

PROPOSED ACQUISITION BY GREENEDGE SDN. BHD. (THE "OFFEROR") OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF 5E RESOURCES LIMITED (OTHER THAN TREASURY SHARES AND SHARES HELD BY THE OFFEROR CONCERT PARTY GROUP) BY WAY OF A SCHEME OF ARRANGEMENT

Unless otherwise defined or the context otherwise requires, all terms defined in the scheme document dated 7 January 2025 ("**Scheme Document**") issued by 5E Resources Limited (the "**Company**", and together with its subsidiaries (the "**Group**") shall have the same meanings herein.

1. INTRODUCTION

On 18 October 2024 ("Holding Announcement Date"), the Company issued a holding announcement (the "Holding Announcement") stating that it has been informed by its controlling shareholders that they are in discussions in respect of a possible transaction involving the Shares in the Company. Subsequently, on 25 October 2024 ("Joint Announcement Date"), the Company and the Offeror issued a joint announcement stating, *inter alia*, the proposed acquisition (the "Acquisition") of all the issued and fully paid-up ordinary shares in the capital of the Company (the "Shares") by the Offeror, other than the treasury Shares held by the Company and Shares held by the Offeror Concert Party Group (as defined below) (the "Joint Announcement"). The Acquisition will be effected by the Company by way of a scheme of arrangement (the "Scheme") in accordance with Section 210 of the Companies Act 1967 of Singapore (the "Companies Act") and the Singapore Code on Take-overs and Mergers (the "Code").

In connection with the Acquisition, the Offeror and the Company have on 25 October 2024 entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Offeror and the Company will implement the Scheme. The Scheme is conditional upon the satisfaction (or, where applicable and lawful, the waiver by the party having the benefit) of a number of conditions precedent to the implementation of the Scheme (the "**Scheme Conditions**") which are set out in Appendix H to the Scheme Document. Subject to the fulfilment or waiver of all Scheme Conditions, the Scheme will become effective on the date on

which a copy of court order that sanctions the Scheme (the "**Court Order**") has been lodged by the Company with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") (the "**Effective Date**").

Pursuant to the Scheme, the Scheme will be satisfied by a scheme consideration of <u>\$\$0.38</u> in cash for each Share (the "Scheme Consideration") to be paid by the Offeror to the Entitled Shareholders as at a record date to be announced by the Company on which the transfer books and the register of members of the Company will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme (the "Record Date") in accordance with the terms of the Scheme.

W Capital Markets Pte. Ltd. has been appointed by the Company as the Independent Financial Adviser ("**IFA**") to provide an opinion as to whether the terms of the Scheme are fair and reasonable and to advise the Non-Conflicted Directors who will be making a recommendation to the Shareholders in relation to the Scheme. This letter ("**IFA Letter**") is addressed to the Non-Conflicted Directors and assessment on the Scheme Consideration and our opinion thereon, and forms part of the Scheme Document to be despatched to Shareholders in relation to the Acquisition.

2. TERMS OF REFERENCE

We have been appointed to advise the Non-Conflicted Directors in respect of their recommendation to Shareholders on the Scheme and to provide an opinion on whether the terms of the Scheme are fair and reasonable.

We were neither a party to the negotiations entered into by the Company in relation to the Scheme, nor were involved in the deliberations leading up to the decision on the part of the Directors to undertake the Scheme. We have confined our evaluation to the financial terms of the Scheme and we are not required to evaluate or comment on the commercial risks and/or merits (if any) of the Scheme or the future prospects of the Group, and we have not made such evaluations or comments. Accordingly, we do not, by this IFA Letter, evaluate or comment on the merits of the Scheme, other than to advise the Non-Conflicted Directors on the terms of the Scheme from a financial point of view.

We have not been instructed or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Scheme. It is also not within our terms of reference to compare the relative merits of the Scheme vis-à-vis any alternative transaction that the Company may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation, we have held discussions with the Management and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or the professional advisers of the Company, including information contained in the Scheme Document. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have relied on the assurance of the Directors (including any who may have delegated detailed supervision of the preparation of the Scheme Document) who jointly and severally accept full responsibility for the accuracy of the information given in the Scheme Document (save for this IFA Letter) and had confirmed that they have made all reasonable enquiries to ensure that the Scheme Document constitutes full and true disclosure of all material facts about the Acquisition, the Scheme and the Group. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the reliability of the information.

We have not made any independent appraisal of the assets and liabilities of the Group nor have we been provided with any independent valuation or appraisal reports commissioned by the Company, business plans or financial projections of the future performance of the Group, for the purpose of our evaluation of the Scheme. As such, we have relied on the disclosures and representations made by the Company on the values of the assets and liabilities and announced historical financial performance of the Group and 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.

Our opinion and advice, as set out in this IFA Letter, are based upon the prevailing market, economic, industry and other conditions (if applicable) as well as information and representations provided to us by the Company and its representatives, as at the Latest Practicable Date (or "LPD"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion and advice in light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein. Shareholders should take note of any announcement relevant to their consideration of the Scheme, which may be released or published by or on behalf of the Company after the Latest Practicable Date.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situation, tax position, risk profile, tax status or positions or particular needs and constraints or other particular circumstances of any Shareholder and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Non-Conflicted Directors. As each Shareholder would have different investment objectives and profiles, the Non-Conflicted Directors may wish to advise any Shareholder who may require specific advice in relation to his/her specific investment portfolio to consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional advisers.

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

Our opinion and advice in relation to the Scheme should be considered in the context of the entirety of this IFA Letter and the Scheme Document.

3. INFORMATION ON THE OFFEROR

The Offeror is a special purpose vehicle incorporated in Malaysia for the purpose of the Acquisition and the Scheme. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Acquisition.

As at the date of the Offeror's Letter, the Offeror has an issued and paid-up share capital of MYR1,000 comprising 1,000 ordinary shares. The shareholders of the Offeror are Mdm. Sok Ching, Mr. Kim Fatt, Mr. Kim Wah, Mr. Te Hua and Mr. Shankar (collectively, the "Offeror Concert Party Group"). The members of the board of directors of the Offeror ("Offeror Board") comprise Mdm. Sok Ching and Mr. Te Hua, who are also directors of the Company Board. Notwithstanding that the Offeror does not hold any Shares in the Company, the Offeror Concert Party Group collectively owns an aggregate of 77.22% of the total number of issued Shares (excluding treasury Shares) of the Company.

Additional information on the Offeror is set out in Section 1.5 of the Scheme Document and Appendix C to the Scheme Document.

4. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 18 October 2021 under the Companies Act and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 12 May 2022. The Group is one of the largest scheduled waste management services providers in Malaysia, focusing on the collection, transportation and treatment of scheduled waste. The Group also has two other complementary business segments, being the sale of recovered and recycled products and trading of chemicals.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$28,172,464 comprising 147,474,784 Shares. As at the Latest Practicable Date, the total number of shares is 141,122,084 Shares (excluding treasury Shares) and the Company holds 6,352,700 Shares in treasury.

Additional information on the Company is set out in Section 1.4 of the Scheme Document and Appendix C to the Scheme Document.

5. THE SCHEME

The detailed terms of the Scheme are set out in Section 3 of the Scheme Document and Appendix A to the Scheme Document. Shareholders are advised to refer to the Scheme Document for further details on the Scheme and read the information carefully. The key terms of the Scheme are set out below.

5.1 Terms of the Scheme

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

Under the Scheme:

- (a) All the Shares held by Entitled Shareholders (other than those already held by the Company as treasury Shares and those already held by the Offeror Concert Party Group) will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from all Encumbrances; and
 - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date.
- (b) In consideration of the transfer of the Shares pursuant to paragraph 5.1(a) above, each Entitled Shareholder will be entitled to receive the Scheme Consideration of <u>S\$0.38 in cash</u> for each Share.
- (c) If any dividends, rights or other distributions, are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions.

5.2 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Company or the Offeror pursuant to the terms of the Implementation Agreement:

- (a) the Implementation Agreement shall cease to have any further force or effect (save for certain surviving provisions of the Implementation Agreement); and
- (b) neither the Company nor the Offeror shall have any further liability or obligation to the other Party (save for certain surviving provisions of the Implementation Agreement).

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

6. RATIONALE FOR THE ACQUISITION AND FUTURE INTENTIONS FOR THE COMPANY

The Offeror's rationale for the Acquisition and future intentions for the Company are as set out in Section 2 of the Scheme Document and Section 5 of the Offeror's Letter, and Shareholders are advised to read the information therein carefully.

7. FINANCIAL ASSESSMENT OF THE SCHEME

In the course of our evaluation of the financial terms of the Scheme, we have given due consideration to, *inter alia*, the following key factors which we consider to have a significant bearing on our assessment:

- 7.1 Historical financial performance and position of the Group;
- 7.2 Analysis of the Group's net asset value ("NAV");
- 7.3 Historical share price performance and trading liquidity of the Shares;
- 7.4 Valuation statistics of listed companies broadly comparable to the Group;
- 7.5 Estimated range of values of the Shares;
- 7.6 Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST; and
- 7.7 Other relevant considerations.

7.1 Historical financial performance and position of Group

A summary of the consolidated statement of comprehensive income of the Group for financial years ended 31 December 2021 ("**FY2021**"), 31 December 2022 ("**FY2022**"), 31 December 2023 ("**FY2023**"), and the six-month periods ended 30 June 2023 ("**H2023**") and 30 June 2024 ("**1H2024**"), the consolidated statement of financial position as at 31 December 2023 and 30 June 2024 and the consolidated statements of cash flows for FY2021, FY2022 and FY2023, 1H2023 and 1H2024 are set out below. The following summary financial information should be read in conjunction with Company's annual reports for FY2021, FY2022, FY2023, and the Company's announced interim financial results for 1H2023 and 1H2024, including the notes and commentaries thereto.

(MYR'000)	FY2021	FY2022	FY2023	1H2023	1H2024
	Audited	Audited	Audited	Unaudited	Unaudited
Revenue	57,970	64,969	79,961	37,646	40,817
Cost of sales	(30,345)	(35,190)	(40,149)	(18,013)	(21,976)
Gross profit	27,625	29,779	39,812	19,633	18,841
Other income	125	1,771	1,838	883	996
Other gains – net	23	318	419	281	72
Administrative expenses	(9,958)	(10,661)	(10,594)	(4,264)	(4,701)
Selling and distribution expenses	(3,457)	(3,349)	(3,069)	(1,368)	(1,505)
Finance expenses	(165)	(473)	(542)	(298)	(241)
Net impairment reversal on trade receivables	(67)	5	36	55	74
Profit before income tax	14,126	17,390	27,900	14,922	13,536
Income tax expense	(4,829)	(5,070)	(6,339)	(4,000)	(3,684)
Net profit for the year/period	9,297	12,320	21,561	10,922	9,852

Consolidated statement of comprehensive income

Source: Company's annual reports for FY2021, FY2022 and FY2023, and its interim financial results for 1H2023 and 1H2024

Review of operating results

FY2021 vs FY2022

In FY2022, the Group recorded an increase in revenue of approximately MYR7.0 million or 12.1% from approximately MYR58.0 million in FY2021 to approximately MYR65.0 million in FY2022. The increase in revenue was mainly due to the increase in revenue from the business segment in scheduled waste management. Revenue generated from scheduled waste management services increased by approximately MYR6.8 million or 14.6% in FY2022 primarily due to increase in demand for regular scheduled waste management services as a result of the easing of COVID-19 restrictions in Malaysia.

Cost of sales increased by approximately MYR4.9 million or 16.2%, from approximately MYR30.3 million in FY2021 to approximately MYR35.2 million in FY2022, which was in line with the increase in revenue across the Group's business segments.

As a result of the above, gross profit increased by approximately MYR2.2 million or 8.0%, from approximately MYR27.6 million in FY2021 to approximately MYR29.8 million in FY2022. The gross profit margin decreased from 47.7% in FY2021 to 45.8% in FY2022, mainly as a result of higher cost of sales such as labour, sludge disposal cost, fuel oil and petrol and others.

Other income increased by approximately MYR1.7 million or 1,316.8% from approximately MYR0.1 million in FY2021 to approximately MYR1.8 million in FY2022, mainly due to the listing grant income accrued of approximately MYR0.9 million and interest income earned from the placement of fixed deposits and bank current accounts.

Other gains increased by approximately MYR295,000 or 1,282.6% in FY2022 to approximately MYR318,000 mainly due to net gain on foreign exchange as a result of the strengthening of the Singapore Dollar against the Malaysian Ringgit.

Administrative expenses increased by approximately MYR0.7 million or 7.0%, from approximately MYR10.0 million in FY2021 to approximately MYR10.7 million in FY2022. This was mainly due to accrual of performance bonus of the executive directors based on the service agreements.

Selling and distribution expenses decreased by approximately MYR0.1 million or 3.1% from approximately MYR3.5 million in FY2021 to approximately MYR3.3 million in FY2022, primarily due to the resignation of the marketing advisors during the year.

Finance expenses increased by approximately MYR308,000 or 186.7% from approximately MYR165,000 in FY2021 to approximately MYR473,000 in FY2022, mainly due to the increase in interest expense on new lease of land.

Income tax expense increased by approximately MYR0.3 million or 5.0% from approximately MYR4.8 million in FY2021 to approximately MYR5.1 million in FY2022.

As a result of the above, the Group recorded an increase in net profit for the year of approximately MYR3.0 million or 32.5%, from approximately MYR9.3 million in FY2021 to approximately MYR12.3 million in FY2022.

FY2022 vs FY2023

In FY2023, the Group recorded an increase in revenue of approximately MYR15.0 million or 23.1%, from approximately MYR65.0 million in FY2022 to approximately MYR80.0 million in FY2023. The increase was mainly due to the increase in revenue from the scheduled waste management business segment. Revenue generated from scheduled waste management services increased by approximately MYR15.2 million or 28.5% in FY2023 primarily due to increase in demand for scheduled waste management services.

Cost of sales increased by approximately MYR4.9 million or 13.9%, from approximately MYR35.2 million in FY2022 to approximately MYR40.1 million in FY2023, which was in line with the increase in revenue of scheduled waste management services.

As a result of the above, gross profit increased by approximately MYR10.0 million or 33.7%, from approximately MYR29.8 million in FY2022 to approximately MYR39.8 million in FY2023. The gross profit margin increased from 45.8% in FY2022 to 49.8% in FY2023, mainly as a result of decrease in sludge disposal cost, fuel oil and petrol consumed for the provision of the scheduled waste management services.

Other income remained stable in FY2023, which mainly consisted of interest income earned from the placement of fixed deposits and bank current accounts.

Other gains increased by approximately MYR101,000 or 31.8% in FY2023 to approximately MYR419,000 mainly due to gain on disposal of property, plant and equipment.

Administrative expenses decreased by approximately MYR0.1 million or 0.6%, from approximately MYR10.7 million in FY2022 to approximately MYR10.6 million in FY2023. This was mainly due to one-off and non-recurring professional fee expenses incurred in connection with the Company's listing exercise in FY2022, partially offset by the increase in staff cost in FY2023.

Selling and distribution expenses decreased by approximately MYR0.3 million or 8.4% from approximately MYR3.3 million in FY2022 to approximately MYR3.1 million in FY2023, primarily due to the resignation of marketing advisors in September 2022.

Finance expenses increased by approximately MYR69,000 or 14.6% from approximately MYR473,000 in FY2022 to approximately MYR542,000 in FY2023, mainly due to the increase in interest expense on new lease of land and hire purchase of vehicles.

Income tax expense increased by approximately MYR1.3 million or 25.0% from approximately MYR5.1 million in FY2022 to approximately MYR6.3 million in FY2023.

As a result of the above, the Group recorded an increase in net profit for the year of approximately MYR9.3 million or 75.0%, from approximately MYR12.3 million in FY2022 to approximately MYR21.6 million in FY2023.

1H2023 vs 1H2024

In 1H2024, the Group recorded an increase in revenue of approximately MYR3.2 million or 8.4%, from approximately MYR37.6 million in 1H2023 to approximately MYR40.8 million in 1H2024. The increase was mainly due to the increase in revenue from the scheduled waste management business segment. Revenue generated from scheduled waste management services increased by approximately MYR2.2 million or 6.8% in 1H2024 primarily due to increase in demand for scheduled waste management services.

Cost of sales increased by approximately MYR4.0 million or 22.0%, from approximately MYR18.0 million in 1H2023 to approximately MYR22.0 million in 1H2024, mainly contributed by cost increases in the segment of scheduled waste management services and sales of recovered and recycled products.

As a result of the above, gross profit decreased by approximately MYR0.8 million or 4.0%, from approximately MYR19.6 million in 1H2023 to approximately MYR18.8 million in 1H2024. The gross profit margin decreased from 52.2% in 1H2023 to 46.2% in 1H2024, mainly as a result of higher depreciation charge, subcontractor charges and raw materials costs.

Other income increased by approximately MYR113,000 or 12.8% from approximately MYR883,000 in 1H2023 to approximately MYR996,000 in 1H2024, mainly due to the interest earned from the placement of funds in fixed deposit accounts and bank current accounts.

Other gains decreased by approximately MYR209,000 or 74.4% in 1H2023 to approximately MYR72,000 in 1H2024 mainly due to lower net gain on foreign exchange.

Administrative expenses increased by approximately MYR0.4 million or 10.2%, from approximately MYR4.3 million in 1H2023 to approximately MYR4.7 million in 1H2024. This was mainly due to increase in staff cost in 1H2024.

Selling and distribution expenses increased by approximately MYR0.1 million or 10.0% from approximately MYR1.4 million in 1H2023 to approximately MYR1.5 million in 1H2024, primarily due to the increase in marketing staff costs in 1H2024.

Finance expenses decreased by approximately MYR57,000 or 19.1% from approximately MYR298,000 in 1H2023 to approximately MYR241,000 in 1H2024, mainly due to the completion of lease agreements of hostels and forklifts.

Income tax expense decreased by approximately MYR0.3 million or 7.9% from approximately MYR4.0 million in 1H2023 to approximately MYR3.7 million in 1H2024.

As a result of the above, the Group recorded a decrease in net profit for the period of approximately MYR1.0 million or 9.8%, from approximately MYR10.9 million in 1H2023 to approximately MYR9.9 million in 1H2024.

Trailing twelve months ("TTM") period ended 30 June 2024

(As extracted from Bloomberg)

For the TTM period ended 30 June 2024, the Group recorded revenue of approximately MYR83.1 million, gross profit of approximately MYR38.8 million, earnings before interest, tax, depreciation and amortisation ("**EBITDA**") of approximately MYR29.2 million and net profit for the period of approximately MYR20.5 million.

Based on the Scheme Consideration of S\$0.38 and the exchange rate as at 30 June 2024 of MYR1.00:SGD0.2875, the implied TTM price-earnings ("**P/E**") ratio of the Company is approximately 9.1 times.

Consolidated Statement of Financial Position

(MYR'000)	As at 31 December 2023	As at 30 June 2024	
	Audited	Unaudited	
Current assets			
Cash and cash equivalents	62,450	58,396	
Short-term deposits	85	_	
Trade and other receivables	12,947	16,546	
Amount due from a related party	4	16	
Other current assets	240	671	
Contract assets	43	-	
Inventories	414	523	
	76,183	76,152	
Non-current assets			
Property, plant and equipment	46,569	51,001	
Right-of-use assets	15,429	15,128	
	61,998	66,129	
Total assets	138,181	142,281	
Current liabilities			
Trade and other payables	11,734	11,833	
Contract liabilities	143	484	
Current income tax liabilities	665	424	
Borrowings	457	460	
Lease liabilities	98	100	
	13,097	13,301	
Non-current liabilities		,	
Lease liabilities	9,864	9,815	
Borrowings	2,275	2,044	
Deferred tax liabilities	1,350	1,309	
	13,489	13,168	
Total liabilities	26,586	26,469	
Fauity			
Equity Share capital	84,977	84,977	
Treasury shares	(857)	(6,492)	
Reserves	(59,250)	(59,250)	
Retained profits	(59,250) 86,725	(59,250) 96,577	
Total Equity	111,595	115,812	
NAV	111,595	115,812	

Source: Company's annual report for FY2023 and the Group's interim financial results announcement for 1H2024

The Group total assets as at 30 June 2024 increased slightly by approximately MYR4.1 million or 3.0%, from approximately MYR138.2 million in 31 December 2023 to approximately MYR142.3 million. As at 30 June 2024, the total assets of the Group amounted to approximately MYR142.3 million, comprising current assets of approximately MYR76.2 million and non-current assets of approximately MYR66.1 million, representing approximately 53.5% and 46.5% of total assets respectively.

The Group's current assets remained stable at MYR76.2 million as at 30 June 2024 and as at 31 December 2023. The current assets as at 30 June 2024 comprised mainly (i) cash and bank balances of approximately MYR58.4 million and (ii) trade and other receivables of approximately MYR16.5 million, representing 41.0% and 11.6% of total assets respectively. During the financial period ended 30 June 2024:

- (a) cash and cash equivalents as at 30 June 2024 decreased by approximately MYR4.1 million or 6.5% as compared to cash and cash equivalents recorded as at 31 December 2023 of approximately MYR62.5 million, mainly due to payments made to contractors and suppliers and purchase of treasury shares;
- (b) trade and other receivables as at 30 June 2024 increased by approximately MYR3.6 million or 27.8% as compared to trade and other receivables recorded as at 31 December 2023 of approximately MYR12.9 million, which is in line with the increase in sales;
- (c) short-term deposits as at 30 June 2024 decreased by MYR0.1 million as no short term deposits were recorded as at 30 June 2024 due to withdrawal of fixed deposit placed from the bank; and
- (d) other current assets as at 30 June 2024 increased by approximately MYR0.5 million or 179.6% as compared to the other current assets recorded as at 31 December 2023 of approximately MYR0.2 million, mainly due to higher prepayments to suppliers.

The Group's non-current assets increased by approximately MYR4.1 million or 6.7%, from approximately MYR62.0 million as at 31 December 2023 to approximately MYR66.1 million as at 30 June 2024. The non-current assets as at 30 June 2024 comprised mainly (i) property, plant and equipment of approximately MYR51.0 million and (ii) right-of-use assets of approximately MYR15.1 million, representing approximately 35.8% and 10.6% of total assets respectively. Property, plant and equipment of the Group consists mainly of buildings (MYR34.2 million), work in progress which relates to the machineries for the Group's new plant located in Johor, Malaysia (MYR6.0 million), plant and machinery (MYR5.9 million) and motor vehicles (MYR4.1 million). No valuations have been conducted on these assets in connection with the Scheme. During the financial period ended 30 June 2024:

- (a) property, plant and equipment as at 30 June 2024 increased by approximately MYR4.4 million or 9.5% as compared to property, plant and equipment recorded as at 31 December 2023 of approximately MYR46.6 million, mainly due to addition of machineries which were partially offset by the depreciation charge of MYR1.9 million; and
- (b) right-of-use assets as at 30 June 2024 decreased by approximately MYR0.3 million or 2.0% as compared to right-of-use assets recorded as at 31 December 2023 of approximately MYR15.4 million, mainly due to depreciation charge for the period.

The Group's total liabilities as at 30 June 2024 decreased slightly by approximately MYR0.1 million or 0.4%, from approximately MYR26.6 million as at 31 December 2023 to approximately MYR26.5 million. As at 30 June 2024, the total liabilities of the Group amounted to approximately MYR26.5 million comprising current liabilities of approximately MYR13.3 million and non-current liabilities of approximately MYR13.2 million, representing approximately 50.2% and 49.8% of total liabilities respectively.

The Group's current liabilities increased slightly by approximately MYR0.2 million or 1.6%, from approximately MYR13.1 million as at 31 December 2023 to approximately MYR13.3 million as at 30 June 2024. Current liabilities as at 30 June 2024 comprised mainly trade and other payables of approximately MYR11.8 million, representing approximately 44.7% of total liabilities. During the financial period ended 30 June 2024:

- trade and other payables as at 30 June 2024 increased slightly by approximately MYR0.1 million or 0.8% as compared to trade and other payables recorded as at 31 December 2023 of approximately MYR11.7 million, as a result of higher other payables recorded;
- (b) contract liabilities as at 30 June 2024 increased by approximately MYR0.4 million or 238.5% as compared to contract liabilities recorded as at 31 December 2023 of approximately MYR0.1 million, mainly due to higher deposit received from customers as unfulfilled performance; and
- (c) current income tax liabilities as at 30 June 2024 decreased slightly by approximately MYR0.3 million or 36.2% as compared to current income tax liabilities recorded as at 31 December 2023 of approximately MYR0.7 million, due to lower chargeable income for the financial period ended 30 June 2024.

The Group's non-current liabilities decreased slightly by approximately MYR0.3 million or 2.4%, from approximately MYR13.5 million as at 31 December 2023 to approximately MYR13.2 million as at 30 June 2024. Non-current liabilities as at 30 June 2024 comprised mainly (i) lease liabilities of approximately MYR9.8 million, (ii) borrowings of approximately MYR2.0 million, and (iii) deferred tax liabilities of approximately MYR1.3 million, representing approximately 37.1%, 7.7% and 4.9% of total liabilities respectively. The decrease in non-current liabilities as at 30 June 2024 is primarily due to decrease in borrowings by MYR0.2 million as a result of repayment of the existing term loan and hire purchase liabilities.

The Group's total equity increased by approximately MYR4.2 million or 3.8% from MYR111.6 million as at 31 December 2023 to MYR115.8 million as at 30 June 2024 mainly due to net profit for the six months financial period ended 30 June 2024 of MYR9.9 million. The increase was partially off-set by the purchase of treasury shares of MYR5.6 million.

The Group's net working capital as at 30 June 2024 decreased by approximately MYR0.2 million or 0.4% from approximately MYR63.1 million as at 31 December 2023 to approximately MYR62.9 million as at 30 June 2024. Notwithstanding this, the Group's net assets increased by approximately MYR4.2 million or 3.8% from approximately MYR111.6 million as at 31 December 2023 to approximately MYR115.8 million as at 30 June 2024.

(MYR'000)	FY2021 Audited	FY2022 Audited	FY2023 Audited	1H2023 Unaudited	1H2024 Unaudited
Net cash generated from operating activities	13,457	16,795	23,097	7,736	7,393
Net cash generated from/(used in) investing activities	(10,177)	(3,205)	(14,785)	(7,726)	(5,288)
Net cash generated from/(used in) financing activities	1,793	25,354	(6,894)	(5,454)	(6,151)
Net increase / (decrease) in cash and cash equivalents	5,073	38,944	1,418	(5,444)	(4,046)
Cash and cash equivalents at beginning of year / period	16,845	21,918	60,924	60,924	62,450
Effect of exchange rate changes	_	62	108	296	(8)
Cash and cash equivalents at end of year / period	21,918	60,924	62,450	55,776	58,396

Consolidated Statement of Cash Flows

Source: Company's annual report for FY2021, FY2022, FY2023, and interim financial results announcement for 1H2024

For FY2021, FY2022, FY2023, 1H2023 and 1H2024, the Group recorded net cash generated from operating activities of approximately MYR13.5 million, MYR16.8 million, MYR23.1 million, MYR7.7 million and MYR7.4 million respectively.

In respect of FY2022:

- (a) The Group recorded net cash generated from operating activities of approximately MYR16.8 million in FY2022 compared with approximately MYR13.5 million in FY2021, representing an increase of approximately MYR3.3 million or 24.8%. The increase was mainly due to decrease in trade and other receivables of approximately MYR2.2 million due to higher sales towards end of the financial year, and increase in trade and other payables of approximately MYR60,000 due to higher materials purchased and sludge disposal cost during the financial year.
- (b) The Group recorded net cash used in investing activities of approximately MYR3.2 million in FY2022 compared with approximately MYR10.2 million in FY2021, representing a decrease of approximately MYR7.0 million or 68.5%. The decrease was due mainly to purchase of property, plant and equipment of approximately MYR3.6 million, placement of short-term deposits of approximately MYR0.4 million, partially offset by interest received of approximately MYR0.8 million.
- (c) The Group recorded net cash generated from financing activities of approximately MYR25.4 million in FY2022 compared with approximately MYR1.8 million in FY2021, representing an increase of approximately MYR23.6 million or 1,314.1%. The increase was mainly due to proceeds from issuance of shares of approximately MYR31.5 million, partially offset by repayment of term loans of approximately MYR3.3 million, payment of listing expenses of approximately MYR2.4 million and repayment of lease liabilities of approximately MYR0.2 million.
- (d) Taking into account (i) the net increase in cash and cash equivalents of approximately MYR38.9 million, (ii) the cash and cash equivalents at the beginning of FY2022 of approximately MYR21.9 million and (iii) effect of exchange rate changes of approximately MYR62,000, the Group's cash and cash equivalents amounted to approximately MYR60.9 million as at 31 December 2022.

In respect of FY2023:

- (a) The Group recorded net cash generated from operating activities of approximately MYR23.1 million in FY2023 compared with approximately MYR16.8 million in FY2022, representing an increase of approximately MYR6.3 million or 37.5%. The increase was mainly as a result of higher profit before tax. The increase was partially offset by the increase in trade and other receivables of approximately MYR2.8 million due to higher sales towards year end.
- (b) The Group recorded net cash used in investing activities of approximately MYR14.8 million in FY2023 compared with approximately MYR3.2 million in FY2022, representing an increase of approximately MYR11.6 million or 361.3%. The increase was due mainly to purchase of property, plant and equipment of approximately MYR17.2 million, partially offset with proceeds from disposal of property, plant and equipment of approximately MYR0.2 million, withdrawal of short-term deposits of approximately MYR0.4 million and interest received of approximately MYR1.8 million.
- (c) The Group recorded net cash used in financing activities of approximately MYR6.9 million in FY2023 compared with net cash generated from financing activities of approximately MYR25.4 million in FY2022, representing a decrease of approximately MYR32.2 million or 127.2%. The decrease was mainly due to dividends paid of approximately MYR4.9 million, purchase of treasury shares of MYR0.9 million, payment of interest of approximately MYR0.5 million, repayment of borrowings and lease liabilities of approximately MYR0.6 million.
- (d) Taking into account (i) the net increase in cash and cash equivalents of approximately MYR1.4 million, (ii) the cash and cash equivalents at the beginning of FY2023 of approximately MYR60.9 million and (iii) effect of exchange rate changes of approximately MYR0.1 million, the Group's cash and cash equivalents amounted to approximately MYR62.5 million as at 31 December 2023.

In respect of 1H2024:

- (a) The Group recorded net cash generated from operating activities of approximately MYR7.4 million which was relatively consistent with the corresponding prior period.
- (b) The Group recorded net cash used in investing activities of approximately MYR5.3 million in 1H2024 compared to net cash used in investing activities in 1H2023 of approximately MYR7.7 million, representing a decrease of approximately MYR2.4 million or 31.6%. The decrease is due mainly to purchase of property, plant and equipment of approximately MYR6.4 million, partially offset by interest received of approximately MYR1.0 million and withdrawal of short-term fixed deposits of approximately MYR0.1 million.
- (c) The Group recorded net cash used in financing activities of approximately MYR6.2 million in 1H2024 compared to net cash used in financing activities in 1H2023 of approximately MYR5.5 million, representing an increase of approximately MYR0.7 million or 12.8%. The increase is mainly due to repayment of borrowings and lease liabilities of approximately MYR0.2 million and MYR0.1 million respectively, purchase of treasury shares of approximately MYR5.6 million and interest paid of MYR0.3 million.
- (d) Taking into account (i) the net decrease in cash and cash equivalents of approximately MYR4.0 million, (ii) the cash and cash equivalents at the beginning of 1H2024 of approximately MYR62.5 million and (iii) effect of exchange rate changes of approximately MYR8,000, the Group's cash and cash equivalents amounted to approximately MYR58.4 million as at 30 June 2024.

7.2 Analysis of the Group's NAV

The NAV based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and minorities' interests. The NAV based approach is meaningful from the perspective that it shows the extent to which the value of each share is backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NAV based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (including any intangible assets) in an orderly manner or over a reasonable period of time and at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, minority interest and obligation of the company or group with the balance to be distributed to its shareholders.

However, it should be noted that the NAV approach does not take into account or consideration the hypothetical sale of assets in a non-orderly manner or over a short period of time and the NAV does not illustrate the values at which assets may actually be realised or disposed of, given that the market values of assets may vary depending on, amongst others, the prevailing market and economic conditions. In addition, the NAV-based approach does not reflect the value of the company or the group as a going concern as it ignores the future economic benefits of the business as a whole.

Based on the latest announced balance sheet of the Group as at 30 June 2024	:
NAV attributable to owners of the Group (MYR'000)	115,812
Total number of issued shares (excluding treasury shares)	141,122,084
NAV per Share (MYR cents)	82.1
NAV per Share (SGD cents) ⁽¹⁾	23.6
Price to NAV per Share (as implied by the Scheme Consideration) (P/NAV) ⁽²⁾	1.6

Notes:

- (1) Converted to SGD cents at an exchange rate of MYR1.00:SGD0.2875 as at 30 June 2024 and rounded to the nearest one (1) decimal place.
- (2) P/NAV presented in the above table is rounded to nearest one (1) decimal place.

Based on the above, the Scheme Consideration represents a premium of approximately 61.1% against the NAV per Share of the Group as at 30 June 2024. Accordingly, the P/NAV as implied by the Scheme Consideration would be approximately 1.6 times as at 30 June 2024.

With reference to the Company's announcement dated 20 June 2024 regarding the acquisition of an industrial land in Malaysia that was subsequently completed in October 2024 ("Land Acquisition"), we note that the purchase consideration was arrived at based on arm's length negotiations between the Company and the vendor (Kumpulan Kenderaan Malaysia Berhad), and on a willing-buyer and willing-seller basis taking into account, *inter alia*, market value of properties in the surrounding area. We have considered that the Land Acquisition will not have a material impact on the NAV of the Company as the purchase consideration took into account the market value of the surrounding properties, and therefore the land will be recorded on the books at a value that should approximate its fair value.

In our evaluation of the financial terms of the Scheme, we have also considered whether there are any assets which may be valued at an amount that is materially different from what was recorded in the balance sheet of the Group as at 30 June 2024. In this regard, we note that the Group does

not have any investment properties and the Management has confirmed to us that, as at the Latest Practicable Date and to the best of their knowledge and belief:

- there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 June 2024 which would have a material impact on the NAV of the Group as at 30 June 2024;
- (b) there are no material events that have or will likely have a material impact to the financial position of the Group since 30 June 2024; and
- (c) other than that already provided for or disclosed in the Group's financial statements as at 30 June 2024, there are no other contingent liabilities, unrecorded earnings/expenses or assets/ liabilities which are likely to have a material impact on the NAV of the Group.

In addition, having regard to Rule 26.1 of the Code, we noted that besides cash and cash equivalents, there were no other assets on the Group's balance sheet as at 30 June 2024 where the net book value represents more than 30% of the offer value. In relation to the Land Acquisition that was completed in October 2024, we noted that the purchase consideration was arrived at taking into account the market value of properties in the surrounding area, and can be considered to approximate the fair value of the land. Accordingly, no asset valuation is required and we have not made any adjustment to the NAV of the Group for the purpose of our assessment of the financial terms of the Scheme.

7.3 Historical share price performance and trading liquidity of the Shares

On 18 October 2024, the Company issued the Holding Announcement after trading hours stating that it has been informed by its controlling shareholders that they are in discussions in respect of a possible transaction involving the shares in the Company. As such, we consider 18 October 2024 as the last full market day of the Company's Shares traded on the SGX-ST that is unaffected by the Holding Announcement and the subsequent Joint Announcement on the Acquisition and Scheme (the "Last Undisturbed Trading Day").

For the purpose of our analysis of the historical share price performance and trading liquidity of the Company's Shares in relation to the Scheme, we have compared the Scheme Consideration against the historical share prices of the Shares from the date the Company was listed ("**IPO**") on 12 May 2022, up to and including the Last Undisturbed Trading Day and for the period from the Holding Announcement Date up to the Latest Practicable Date (the "**Period Under Review**").

We set out below a chart showing the closing prices of the Shares and the trading volume of the Shares for the period commencing from 12 May 2022 and up to and including the Latest Practicable Date.



Source: Bloomberg L.P.

In addition to the above share price / trading volume chart, we have tabulated below selected statistics on the share price and trading liquidity of the Shares for the Period Under Review:

	VWAP	Premium/ (discount) of Scheme Consideration to VWAP	Highest closing price	•••	Average daily trading volume ('000)	Average daily trading volume as a percentage of free float
Reference Period	(S\$) ⁽¹⁾	(%) ⁽²⁾	(S\$)	(S\$)	(2) (3)	(%) ^{(1) (4)}
Since IPO up to and including the Last Undisturbed Trading Day	0.268	41.8	0.320	0.199	52.9	0.164
12-month period prior to and including the Last Undisturbed Trading Day	0.288	31.9	0.320	0.230	56.1	0.175
6-month prior to and including the Last Undisturbed Trading Day	0.301	26.2	0.320	0.280	26.1	0.081
3-month prior to and including the Last Undisturbed Trading Day	0.312	21.8	0.320	0.305	16.2	0.050
1-month prior to and including the Last Undisturbed Trading Day	0.311	22.2	0.315	0.310	25.8	0.080
On the Last Undisturbed Trading Day	0.310(5)	22.6	0.310	0.310	2.0	0.006
After the Holding Announcement up to 24 October 2024, being the last full trading day immediately prior to the Joint Announcement	0.324	17.3	0.320	0.315	78.1	0.243
On 24 October 2024, being the last full trading day immediately prior to the Joint Announcement	0.315 ⁽⁵⁾	20.6	0.315	0.315	24.6	0.077
Periods after the Joint Announceme	ent					
Period after the Joint Announcement to the Latest Practicable Date	0.369	2.9	0.380	0.360	84.6	0.263
Latest Practicable Date	0.375(5)	1.3	0.375	0.375	20.0	0.062

Source: Bloomberg L.P.

Notes:

- (1) Rounded to the nearest three (3) decimal places.
- (2) Rounded to the nearest one (1) decimal place.
- (3) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period divided by the number of market days during that period.
- (4) Based on the Company's annual report for FY2023 and share buy-back announcement on 1 April 2024, the number of shares of held in the hands of the public was approximately 32.1 million shares, being approximately 22.8% of the issued shares of the Company.
- (5) Refers to the latest closing price of the Shares on the respective days.

Based on the above, we note the following:

- (a) The Scheme Consideration of S\$0.38 is at a premium of approximately 46.2% and 41.8% to the Company's IPO price of S\$0.26 and the VWAP of the Shares since the IPO and up to and including the Last Undisturbed Trading Day respectively;
- (b) The Scheme Consideration of S\$0.38 is at a premium of approximately 31.9%, 26.2%, 21.8% and 22.2% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Undisturbed Trading Day respectively;
- (c) The Scheme Consideration of S\$0.38 is at a premium of approximately 22.6% and 20.6% to the closing price of the Shares on the Last Undisturbed Trading Day and on 24 October 2024 (being the last full trading day immediately prior to the Joint Announcement) respectively;
- (d) The Scheme Consideration of S\$0.38 is above the highest closing price of the Shares for the 12-month period prior to the Last Undisturbed Trading Day and for the period between the Holding Announcement and the Joint Announcement. In this regard, we also noted that the Scheme Consideration is above the highest closing price of the Shares of S\$0.320 for the period since the Company's listing on the SGX-ST on 12 May 2022 up to the Last Undisturbed Trading Day;
- (e) The Scheme Consideration of S\$0.38 is at a premium of approximately 2.9% to the VWAP of the Shares for the period after the Joint Announcement up to and including the Latest Practicable Date and the daily closing prices of the Shares during this period did not go above the Scheme Consideration; and
- (f) The Scheme Consideration of S\$0.38 is at a slight premium of approximately 1.3% to the closing price of the Shares on the Latest Practicable Date.

With regard to the trading liquidity of the Shares, we note the following:

- (a) Trading liquidity of the Shares since the IPO and up to and including the Last Undisturbed Trading Day has been very low with an average daily trading volume of between 2,000 Shares and approximately 56,121 Shares representing between 0.006% and 0.175% of the free float of the Company;
- (b) For the 12-month period commencing from 19 October 2023 and ending on the Last Undisturbed Trading Day, the Shares were traded on only 123 market days out of a total of 252 market days;
- (c) For the period after the Holding Announcement to the Joint Announcement Date, trading liquidity of the Shares increased significantly to an average daily trading volume of approximately 78,100, representing approximately 0.243% of the Company's free float; and

(d) For the period after the Joint Announcement to the Latest Practicable Date, trading liquidity of the Shares increased further and amounted to an average daily trading volume of approximately 84,637, representing approximately 0.263% of the Company's free float.

Based on the above, we note that the trading of the Shares appears to be relatively illiquid for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Undisturbed Trading Day. Based on the above observations, it appears likely that the market price and the trading volume of the Shares have been supported by the Scheme subsequent to the Joint Announcement. Given the low liquidity of the Company's Shares during the periods observed, the Scheme may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash. In the absence of the Scheme, such an exit for all Shareholders may not be readily available due to the low trading liquidity of the Company's Shares.

Shareholders should note that there is no assurance that the market price and trading volume of the Shares will be maintained at the level prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. Shareholders should also note that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

7.4 Valuation ratios of selected listed companies broadly comparable to the Group

For the purpose of our evaluation of the fairness of the Scheme Consideration, we have considered the valuation ratios of the Group implied by the Scheme Consideration as compared with selected companies listed on various stock exchanges which we consider to have business activities broadly comparable with those of Group ("**Comparable Companies**"). The Comparable Companies are selected as their business segments/activities are deemed to be broadly comparable with those of the Group, comprising business activities involving either: (i) waste management services; (ii) sales of recovered or recycled products; and/or (iii) chemical trading/sales.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there may not be any listed company or group which may be considered identical to the Group in terms of, *inter alia*, composition of business, business activities, size and scale of operations, risk profile, geographical spread of business, operating and financial leverage, accounting policies, track record, financial performance and future prospects, liquidity and market capitalisation. As such, any comparison made herein is necessarily limited and serves only as an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied fair market valuation (as the case may be) of the Group as at the Latest Practicable Date.

Company	Stock Exchange	Business Description
Better World Green PCL (" Better World ")	Thailand	Better World provides non-hazardous and hazardous industrial waste management services.
Tex Cycle Technology Malaysia Bhd (" Tex Cycle ")	Bursa Malaysia	Tex Cycle, through its subsidiaries, collects soiled rags, wipes and gloves from the electronics, engineering, automobile, oil and gas, printing, and other manufacturing industries and safely disposes of them.
Analabs Resources Bhd (" Analabs ")	Bursa Malaysia	Analabs, through its subsidiaries, provides industrial consultancy and analytical chemists services. Analabs also has operations in leasing property, trading industrial chemicals, sale of recycled products, and recycles industrial waste.
Enviro-Hub Holdings Ltd (" Enviro-Hub ")	Singapore	Enviro-Hub Holdings Limited is an investment holding company whose subsidiaries operate geotechnic and piling works, and develop properties. The company also sells, services and rents engineering hardware, construction machinery and equipment, and recycles metals and plastics.

Company	Stock Exchange	Business Description
Hiap Huat Holdings Bhd (" Hiap Huat ")	Bursa Malaysia	Hiap Huat is a licensed scheduled waste recycler. The company is involved in collecting, recycling, re-fining, and producing recycled products from waste oil, waste solvents, and used drums and containers.
Shanaya Limited	Singapore	Shanaya Limited is principally engaged in the provision of waste management and disposal services to shipping, industrial and commercial clients in Singapore.
Akkhie Prakarn PCL (" Akkhie Prakarn ")	Thailand	Akkhie Prakarn manages and operates an Industrial Waste Management Centre in the Samut Prakarn province, Thailand.
LS 2 Holdings Ltd (" LS 2 Holdings ")	Singapore	LS 2 Holdings, through its subsidiaries, provides environmental services such as school, facilities, and facade cleaning, conservancy, housekeeping, pandemic disinfection, and maintenance services. LS 2 Holdings derives revenue from providing services for contract cleaning, pest control and waste management.

Source: Bloomberg L.P. and annual reports

In our evaluation, we have considered the following widely used valuation measures for our analysis:

Valuation Ratio	Description
Price-to-earnings ratio (" P/E ")	The P/E, or earnings multiple, illustrates the ratio of a company's market capitalisation relative to its historical consolidated net profit attributable to shareholders. The P/E is an earnings-based valuation methodology.
	The P/E multiple is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and amortisation of intangible assets.
	We have considered the historical P/Es of the Comparable Companies based on their respective last transacted prices as at the Latest Practicable Date and trailing twelve months (TTM) earnings vis-à-vis the corresponding historical P/E of the Group based on the Scheme Consideration and the TTM earnings of the Group.
Enterprise value to EBITDA (" EV/ EBITDA ") ratio	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents.
	EBITDA refers to the consolidated earnings before interest, taxes, depreciation and amortisation expenses, inclusive of the share of associates' and joint ventures' income.
	The EV/EBITDA ratio illustrates the ratio of the market value of an entity relative to its pre-tax operating cashflow, without regard to its capital structure and provides an indication of current market valuation relative to operating performance.
	We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices as at the Latest Practicable Date, latest available balance sheet values and trailing twelve months (TTM) EBITDA vis-à-vis the corresponding historical EV/EBITDA ratio of the Group based on the Scheme Consideration and the TTM EBITDA of the Group.

Valuation Ratio	Description
Price-to-NAV (" P/NAV ")	An NAV-based approach is useful to illustrate the extent that the value of each share is backed by assets. The NAV-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 with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.

The valuation ratios of the Comparable Companies as at the Latest Practicable Date are set out below:

Company	Market Capitalisation as at LPD ^{(1) (2)}	TTM P/E ^{(1) (2)}	EV/TTM EBITDA ⁽²⁾	P/NAV ⁽²⁾
	(S\$ m)	(times)	(times)	(times)
Tex Cycle	95.1	17.3	9.3	2.4
Better World	84.0	41.5 ⁽³⁾	6.1	0.6
Analabs	59.3	6.1	7.7	0.5
Enviro-Hub	38.5	28.3	6.3	0.5
Hiap Huat	15.7	12.3	6.2	0.6
Shanaya Limited	14.4	n.m. ⁽⁴⁾	19.3 ⁽³⁾	4.7(3)
LS 2 Holdings	13.0	5.0	2.1	0.7
Akkhie Prakarn	10.2	6.7	2.4	0.4
High		41.5	19.3	4.7
Low		5.0	2.1	0.4
Mean		12.6	5.7	0.8
Median		9.5	6.2	0.6
Company as implied by the Scheme Consideration	53.6	9.1	4.8	1.6

Source: Bloomberg L.P.

Notes:

(1) Based on the closing price as at the Latest Practicable Date.

(2) Rounded to the nearest one (1) decimal place.

- (3) Excluded from the computation of the mean and median multiple as it is deemed as an outlier.
- (4) "n.m." denotes not meaningful as the relevant company was loss-making for the period.

Based on the above, we note that:

- (a) The EV/TTM EBITDA of the Group (as implied by the Scheme Consideration) of 4.8 times is within the range of EV/TTM EBITDA ratios of the Comparable Companies of between 2.1 times and 19.3 times, but slightly below the mean and median EV/TTM EBITDA ratios of the Comparable Companies of 5.7 times and 6.2 times respectively.
- (b) The TTM P/E of the Group (as implied by the Scheme Consideration) of 9.1 times is within the range of the TTM P/E ratios of the Comparable Companies of between 5.0 times and 41.5 times and is below the mean and median TTM P/E ratio of the Comparable Companies of 12.6 times and 9.5 times respectively.

(c) The P/NAV of the Group (as implied by the Scheme Consideration) of 1.6 times is within the range of P/NAV of the Comparable Companies of between 0.4 times to 4.7 times, and is above both the mean and median P/NAV of the Comparable Companies of 0.8 times and 0.6 times respectively.

7.5 Estimated range of values of the Shares

Under Section 7.4 of our IFA Letter above, we have utilised the guideline public company method by comparing the relevant trading multiples such as EV/TTM EBITDA, TTM P/E and P/ NAV of broadly comparable companies that are listed on various stock exchanges. In deriving at an estimated range of values of the Shares, we have considered the mean and median of the above EV/TTM EBITDA, TTM P/E and P/NAV valuation multiples (excluding outliers) to arrive at a blended valuation as follows:

Valuation parameter	Implied Valuation Low	n Range (S\$ million) High
Based on EV/TTM EBITDA as implied by the mean/ median EV/TTM EBITDA of the Comparable Companies	61.2	65.2
Based on TTM P/E as implied by the mean/median TTM P/E of the Comparable Companies	56.0	74.3
Based on P/NAV as implied by the mean/median P/NAV of the Comparable Companies	of 20.0	27.1
Blended Average (S\$ million) Implied range of values per Share (S\$)	45.7 0.324	55.5 0.394

7.6 Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST

In assessing the reasonableness of the Scheme Consideration, we have also compared the financial terms of the Scheme with those of selected successful privatisation transactions with a fair and reasonable opinion, involving companies listed on the SGX-ST (excluding real estate investment trusts and business trusts) that were announced and completed, since 1 January 2022 ("**Precedent Privatisation Transactions**").

It should be noted that the companies involved in the Precedent Privatisation Transactions may not be directly comparable to the Group due to differences in, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, liquidity, market capitalisation, risk profile and other relevant criteria. In addition, economic conditions have changed and may differ over the relevant periods, thus affecting, *inter alia*, the economic terms of the relevant offer considerations. Therefore, it should be noted that the comparison made herein serves only as an illustrative guide and the conclusions drawn from such comparisons may not necessarily reflect the perceived or implied market valuation of the Company. Shareholders should also note that the list of Precedent Privatisation Transactions is not exhaustive and information relating to the Precedent Privatisation Transactions was compiled from publicly available information.

			Premium / (Discount) of offer price over/(to)				
Company Name	Type ⁽¹⁾	Announcement date	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer Price/ NAV or Offer Price/RNAV ⁽²⁾ (times)
Second Chance Properties Ltd	VGO	10 July 2024	39.5	40.8	37.0	33.3	1.0
RE&S Holdings Limited	SOA	19-May-24	56.5	65.1	50.0	45.2	1.9
Isetan (Singapore) Limited	SOA	1-Apr-24	153.5	173.4	171.1	168.9	0.7
Best World International Limited	EO	22-Mar-24	46.3	47.1	46.3	48.4	1.9
Boustead Projects Limited	EO	14-Nov-23	23.6	51.1	50.1	45.9	0.6
Healthway Medical Corporation Limited	VD	3-July-23	45.5	45.0	44.1	39.9	1.1
LHN Logistics Limited	VGO	4-June-23	34.9	35.7	39.0	44.3	2.0
Challenger Technologies Limited	VGO	30-May-23	9.1	10.5	11.9	14.3	1.5
Global Palm Resources Holdings Limited	VGO	29-Mar-23	93.8	86.6	70.1	70.1	0.8
G.K. Goh Holdings Limited	VGO	28-Feb-23	38.5	38.8	39.2	37.6	1.0
Global Dragon Limited	VGO	10-Feb-23	14.3	15.4	22.4	17.6	0.7
Chip Eng Seng Corporation Ltd	MGO	24-Nov-22	5.6	13.1	26.5	33.7	0.6
Golden Energy and Resources Limited	VD	9-Nov-22	15.8	23.0	44.6	48.3	4.5
Colex Holdings Limited	SOA	17-Oct-22	25.0	13.9	13.3	0.9	1.6
Asian Healthcare Specialists Limited	VGO	6-Oct-22	17.5	18.3	21.3	22.3	2.1
MS Holdings Limited	VGO	3-Oct-22	16.7	_	25.2	25.5	0.5
Moya Holdings Asia Limited	VD	14-Sep-22	41.5	43.8	48.4	48.4	1.4
Singapore Medical Group Limited	VGO	13-Sep-22	23.1	28.1	28.9	25.8	1.1
Memories Group Ltd	VD	12-Sep-22	34.3	67.3	72.2	74.7	1.0
SP Corporation Limited	SOA	20-Aug-22	169.5	163.7	162.8	156.9	1.0
Hwa Hong Corporation Limited	VGO	17-May-22	36.5	36.1	32.0	22.0	0.8
Excelpoint Technology Ltd	SOA	13-Apr-22	21.4	36.6	31.3	45.9	1.6
Singapore O&G Ltd	VGO	7-Mar-22	18.0	14.8	12.2	11.3	3.6
Maximum			169.5	173.4	171.1	168.9	4.5
Mean			42.6	48.6	47.8	47.0	1.4
Median			34.3	37.7	39.0	39.9	1.1
Minimum			5.6	10.5	11.9	0.9	0.5
The Company – Implied by the Scheme Consideration	SOA	25-Oct-24	22.6	22.2	21.8	26.2	1.6

Source: SGX-ST announcements and circulars to shareholders in relation to the Precedent Privatisation Transactions

Notes:

- (1) EO Exit Offer; MGO Mandatory General Offer; VD Voluntary Delisting; VGO Voluntary General Offer; and SOA Scheme of Arrangement.
- (2) Based on the NAV per share or adjusted RNAV per share, where available, as published in the respective independent financial adviser's letter.

Based on the above, we note the following:

- (a) the premium of 22.6% implied by the Scheme Consideration over the last transacted price of the Shares on the Last Undisturbed Trading Day is within the range of premia, though below the mean and median premia, of the Precedent Privatisation Transactions;
- (b) the premia of 22.2%, 21.8% and 26.2% implied by the Scheme Consideration over the 1-month, 3-month and 6-month VWAPs of the Shares prior to and including the Last Undisturbed Trading Day are within the range of premia, though below the mean and median premia, of the Precedent Privatisation Transactions; and
- (c) the P/NAV as implied by the Scheme Consideration of 1.6 times, is within the range, and above both the mean and median Offer Price/NAV (or Offer Price/RNAV) of the Precedent Privatisation Transactions.

7.7 Other relevant considerations

7.7.1 Absence of alternative or competing offers

As at the Latest Practicable Date, other than the Scheme, there are no alternative or competing offer for the Shares of the Company from any other party. In addition, the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror Concert Party Group holds an aggregate of 108,974,784 Shares, representing approximately 77.22% of the total number of issued Shares (excluding treasury Shares).

7.7.2 Statutory control over the Company by the Offeror Concert Party Group

As noted above, as at the Latest Practicable Date, the Offeror Concert Party Group already controls approximately 77.22% of the total number of issued Shares (excluding treasury Shares). Accordingly, the Offeror Concert Party Group already have effective statutory control over the Company, which places them 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 is required to abstain from voting.

7.7.3 Effects of the Scheme and Delisting

Upon the Scheme becoming effective and binding in accordance with its terms, the Offeror will hold 100% of the Company and consequently, the Company will not be able to meet the relevant listing requirements of the SGX-ST and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

8. OUR OPINION AND RECOMMENDATION TO THE NON-CONFLICTED DIRECTORS

In arriving at our opinion in respect of the Scheme, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Scheme. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

In determining the fairness of the financial terms of the Scheme, we have considered, *inter alia*, the following pertinent factors pertaining to the value of the Shares:

- (a) Based on the NAV 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 Scheme Consideration represents a premium of approximately 61.1% over the latest announced NAV per Share of the Company as at 30 June 2024. Accordingly, the P/NAV of the Group implied by the Scheme Consideration would be approximately 1.6 times;
- (b) In arriving at our estimated range of value, we have considered and utilised the mean and median of the EV/TTM EBITDA, TTM P/E and P/NAV valuation multiples (excluding outliers) of the Comparable Companies to arrive at a blended valuation range. Although the EV/TTM EBITDA of the Group (as implied by the Scheme Consideration) of 4.8 times is below the mean and median EV/TTM EBITDA ratios of the Comparable Companies of 5.7 times and 6.2 times respectively and the TTM P/E of the Group (as implied by the Scheme Consideration) of 9.1 times is below both the mean and median of the TTM P/E ratio of the Comparable Companies of 12.6 times and 9.5 times, the P/NAV (as implied by the Scheme Consideration) of 1.6 times is significantly above both the mean and median P/NAV ratios of the Comparable Companies of 0.8 times and 0.6 times;
- (c) The Scheme Consideration is within the estimated range of values of the Shares of S\$0.324 to S\$0.394 per Share;
- (d) The premia as implied by the Scheme Consideration over the VWAP of the Shares for the 6-month, 3-month and 1-month periods up to and including the Last Undisturbed Trading Day are within the respective range of the Precedent Privatisation Transactions; and
- (e) The P/NAV ratio (as implied by the Scheme Consideration) of 1.6 times is higher than both the mean and median P/NAV ratios of the Precedent Privatisation Transactions.

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

In determining the reasonableness of the Scheme, apart from the above assessment that the Scheme is FAIR, we have also considered, *inter alia*, the following pertinent factors:

- (a) The Scheme Consideration represents a premium of approximately 22.6% and 20.6% over the closing price of the Shares on the Last Undisturbed Trading Day and on 24 October 2024 (being the last full trading day immediately prior to the Joint Announcement) respectively;
- (b) The Scheme Consideration represents a premium of approximately 46.2% over the Company's IPO price and is above the highest closing price of the Shares of S\$0.320 for the period since the Company's listing on the SGX-ST on 12 May 2022 up to the Last Undisturbed Trading Day;
- (c) The trading of the Company's Shares appears to be relatively illiquid since the IPO and in the 12-month, 6-month, 3-month and 1-month period up to and including the Last Undisturbed Trading Day. Given the low liquidity of the Company's Shares during the periods observed, the Scheme may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash, which may not otherwise be readily available; and

(d) As at the Latest Practicable Date, other than the Scheme, there are no alternative or competing offer for the Shares of the Company from any other party. In addition, the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror Concert Party Group holds an aggregate of 108,974,784 Shares, representing approximately 77.22% of the total number of issued Shares (excluding treasury Shares).

In view of the above and as we consider the Scheme to be **FAIR**, we are of the opinion that the Scheme is **REASONABLE**.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the terms of the Scheme are FAIR AND REASONABLE. Accordingly, we advise the Non-Conflicted Directors to recommend Shareholders to <u>vote in favour</u> of the Scheme.

Our opinion is addressed to the Non-Conflicted Directors for their benefit and for the purpose of their consideration of the Scheme. The recommendation made by the Non-Conflicted Directors to the Shareholders in respect of the Scheme shall remain the responsibility of the Non-Conflicted Directors.

In rendering our opinion and providing our recommendation, we did not have regard to the specific objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who may require specific advice in relation to his/her investment portfolio or objectives should consult his/her stock broker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Whilst a copy of this IFA Letter may be reproduced in the Scheme Document, neither the Company, the Non-Conflicted Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purpose of the Scheme.

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

Yours faithfully,

For and on behalf of **W Capital Markets Pte. Ltd.**

Foo Say Nam Partner Head of Advisory Alicia Chang Vice President Corporate Finance

GREENEDGE SDN. BHD. (Company Registration No.: 202401031980 (1577829-P)) (Incorporated in Malaysia)

7 January 2025

To: The Shareholders of 5E Resources Limited

Dear Sir/Madam

PROPOSED ACQUISITION BY GREENEDGE SDN. BHD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF 5E RESOURCES LIMITED (OTHER THAN TREASURY SHARES AND SHARES HELD BY THE OFFEROR CONCERT PARTY GROUP) BY WAY OF A SCHEME OF ARRANGEMENT

1. INTRODUCTION

- 1.1 Acquisition. On 18 October 2024 (the "Holding Announcement Date"), 5E Resources Limited (the "Company", and together with its subsidiaries, the "Group") made an announcement titled "Holding Announcement" after being informed by the Company's controlling shareholders of a possible transaction involving the shares of the Company. Thereafter, on 25 October 2024 (the "Joint Announcement Date"), GreenEdge Sdn. Bhd. (the "Offeror"), a special purpose company incorporated under the laws of Malaysia, and the Company made a joint announcement (the "Joint Announcement") in relation to the proposed acquisition (the "Acquisition") by the Offeror of all the issued ordinary shares in the capital of the Company (the "Shares") other than treasury Shares held by the Company and Shares held by the Offeror Concert Party Group (as defined below) by way of a scheme of arrangement (the "Companies Act"), and the Singapore Code on Take-overs and Mergers (the "Code").
- 1.2 The Offeror. The Offeror is a special purpose vehicle incorporated in Malaysia for the purposes of the Acquisition. As at the date of this Letter, the shareholders of the Offeror are Mdm. Loo Sok Ching ("Sok Ching"), Mr. Wong Kim Fatt ("Kim Fatt"), Mr. Ban Kim Wah ("Kim Wah"), Mr. Lim Te Hua ("Te Hua") and Mr. Shankar A/L Narasingam ("Shankar") (together with the Offeror, collectively, the "Offeror Concert Party Group"). Further information relating to the Offeror is set out in paragraph 6 of this Letter.
- **1.3** Implementation Agreement. In connection with the Acquisition, the Offeror and the Company have, on 25 October 2024, entered into an implementation agreement (the "Implementation Agreement") setting out the terms and conditions on which the Offeror and the Company will implement the Scheme.
- 1.4 Scheme Document. This Letter from the Offeror to shareholders of the Company ("Shareholders") should be read and construed together with, and in the context of, the scheme document dated 7 January 2025 ("Scheme Document") issued by the Company to the Shareholders containing details of the Scheme. Unless otherwise stated, terms used but not defined in this Letter shall have the same meanings as defined in the Scheme Document.

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

2. THE ACQUISITION AND THE SCHEME

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

Under the Scheme:

- (a) all the Shares held by Entitled Shareholders (other than those already held by the Company as treasury Shares and those already held by the Offeror Concert Party Group) will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from all Encumbrances; and
 - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, made or paid by the Company to the Shareholders on or after the Joint Announcement Date.
- (b) In consideration of the transfer of the Shares pursuant to paragraph 2.1(a) of this Letter, each Entitled Shareholder will be entitled to receive the Scheme Consideration of <u>S\$0.38 in</u> <u>cash</u> for each Share.
- (c) If any dividends, rights or other distributions are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions.
- 2.2 Scheme Conditions. The Scheme is conditional upon the satisfaction or waiver (as the case may be) of the Scheme Conditions. Additional information on the Scheme Conditions is set out in paragraphs 8 and 9 of the Explanatory Statement. The Scheme Conditions are reproduced in Appendix H to the Scheme Document.
- 2.3 Effect of Termination. In the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall cease to have any further force or effect (save for certain surviving provisions of the Implementation Agreement), and there shall be no further liability or obligation on the part of any of the Company or the Offeror (save for certain surviving provisions of the Implement).

Please refer to **paragraph 8.6** of the Explanatory Statement for additional details on the termination rights under the Implementation Agreement.

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

3. IRREVOCABLE UNDERTAKINGS

No Irrevocable Undertakings. No person has given any irrevocable undertaking to the Offeror and the Offeror Concert Party Group to vote in favour of the Scheme at the Scheme Meeting as at the Latest Practicable Date.

4. DELISTING

- **4.1** Upon the Scheme becoming effective and binding in accordance with its terms, the Company will be wholly-owned by the Offeror Concert Party Group, and consequently will not be able to meet the listing requirements of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Subject to the approval of the SGX-ST and the Scheme becoming effective and binding, it is intended for the Company to be delisted from the Catalist Board of the SGX-ST.
- 4.2 The Company will, through its continuing sponsor, RHT Capital Pte. Ltd., submit an application in respect of the proposed delisting and removal of the Company from the Catalist Board of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms (the "Delisting") to the SGX-ST in due course. The Delisting will be conditional upon the SGX-ST advising that it has no objection to the Company's application for the Delisting (the "SGX-ST Delisting Approval").
- **4.3** Please note that the SGX-ST's decision is not to be taken as an indication of the merits of the Scheme, the Delisting, the Company, its subsidiaries and/or their securities.
- 4.4 SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE SHARES WILL, SUBJECT TO THE SGX-ST DELISTING APPROVAL BEING OBTAINED, BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

5. RATIONALE FOR THE ACQUISITION AND FUTURE INTENTIONS FOR THE COMPANY

5.1 Rationale for the Acquisition

(a) Flexibility in managing business of the Group

The Offeror believes that the Acquisition and subsequent privatisation of the Company will provide the Offeror and the management of the Company with greater flexibility to manage and develop the business of the Group with a focus on long-term execution whilst helping it save costs and resources associated with maintaining its listed status.

(b) Opportunity for the Shareholders to Realise their Investment in the Shares at a Premium Over Market Price without incurring Brokerage Costs

The Acquisition represents an opportunity for the Shareholders to realise their investment in the Shares at a compelling premium over historical market prices without incurring brokerage and trading costs.

Description	Benchmark Price (S\$) ⁽²⁾	Premium over Benchmark Price (%) ⁽³⁾
Last traded price of the Shares on the SGX-ST on 24 October 2024, being the last full trading day immediately prior to the Joint Announcement Date	0.315	20.6
Last traded price of the Shares on the SGX-ST on the Last Undisturbed Trading Day	0.310	22.6
VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.311	22.2
VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.312	21.8

Description	Benchmark Price (S\$) ⁽²⁾	Premium over Benchmark Price (%) ⁽³⁾
VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.301	26.2
VWAP of the Shares traded on the SGX-ST for the twelve (12)-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	0.288	31.9
IPO price on 12 May 2022	0.260	46.2
Unaudited NAV per Share as at 30 June 2024 ⁽⁴⁾⁽⁵⁾	0.250	52.0

Notes:

- (1) Based on data extracted from Bloomberg LP. The VWAP of the Shares are calculated by using the total value over the total volume of Shares traded in the relevant period prior to and including the Last Undisturbed Trading Day.
- (2) Rounded to the nearest three decimal places.
- (3) Rounded to the nearest one decimal place.
- (4) Based on the unaudited NAV per Share as at 30 June 2024 as disclosed in the Company's latest financial statements for the financial period ended 30 June 2024, rounded to the nearest three decimal places.
- (5) Based on the exchange rate of S\$1.00:MYR3.2789 on the Holding Announcement Date, extracted from https://www.bnm.gov.my/exchange-rates.

(c) Low Trading Liquidity

The trading volume of the Shares has been low, with an average daily trading volume of approximately 52,876¹ Shares recorded since the Company's IPO, up to and including the Last Undisturbed Trading Day. For the one (1)-month, three (3)-month, six (6)-month and twelve (12)-month periods, the average daily trading volumes were approximately 25,768 Shares, 16,171¹ Shares, 26,146¹ Shares and 56,121¹ Shares, respectively. Each of these represents 0.04% or less² of the total number of issued Shares for any of the aforementioned relevant periods.

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

5.2 Future Intentions for the Company

There is presently no intention by the Offeror to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the employees of the Group, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Group which may be implemented after the Effective Date.

However, the board of directors of the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Group.

¹ Due to an inadvertent error, the figures set out in this paragraph 5.1(c) supersede the prior figures set out in paragraph 3.3 of the Joint Announcement.

² The average daily trading volume as a percentage of total number of the Shares is based on data extracted from Bloomberg L.P. as at the Last Undisturbed Trading Day and calculated using the total volume of Shares traded divided by the number of market days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period up to and including the Last Undisturbed Trading Day, rounded to the nearest two decimal places.

6. INFORMATION RELATING TO THE OFFEROR

6.1 The Offeror. The Offeror is a special purpose vehicle incorporated in Malaysia for the purpose of the Acquisition and the Scheme. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Acquisition.

As at the Latest Practicable Date:

- (i) the Offeror has an issued and paid-up share capital of MYR1,000 comprising 1,000 ordinary shares;
- (ii) the shareholders of the Offeror are as follows:
 - (a) Mdm. Sok Ching holding 361 shares, representing approximately 36.10% of the total number of issued shares of the Offeror;
 - (b) Mr. Kim Fatt holding 278 shares, representing approximately 27.80% of the total number of issued shares of the Offeror;
 - (c) Mr. Kim Wah holding 155 shares, representing approximately 15.50% of the total number of issued shares of the Offeror;
 - (d) Mr. Te Hua holding 146 shares, representing approximately 14.60% of the total number of issued shares of the Offeror; and
 - (e) Mr. Shankar holding 60 shares, representing approximately 6.00% of the total number of issued shares of the Offeror.
- (iii) the members of the board of directors of the Offeror comprise Mdm. Sok Ching and Mr. Te Hua, who are also directors on the Company Board;
- (iv) the Offeror does not hold any Shares; and
- (v) the Offeror Concert Party Group collectively holds an aggregate of 108,974,784 Shares, representing 77.22% of the total number of issued Shares (excluding treasury Shares), as follows:
 - (a) Mdm. Sok Ching holds directly 39,339,900 Shares, representing approximately 27.88% of the total number of issued Shares (excluding treasury Shares);
 - (b) Mr. Kim Fatt holds directly 30,262,296 Shares, representing approximately 21.44% of the total number of issued Shares (excluding treasury Shares);
 - (c) Mr. Kim Wah holds directly 16,901,988 Shares, representing approximately 11.98% of the total number of issued Shares (excluding treasury Shares);
 - (d) Mr. Te Hua holds directly 15,888,522 Shares, representing approximately 11.26% of the total number of issued Shares (excluding treasury Shares); and
 - (e) Mr. Shankar holds directly 6,582,078 shares, representing approximately 4.66% of the total number of issued Shares (excluding treasury Shares).
- 6.2 Schedule A to this Letter sets out certain additional information relating to the Offeror.

7. DISCLOSURE OF INTERESTS

- **7.1** Holdings of and Dealings in Shares. As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter, in particular, Schedule B):
 - (a) none of (i) the Offeror, (ii) the directors of the Offeror and (iii) the other members of the Offeror Concert Party Group owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any (a) Shares or securities which carry voting rights in the Company; and (b) convertible securities, warrants, options and derivatives in respect of (a) (collectively, the "Company Securities"); and
 - (b) none of (i) the Offeror, (ii) the directors of the Offeror and (iii) the other members of the Offeror Concert Party Group have dealt for value in the Company Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

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

- 7.2 Other Arrangements. As at the Latest Practicable Date:
 - (a) no person has given any irrevocable undertaking to any member of the Offeror Concert Party Group to vote in favour of the Scheme at the Scheme Meeting;
 - (b) there are no Company Securities held by any persons with whom any member of the Offeror Concert Party Group has any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities; and
 - (c) no member of the Offeror Concert Party Group has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise; (ii) borrowed from another person any Company Securities (excluding borrowed securities which have been on-lent or sold); or (iii) lent to another person any Company Securities.

8. OVERSEAS SHAREHOLDERS

8.1 Overseas Shareholders. The applicability of the Scheme to Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company, or as the case may be, in the records of The Central Depository (Pte) Limited ("Overseas Shareholders") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document (including this Letter) and any related documents to any overseas jurisdiction, the Offeror reserves the right not to send such documents to Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Shareholders (including Overseas Shareholders), including those to whom the Scheme Document and any related documents will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

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

8.2 Copies of Scheme Document.

The Constitution provides that any Shareholder whose registered address is outside Singapore and who has not supplied to the Company or CDP (as the case may be) an address within Singapore for the service of notices and documents shall not be entitled to receive any such notices or documents from the Company. Accordingly, the Offeror and the Company reserve the right not to send the Notice of Scheme Meeting, the Proxy Form and the Request Form to any Overseas Shareholder, including where there are potential restrictions on sending the Notice of Scheme Meeting, the Proxy Form to the relevant overseas jurisdiction. Hence, the Scheme Document and any related documents has not been and will not be sent to any Overseas Shareholder.

Electronic copies of the Scheme Document (together with the Notice of Scheme Meeting, the Proxy Form and the Request Form) have been made available on SGXNet at the URL <u>https://sgx.com/securities/company-announcements</u> and the Company's corporate website at the URL <u>https://www.5e-resources.com/announcements</u>. A Shareholder will need an internet browser and PDF reader to view these documents on the SGXNet announcement page of the Company and the corporate website of the Company.

Shareholders (including Overseas Shareholders) may obtain printed copies of the Scheme Document (including this Letter) by submitting the Request Form to the Share Registrar, In.Corp Corporate Services Pte. Ltd., either:

- (a) by post at:
 - (i) **(before 13 January 2025)** 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (ii) **(on or after 13 January 2025)** 36 Robinson Road, #20-01 City House, Singapore 068877; or
- (b) via email to <u>shareregistry@incorp.asia</u>,

in either case by no later than **10.00 a.m. on 15 January 2025**. Printed copies of this Scheme Document will be sent to the address in Singapore specified by the Shareholder by ordinary post at its own risk, up to three (3) Market Days prior to the date of the Scheme Meeting.

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

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

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

Notwithstanding that any Overseas Shareholder may not receive the notice of the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective in accordance with its terms.

9. SETTLEMENT AND REGISTRATION PROCEDURES

9.1 Entitled Shareholders whose Shares are not deposited with CDP.

Entitlements of Entitled Shareholders (not being Depositors) under the Scheme will be determined on the basis of their holdings of Shares appearing in the Register of Members as at 5.00 p.m. on the Record Date.

Entitled Shareholders (not being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are registered in their names with the Share Registrar by 5.00 p.m. on the Record Date.

From the Effective Date, all existing share certificates relating to the Shares held by Entitled Shareholders (not being Depositors) will cease to be evidence of title to the Shares represented thereby.

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

9.2 Entitled Shareholders whose Shares are deposited with CDP.

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

Entitled Shareholders (being Depositors) who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are credited to their Securities Accounts by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit all the Shares standing to the credit of each relevant Securities Account of each Entitled Shareholder (being a Depositor) and credit all of such Shares to the Securities Account(s) of the Offeror in such Securities Account(s) as directed by the Offeror, within seven (7) Business Days of the Effective Date and prior to delisting of Company.

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

- **9.3 Implementation.** If the Court sanctions the Scheme, the Offeror and the Company will (subject to the Scheme Conditions having been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement on or before 5.00 p.m. on the Cut-Off Date) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:
 - (a) the Shares held by Entitled Shareholders (other than those already held by the Company as treasury shares and those already held by the Offeror Concert Party Group) will be transferred to the Offeror for the Scheme Consideration to be paid by the Offeror to the Entitled Shareholders for each Share, in the following manner:
 - (i) in the case of Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders an instrument or instruction of transfer of all the Shares held by such Entitled Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholder; and
 - (ii) in the case of Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Entitled Shareholders, to debit, not later than seven (7) Business Days after the Effective Date, all the Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror;
 - (b) from the Effective Date, all existing share certificates relating to the Shares held by the Entitled Shareholders (not being Depositors) will cease to be evidence of title of the Shares represented thereby;
 - (c) Entitled Shareholders (not being Depositors) are required to forward their existing share certificates relating to their Shares to the Share Registrar, In.Corp Corporate Services Pte. Ltd., (before 13 January 2025) at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712, or (on or after 13 January 2025) at 36 Robinson Road, #20-01 City House, Singapore 068877 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and
 - (d) not later than seven (7) Business Days after the Effective Date, and against the transfer of the Shares set out in this paragraph 9.3 of this Letter, the Offeror shall pay cash to the Entitled Shareholders who are entitled to receive the Scheme Consideration for their Shares as follows:
 - (i) Entitled Shareholders whose Shares are not deposited with CDP

the Offeror shall pay each Entitled Shareholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Shareholder, or in the case of joint Entitled Shareholders, to the first-named Entitled Shareholder made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Entitled Shareholders; and

(ii) Entitled Shareholders whose Shares are deposited with CDP

the Offeror shall pay each Entitled Shareholder (being a Depositor) by making payment of the Scheme Consideration payable to such Entitled Shareholder to CDP. CDP shall:

(A) in the case of an Entitled Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Scheme Consideration payable to such Entitled Shareholder, to the designated bank account of such Entitled Shareholder; and

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

Assuming that the Scheme becomes effective and binding in accordance with its terms on 21 February 2025, the crediting by CDP of the Scheme Consideration into the designated bank accounts of the Entitled Shareholders (in the case of Entitled Shareholders (being Depositors) who have registered with CDP for its direct crediting service), the posting of cheques for the Scheme Consideration as set out in paragraph 9.3(d)(i) of this Letter or the payment of the Scheme Consideration in any other manner as the relevant Entitled Shareholder may have agreed with CDP (as the case may be), is expected to take place on or before 4 March 2025.

The despatch of payment by the Offeror to each Entitled Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

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

10. GENERAL INFORMATION

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

11. CONFIRMATION OF FINANCIAL RESOURCES

RHT Capital Pte. Ltd., being the continuing sponsor to the Company, confirms that sufficient financial resources are available to the Offeror to satisfy in full the Scheme Consideration payable by the Offeror for all the Shares (excluding treasury Shares held by the Company and Shares held by the Offeror Concert Party Group) to be acquired by the Offeror pursuant to the Scheme. For the avoidance of doubt, the continuing sponsor is not acting as the financial adviser to the Offeror.

12. **RESPONSIBILITY STATEMENT**

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter which relate to the Offeror (excluding information relating to the Company or any opinion expressed by the Company or the IFA) are fair and accurate and that there are no other material facts not contained in this Letter, the omission of which would make any statement in this Letter misleading. The directors of the Offeror jointly and severally accept responsibility accordingly.

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

Yours faithfully For and on behalf of **GREENEDGE SDN. BHD.**

Lim Te Hua Director

SCHEDULE A INFORMATION RELATING TO THE OFFEROR

1. DIRECTORS OF THE OFFEROR

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

Name	Address	Designation
Mdm. Loo Sok Ching	c/o 36 Robinson Road, #20-01 City House, Singapore 068877	Director
Mr. Lim Te Hua	c/o 36 Robinson Road, #20-01 City House, Singapore 068877	Director

2. PRINCIPAL ACTIVITIES OF THE OFFEROR AND SHARE CAPITAL

The Offeror is a special purpose vehicle incorporated in Malaysia for the purpose of the Acquisition and the Scheme. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Acquisition. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of MYR1,000 comprising 1,000 ordinary shares.

3. FINANCIAL INFORMATION ON THE OFFEROR

As the Offeror was newly incorporated on 5 August 2024 for the purpose of the Acquisition, no audited or unaudited financial statements of the Offeror have been prepared as at the Latest Practicable Date for inclusion in this Letter.

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

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

4. **REGISTERED OFFICE**

The registered office of the Offeror is at Suite 2, 1st Floor 2J-1 Jalan Giam Taman Majidee, 80250 Johor Bahru, Johor, Malaysia.

SCHEDULE B DISCLOSURES

1. HOLDINGS IN SECURITIES

Save as disclosed in the Scheme Document (including this Letter, in particular, this **paragraph 1** of this **Schedule B**), as at the Latest Practicable Date, none of (i) the Offeror, (ii) the directors of the Offeror, (iii) the other members of the Offeror Concert Party Group, owns, controls or has agreed to acquire any Company Securities.

Name	Direct In	iterest	Deemed Interest		
Name	No. of Shares	Per cent. ⁽¹⁾	No. of Shares	Per cent.(1)	
Mdm. Loo Sok Ching	39,339,900	27.88	47,164,284 ⁽²⁾	33.42	
Mr. Wong Kim Fatt	30,262,296	21.44	56,241,888 ⁽²⁾	39.85	
Mr. Ban Kim Wah	16,901,988	11.98	69,602,196 ⁽²⁾	49.32	
Mr. Lim Te Hua	15,888,522	11.26	_	_	
Mr. Shankar A/L Narasingam	6,582,078	4.66	_	_	

Notes:

- (1) Calculated based on there being 141,122,084 Shares in issue (excluding 6,352,700 treasury Shares), as at the Latest Practicable Date, and rounded to two decimal places.
- (2) Mdm. Loo Sok Ching is the spouse and Mr. Ban Kim Wah is the younger brother of Mr. Wong Kim Fatt, respectively. Accordingly, Mdm. Loo Sok Ching, Mr. Wong Kim Fatt and Mr. Ban Kim Wah are deemed to have an interest in the Shares held by one another.

2. DEALINGS IN COMPANY SECURITIES

As at the Latest Practicable Date, none of (i) the Offeror, (ii) the directors of the Offeror or (iii) the other members of the Offeror Concert Party Group, has dealt for value in the Company Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

SCHEDULE C GENERAL INFORMATION

1. SPECIAL ARRANGEMENTS

- **1.1** No Agreement having any Connection with or Dependence upon the Scheme. As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) any member of the Offeror Concert Party Group and (ii) any of the current or recent directors of the Company or any of the current or recent Shareholders or any other person that has any connection with, or is dependent on or is conditional upon, the Scheme or its outcome.
- **1.2 Transfer of Shares.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Shares acquired by the Offeror pursuant to the Scheme will be transferred to any other person. However, the Offeror reserves the right to direct or transfer any of the Shares to any of its related corporations.
- **1.3** No Payment or Benefit to Directors of the Company. As at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror and any director of the Company or of any of its related corporations (within the meaning of Section 6 of the Companies Act) for any payment or other benefit to be made or given to such director as compensation for loss of office or otherwise in connection with the Scheme.
- **1.4 No Agreement Conditional upon Outcome of the Scheme.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror, on the one hand, and any director of the Company or any other person, on the other hand, in connection with or conditional upon the outcome of the Scheme or otherwise connected with the Scheme.
- **1.5 Directors' and Managers' Service Contracts.** The emoluments of the respective directors of the Offeror will not be varied or affected by the implementation of the Scheme or any other associated relevant transaction.

2. DISCLOSURES IN RELATION TO THE COMPANY

- 2.1 Material Changes in the Financial Position of the Company. Save as disclosed in the Scheme Document (including this Letter) and any other information on the Group which is publicly available (including without limitation, the announcements released by the Company on SGXNET), there have not been, to the knowledge of the Offeror, any material changes in the financial position of the Company since 31 December 2023, being the date of the last published audited consolidated financial statements of the Group.
- **2.2 Transfer Restrictions.** The Constitution does not contain any restrictions on the right to transfer the Shares in connection with the Acquisition or the Scheme.

3. MARKET QUOTATIONS

3.1 Closing Prices. The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg, L.P.) on a monthly basis commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date, on the Last Undisturbed Trading Day, on the last Market Day on which the Shares were traded on the SGX-ST prior to the Joint Announcement Date ("Last Traded Market Day") and on the Latest Practicable Date, and the corresponding premium based on the Scheme Consideration of S\$0.38:

Date	Closing Price (S\$)	Premium based on the Scheme Consideration of S\$0.38
30 April 2024	0.280	35.71
31 May 2024	0.300	26.67
30 June 2024	0.305	24.59
31 July 2024	0.315	20.63
31 August 2024	0.310	22.58
30 September 2024	0.310	22.58
Last Undisturbed Trading Day	0.310	22.58
Last Traded Market Day	0.315	20.63
31 October 2024	0.365	4.11
30 November 2024	0.375	1.33
Latest Practicable Date	0.375	1.33

3.2 Highest and Lowest Prices. The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg, L.P.) during (i) the period commencing on the six months prior to the Joint Announcement Date and ending on the Latest Practicable Date (the "Reference Period") and (ii) the six-month period up to and including the Last Undisturbed Trading Day (the "Undisturbed Reference Period"), and the corresponding premium based on the Scheme Consideration of S\$0.38 are as follows:

	Price (S\$)	Date	Premium based on the Scheme Consideration of S\$0.38
Highest Closing Price during the Reference Period	0.380	3 December 2024 and 5 December 2024	_
Highest Closing Price during the Undisturbed Reference Period	0.320	26 July 2024 and 30 July 2024	15.15
Lowest Closing Price during the Reference Period	0.280	25 April 2024 and 26 April 2024	35.71
Lowest Closing Price during the Undisturbed Reference Period	0.280	24 April 2024, 25 April 2024 and 26 April 2024	35.71

4. CONSENT

The Share Registrar has given and has not withdrawn its written consent to the issue of this Letter with the inclusion herein of its name and all references to its name in the form and context in which it appears in this Letter.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection at the registered office of the Company (**before 13 January 2025**) at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, or (**on or after 13 January 2025**) at 36 Robinson Road, #20-01 City House, Singapore 068877 during normal business hours from the date of the Scheme Document up to the Effective Date:

- (a) the Implementation Agreement; and
- (b) the letter of consent referred to in **paragraph 4** of this **Schedule C** to this Letter.

1. DIRECTORS

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

Name	Address	Designation
Mdm. Loo Sok Ching	c/o 30 Cecil Street #19-08 Prudential Tower Singapore 049712	Chairperson and Executive Director
Mr. Lim Te Hua	c/o 30 Cecil Street #19-08 Prudential Tower Singapore 049712	Executive Director and Chief Executive Officer
Mr. Shankar A/L Narasingam	c/o 30 Cecil Street #19-08 Prudential Tower Singapore 049712	Executive Director and Chief Operating Officer
Mr. Wong Chee Meng Lawrence	c/o 30 Cecil Street #19-08 Prudential Tower Singapore 049712	Lead Independent and Non- Executive Director
Mr. Kam Chai Hong	c/o 30 Cecil Street #19-08 Prudential Tower Singapore 049712	Independent and Non-Executive Director
Mr. Siow Chin How	c/o 30 Cecil Street #19-08 Prudential Tower Singapore 049712	Independent and Non-Executive Director
Mr. Wang Han Lin	c/o 30 Cecil Street #19-08 Prudential Tower Singapore 049712	Independent and Non-Executive Director

2. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 18 October 2021 under the Companies Act and was listed on the Catalist Board of the SGX-ST on 12 May 2022.

The Group is one of the largest scheduled waste management services providers in Malaysia, focusing on the collection, transportation and treatment of scheduled waste. The Group also has two other complementary business segments, being the sale of recovered and recycled products and trading of chemicals.

3. SHARES

3.1 Shares

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$28,172,464 comprising 147,474,784 Shares. As the Latest Practicable Date, the total number of shares is 141,122,084 Shares (excluding treasury shares) and the Company holds 6,352,700 Shares in treasury. The Company has not issued any Shares since the end of FY2023.

3.2 Rights of the Shareholders in respect of Capital, Dividends and Voting

Selected texts of the Company's Constitution relating to the rights of the Shareholders in respect of capital, dividends and voting have been extracted and reproduced in **Appendix E** to this Scheme Document.

3.3 Convertible Instruments and Share Plans

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

4. FINANCIAL INFORMATION

4.1 Financial Information of the Group

Set out below is certain financial information extracted from the audited consolidated financial statements of the Group for FY2021, FY2022 and FY2023, as well as the unaudited consolidated financial statements of the Group for 1HFY2024.

The financial information for FY2021, FY2022 and FY2023 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the audited consolidated financial statements of the Group for FY2021 and the annual reports of the Group for FY2022 and FY2023 respectively and the financial information for 1HFY2024 should be read in conjunction with the unaudited consolidated financial statements of the Group and the Group and the Interval accompanying notes as set out in the unaudited consolidated financial statements of the Group for 1HFY2024.

	Unaudited 1HFY2024 (MYR'000)	Audited FY2023 (MYR'000)	Audited FY2022 (MYR'000)	Audited FY2021 (MYR'000)
Revenue	40,817	79,961	64,969	57,970
Gross profit	18,841	39,812	29,779	27,625
Net profit before tax	13,536	27,900	17,390	14,126
Net profit after tax	9,852	21,561	12,320	9,297
<u>Net earnings per share (in cents)</u>				
– Basic	6.76	14.6	9.2	8.5
- Diluted	6.76	14.6	9.2	8.5

Set out below is also a summary of the dividend per Share declared in respect of each of the years of 2021, 2022 and 2023.

	2023	2022	2021
Net dividends per share	_	S\$0.01 (approximately	_
-		MYR0.0327)	

4.2 Consolidated Statement of Financial Position

The audited consolidated statement of financial position of the Group as at 31 December 2023, being the latest published audited consolidated statement of financial position of the Group prior to the Latest Practicable Date, is set out below.

The audited consolidated statement of financial position of the Group as at 31 December 2023 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual report of Company for FY2023 and the accompanying notes as set out in the unaudited consolidated financial statements of the Group for 1HFY2024.

	Unaudited 1HFY2024 As at 30 June 2024 (MYR'000)	Audited FY2023 As at 31 December 2023 (MYR'000)	
ASSETS			
Non-current assets			
Property, plant and equipment	51,001	46,569	
Right-of-use assets	15,128	15,429	
Total non-current assets	66,129	61,998	
Current assets			
Cash and cash equivalents	58,396	62,450	
Short-term deposits		85	
Trade and other receivables	16,546	12,947	
Amount due from a related party	16	4	
Other current assets	671	240	
Contract assets	_	43	
Inventories	523	414	
Total current assets	76,152	76,183	
Total assets	142,281	138,181	
EQUITY AND LIABILITIES			
Share capital	84,977	84,977	
Treasury shares	(6,492)	(857)	
Reserve	(59,250)	(59,250)	
Retained profits	96,577	86,725	
Total equity	115,812	111,595	
Non-current liabilities			
Lease liabilities	9,815	9,864	
Borrowings	2,044	2,275	
Deferred tax liabilities	1,309	1,350	
Total non-current liabilities	13,168	13,489	
Current liabilities			
Trade and other payables	11,833	11,734	
Contract liabilities	484	143	
Current income tax liabilities	424	665	
Borrowings	460	457	
Lease liabilities	100	98	
Total current liabilities	13,301	13,097	
Total liabilities	26,469	26,586	
Total equity and liabilities	142,281	138,181	

4.3 Material Changes in Financial Position

Save as disclosed in the unaudited consolidated financial statements of the Group for 1HFY2024 and any other information on the Group which is publicly available (including without limitation, the announcements released by the Company on SGXNet), there have been no material changes in the financial position of Company since 31 December 2023, being the date of the last published audited consolidated financial statements of the Group.

4.4 Significant Accounting Policies

The significant accounting policies of the Group are set out in the notes to the audited consolidated financial statements of the Group for FY2023 and the unaudited consolidated financial statements of the Group for 1HFY2024. Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2023 and the unaudited consolidated financial statements of the Group for 1HFY2024, there are no significant accounting policies or any matter from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

4.5 Changes in Accounting Policies

As at the Latest Practicable Date, there are no changes in the accounting policies of the Group which will cause the figures disclosed in paragraph 4.1 of this **Appendix D** not to be comparable to a material extent.

5. DISCLOSURE OF INTERESTS

5.1 Holdings of Offeror Securities by the Company

As at the Latest Practicable Date, none of the Group Companies owns, controls or has agreed to acquire any Offeror Securities.

5.2 Interests of Directors in Offeror Securities

As at the Latest Practicable Date, and save as disclosed in this Scheme Document, none of the Directors has any direct or indirect interests in the Offeror Securities.

5.3 Interests of Directors in Company Securities

As at the Latest Practicable Date, based on the Register of Directors' Shareholdings maintained by the Company, the interests in Shares held by the Directors of the Company are set out below.

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Mdm. Sok Ching ⁽²⁾	39,339,900	27.88	47,164,284	33.42	86,504,184	61.30
Mr. Te Hua	15,888,522	11.26	-	_	15,888,522	11.26
Mr. Shankar	6,582,078	4.66	-	_	6,582,078	4.66
Mr. Wong Chee Meng Lawrence	-	-	_	_	_	_
Mr. Kam Chai Hong	-	_	-	_	_	_
Mr. Siow Chin How	-	_	-	_	_	-
Mr. Wang Han Lin	-	-	-	_	_	_

Notes:

⁽¹⁾ All references to percentage shareholding of the issued Shares of the Company in this paragraph 5.3 are rounded to the nearest two (2) decimal places and based on 141,122,084 Shares in issue (excluding 6,352,700 treasury Shares) as at the Latest Practicable Date. Any discrepancies in the figures included between the listed amounts and the totals thereof are due to rounding.

(2) Mr. Kim Fatt is the spouse of Mdm. Sok Ching and Mr. Kim Wah is the younger brother of Mr. Kim Fatt. Accordingly, pursuant to Section 4 of the SFA, Mdm. Sok Ching, Mr. Kim Fatt and Mr. Kim Wah are deemed to be interested in the Shares held by one another.

As at the Latest Practicable Date, and save as disclosed in this Scheme Document, no Director or controlling Shareholder has any interest in the Scheme (other than by reason only of being a Director or Shareholder).

5.4 Interests of Substantial Shareholders in Shares

As at the Latest Practicable Date, based on the Register of Substantial Shareholders maintained by the Company, the interests in the Shares held by the substantial Shareholders of the Company are set out below.

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	% ⁽¹⁾
Mdm. Sok Ching ⁽²⁾	39,339,900	27.88	47,164,284	33.42	86,504,184	61.30
Mr. Kim Fatt ⁽²⁾	30,262,296	21.44	56,241,888	39.85	86,504,184	61.30
Mr. Kim Wah ⁽²⁾	16,901,988	11.98	69,602,196	49.32	86,504,184	61.30
Mr. Te Hua	15,888,522	11.26	_	_	15,888,522	11.26

Notes:

- (1) All references to percentage shareholding of the issued Shares of the Company in this paragraph 5.4 are rounded to the nearest two (2) decimal places and based on 141,122,084 Shares in issue (excluding 6,352,700 treasury Shares) as at the Latest Practicable Date. Any discrepancies in the figures included between the listed amounts and the totals thereof are due to rounding.
- (2) Mr. Kim Fatt is the spouse of Mdm. Sok Ching and Mr. Kim Wah is the younger brother of Mr. Kim Fatt. Accordingly, pursuant to Section 4 of the SFA, Mdm. Sok Ching, Mr. Kim Fatt and Mr. Kim Wah are deemed to be interested in the Shares held by one another.

6. DEALINGS DISCLOSURE

6.1 Dealings in Offeror Securities by the Company

None of the Group Companies has dealt for value in the Offeror Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.2 Dealings in Offeror Securities by the Directors

None of the Directors of the Company has dealt for value in the Offeror Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.3 Dealings in Company Securities by the Directors

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

7. INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

7.1 Interests of the IFA in Company Securities

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

7.2 Dealings in Company Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in Company Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

7.3 Interests of the IFA in Offeror Securities

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Offeror Securities.

7.4 Dealings in Offeror Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in Offeror Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

8. ARRANGEMENTS AFFECTING DIRECTORS

8.1 No Payment or Benefit to Directors

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director of the Company or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Scheme.

8.2 No Agreement Conditional upon Outcome of the Scheme

As at the Latest Practicable Date, there is no agreement, arrangement or understanding made between any of the Directors of the Company and any other person in connection with or conditional upon the outcome of the Scheme.

8.3 No Material Interest in Material Contracts

As at the Latest Practicable Date, save as disclosed in this Scheme Document (including paragraph 10.3 of **Appendix D** to this Scheme Document and the Offeror's Letter), there is no material contract entered into by the Offeror in which any Director of the Company has a material personal interest, whether direct or indirect.

9. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (a) none of the Group Companies is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially or adversely affect the financial position of the Group taken as a whole; and
- (b) the Directors are not aware of any proceedings pending or threatened against any of the Group Companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group taken as a whole.

10. GENERAL DISCLOSURE

10.1 Financial Statements for FY2023 and 1HFY2024

The audited consolidated financial statements of the Group for FY2023 and the unaudited consolidated financial statements of the Group for 1HFY2024 are set out in **Appendix F** and **Appendix G** to this Scheme Document, respectively.

10.2 Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors of the Company or proposed directors with any Group Company which have more than twelve months to run and which are not terminable by the employing company within the next twelve months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

10.3 Material Contracts with Interested Persons

As at the Latest Practicable Date, save for the entry into the Implementation Agreement and save as disclosed in the audited consolidated financial statements of the Group for FY2021 and the annual reports of the Group for FY2022 and FY2023 and any other information on the Group which is publicly available (including without limitation, the offer document of the Company dated 29 April 2022 and the announcements released by the Company on SGXNet) none of the Group Companies has entered into any material contracts (not being contracts which are in the ordinary course of business) with interested persons (within the meaning of Note 1 on Rule 23.12 of the Code) during the period beginning three years before the Joint Announcement Date and ending on the Latest Practicable Date.

10.4 Costs and Expenses

In the event that the Scheme does not become effective and binding for any reason, the expenses and costs incurred by the Company in connection with the Scheme will be borne by the Company.

10.5 Directors' Intentions with respect to their Shares

In accordance with the SIC Rulings as set out in paragraph 6.2 of this Letter to Shareholders, all of the Exempted Directors are required to abstain from voting at the Scheme Meeting.

Save for the Exempted Directors, none of the other Directors has any Shares in the Company.

11. CONSENTS

11.1 General

Rajah & Tann Singapore LLP, Foo Kon Tan LLP and the Share Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to their names in the form and context in which they respectively appear in this Scheme Document.

11.2 IFA

The IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the IFA Letter set out in **Appendix B** to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at (**before 13 January 2025**) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712, or (**on or after 13 January 2025**) 36 Robinson Road, #20-01 City House, Singapore 068877 during normal business hours from the date of this Scheme Document up to the Effective Date:

- (a) the Constitution;
- (b) the audited consolidated financial statements of the Group for FY2021;
- (c) the annual reports of the Group for FY2022 and FY2023;
- (d) the unaudited consolidated financial statements of the Group for 1HFY2024;
- (e) the Implementation Agreement;
- (f) the IFA Letter; and
- (g) the letters of consents referred to in paragraph 11 of this **Appendix D**.

All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are set out below

1. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

ISSUE OF SHARES

- 3. (A) Subject to and in accordance with the Statutes, the listing rules of the Designated Stock Exchange and to this Constitution, no shares may be issued by the Directors without the prior approval of the Company in a General Meeting pursuant to the Act, but subject thereto and the terms of such approval, and to Regulation 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards Dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, provided always that:-
 - (a) subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of Regulation 5(A) with such adaptations as are necessary shall apply; and
 - (b) any other issue of shares, the aggregate of which would exceed the limits referred to in Regulation 5(B), shall be subject to the approval of the Company in General Meeting.
 - (B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
 - (C) Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be issued subject to the provisions of the Statutes, the listing rules of the Designated Stock Exchange and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

Shares under control of General Meeting.

- (D) Except as here in provided, no person shall exercise any rights or privileges of a Member until he is registered in the Register of Members or (as the case may be) the Depository Register of the share(s) held by him.
- (E) Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
- 4. The Company shall not exercise any right in respect of treasury shares other Treasury shares. than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.
- 5. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except permitted by the rules of the Designated Stock Exchange, all new shares shall before issue, be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this Regulation 5(A).
 - (B) Notwithstanding Regulation 5(A) above, 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:
 - issue shares in the capital of the Company ("shares") (a) (i) 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

Issue of new shares to Members.

(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:-

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and this Constitution;
- (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest);
- (4) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in the provisions of this Constitution; and
- (5) where the capital of the Company consists of shares of different monetary denominations, the voting rights shall be prescribed in such manner that a unit of capital in each class when reduced to a common denominator, shall carry the same voting power when such right is exercisable.
- (C) The Company may, notwithstanding Regulations 5(A) and 5(B) above, authorise the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.
- (D) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.
- (E) The Company may issue shares for which no consideration is payable to the Company.
- (F) 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 Members in respect of the shares, or their legal personal representatives.

Shares of a class other than ordinary shares.

Issue of shares for no consideration.

Instalments of shares.

- 6. Unless otherwise specified or restricted by law, the Company may pay commissions or brokerage on any issue or purchase of its shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
- 7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of that share capital as is for the time being paid-up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.
- 8. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by any Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, financial statements and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six (6) months in arrears. The total number of issued preference shares shall not exceed the total number of ordinary shares issued at any time.
 - (B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued or about to be issued and the rights conferred upon the holders of preference shares shall not unless otherwise expressly provided by the conditions of issue of such shares be deemed to be altered by the creation or issue of such further preference capital ranking equally with or in priority thereto.

VARIATION OF RIGHTS

9. Whenever the share capital of the Company is divided into different (A) (i) classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, only be made either with the consent in writing of the holders of threeguarters of the total number 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 the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up.

Power to pay commissions or brokerage.

Power to charge interest on capital.

Riahts of preference shareholders.

Issue of further preference shares.

Variation of rights

- (ii) To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two (2) or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy may demand a poll, and that any holder of shares of the class present in person or by proxy or attorney shall on a poll have one (1) vote for every share of the class held by him, provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two (2) months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.
- (iii) The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or Resolution to the Registrar of the Companies.
- (B) The provisions in Regulation 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.
- (D) The provisions in Regulation 9(A) shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

ALTERATION OF SHARE CAPITAL

- 10. The Company may by Ordinary Resolution:-
 - (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 in accordance with the Act;
 - (c) subject to the provisions of this Constitution and the Act, subdivide its shares or any of them provided always that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
 - (d) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.

Alteration of capital.

- 11. (A) The Company may by Special Resolution reduce its share capital or any P other undistributable reserve in any manner permitted, and with, and c subject to, any incident authorised, and consent or confirmation required, by law.
 - (B) The Company may by Special Resolution subject to and in accordance with the Act, convert any class of shares into any other class of shares.
 - (C) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange (hereafter, the "Relevant Laws"), on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Relevant Laws.

Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution and the Statutes, the number of issued shares of the Company shall be diminished by the number of 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.

SHARE CERTIFICATES

12. Subject to Regulation 130, every certificate of title to shares or debentures in the capital of the Company shall be issued under the Seal and shall bear the facsimile signatures or the autographic signatures at least of any two (2) Directors or one of the Directors and the Secretary or such other person as may be authorised by the Directors, and shall specify the number and class of shares to which it relates and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors of the Company. No certificate shall be issued representing shares of more than one class.

The provisions in this Regulation and in Regulations 13 to 16 (in so far as they are applicable) shall not apply to the transfer of book-entry securities.

- (A) The Company and the Depository shall not be bound to register more than three (3) persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased Member.
 - (B) The certificates of shares, or options in respect of shares, registered in the names of two (2) or more persons may, without prejudice to the provisions of Regulation 14, shall only be delivered to the person first named on the Register of Members or, in the case of shares or options registered in the name of the Depository, to the Depository.

Power to reduce capital.

Power to convert shares.

Company may acquire its own shares.

Share certificates.

Joint holders.

- 14. Every person whose name is entered as a Member in the Register of Members shall be entitled, within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application for shares or (as the case may be) after the date of lodgement of a registrable transfer to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where the Member is a Depositor, the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.
- 15. (A) Where a Member transfers part only of the shares comprised in a certificate Store where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the Member shall pay (in the case of sub-division) a maximum fee of S\$2.00 for each new certificate (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time). Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.
 - (B) Any two (2) or more certificates representing shares of any one class Concertificate by any Member may at his request be cancelled and a single new shares issued in lieu thereof without charge.
- 16. (A) Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine, having regard to any limitation thereon as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.
 - (B) When any shares under the powers in this Constitution herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

Registered holder's right to certificate.

Sub-division of share certificate.

Consolidation of share certificates.

Replacement share certificates.

New certificate in place of one not surrendered.

CALLS ON SHARES

- 17. The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares or on any class of their shares and not by the conditions of allotment thereof made payable at fixed times. 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 and may be made payable by instalments.
- 18. Each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls, instalments and interest due in respect of such shares. A call may be revoked or postponed as the Directors may determine.
- 19. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent (10%) per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.
- 20. Any sum which by the terms of issue of a share becomes payable upon issue and allotment or at any fixed date shall for all the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 21. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 22. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the monies uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the monies so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent (8%) per annum) as the Member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits, and until appropriated towards satisfaction of any call, shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.
- 23. The joint-holders of any share shall be liable severally as well as jointly in respect of calls and any other payments which ought to be made in respect of such share.

FOREITURE AND LIEN

24. If a Member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

Powers of Directors to make calls.

Joint and several liability of joint holders and Depositors.

Interest on unpaid calls.

Sums payable under terms of allotment to be deemed calls.

Difference in calls between various Members.

Payment of calls in advance.

Notice requiring payment of calls.

- 25. The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.
- 26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited share and not actually paid before forfeiture. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. The Directors may accept a surrender of any share liable to be made forfeit hereunder.
- 27. A share so made forfeit or surrendered shall become the property of the Company and may be cancelled, sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorise some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.
- 28. A Member whose shares have been made forfeit or surrendered shall cease to be a Member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all monies which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent (8%) per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender without and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or surrender in whole or in part.
- 29. The Company shall have a first and paramount lien on every share (not being a fully paid share) and Dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such monies are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Regulation.

Notice to state place and time of payment.

Forfeiture on noncompliance with notice.

Sale of forfeited shares.

Rights and liabilities of members whose shares have been forfeited.

Company to have paramount lien.

- 30. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto (if any) entitled to effect a transmission of the shares and who shall have produced to the Company satisfactory evidence of such capacity and default in payment shall have been made by him or them for fourteen days after such notice. Provided Always that if a Member shall have died or become mentally disordered and incapable of managing himself or his affairs or bankrupt and no person shall have given to the Company satisfactory proof of his right to effect a transmission of the shares held by such Member the Directors may exercise such power of sale without serving any such notice.
- 31. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities (including the satisfaction of the unpaid calls and accrued interest and expenses) and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assignees, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser.
- 32. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, the Depository Register) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.
- 33. In the event of a forfeiture of shares or a sale of shares to satisfy the Company's lien thereon, the Member or other person who prior to such forfeiture or sale was entitled thereto, shall be bound to deliver, and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited or sold.

Sale of shares subject to lien.

Application of sale proceeds.

Title to forfeited or surrendered shares.

Certificate of shares to be delivered to the Company.

TRANSFER OF SHARES

34. Subject to this Constitution, any Member may transfer all or any of his shares but all transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided always that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

The Company shall accept for registration transfers in the form approved by the Designated Stock Exchange.

The provisions in this Regulation and in Regulations 35 to 41 (in so far as they are applicable) shall not apply to the transfer of book-entry securities.

- 35. In the case of a registered transfer, a fee not exceeding S\$2.00 for each transfer as the Directors may from time to time determine shall be charged for the registration of a transfer except that the Depository shall not be liable to pay any fee in respect of the registration of a transfer.
- 36. The Register of Members and Register of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, provided always that such registers shall not be closed for more than thirty (30) days in the aggregate in any year, provided always that the Company shall give prior notice of each such closure, as may be required, to the Designated Stock Exchange, stating the period and purpose or purposes for which such closure is made.
- (A) 37. There shall be no restriction on the transfer of fully paid-up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid-up, may refuse to register a transfer to a transferee of whom they do not approve, provided always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes and the listing rules of the Designated Stock Exchange.
 - (B) The Directors may decline to register any instrument of transfer unless:-
 - (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force is duly paid;

Member may transfer shares.

Transfer fee.

Closure of transfer books and Register of Members.

Directors' power to decline to register a transfer.

When Directors may refuse to register a transfer.

- (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
- (d) the instrument of transfer is in respect of only one (1) class of shares.
- 38. All instruments of transfer which are registered may be retained by the Company Retention of but any instrument of transfer which the Directors may decline to register shall be transfers. returned to the person depositing the same except in the case of fraud.

Only shares of same class to

be in the same

Restriction on transfer.

- 39. Shares of different classes shall not be comprised in the same instrument of transfer.
- 40. No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs 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.
- 41. Subject to any legal requirements to the contrary, the Company shall be entitled Destruction of records. to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all Dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:-
 - the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (a) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Regulation; and
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

- 42. (A) In case of the death of a Member whose name is registered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares, but nothing in this Regulation shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
 - (B) In the case of the death of a Member who is a Depositor, the survivors or survivor, where the deceased is a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder and where such executors or administrators are entered into the Depository Register in respect of any shares to the deceased Member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares, but nothing in this Regulation shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
 - (C) Nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

The provisions in this Regulation and in Regulations 43 to 45 (in so far as they are applicable) shall not apply to the transmission of book-entry securities.

- 43. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.
- 44. (A) Save as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share by transmission (and upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same Dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to General Meetings of the Company until he shall have been registered as a Member in respect of the share.

Survivor or legal personal representatives of deceased member.

Survivor or legal personal representatives of deceased Depositor.

Estate of deceased holder.

Transmission of shares.

Rights of person on transmission of shares.

- (B) The Directors may at any time give notice requiring any person entitled to a share by transmission to elect either to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share, and if the notice is not complied with within ninety (90) days the Directors may thereafter withhold payment of all dividends, or other monies payable in respect of the share until the requirements of the notice have been complied with.
- 45. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require or prescribe.

EXCLUSION OF EQUITIES

46. Except as required by the Statutes or law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share, or (except only as by this Constitution or by the Statutes or law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the register holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share and nothing in this Constitution contained relating to the Depository or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

STOCK

47. The Company may from time to time by Ordinary Resolution convert any paid-up Conversion of shares to stock. shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination. 48. Transfer of stock. The holders of stock may transfer the same or any part thereof in the same manner and subject to this Constitution as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine. 49. The holders of stock shall, according to the amount of stock held by them, Rights of stockholders. have the same rights, privileges and advantages as regards Dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special

Fee on registration of probate, etc.

Exclusion of Equities.

privileges attached to the shares so converted.

50. All such provisions of this Constitution as are applicable to paid-up shares shall Definitions. apply to stock, and in all such provisions, the words "shares" shall include "stock", and "Depositor", "Member", and "shareholder" shall include "stockholder".

2. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

RESERVES

135. 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 any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

DIVIDENDS

- 136. The Company in General Meeting may by Ordinary Resolution declare Dividends Declaration of but no such Dividend shall exceed the amount recommended by the Directors. Dividends.
- 137. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they may think fit.
- 138. Subject to any rights or restrictions attached to any shares or class of shares and D except as otherwise permitted under the Act:-
 - (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
 - (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.

For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.

139. (A) No Dividend shall be paid otherwise than out of profits available for Dividends payable distribution under the provisions of the Statutes. Out of profits.

Reserves.

Distribution of profits.

- (B) The payment by the Directors of any unclaimed Dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one (1) year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such monies unclaimed after six (6) years from having been first declared shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depository returns any such Dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of six (6) years has elapsed from the date of the declaration of such Dividend or the date on which such other monies are first pavable.
- (C) A payment by the Company to the Depository of any Dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.
- (D) No Dividend may be paid, unless otherwise provided in the Act, to the Company in respect of treasury shares.
- 140. No Dividend or other monies payable on or in respect of a share shall bear N interest as against the Company.
- 141. The Directors may deduct from any Dividend or other monies 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 calls or in connection therewith, or any other account which the Company is required by law to withhold or deduct.
 - (A) The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
 - (B) The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.
- 142. The waiver in whole or in part of any Dividend on any share by any document was (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Unclaimed dividends or other moneys.

No interest on Dividends.

Deduction from dividend.

Retention of Dividends on shares subject to lien.

Retention of Dividends pending transmission.

Waiver of Dividends.

- 143. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 144. (1) Subject to the rules, bye-laws or listing rules of the Designated Stock Exchange, as may be amended from time to time, whenever the Directors or the Company in General Meeting have resolved or proposed that a Dividend (including an interim, final, special or other Dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such Dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the Dividend as the Directors may think fit. In such case, the following provisions shall apply:

Payment of dividend in specie.

Scrip dividend scheme.

- (i) the basis of any such allotment shall be determined by the Directors;
- (ii) 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 Regulation 144;
- (iii) 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

- the Dividend (or that part of the Dividend in respect of which a (iv) right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and (notwithstanding any provision of the Regulations to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (a) 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 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 (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.
- (2) (i) The ordinary shares allotted pursuant to the provisions of Regulation 144(1) 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 subject of the election referred to above, unless the Directors shall otherwise specify.
 - The Directors may do all acts and things considered necessary (ii) or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of Regulation 144(1), 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 this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members) and to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

- (3) The Directors may, on any occasion when they resolve as provided in this Regulation 144, determine that rights of election under that paragraph shall not be made available to persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) 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, and in such event the provisions of this Regulation 144 shall be read and construed subject to such determination.
- (4) The Directors may, on any occasion when they resolve as provided in this Regulation 144, 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 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 Regulation 144, if at any time after the Directors' resolution to apply the provisions of Regulation 144(1) in relation to any Dividend to any Dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (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 this Regulation 144.
- 145. A transfer of shares shall not pass the right to any Dividend declared thereon Effect of transfer. before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be.
- 146. Any Dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two (2) or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
- 147. If two (2) or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any hone of them may give effectual receipts for any Dividend or other monies payable or property distributable on or in respect of the share.

Payment of Dividends to joint holders.

Dividends payable by cheque or

warrant.

APPENDIX E – EXTRACTS FROM THE COMPANY'S CONSTITUTION

148. Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

- 149. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Regulation 5(B)):
 - (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:
 - the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 5(B)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and

- (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the financial statements by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
 - the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 5(B)) 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.

Resolution declaring dividends.

Power to issue free bonus shares and/ or to capitalise reserves.

- (B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Regulation 149, 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.
- (C) In addition and without prejudice to the powers provided for by this Regulation 149, the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other monies 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 monies carried and standing to any reserve or reserves) and to apply such profits or other monies in paying up in full, in each case on terms that such shares shall, upon issue:
 - (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or
 - (b) be held by or for the benefit of non-executive Directors as part of their remuneration under Regulations 82 and/or 83 approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

3. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

GENERAL MEETINGS

- 51. Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time and place as may be determined by the Directors (subject to the Catalist Rules). All other General Meetings shall be called Extraordinary General Meetings. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four (4) months (or such period as may be permitted by the Act and/or prescribed by the Designated Stock Exchange from time to time). The Company shall hold all its General Meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation, or unless such requirement is waived by the Designated Stock Exchange.
- 52. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

Annual General Meeting and Extraordinary General Meeting.

Calling of Extraordinary General Meetings.

APPENDIX E – EXTRACTS FROM THE COMPANY'S CONSTITUTION

NOTICE OF GENERAL MEETINGS

- 53. Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one (21) days' notice in writing (excluding the date of notice and the date of meeting) at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen (14) days' notice in writing (excluding the date of notice and the date of meeting) at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in the manner hereinafter mentioned to all Members other than such as are not under the provisions of this Constitution entitled to receive such notices from the Company, provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-
 - (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
 - (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%), of the total voting rights of all the Members having a right to vote at thereat;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen (14) days' notice (excluding the date of notice and the date of meeting) of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, provided always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one (21) days' notice in writing (excluding the date of notice and the date of meeting) of such Extraordinary General Meeting shall be given to the shareholders by advertisement in the daily press and in writing to the Designated Stock Exchange.

- 54. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a Member of the Company.
 - (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
 - (C) In the case of any General Meeting at which business other than routine business ("Special Business") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

Notice of General Meeting.

Contents of notice for General Meeting.

Contents of notice for Annual General Meeting.

Notice of General Meeting for Special Business and Special Resolutions.

APPENDIX E – EXTRACTS FROM THE COMPANY'S CONSTITUTION

- Routine business shall mean and includes only business transacted at an Annual Routine business. 55. General Meeting of the following classes, that is to say:
 - declaring Dividends; (a)
 - (b) receiving and adopting the financial statements, the Directors' statement, the auditors' report and any other documents required to be attached or annexed to the financial statements, in such form, manner and content as prescribed by the Act;
 - appointing or re-appointing Directors to fill vacancies arising at the meeting (c) on retirement whether by rotation or otherwise;
 - (d) appointing Auditors or re-appointing the retiring auditors (unless they were last appointed otherwise than by the Company in General Meeting);
 - (e) fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed: and
 - (f) fixing the fees of the Directors proposed to be paid in respect of their office as such under Regulations 82 and/or 83.
- 56. Any notice of a General Meeting to consider Special Business shall be Statement regarding effect of accompanied by a statement regarding the effect of any proposed resolution of the Company in respect of such Special Business.

PROCEEDINGS AT GENERAL MEETINGS

Special Business.

Chairman of General Meeting.

- 57. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an ordinary resolution of the Company passed at a general meeting duly convened, held and constituted, and may consist of several documents in the like form, each sent to, and signed or approved by one (1) or more of such Members. The expressions "sent", "in writing", "signed" and "approved" include, transmission to and approval by any such Member by letter, facsimile, electronic mail, telex, cable or telegram or by any form of Electronic Communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. Provided That resolutions relating to dispensing with the holding of Annual General Meetings and resolutions in respect of matters requiring special notice under the Act may not be passed pursuant to this Regulation.
- 58. (A) The Chairman of the Board of Directors, failing whom the Deputy Quorum. Chairman, shall preside as Chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within five (5) minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one (1) of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one (1) of their number) to be Chairman of the General Meeting.

- (B) No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a guorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two (2) Members, present in person or by proxy, provided that (i) a proxy representing more than one Member shall only count as one Member for purpose of determining if the guorum aforesaid is present; and (ii) where a Member is represented by more than one proxy, such proxies of such Member shall only count as one Member for purposes of determining if the guorum aforesaid is present. In addition, for the purposes of a quorum, joint holders of any share shall be treated as one (1) Member.
- 59. If within thirty (30) minutes from the time appointed for a General Meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may determine by not less than ten (10) days' notice appoint. At the adjourned meeting, any one (1) or more Members present in person or by proxy shall be a quorum.
- 60. The Chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty (30) days or more or sine die, not less than seven (7) days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 61. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.
- 62. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the General Meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
- 63. (A) If required by the listing rules of any stock exchange upon which the shares of the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such Designated Stock Exchange).
 - (B) Subject to Regulation 63(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-
 - (a) the Chairman of the meeting;

If quorum not present. adjournment or dissolution of meeting.

Business at adjourned meeting.

Notice of adjournment not required.

Amendment of resolutions.

Mandatory polling.

Method of voting where mandatory polling not required.

- (b) not less than two (2) Members present in person or by proxy and entitled to vote;
- (c) any Member present in person or by proxy, or where such a Member has appointed two (2) or more proxies, any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than five per cent (5%) of the total voting rights of all the Members having the right to attend and vote at the General Meeting; or
- (d) any Member present in person or by proxy, or where such a Member has appointed two (2) proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid-up equal to not less than five per cent (5%), of the total sum paid on all the shares conferring that riaht.

provided always that no poll shall be demanded on the choice of the Chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

- 64. (A) A demand for a poll made pursuant to Regulation 63(B) shall not prevent Taking a poll. the continuance of the General Meeting for the transaction of any business, other than the question on which the poll has been demanded. Unless a poll is demanded, a declaration by the Chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.
 - (B) If a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the Chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The Chairman of the meeting may (and if required by the listing rules of any stock exchange upon which shares in the Company may be listed on or if so directed by the meeting, shall) appoint at least one (1) scrutineer and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The number of scrutineer(s), and the gualifications and duties of such scrutineer(s), shall be in accordance with the listing rules of the Designated Stock Exchange upon which the shares in the Company are listed (if applicable). The appointed scrutineer(s) shall be independent of the persons undertaking the polling process, and may adjourn the meeting to some place and time fixed by him for the purposes of declaring the result of the poll. Where the appointed scrutineer is interested in the resolution(s) to be passed at the General Meeting, it shall refrain from acting as the scrutineer for such resolution(s).
- 65. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the General Meeting at which the show of hands takes place or at which the poll is taken shall be entitled to a casting vote.

Casting vote of Chairman.

APPENDIX E – EXTRACTS FROM THE COMPANY'S CONSTITUTION

- 66. (A) A poll on any question shall be taken either immediately or at such subsequent time (not being more than thirty (30) days from the date of the Meeting) and place as the Chairman of the Meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the General Meeting for the transaction of any business, other than the question on which the poll has been demanded.
 - (B) After the chairman of any meeting shall have declared the General Meeting to be over and shall have left the chair, no business or question shall under any pretext whatsoever be brought forward or discussed.

VOTES OF MEMBERS

- 67. (A) Subject to any special rights, privileges or restrictions as to voting attached Voting rights. by or in accordance with this Constitution to any class of shares, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. Subject to this Constitution, a proxy shall be entitled to vote on any matter at any General Meeting.
 - (a) On a show of hands, every Member who is present in person or by proxy, has one vote for each share in respect of which he is a Member or represents (excluding treasury shares) and upon which all calls or other sums due thereon to the Company have been paid, provided always that:-
 - (i) in the case of a Member who is not a relevant intermediary and is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
 - (ii) in the case of a Member who is a relevant intermediary and who is represented by two (2) or more proxies, each proxy shall be entitled to vote on a show of hands.
 - (b) Every Member who is present in person or by proxy, in case of a poll, shall have one (1) vote for every share which he holds or represents (excluding treasury shares) and upon which all calls or other sums due thereon to the Company have been paid.

Timing for taking a poll.

- (B) Notwithstanding anything contained in this Constitution, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than seventy-two (72) hours before the time of the relevant general meeting (or any such time prescribed under the Statutes and the Catalist Rules), whichever is earlier, as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any General Meeting upon a poll being called, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register maintained by the Depository at least seventy-two (72) hours (or any such time prescribed under the Statutes and the Catalist Rules) before the time for the holding of the relevant General Meeting or the adjourned relevant General Meeting as certified by the Depository to the Company, the Company being entitled to deem each such Depositor, or each proxy or proxies of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of the Depository as supplied by the Depository to the Company.
- (C) A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.
- 68. In the case of joint holders of a share, any one of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy as if her were solely entitled thereto, but if more than one of such persons is present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the name which appears first in the Depository Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.
- 69. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to General Meetings.
- 70. No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.

Voting rights of joint holders.

Voting by receivers.

Entitlement of members to vote.

APPENDIX E – EXTRACTS FROM THE COMPANY'S CONSTITUTION

- 71. No objection shall be raised as to the admissibility of any vote except Objection as to (1) admissibility. at the General Meeting or adjourned General Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the General Meeting whose decision shall be final and conclusive. (2) If any votes shall be counted which ought not to have been counted, or might have been rejected, or if any votes are not counted which ought to have been counted, or if any objection shall be raised as to the qualification of any voter, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof at which the error occurs, 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. The decision of the chairman of the meeting on such matters shall be final and conclusive. 72. On a poll, votes may be given either personally or by proxy and a person entitled Vote on a poll. to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way. 73. (A) A Member shall not be entitled to appoint more than two (2) proxies to Shares entered in Depository attend and vote at the same General Meeting, provided that if a Member Register. is a Depositor, the Company shall be entitled and bound:to reject any instrument of proxy lodged if the Depositor is not shown (a) to have any shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time prescribed under the Statutes and the Catalist Rules) before the time of the relevant General Meeting as certified by the Depository to the Company; and (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at seventytwo (72) hours (or any such time prescribed under the Statutes and the Catalist Rules) before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor. (B) Where a Member appoints more than one (1) proxy, the Member shall
 - (B) Where a Member appoints more than one (1) proxy, the Member shall specify the proportion of his shares to be represented by each such proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.
 - (C) A proxy need not be a Member of the Company.

- (D) Save as otherwise provided in the Act:
 - (a) a Member who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote at the same General Meeting. Where such Member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
 - (b) a Member who is a relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. If the form does not specify the required information, the first-named proxy shall be deemed to represent 100% of the shareholdings and any second named proxy as an alternate to the first named.
- 74. (A) An instrument appointing a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may from time to time approve and:-

Instrument of proxy to be in writing.

- (a) in the case of an individual Member, shall be signed by the Member or his attorney duty authorised in writing; and
- (b) in the case of a Member which is a corporation shall be either given under its common seal or such alternative to sealing as is valid under the law of its jurisdiction of incorporation, or signed on its behalf by an attorney duly authorised in writing or a duly authorised officer of the corporation,
- (c) if the instrument of proxy is delivered personally or sent by post; or
- (d) authorised by the Member through such method and in such manner as may be approved by the Directors, if the instrument of proxy is submitted by electronic communication.
- (B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of a Member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Regulation, failing which the instrument of proxy may be treated as invalid.
- (C) In the case of an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney if the instrument of proxy is delivered personally, or sent by post or authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communications. In the case of a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post, or authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted electronically. The Directors may, for the purposes of electronic communication, designate procedure for authenticating any such instrument, and any such instrument not so authenticated by use of procedure shall be deemed not to have been received by the Company.

- (D) The Directors may in their absolute discretion approve the method and manner for an instrument appointing a proxy to be authorised and designate the procedure for authenticating an instrument appointing a proxy, and any such instrument not so authenticated by the use of such procedures shall be deemed not to have been received by the Company.
- (E) The Company shall be entitled and bound, in determining rights to vote and any other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
- 75. (A) An instrument appointing a proxy or the power of attorney or other authority, Deposit of proxies. if any:
 - (a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or
 - (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,

and in either case not less than seventy-two (72) hours (or any such time prescribed under the Statutes and the Catalist Rules) before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid. The deposit of an instrument appointing a proxy does not preclude the Member concerned from attending, speaking and voting in person at the General Meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the Member concerned at the point when the Member attends the General Meeting.

- (B) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 75(A)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 75(A)(a) shall apply.
- (C) The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates, provided that an instrument of proxy relating to more than one (1) meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
- 76. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the General Meeting, to move any resolution or amendment thereto and to speak at the meeting.

Instrument deemed to confer authority to demand for poll.

APPENDIX E – EXTRACTS FROM THE COMPANY'S CONSTITUTION

- 77. A vote cast by proxy in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of the instruments appointing proxies) at least seventy-two (72) hours (or any such time prescribed under the Statutes and the Catalist Rules) before the commencement of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
- 78. Where a Depositor has apportioned the balance standing to his Securities Account between such number of proxies, the Company is entitled to apportion the said number of shares between the proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between such number of proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above.
- 79. Subject to this Constitution and the Statutes, the Directors may, at their sole Vot discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

CORPORATIONS ACTING BY REPRESENTATIVES

80. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of this Constitution (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat.

When vote by proxy valid though authority revoked.

Vote in Absentia.

Corporation may attend by representatives. **Financial Statements**

5E Resources Limited and its subsidiaries

31 December 2023

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

Company information

Company registration number	202136285K
Registered office	30 Cecil Street #19-08 Prudential Tower Singapore 049712
Directors	Loo Sok Ching Siow Chin How Lim Te Hua Shankar A/L Narasingam Wong Chee Meng Lawrence Kam Chai Hong Wang Han Lin
Secretary	Sharon Lim Siew Choo
Banker	OCBC Bank OCBC Bank Malaysia Berhad Public Bank Berhad RHB Bank Berhad Hong Leong Bank Berhad Affin Bank Berhad
Independent auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 1 Raffles Place #04-61/62 One Raffles Place Tower 2 Singapore 048616 (Partner-in-charge: Mr. Kong Chih Hsiang Raymond) (Appointed from the financial year ended 31 December 2023)

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

5E Resources Limited and its subsidiaries

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5E Resources Limited and its subsidiaries 1

Directors' statement for the financial year ended 31 December 2023

We are pleased to submit this statement to the members together with the audited consolidated financial statements of 5E Resources Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2023, and the Company's statement of financial position as at 31 December 2023 and statement of changes in equity for the financial year ended 31 December 2023.

In our opinion:

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, the changes in equity of the Group and the Company, and the financial performance and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Name of directors

The directors of the Company in office at the date of this statement are:

Loo Sok Ching Siow Chin How Lim Te Hua Shankar A/L Narasingam Wong Chee Meng Lawrence Kam Chai Hong Wang Han Lin

Arrangements to enable directors to acquire shares or debentures

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

Directors' interests in shares or debentures

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

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5E Resources Limited and its subsidiaries Directors' statement for the financial year ended 31 December 2023

Directors' interests in shares or debentures (Cont'd)

Name of director	in the	e registered e name or nominee	director is	Holdings in which director is deemed to have an interest	
	As at	As at	As at	As at	
	<u>1.1.2023</u>	<u>31.12.2023</u>	<u>1.1.2023</u>	<u>31.12.2023</u>	
The Company - <u>5E Resources Limited</u>		rdinary shares			
Lim Te Hua	15,888,522	15,888,522	-	-	
Loo Sok Ching	39,339,900	39,339,900	47,164,284	47,164,284	
Shankar A/L Narasingam	6,582,078	6,582,078	-	-	

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

Audit and Risk Committee

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

Mr Kam Chai Hong - Chairman Mr Siow Chin How - Member Mr Wong Chee Meng Lawrence - Member

All members of the Audit and Risk Committee are independent and non-executive directors.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Act. In performing those functions, the Audit and Risk Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position and statement of the changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board that the independent auditor, Foo Kon Tan LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

5E Resources Limited and its subsidiaries Directors' statement for the financial year ended 31 December 2023 3

Independent auditor

At the extraordinary general meeting of the Company held on 4 October 2023, Foo Kon Tan LLP was appointed as the independent auditor of the Company.

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the directors

LOO SOK CHING

LIM TE HUA

Dated: 1 April 2024

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Independent auditor's report to the members of 5E Resources Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 5E Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent auditor's report to the members of 5E Resources Limited (Cont'd)

Key Audit Matters (Cont'd)

Revenue recognition for scheduled waste management services (Note 4)

In 2023, revenue recognised from scheduled waste management services amounted to RM 68.5 million representing 86% of the Group's total revenue.

Revenue from scheduled waste management services is recognised over time when performance obligations of services promised in the contract are satisfied in accordance with SFRS(I) 15 - *Revenue from Contracts with Customers*.

Management's judgement is required in estimating the stage of completion and measurement of progress towards satisfaction of performance obligations as of period end which affects the timing of the revenue recognition.

Our responses and work performed:

We obtained an understanding of the scheduled waste management services contracts and revenue recognition process through discussion with management and assessed the appropriateness of the method to measure progress of contracts to recognise revenue. We have reviewed and agreed total contract sum to supporting documents and assessed the reasonableness of proportion of scheduled waste management service contracts computed by management for revenue recognition, and assessed the adequacy of the disclosures in the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

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Independent auditor's report to the members of 5E Resources Limited (Cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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Independent auditor's report to the members of 5E Resources Limited (Cont'd)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The financial statements for the year ended 31 December 2022 were audited by another firm of auditors whose report dated 31 March 2023 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Kong Chih Hsiang, Raymond.

Footonankp

Foo Kon Tan LLP Public Accountants and Chartered Accountants

Singapore, 1 April 2024

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

5E Resources Limited and its subsidiaries 8

Consolidated statement of comprehensive income

for the financial year ended 31 December 2023

	Note	2023 MYR'000	2022 MYR'000
Revenue from contracts with customers Cost of sales Gross profit	4 6	79,961 (40,149) 39,812	64,969 (35,190) 29,779
Other income - Interest income - Grant income - Others	4	1,838 - -	803 947 21
Other gains - net Administrative expenses Selling and distribution expenses Finance expenses Net impairment reversal on trade receivables	5 6 8 13	419 (10,594) (3,069) (542) 36	318 (10,661) (3,349) (473) 5
Profit before income tax Income tax expense Net profit and total comprehensive income for the financial year	9	27,900 (6,339) 21,561	17,390 (5,070) 12,320
Net profit and total comprehensive income for the financial year attributable to: - Owners of the Company		21,561	12,320
Earnings per share attributable to equity holders of the Company (in MYR cents) - Basic and diluted earnings per share	10	14.6	9.2

5E Resources Limited and its subsidiaries 9

Statements of financial position

as at 31 December 2023

		The Group		The C	company
		2023	2022	2023	2022
	Note	MYR'000	MYR'000	MYR'000	MYR'000
ASSETS					
Current Assets					
Cash and cash equivalents	11	62,450	60,924	867	895
Short-term deposits	12	85	489	-	
Trade and other receivables	13	13,234	10,414	25,847	24,648
Inventories	14	414	540	-	-
Total current assets	-	76,183	72,367	26,714	25,543
Non-Current Assets					
Investments in subsidiaries	15	-	1	55,886	55,886
Property, plant and equipment	16	46,569	34,214		
Prepayment for purchase of					
property, plant and	16		290	12	100
equipment Right-of-use assets	17	- 15,429	16,127		
Total non-current assets	÷	61,998	50,631	55,886	55,886
Total assets	-	138,181	122,998	82,600	81,429
10(a) assets		100,101	122,000	02,000	01,120
LIABILITIES					
Current Liabilities					
Current income tax liabilities	9	665	1,624	-	-
Lease liabilities	17	98	256	-	-
Trade and other payables	18	11,877	10,963	510	1,105
Borrowings	19	457	361	-	-
Total current liabilities	-	13,097	13,204	510	1,105
Non-Current Liabilities					
Lease liabilities	17	9,864	9,898	-	-
Borrowings	19	2,275	2,252	-	-
Deferred tax liabilities	20	1,350	1,849	-	-
Total non-current liabilities	8	13,489	13,999		14
Total liabilities	-	26,586	27,203	510	1,105
			0.5.705		00.004
Net assets		111,595	95,795	82,090	80,324
EQUITY					
Capital and reserves					
Share capital	21(a)	84,977	84,977	84,977	84,977
Treasury shares	21(b)	(857)	-	(857)	3 5
Reserves	21(c)	(59,250)	(59,250)	-	3
Retained profits/(accumulated			70.000	(0.000)	(4.050)
losses)	<u>(-</u>	86,725	70,068	(2,030)	(4,653)
Total equity	-	111,595	95,795	82,090	80,324

5E Resources Limited and its subsidiaries 10

Statements of changes in equity for the financial year ended 31 December 2023

	Attributable to owners of the Company				
	Share capital	Treasury shares	Reserves	Retained profits	Total equity
The Group	MYR'000 Note 21(a)	MYR'000 Note 21(b)	MYR'000 Note 21(c)	MYR'000	MYR'000
	Note 21(a)				
At 1 January 2022	55,886	<u> </u>	(59,250)	57,748	54,384
Net profit and total comprehensive income			12.5	12,320	12,320
for the financial year Transactions with owners:	142 P 1 -			12,520	12,520
 Issuance of new shares during the 					
financial year	31,502)el	158	10704	31,502
 Share issue costs, recognised directly in 	(2.414)			-	(2,411)
equity	(2,411) 29,091		-		29,091
At 31 December 2022	84,977		(59,250)	70,068	95,795
Net profit and total comprehensive income	,				
for the financial year	1	-	1 - 3	21,561	21,561
Transactions with owners:	Г			(4,904)	(4,904)
- Dividends (Note 21 (d))		(857)		(4,904)	(4,904)
 Purchase of treasury shares 		(857)		(4,904)	(5,761)
At 31 December 2023	84,977	(857)	(59,250)	86,725	111,595

	Att	ributable to ow	ners of the Compa	ny
	Share	Treasury	Accumulated	Total
	capital	shares	losses	equity
The Company	MYR'000	MYR'000	MYR'000	MYR'000
Balance as at date of incorporation Net loss and total comprehensive loss for	*		-	*
the financial period			(4,653)	(4,653)
Transactions with owners:				
 Issuance of shares during the financial year 				
 Acquisition of subsidiary 	55,886	-	14	55,886
 Issuance of new shares 	31,502	-	(*	31,502
- Share issue costs	(2,411)	-		(2,411)
	84,977	1	14	84,977
At 31 December 2022	84,977	19 - 1	(4,653)	80,324
Net profit and total comprehensive income for				
the financial year	-	3 .	7,527	7,527
Transactions with owners:				
- Dividends (Note 21 (d))	-	80	(4,904)	(4,904)
- Purchase of treasury shares	-	(857)		(857)
	.=	(857)	(4,904)	(5,761)
At 31 December 2023	84,977	(857)	(2,030)	82,090

* denotes MYR3

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

5E Resources Limited and its subsidiaries

Consolidated statement of cash flows

for the financial year ended 31 December 2023

Cash Flows from Operating Activities Profit before taxation	Note	Year ended 31 December 2023 MYR'000 27,900	Year ended 31 December 2022 MYR'000 17,390
 Adjustments for: Property, plant and equipment Depreciation Written off Gain on disposal Depreciation of right-of-use assets Interest income Finance expenses Net impairment reversal on trade receivables Unrealised gain on foreign exchange Gain on lease modification Operating profit before working capital changes Changes in inventories Changes in trade and other receivables Changes in trade and other payables Cash generated from operations Income tax paid 	16 5 5 17 4 8 13	2,699 3 (83) 710 (1,838) 542 (36) (108) (1) 29,788 126 (2,798) 3,778 30,894 (7,797) 23,097	2,512 92 810 (803) 473 (5) (62) - - - 20,407 (41) 2,165 60 22,591 (5,796) 16,795
Cash Flows from Investing Activities Purchase of property, plant and equipment Proceed from disposal of property, plant and equipment Repayment from related parties Withdrawal/(placement) of short-term deposits Interest received Net cash used in investing activities	16	(17,196) 155 14 404 <u>1,838</u> (14,785)	(3,642) 41 (400) <u>796</u> (3,205)
Cash Flows from Financing Activities Repayment of borrowings Repayment of lease liabilities Interest paid Proceeds from issuance of shares Purchase of treasury shares Dividends paid Listing expenses charged to equity Net cash (used in)/generated from financing activities	Note A Note A 21(a) 21(b) 21(d)	(388) (203) (542) - (857) (4,904) - (6,894)	(3,315) (243) (179) 31,502 - - (2,411) 25,354
Net increase in cash and cash equivalents Cash and cash equivalents at beginning of year Effect of exchange rate changes on cash and cash equivalents Cash and cash equivalents at end of year	11	1,418 60,924 <u>108</u> 62,450	38,944 21,918 <u>62</u> 60,924

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5E Resources Limited and its subsidiaries 12

Consolidated statement of cash flows (Cont'd)

for the financial year ended 31 December 2023

Note A:

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities MYR'000 (Note 17)	Term loans MYR'000 (Note 19)	Hire purchase liabilities MYR'000 (Note 19)	Total MYR'000
At 1 January 2022	327	5,928	-	6,255
<u>Cash flows:</u> Repayment of borrowings Repayment of lease liabilities Interest paid	(243) (93) (336)	(3,315) - (86) (3,401)	-	(3,315) (243) (179) (3,737)
<u>Non-cash flows:</u> Interest expense New leases	387 <u>9,776</u> 10,163	86 - 86		473 <u>9,776</u> 10,249
At 31 December 2022	10,154	2,613	-	12,767
<u>Cash flows:</u> Repayment of borrowings Repayment of lease liabilities Interest paid	(203) (536) (739)	(363) - - (363)	(25) - (6) (31)	(388) (203) (542) (1,133)
<u>Non-cash flows:</u> Interest expense Lease modification New leases	536 11 - 547	-	6 - 507 513	542 11 507 1,060
At 31 December 2023	9,962	2,250	482	12,694

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2023

5E Resources Limited and its subsidiaries 13

Notes to the financial statements

for the financial year ended 31 December 2023

1 General information, the restructuring exercise

1.1 General Information

The financial statements of the Group and the Company for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' statement.

The Company was incorporated in Singapore on 18 October 2021 as a private company limited by shares. On 25 March 2022, the Company was converted to a public limited company and the Company's name was changed to "5E Resources Limited". The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 12 May 2022.

The address of the Company's registered office is 30 Cecil Street, #19-08 Prudential Tower, Singapore 047912.

The Company is an investment holding company. The Company and its subsidiaries (collectively known as the "Group"), are principally engaged in the provision of scheduled waste management services, sales of recovered and recycled products and trading of chemicals. The principal activities of its significant subsidiaries are disclosed in Note 15 of the financial statements.

1.2 Restructuring exercise

The Group undertook the following transactions as part of a corporate reorganisation implemented for its listing on the Catalist Board of the Singapore Exchange Securities Trading Limited.

(a) Incorporation of the Company

The Company was incorporated in Singapore on 18 October 2021 under the Companies Act 1967 (the "Act") as a private company limited by shares with an issued and paid-up share capital of S\$1 (approximately MYR3).

- (b) Acquisition of subsidiaries
 - Acquisition of 5E Resources Sdn. Bhd. ("5E Resources") by 5E Holdings Sdn. Bhd. ("5E Holdings")

On 9 December 2020, a share sale agreement was entered into between 5E Holdings as the purchaser and Mdm. Loo Sok Ching ("Mdm. Loo"), Mr. Wong Kim Fatt ("Mr. KF Wong"), Mr. Ban Kim Wah ("Mr. Ban"), Mr. Lim Te Hua ("Mr. Lim") and Mr. Shankar A/L Narasingam ("Mr. Shankar") as the vendors pursuant to which 5E Holdings acquired the entire issued share capital in 5E Resources held by the vendors at deemed cost of MYR42,871,000, which was determined with reference to the net asset value of 5E Resources as at 31 October 2020 and was settled by the allotment and issue of an aggregate of 1,000 shares in 5E Holdings to the vendors. Upon completion of the transfers on 30 December 2020, 5E Resources became wholly-owned by 5E Holdings.

1 General information, the restructuring exercise (Cont'd)

- 1.2 Restructuring exercise (Cont'd)
- (b) Acquisition of subsidiaries (Cont'd)
 - (ii) Acquisition of TS Heuls Chemical & Engineering Sdn. Bhd. ("TS Heuls") by 5E Resources

On 18 December 2020, a share sale agreement (as supplemented by a letter of variation dated 3 March 2021) was entered into between 5E Resources as the purchaser and Mr. KF Wong and Mr. Ban as the vendors pursuant to which 5E Resources acquired the entire equity interest in TS Heuls at a cash consideration of MYR4,495,000. The consideration was determined with reference to the net asset value of TS Heuls as at 31 October 2020. Upon completion of the acquisition on 30 December 2020, TS Heuls became wholly-owned by 5E Resources.

(iii) Acquisition of 5E Holdings by the Company

5E Holdings is a wholly-owned subsidiary of 5E International Holdings Limited ("5E International"). 5E International was incorporated in the British Virgin Islands (the "BVI") with limited liability on 1 December 2021. On 14 December 2021, a sale and purchase agreement was entered into between 5E International as the purchaser and Mdm. Loo, Mr. KF Wong, Mr. Ban, Mr. Lim and Mr. Shankar as the vendors pursuant to which 5E International acquired the entire issued share capital in 5E Holdings held by the vendors at an aggregate nominal consideration of MYR5.00. Upon completion of the transfers, 5E Holdings became wholly-owned by 5E International.

On 28 December 2021, a share sale agreement was entered into between the Company as the purchaser and 5E International as the vendor, pursuant to which the Company acquired the entire issued share capital in 5E Holdings held by the vendor at deemed cost of MYR55,886,000, which was determined with reference to the net asset value of 5E Holdings as at 31 October 2021, and was settled by way of the allotment and issuance of 18,162,000 new shares to the vendor. Upon completion of the acquisition on 22 March 2022, 5E Holdings became a directly wholly-owned subsidiary of the Group.

(c) Conversion of the Company into a public company

On 25 March 2022, the Company was converted into a public company limited by shares and its name was changed from 5E Resources Pte. Ltd. to 5E Resources Limited.

(d) Share split

On 25 March 2022, the Company effected a share split exercise which resulted in 1 share being sub-divided into 6 shares. Following the share split, the issued and paid-up share capital was \$\$18,162,000 (MYR55,886,000 equivalent) comprising 108,975,000 shares.

(e) Listing of 5E Resources

On 12 May 2022, 5E Resources was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

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5E Resources Limited

and its subsidiaries

Notes to the financial statements for the financial year ended 31 December 2023

2 Material accounting policy information

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied throughout the financial years, unless otherwise stated.

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2.1 Basis of preparation

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

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

In 2022, resulting from the above Restructuring Exercise, the financial statements of the Group had been prepared using the principles of merger accounting on the basis that the Group was controlled by the ultimate group of controlling shareholders both before and after the Restructuring Exercise.

2.2 Standards issued and effective that are applicable to the Group

The Group and the Company have adopted all new and revised SFRS(I) and amendments to SFRS(I), effective for the current financial year that are relevant to them.

- SFRS(I) 17 Insurance Contracts
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8 Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12 International Tax Reform Pillar Two Model Rules

The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

2 Material accounting policy information (Cont'd)

2.2 Standards issued and effective that are applicable to the Group (Cont'd)

Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments from 1 January 2023. The amendments are applied to transactions that occurred on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax asset and deferred tax liability shall be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Group previously accounted for deferred tax on leases by recognising the deferred tax asset or liability on a net basis. As at 31 December 2022, deferred tax assets (net) of MYR165,000 were disclosed in Note 20 to the Group's FY2022 financial statements.

As of 31 December 2023, the taxable temporary differences in relation to right-of-use assets amounted to MYR8.9 million (2022 - MYR9.4 million); and the corresponding deductible temporary differences in relation to lease liabilities amounted to MYR9.9 million (2022 - MYR10.1 million), respectively.

On adoption of the amendments, the Group has re-grossed and recognised a deferred tax liability of MYR2.1 million (2022 - MYR2.3 million) in relation to its right-of-use assets, and a deferred tax asset of MYR2.4 million (2022 - MYR2.4 million) in relation to its lease liabilities, respectively.

There is no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There is also no impact on the opening retained earnings as at 1 January 2022 and 2023 as a result of the change.

2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I) and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined

Effective date

2 Material accounting policy information (Cont'd)

2.4 Revenue recognition

Revenue is recognised when or as the control of the goods or service is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

(a) Scheduled waste management services

Revenue from scheduled waste management services are recognised net of discount over time as performance obligations of services promised in the contract is satisfied.

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The scheduled waste management services are fixed-price contracts. Revenue is recognised based on the actual service provided at the end of the financial year as a proportion of the total services to be provided. This is determined based on the time period over which the services are provided.

(b) Sales of recovered and recycled products and chemical trading

Revenue from sales of recovered and recycled products and chemical trading are recognised net of discount at the point in time when control of the goods has transferred to customer. Depending on the terms of the contract with the customer, control transfers either upon delivery of the goods to locations specified by the customer or acceptance of the goods by the customer.

(c) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and included as part of "other income" in the consolidated statement of comprehensive income.

2.5 Employee compensation

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

(a) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(b) Employees' leave entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of consolidated statement of financial position. Employee entitlements to sick leave and maternity or paternity leaves are not recognised until the time of leave.

2 Material accounting policy information (Cont'd)

2.5 Employee compensation (Cont'd)

(c) Profit sharing and bonus plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

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2.6 Leases

Accounting by lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Leasehold land is amortised over the leasehold period of 60 years. The other right-of-use assets are depreciated over lease period of 3 to 23 years.

Right-of-use assets are presented as a separate line item on the statement of financial position.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

2 Material accounting policy information (Cont'd)

2.6 Leases (Cont'd)

Accounting by lessee (Cont'd)

Lease liabilities (Cont'd)

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

• Short-term and low value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for shortterm leases that have lease terms of 12 months or less and leases of low value assets. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.7 Borrowing costs

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

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

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2 Material accounting policy information (Cont'd)

2.8 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

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

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Net realisable value represents the estimated selling price less the estimated costs to completion and the estimated costs necessary to make the sale.

2.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.7).

2 Material accounting policy information (Cont'd)

2.10 Property, plant and equipment (Cont'd)

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance are expensed in the consolidated statement of comprehensive income during the reporting period in which they are incurred.

Depreciation of all items of property, plant and equipment is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

Depreciation on assets under construction commences when the assets are ready for their intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) - net" in the consolidated statement of comprehensive income.

2.11 Investments in subsidiaries

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

2.12 Impairment of non-financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

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

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Notes to the financial statements for the financial year ended 31 December 2023

5E Resources Limited and its subsidiaries

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2 Material accounting policy information (Cont'd)

2.12 Impairment of non-financial assets (Cont'd)

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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

2.13 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The Group does not hold any financial assets measures at fair value through profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The Group classifies its debt instruments at amortised cost.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the statement of comprehensive income.

(b) Impairment

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents and other receivables are also subject to the impairment requirements of SFRS(I) 9, the identified impairment loss was immaterial.

2 Material accounting policy information (Cont'd)

2.13 Financial assets (Cont'd)

(c) Recognition and derecognition

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

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.15 Trade and other payables

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

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

2.16 Borrowings

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

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

2.17 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

2 Material accounting policy information (Cont'd)

2.17 Share capital and treasury shares (Cont'd)

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.18 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.19 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance expenses - net". All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "Other gains/(losses) - net".

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 Executive Directors of the Group.

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2 Material accounting policy information (Cont'd)

2.21 Group accounting

Subsidiaries

(i) Consolidation

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

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

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

Business combination under common control

The acquisition of TS Heuls by 5E Resources was accounted for as a business combination under common control.

SFRS(I) 3 does not apply to business combination under common control and is a choice of accounting policy. In considering the accounting policy to be adopted, management has considered the substance and the specific facts and circumstances surrounding the business combination.

Management considered that predecessor accounting best reflected the substance of the business combination under common control as:

- TS Heuls was wholly owned by 5E Resources and there was no non-controlling interest involved;
- the consideration for the transfer was set at the existing book values of TS Heuls; and
- both 5E Resources and TS Heuls were managed together before and after the combination.

Under the predecessor accounting, the net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity or business were recorded at the book values as stated in the financial statements of the controlling party. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties' interests.

2 Material accounting policy information (Cont'd)

2.21 Group accounting (Cont'd)

Subsidiaries (Cont'd)

(ii) Disposals of subsidiaries

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

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

(iii) Transactions with non-controlling interests

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

2.22 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants related to expenses are recognised in profit or loss over the periods necessary to match the related costs for which the grants are intended to compensate.

3 Critical accounting estimates, assumptions and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

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3 Critical accounting estimates, assumptions and judgements (Cont'd)

(a) Estimation of stage of completion for scheduled waste management services

The revenue from scheduled waste management services are recognised over time when performance obligations of services as promised in the contract is satisfied. Revenue is recognised based on the waste management services completed at the end of the financial year relative to the total services to be provided under the contract. This is determined based on the time period over which the services are provided.

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Management has to estimate the time period to complete the services to determine the Group's recognition of revenue.

Significant assumptions are used to estimate the total estimated time period which affect the accuracy of revenue recognition based on the percentage-of-completion. In making these assumptions, management has relied on past experience.

As at 31 December 2023, the remaining waste management services has yet to be completed is insignificant.

(b) Useful lives and residual values of plant and machinery

The costs of plant and machinery are depreciated on a straight-line basis over their useful lives. Management exercises its judgement in estimating the useful lives and residual values of the depreciable assets. The estimated useful lives reflect management's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable asset.

The Group reviews annually the estimated useful lives of plant and machinery based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that the Group's future results could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives by 1 year would increase the Group's annual depreciation expense by MYR286,000 (2022 - MYR218,000).

(c) Impairment of trade receivables

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

To measure the expected credit losses, these receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and inflationary rate in Malaysia to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Any possible changes in these inputs could result in revision to the loss allowance recorded by the Group.

Management has considered a range of possible outcomes, ie a baseline scenario and the worst-case scenario in computing the expected credit allowance ("ECL"). In the baseline scenario, management incorporated the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables and made adjustments to the expected loss rates accordingly. In the worst-case scenario, management considered a further increase in expected loss rate as computed in the baseline scenario. A probability-weighting of occurrence was subsequently applied to these two different scenarios to derive at the expected credit loss allowance to be made.

3 Critical accounting estimates, assumptions and judgements (Cont'd)

(c) Impairment of trade receivables (Cont'd)

A 20% increase in the probability-weighting would increase the loss allowance by MYR39,000 and MYR30,000 for 31 December 2023 and 31 December 2022 respectively.

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4 Revenue and segment information

The chief operating decision maker ("CODM") has been identified as the Executive Directors of the Group who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group is principally engaged in scheduled waste management services, sales of recovered and recycled products and chemical trading. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group. For the financial years ended 31 December 2023 and 2022, there are three operating segments based on business type: (1) scheduled waste management services, (2) sales of recovered and recycled products, and (3) chemical trading.

The CODM considers the business from activities perspective and assesses the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the CODM. These reports are prepared on the same basis as the consolidated financial statements.

Transactions between operating segments are carried out on agreed terms. The effects of such intersegment transactions and balances arising thereof are eliminated.

	Year ended 31 December 2023			
	Scheduled	Sales of		
The Group	waste	recovered		
	management	and recycled	Chemical	Tetal
	services	products	trading MYR'000	Total MYR'000
	MYR'000	MYR'000	MYROUU	MTRUUU
Segment revenue				
Total revenue	68,519	9,991	3,296	81,806
Intersegment revenue elimination	¥	(1)	(1,844)	(1,845)
Revenue from external customers	68,519	9,990	1,452	79,961
Segment results	37,240	1,511	1,061	39,812
Other income - interest income				1,838
Other gains				419
Administrative expenses				(10,594)
Selling and distribution expenses				(3,069)
Finance expenses				(542)
Net reversal of impairment loss on				36
trade receivables			-	27,900
Profit before income tax				27,900
Significant non-cash items				
Depreciation of property, plant and equipment	2,373	324	2	2,699
Depreciation of right-of-use assets	598	82	30	710
Depresidien et light et dee deeete				
Additions:				
Property, plant and equipment	13,302	1,815	12	15,129
Right-of-use assets	(m)	•	12	12

5E Resources Limited and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

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4 Revenue and segment information (Cont'd)

	Year ended 31 December 2022			
The Group	Scheduled waste management services MYR'000	Sales of recovered and recycled products MYR'000	Chemical trading MYR'000	Total MYR'000
Segment revenue Total revenue Intersegment revenue elimination Revenue from external customers	53,282	10,078 (1) 10,077	3,713 (2,103) 1,610	67,073 (2,104) 64,969
Segment results	25,724	3,001	1,054	29,779
Other income - interest income - others Other gains Administrative expenses Selling and distribution expenses Finance expenses Net reversal of impairment loss on trade receivables Profit before income tax			-	803 968 318 (10,661) (3,349) (473) <u>5</u> 17,390
Significant non-cash items Depreciation of property, plant and equipment Depreciation of right-of-use assets	2,171	339 106	2 27	2,512 810
Additions: Property, plant and equipment Right-of-use assets	7,068 9,776			7,068 9,776

Most of the Group's revenue is generated from customers located in Malaysia and all the assets of the Group are located in Malaysia. Accordingly, no geographical segment analysis is presented.

For the financial year ended 31 December 2023, there was a customer which contributed 21.6% of the Group's total revenue. In the previous financial year, there was a customer which contributed 10.2% of the Group's total revenue.

Timing of revenue recognition is as follows:

The Group	2023 MYR'000	2022 MYR'000
Over time - scheduled waste management services	68,519	53,282
Point in time - sales of recovered and recycled products - chemical trading	9,990 1,452 11,442 79,961	10,077 1,610 11,687 64,969

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5E Resources Limited and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

4 Revenue and segment information (Cont'd)

Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current financial year relates to carried-forward contract liabilities:

The Group	2023 MYR'000	2022 MYR'000
Revenue recognised that was included in the contract liabilities balance at the beginning of year	51	73

Management expects that contract liabilities amounting to MYR51,000 (2022 - MYR73,000) will be recognised as revenue within 12 months from the financial reporting date.

5 Other gains - net	0000	0000
The Group	2023 MYR'000	2022 MYR'000
Gain on disposal of property, plant and equipment Write-off of property, plant and equipment Currency exchange gain - net	83 (3) <u>339</u> 419	(92) 410 318
6 Expenses by nature		
The Group	2023 MYR'000	2022 MYR'000
Audit fees: - Auditor of the Company - Other auditors - network firms Non-audit fees: - Audit-related services ("ARS"):	238 160	531 206
 Auditor of the Company Other auditors - network firms Non-ARS: Other auditors - network firms 	- - 537	64 4 37 517
Directors' fees (Note 7) Employee compensation (Note 7) Cost of inventories sold (Note 14) Depreciation of property, plant and equipment (Note 16)	16,276 10,281 2,699	12,940 6,883 2,512
Depreciation of right-of-use assets (Note 17(c)) Short-term leases (Note 17(c))	710 283	810 101
Consumables Fuel oil and petrol Professional fees	1,077 1,180 1,046	905 2,230 3,073
Referral fees Repair and maintenance fee	3,809	243 3,692
Sludge disposal Subcontractor charges Transportation charges	5,634 2,091 2,303	6,916 579 2,068
Utility expense Others	2,396 3,092	2,038 2,851
	53,812	49,200

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and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

6 Expenses by nature (Cont'd)

The Group	2023 MYR'000	2022 MYR'000
Represented by: Cost of sales	40,149	35,190
Administrative expenses Selling and distribution expenses	10,594 3,069	10,661 3,349
. .	53,812	49,200

7 Employee compensation

The Group	2023 MYR'000	2022 MYR'000
Salaries, bonuses and other benefits Employer's contribution to defined contribution plan	15,405 1,306	12,289 1,074
Others	102	94
	16,813	13,457

8 Finance expenses

The Group	2023 MYR'000	2022 MYR'000
Interest expense on borrowings Interest expense on lease liabilities	6 536 542	86 <u>387</u> 473

9 Income tax expense

The Group	2023 MYR'000	2022 MYR'000
Tax expense attributable to profit is made up of:		
Current income tax - current year - (over)/under provision in prior year Deferred income tax credit (Note 20)	7,011 (173) (499) 6,339	5,439 209 (578) 5,070

5E Resources Limited and its subsidiaries

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Notes to the financial statements for the financial year ended 31 December 2023

9 Income tax expense (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rates of income tax as follows:

The Group	2023 MYR'000	2022 MYR'000
Profit before income tax	27,900	17,390
Tax calculated at Malaysia statutory tax rate of 24% Effect of:	6,696	4,174
- Income not subject to tax	(19)	
- Expenses not deductible for tax purposes	117	687
- Deductible temporary differences not recognised in prior years	(282)	÷.
- (Over)/under provision in prior year	(173)	209
Tax charge	6,339	5,070
Movement of current income tax liabilities:		
As of beginning of the year	1,624	1,772
Income tax paid	(7,797)	(5,796)
Tax expense	7,011	5,439
(Over)/under provision in prior year	(173)	209
As of end of the year	665	1,624

10 Earnings per share

(a) Basic earnings per share

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

	2023	2022
The Group		
Net profit attributable to owners of the Company (MYR'000)	21,561	12,320
Weighted average number of ordinary shares in issue ('000)	147,377	133,657
Basic earnings per share (in MYR cents)	14.6	9.2

• The weighted average number of ordinary shares in 2022 was derived from the number of ordinary shares in issue by the Company, adjusted retrospectively for the effects of restructuring as disclosed in Note 1.2(d).

- The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions in 2023.
- (b) Diluted earnings per share

For the years ended 31 December 2023 and 2022, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares.

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5E Resources Limited and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

11 Cash and cash equivalents

	The Group		The Company	
	2023 MYR'000	2022 MYR'000	2023 MYR'000	2022 MYR'000
Cash and bank balances	17,234	14,944	867	895
Deposits with licensed banks	45,216	45,980	-	2
	62,450	60,924	867	895

The deposits, denominated in MYR, have a maturity period of 1 to 3 months (2022 - 1 to 3 months) and earned interest at the rates of 2.80% to 4.20% (2022 - 1.50% to 3.55%) per annum.

12 Short-term deposits

The Group	2023 MYR'000	2022 MYR'000
Deposits with licensed banks	85	489

The deposits, denominated in MYR, have a maturity period of 365 days (2022 - 365 days) and earn interest at the rate of 2.80% (2022 - 2.06%) per annum.

13 Trade and other receivables

	The Group		The Company	
	2023 2022		2023	2022
	MYR'000	MYR'000	MYR'000	MYR'000
Trade receivables	11,644	8,620		
Less: Loss allowance provision	(153)	(189)		
	11,491	8,431		3 0 0
Other receivables - subsidiary	-	1000	25,837	23,677
Other receivables - related parties	4	18	-	000
Other receivables - non-related parties	-	1		
Deposits	1,456	917		
Financial assets at amortised cost	12,951	9,367	25,837	23,677
Contract assets	43	3 2	-	
Grant receivable	-	947	-	947
Prepaid expenses	10	88	10	24
Prepayment to suppliers	230	12		
	13,234	10,414	25,847	24,648

Other receivables due from subsidiary, related and non-related parties are unsecured, interest free and repayable on demand.

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5E Resources Limited and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

13 Trade and other receivables (Cont'd)

The movement of loss allowance provision during the year is as follows:

The Group	2023 MYR'000	2022 MYR'000
At beginning of year	189	194
Reversal during the year	(36)	(5)
At end of year	153	189

The change in gross carrying amount of the trade receivables that contributed to the change in loss allowance above was due to the increase in the gross carrying amount of trade receivables from MYR8.6 million in 2022 to MYR11.6 million in 2023, set off against the decrease in balance due more than 90 days from 2.7% of total gross carrying amount in 2022 to 2.4% of total gross carrying amount, resulting in a decrease in loss allowance of MYR36,000.

14 Inventories

The Group	2023 MYR'000	2022 MYR'000
Raw materials	253	224
Finished goods	25	59
Trading goods	49	116
Machinery spare parts	99	153
	426	552
Less: Allowance for slow moving inventories	(12)	(12)
	414	540

The cost of inventories recognised as expenses and included in "cost of inventories sold" amounted to MYR10,281,000 (2022 - MYR6,883,000) (Note 6).

15 Investments in subsidiaries

The Company	MYR'000
Unquoted equity shares, at cost Balance at date of incorporation	*
Acquisition of subsidiary (Note 1.2(b)(iii))	55,886
At 31 December 2023 and 2022	55,886

Denotes MYR3

5E Resources Limited and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

15 Investments in subsidiaries (Cont'd)

The Company's subsidiaries at the reporting date are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective i equity by the Co 2023 %	held
Directly held 5E Holdings Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100	100
Indirectly held 5E Resources Sdn. Bhd. ⁽¹⁾	Malaysia	Scheduled waste management services and sales of recovered recovered and recycled products	100	100
TS Heuls Chemicals & Engineering Sdn. Bhd. ⁽¹⁾	Malaysia	Trading of chemicals	100	100

(1) Audited by HLB Ler Lum Chew PLT in 2023

16 Property, plant and equipment

			Furniture			
		Plant and	and office	Motor	Work in	
The Group	Buildings	machinery	equipment	vehicles	progress	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Cost						
Cost	22,455	23,841	3,771	4,236	2.04	54,303
At 1 January 2022 Additions	22,400	690	293	4,230	5,963	7,068
	-	(424)	(231)	(3)	5,905	(658)
Disposal	-				5,963	60,713
At 31 December 2022	22,455	24,107	3,833	4,355	,	,
Additions	14	1,162	95	4,017	9,841	15,129
Disposal		(409)	(57)	(250)	-	(716)
At 31 December 2023	22,469	24,860	3,871	8,122	15,804	75,126
Accumulated depreciation	2,243	17,058	2,484	2,768	-	24,553
At 1 January 2022	,		2,404	460	-	2,512
Depreciation for the year	486	1,191			-	(566)
Disposal	-	(383)	(180)	(3)		
At 31 December 2022	2,729	17,866	2,679	3,225	-	26,499
Depreciation for the year	486	1,285	344	584	-	2,699
Disposal	-	(405)	(57)	(179)		(641)
At 31 December 2023	3,215	18,746	2,966	3,630		28,557
Carrying amount						
At 31 December 2023	19,254	6,114	905	4,492	15,804	46,569
At 31 December 2022	19,726	6,241	1,154	1,130	5,963	34,214

Work in progress mainly relates to the construction of the Group's new plant located in Johor, Malaysia, with completion expected in the next 12 months.

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5E Resources Limited and its subsidiaries

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Notes to the financial statements for the financial year ended 31 December 2023

16 **Property, plant and equipment (Cont'd)**

Right-of-use of assets acquired under hire purchase are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17.

Bank borrowings (Note 19) are secured on buildings of the Group with carrying amounts of MYR19,254,000 (2022 - MYR19,726,000).

Purchase of property, plant and equipment as reflected in consolidated statement of cash flows is as follows:

The Group	2023 MYR'000	2022 MYR'000
Property, plant and equipment additions Prepayment made for purchase of property, plant and equipment	15,129	7,068 290
Capital expenditure accrued/ payable	(1,149) 4.013	(4,013) 367
Repayment of capital expenditure accrued/ payable in prior year Right-of-use assets acquired under hire purchase	(507)	(70)
Cash prepaid in respect of purchases made in previous financial year Cash disbursed for purchase of property, plant and equipment	(290)	3,642

17 Right-of-use assets and leases

(a) Nature of the Group's leasing activities

The Group has obtained the rights to use 3 parcels of leasehold land from the Malaysia government. The lease period granted to the Group is 60 years, expiring on 2045, 2067 and 2071 respectively. Leasing arrangements of the Group comprised the following:

- (i) Type I leases Leases whereby the Group is required to make upfront payments on lease inception for the entire lease payments under the terms of the land use rights agreement with the Malaysia government.
- (ii) Type II leases Leases whereby the Group is required to make monthly lease payments for the use rights of assets, which include buildings and motor vehicles.

Extension and termination options are included in the leases of buildings. The options are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. These options have been included in the measurement of the lease liabilities.

Certain of the Group's land use rights (Type I leases) have been pledged to a financial institution to secure the Group's borrowings (Note 19).

There are no externally imposed covenants on these lease arrangements.

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17 Right-of-use assets and leases (Cont'd)

(b) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position presents the following amounts relating to leases:

The Group			2023 MYR'000	2022 MYR'000
Right-of-use assets Type I leases Type II leases		-	6,490 8,939 15,429	6,663 9,464 16,127
Lease liabilities Current Non-current		2	98 9,864 9,962	256 9,898 10,154
Assets acquired under hire purch	ase			
Right-of-use assets classified with and equipment - "motor vehicles	hin property, plant s" (Note 16)	-	569	<u> </u>
Lease liabilities classified within b Non-current Current	oorrowings (Note 1	19): - -	389 93 482	
Movement of right-of-use assets	is as follows:			
The Group	Leasehold land MYR'000	Buildings MYR'000	Motor vehicles MYR'000	Total MYR'000
2023 At 1 January 2023 Additions	15,890	170 12	67	16,127 12
Depreciation for the year At 31 December 2023	(514) 15,376	(129) 53	(67)	(710) 15,429
Cost Less: Accumulated depreciation Net carrying amount	17,131 (1,755) 15,376	242 (189) 53	391 (391) -	17,764 (2,335) 15,429
<u>2022</u> At 1 January 2022 Additions Depreciation for the year At 31 December 2022	6,835 9,643 (588) 15,890	97 133 (60) 170	229 (162) 67	7,161 9,776 (810) 16,127

Cost	17,131	230	391	17,752
Less: Accumulated depreciation	(1.241)	(60)	(324)	(1,625)
Net carrying amount	15,890	170	67	16,127

Bank borrowings (Note 19) are secured on land use rights of the Group with carrying amounts of MYR1,736,000 (2022 - MYR1,816,000).

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17 Right-of-use assets and leases (Cont'd)

(c) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

2023 MYR'000	2022 MYR'000
710	810
536	387
283	101
2023 MYR'000	2022 MYR'000
739	336
<u></u>	<u> </u>
	MYR'000 710 536 283 283 2023 MYR'000 739

18 Trade and other payables

	The Group		The	Company	
	2023	2022	2023	2022	
	MYR'000	MYR'000	MYR'000	MYR'000	
Trade payables	1,499	991		-	
Other payables - non-related parties	2,502	1,484	119	180	
Capital expenditure payable/ accrued	1,149	4,013		-	
Accrued payroll costs	5,959	3,731	138	517	
Accrued expenses	625	680	253	408	
Financial liabilities at amortised cost Contract liabilities	11,734	10,899	510	1,105	
	143	64		<u><u></u></u>	
	11,877	10,963	510	1,105	

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5E Resources Limited

and its subsidiaries

Notes to the financial statements for the financial year ended 31 December 2023

19 Borrowings

The Group	2023 MYR'000	2022 MYR'000
<u>Non-current</u> Term loans (secured) Hire purchase liabilities (Note 17 (b))	1,886 389 2,275	2,252
<u>Current</u> Term loans (secured) Hire purchase liabilities (Note 17 (b))	364 93 457	361 361
Total borrowings	2,732	2,613

Loans from financial institutions are secured by certain leasehold land classified under right-of-use assets (Note 17) and buildings (Note 16), corporate guarantee by a subsidiary, 5E Holdings Sdn. Bhd., and additionally guaranteed jointly and severally by certain Directors and shareholders of the Company. These borrowings bear floating interest rates. The weighted average interest rate of the borrowings is 4.42% (2022 - 4.17%) per annum. The hire purchase liabilities bear fixed interest rates ranging from 2.33% to 2.36%.

20 Deferred tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

The Group	2023 MYR'000	2022 MYR'000
Deferred tax liabilities	1,350	1,849
The movement on the deferred income tax account is as follows:		
The Group	2023 MYR'000	2022 MYR'000
At beginning of the year (Credited)/ charged to consolidated statement of comprehensive income (Note 9)	1,849	2,427
 property, plant and equipment hire purchase 	173 (115)	(28)
- lease liabilities	(81)	(164)
 loss allowance provision 	9	1
- accruals	(485)	(387)
	(499)	(578)
At end of the year	1,350	1,849

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5E Resources Limited and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

20 Deferred tax liabilities (Cont'd)

The movement on the deferred income tax account is as follows (Cont'd):

The Group	2023 MYR'000	2022 MYR'000
Deferred tax assets		
Lease liabilities	2,378	2,432
Loss allowance provision	37	46
Hire purchase	115	-
Accruals	872	387
	3,402	2,865
Offsetting	(3,402)	(2,865)
Deferred tax liabilities		
Property, plant and equipment	2,620	2,447
Right-of-use assets	2,132	2,267
Offsetting	(3,402)	(2,865)
	1,350	1,849

21 Share capital, treasury shares and reserves

(a) Share capital

The Group and the Company	2023 No. of or	2022 dinary shares	2023 MYR'000	2022 MYR'000
Issued and fully paid with no par value				
Balance at beginning of year	147,474,784	108,974,784	84,977	55,886
Issuance of new shares upon listing	-	38,500,000	-	31,502
Share issue cost, recognised directly in equity	-		-	(2,411)
Balance at end of year	147,474,784	147,474,784	84,977	84,977

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The newly issued shares rank pari passu in all aspects with the previously issued shares.

(b) Treasury shares

The Group and the Company	2023 No. of ordina	2022 I ry shares	2023 MYR'000	2022 MYR'000
Balance at beginning of year	-	-	- 857	
Purchased during the year Balance at end of the year	956,400 956,400		857	

5E Resources Limited and its subsidiaries Notes to the financial statements for the financial year ended 31 December 2023

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21 Share capital, treasury shares and reserves (Cont'd)

(c) Reserves

The Group	Capital reorganisation reserve - (i) MYR'000	Other reserve - (ii) MYR'000	Total MYR'000
At 31 December 2023 and 2022 and 1 January 2022	(54,805)	(4,445)	(59,250)

(i) Capital reorganisation reserve

Capital reorganisation reserve represents the following:

- the difference between the share capital of the Company issued to acquire 5E Holdings of MYR55,886,000 and the existing share capital of 5E Holdings, which amounted to MYR42,872,000 as at the date of acquisition, which resulted in a debit balance of approximately MYR13,014,000; and
- the difference between the share capital of 5E Holdings issued to acquire 5E Resources of MYR42,871,000 and the existing share capital of 5E Resources, which amounted to MYR1,080,000 as at the date of acquisition, which resulted in a debit balance of approximately MYR41,791,000.

(ii) Other reserve

The acquisition of TS Heuls by 5E Resources is regarded as business combination under common control. The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the financial statements of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities of the acquired entity is recognised as a reserve.

A charge of MYR4,445,000 has been recognised within the other reserve and this represent the difference between the share capital of TS Heuls of MYR50,000 as at 31 December 2021 and the consideration payable of MYR4,495,000 as disclosed in Note 1.2(b)(ii) to the financial statements.

(d) Dividends

Final tax exempted (one-tier) dividend of S\$0.01 per ordinary share (approximately MYR0.0327 per ordinary share) for the financial year ended 31 December 2022.

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22 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and has established detailed policies such as authority levels and oversight responsibilities.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in Malaysia and most of its transactions are denominated in MYR. The Group's exposure to foreign exchange risk is minimal. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

The Group	SGD MYR'000	USD MYR'000	Total MYR'000
31 December 2023			
Cash and bank balances	3,679	1,164	4,843
31 December 2022			
Cash and bank balances	895	563	1,458

There were no financial instruments denominated in foreign currency at the end of the previous reporting period.

Sensitivity analysis for foreign currency risk

Any reasonably possible change in the foreign currency rates at the end of the reporting period does not have material impact on the profit after tax and hence, no sensitivity analysis is presented.

(ii) Price risk

The Group is not exposed to price risk as it does not hold any equity financial assets.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest-bearing assets and liabilities are bank borrowings, short-term deposits and cash and cash equivalents. Therefore, the Group's interest rate risk mainly arises from bank borrowings, short-term deposits and cash and cash equivalents.

22 Financial risk management (Cont'd)

Financial risk factors (Cont'd)

- (a) Market risk (Cont'd)
 - (iii) Cash flow and fair value interest rate risk (Cont'd)

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

The Group	2023 MYR'000	2022 MYR'000
Variable rate borrowings (Note 19)	2,250	2,613

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates. Impact on post-tax profit with the fluctuation of interest rate is as follows:

The Group	2023 MYR'000	2022 MYR'000
Interest rates - increase/decrease by 100 basis points	17	20

An analysis by maturities is provided in Note 22(c) below.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Group. The Group is exposed to credit risks in relation to its cash and cash equivalents, short-term deposits and trade and other receivables. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

(i) Risk management

The Group adopts the policy of dealing only with customers of appropriate credit standing and history where appropriate to mitigate credit risk. For cash and cash equivalents and short-term deposits, the Group adopts the policy of dealing with financial institutions with high credit ratings.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Group's major classes of financial assets are cash and cash equivalents, short-term deposits and trade and other receivables.

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22 Financial risk management (Cont'd)

Financial risk factors (Cont'd)

- (b) Credit risk (Cont'd)
 - (ii) Impairment of financial assets (Cont'd)

Cash and cash equivalents and short-term deposits

The Group places their cash deposits with banks which are rated AAA and AA1 based on Risk Assessment Model ("RAM") ratings and are considered to have a low credit risk. The cash and cash equivalents and short-term deposits are measured on 12-month expected credit losses and subject to immaterial credit loss.

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by SFRS(I) 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

To measure the expected credit losses, these receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and inflationary rate in Malaysia to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group considers a financial assets to be in default if the counterparty fails to make contractual payments within 90 days when they fall due. Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group when a debtor fails to make contractual payments on debts greater than 365 days past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where receivables are made, these are recognised in profit or loss.

The following table contains an analysis of the credit risk exposure of trade receivables (external) for which a loss allowance is recognised using the simplified approach. The gross carrying amount of trade receivables below also represents the Group's maximum exposure to credit risk on these assets:

Trade receivables

		Overdue			
		1 - 90	91-180	> 180	
The Group	Current	days	days	days	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
31 December 2023					
Expected loss rate (%) Gross carrying amount:	0.4	1	24	-	
- external trade receivables	5,865	5,505	274	-	11,644
Less: Loss allowance	(24)	(64)	(65)		(153)
Carrying amount (net of loss allowance)	5,841	5,441	209	8	11,491

Notes to the financial statements for the financial year ended 31 December 2023

5E Resources Limited and its subsidiaries

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22 Financial risk management (Cont'd)

Financial risk factors (Cont'd)

- (b) Credit risk (Cont'd)
 - (ii) Impairment of financial assets (Cont'd)

Trade receivables (Cont'd)

		1 - 90	91-180	> 180	
The Group	Current	days	days	days	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
31 December 2022					
Expected loss rate (%) Gross carrying amount:	1	1	41	100	
 external trade receivables 	4,565	3,821	161	73	8,620
Less: Loss allowance	(26)	(24)	(66)	(73)	(189)
Carrying amount (net of loss allowance)	4,539	3,797	95	-	8,431

Other receivables

As at 31 December 2023, the Group's other receivables amounted to MYR4,000 (2022 - MYR19,000). Management has assessed these other receivables and determined that the other receivables are fully recoverable, and no loss allowance is to be recorded.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

		Contractual undiscounted cashflows					
			Between	Between			
The Group	Carrying	Less than	1 and 2	2 and 5	Over		
·	amount	1 year	years	years	5 years	Total	
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	
At 31 December 2023							
Lease liabilities (Note 17)	9,962	557	552	1,734	14,195	17,038	
Trade and other payables							
(Note 18)	11,734	11,734	8		-	11,734	
Borrowings (Note 19)	2,732	477	477	1,401	924	3,279	
	24,428	12,768	1,029	3,135	15,119	32,051	
At 31 December 2022	10 151	700	574	4 000	4 4 770	47 774	
Lease liabilities (Note 17)	10,154	736	574	1,682	14,779	17,771	
Trade and other payables	40.000	40.000				40.000	
(Note 18)	10,899	10,899			1 0 0 5	10,899	
Borrowings (Note 19)	2,613	361	361	1,081	1,305	3,108	
	23,666	11,996	935	2,763	16,084	31,778	

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22 Financial risk management (Cont'd)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

	2023	2022
The Group	MYR'000	MYR'000
Lease liabilities (Note 17)	9,962	10,154
Bank borrowings (Note 19)	2,732	2,613
	12,694	12,767
Total equity	111,595	95,795
Debt-to-equity ratio	0.11	0.13

There are no externally imposed capital requirements that the Group is required to complied with as at 31 December 2023.

(e) Fair value measurements

Financial instruments carried at fair value or where fair value was disclosed can be categorised by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorised into three levels within a fair value hierarchy as follows:

- (i) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no changes in valuation techniques during the financial years ended 31 December 2023 and 2022.

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms. The fair values of term loans approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

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5E Resources Limited and its subsidiaries

Notes to the financial statements for the financial year ended 31 December 2023

22 Financial risk management (Cont'd)

(f) Financial instruments by category

The carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost are as follows:

		The Group		The Group		The C	ompany
		2023	2022	2023	2022		
	Note	MYR'000	MYR'000	MYR'000	MYR'000		
Financial assets at amortised cost:							
Cash and cash equivalents	11	62,450	60,924	867	895		
Short-term deposits	12	85	489	-	3 3 5		
Trade and other receivables	13	12,951	9,367	25,837	23,677		
		75,529	70,780	26,704	24,572		
Financial liabilities at amortised cost:							
Lease liabilities	17	9,962	10,154	-	-		
Trade and other payables	18	11,734	10,899	510	1,105		
Borrowings	19	2,732	2,613	=	5 		
0	0	24,428	23,666	510	1,105		

23 Related party transactions

(b)

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Related party transactions

The ultimate group of controlling shareholders of the Group comprise Mr KF Wong, Mdm. Loo and Mr. Ban. Related parties are entities controlled by individuals within the ultimate group of controlling shareholders of the Group.

The Group		2023 MYR'000	2022 MYR'000
With entities controlled by the controlling shareholders of the Provision of scheduled waster Sales of goods	he Group:	166 1	185
Cleaning services charges		(2)	
Payment on behalf for the serv utility expenses	rices charges and	-	(5)
Balances with related parties			
The Group		2023 MYR'000	2022 MYR'000
With entities controlled by the controlling shareholders of the Trade receivables		4	18

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5E Resources Limited and its subsidiaries

Notes to the financial statements for the financial year ended 31 December 2023

23 Related party transactions (Cont'd)

(c) Key management personnel compensation

The key management personnel of the Group include Executive Directors and certain members of senior management of the Group.

Key management personnel compensation is as follows:

The Group	2023 MYR'000	2022 MYR'000
Salaries, bonuses and other benefits Defined contribution plan	7,736 709	5,526 489
	8,445	6,015

24 Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not provided for in the financial statements is as follows:

The Group	2023 MYR'000	2022 MYR'000
Property, plant and equipment		10,489

25 Prior year reclassifications

The following reclassification to the financial statement captions in the consolidated statement of cash flows for the financial year ended 31 December 2022 were made to conform to the current year's presentation as required in accordance with SFRS(I) 1-7 *Cash Flow Statements*, as summarised below:

	Net cash generated from operating activities MYR'000	Net cash used in investing activities MYR'000	Net cash generated from financing activities MYR'000	Net increase in cash and cash equivalents MYR'000
As reported	20,441	(6,851)	25,354	38,944
Reclassifications: Changes in trade and other payables Purchase of property, plant and equipment	(3,646)	- 3,646	-	-
As restated	16,795	(3,205)	25,354	38,944



5E RESOURCES LIMITED (Company Registration. No. 202136285K) (Incorporated in Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

A CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		6 months ended		Increase/
	Note	30 June 2024	30 June 2023	(Decrease)
		MYR'000	MYR'000	%
Revenue from contracts with customers	4	40,817	37,646	8.4
Cost of sales		(21,976)	(18,013)	22.0
Gross profit		18,841	19,633	(4.0)
Other income	6	996	883	12.8
Other gains – net	7	72	281	(74.4)
Administrative expenses		(4,701)	(4,264)	10.2
Selling and distribution expenses		(1,505)	(1,368)	10.0
Finance expenses		(241)	(298)	(19.1)
Net impairment reversal on trade receivables		74	55	34.5
Profit before income tax		13,536	14,922	(9.3)
Income tax expense	9	(3,684)	(4,000)	(7.9)
Net profit and total comprehensive income for the financial period		9,852	10,922	(9.8)
Net profit and total comprehensive income for the financial period attributable to:				
- Owners of the Company		9,852	10,922	(9.8)
Earnings per share attributable to equity holders of the Company (in MYR cents)				
 Basic and diluted earnings per share (excluding treasury shares) 	14	6.76	7.41	

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		G	roup	Company	
	Note	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	_	MYR'000	MYR'000	MYR'000	MYR'000
ASSETS					
Current Assets					
Cash and cash equivalents		58,396	62,450	164	867
Short-term deposits		-	85	_	_
Trade and other receivables		16,546	12,947	1	_
Amount due from a subsidiary		_	_	25,836	25,837
Amount due from a related party		16	4	_	_
Other current assets		671	240	4	10
Contract assets		_	43	_	_
Inventories		523	414	_	_
Total current assets	-	76,152	76,183	26,005	26,714
Non-Current Assets					
Property, plant and equipment	11	51,001	46,569	_	_
Right-of-use assets		15,128	15,429	_	_
Investments in subsidiaries		_		55,886	55,886
Total non-current assets	-	66,129	61,998	55,886	55,886
Total assets	-	142,281	138,181	81,891	82,600
LIABILITIES					
Current Liabilities					
Trade and other payables		11,833	11,734	275	510
Contract liabilities		484	143	_	_
Current income tax liabilities		424	665	_	_
Borrowings	12	460	457	_	_
Lease liabilities		100	98	_	_
Total current liabilities	_	13,301	13,097	275	510
Non-Current Liabilities					
Lease liabilities		9,815	9,864	_	_
Borrowings	12	2,044	2,275	_	_
Deferred tax liabilities		1,309	1,350	_	_
Total non-current liabilities		13,168	13,489	-	-
Total liabilities	-	26,469	26,586	275	510
NET ASSETS	-	115,812	111,595	81,616	82,090
EQUITY					
Capital and reserves					
Share capital	13	84,977	84,977	84,977	84,977
Treasury shares	-	(6,492)	(857)	(6,492)	(857)
Reserves		(59,250)	(59,250)		
Retained profits/ (Accumulated		,/	· · · · · /	3,131	(2,030)
losses)	_	96,577	86,725	, -	· · · · · /
Total equity	-	115,812	111,595	81,616	82,090

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company			
Group	Share capital	Treasury shares	Reserves	Retained profits	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Balance at 1 January 2024	84,977	(857)	(59,250)	86,725	111,595
Net profit for the financial period		_	_	9,852	9,852
Total comprehensive income for the period		-	_	9,852	9,852
Purchase of treasury shares	_	(5,635)	_	_	(5,635)
Transaction with owners	_	(5,635)	_	-	(5,635)
Balance at 30 June 2024	84,977	(6,492)	(59,250)	96,577	115,812

		Attributable to owners of the Company				
Group	Share capital	Treasury shares	Reserves	Retained profits	Total	
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	
Balance at 1 January 2023	84,977	-	(59,250)	70,068	95,795	
Net profit for the financial period		_	-	10,922	10,922	
Total comprehensive income for the period		_		10,922	10,922	
Dividends paid		_	_	(4,904)	(4,904)	
Transaction with owners		_	_	(4,904)	(4,904)	
Balance at 30 June 2023	84,977	_	(59,250)	76,086	101,813	

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)

	Attributable to owners of the Company			
	Share capital	Treasury shares	Accumulated losses	Total
Company	MYR'000	MYR'000	MYR'000	MYR'000
Balance as at 1 January 2024	84,977	(857)	(2,030)	82,090
Net profit for the financial period	_	_	5,161	5,161
Total comprehensive income for the period	-	-	5,161	5,161
Purchase of treasury shares		(5,635)	_	(5,635)
Transaction with owners	_	(5,635)	_	(5,635)
Balance as at 30 June 2024	84,977	(6,492)	3,131	81,616

Attributable to owners of the Company

	Share capital	Treasury shares	Accumulated losses	Total
<u>Company</u>	MYR'000	MYR'000	MYR'000	MYR'000
Balance as at 1 January 2023	84,977	_	(4,653)	80,324
Net profit for the financial period		_	9,052	9,052
Total comprehensive income for the period		_	9,052	9,052
Dividends paid	_	_	(4,904)	(4,904)
Transaction with owners		_	(4,904)	(4,904)
Balance as at 30 June 2023	84,977	-	(505)	84,472

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

D. CONDENSED INTERIM STATEMENTS OF CASH FLOWS

	30 June 2024	30 June 2023
	MYR'000	MYR'000
Cash flows from operating activities		
Profit before taxation	13,536	14,922
Adjustments for:		
Property, plant and equipment		
- Depreciation	1,925	1,203
- Written off	-	4
Depreciation of right-of-use assets	301	327
Interest income	(996)	(883)
Finance expenses	241	298
Net impairment (reversal)/loss on trade receivables	(74)	55
Unrealised gain on foreign exchange	8	(296)
	14,941	15,630
Changes in working capital:		
- Inventories	(109)	128
- Trade and other receivables	(3,913)	(4,081)
- Trade and other payables	440	(1,678)
Cash generated from operations	11,359	9,999
Income tax paid	(3,966)	(2,263)
Net cash generated from operating activities	7,393	7,736
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,357)	(9,021)
(Advance to)/ repayment from related parties	(12)	8
Withdrawal of short-term fixed deposit	85	404
Interest received	996	883
Net cash used in investing activities	(5,288)	(7,726)
Cash flows from financing activities		
Repayment of term loans	(228)	(181)
Purchase of treasury shares	(5,635)	-
Repayment of lease liabilities	(47)	(71)
Dividends paid	-	(4,904)
Interest paid	(241)	(298)
Net cash used in financing activities	(6,151)	(5,454)
Net change in cash and cash equivalents	(4,046)	(5,444)
Cash and cash equivalents at the beginning of financial period	62,450	60,924
Effect of exchange rate changes on cash and cash equivalents	(8)	296
Cash and cash equivalents at the end of financial period	58,396	55,776

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

5E Resources Limited (the "**Company**") was incorporated and domiciled in Singapore on 18 October 2021 as a private company limited by shares. On 25 March 2022, the Company was subsequently converted to a public limited company and the Company's name was changed to "5E Resources Limited". The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 12 May 2022.

The address of the Company's registered office is 30 Cecil Street, #19-08 Prudential Tower, Singapore 047912.

The Company is an investment holding company. The Company, together with its subsidiaries (the "**Group**"), are principally engaged in the provision of scheduled waste management services, sales of recovered and recycled products and trading of chemicals.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") 1-34 "Interim Finance Reporting". The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the estimation of income tax and adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Malaysia Ringgit ("**MYR**") ("presentation currency"), which is the functional currency of the Group.

2.1 New and amended standards adopted by the Group

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods and financial years.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Use of judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

(a) Estimation of stage of completion for scheduled waste management services

The revenue from scheduled waste management services is recognised over time when performance obligations of services as promised in the contract is satisfied. Revenue is recognised based on the waste management services completed at the end of the financial year relative to the total services to be provided under the contract. This is determined based on the time period over which the services are provided.

Management has to estimate the time period to complete the services to determine the Group's recognition of revenue.

Significant assumptions are used to estimate the total estimated time period which affect the accuracy of revenue recognition based on the percentage-of-completion. In making these estimates, management has relied on past experience.

As at 30 June 2024, the remaining waste management services has yet to be completed is insignificant.

(b) Useful lives and residual values of plant and machinery

The costs of plant and machinery are depreciated on a straight-line basis over their useful lives. Management exercises its judgement in estimating the useful lives and residual values of the depreciable assets. The estimated useful lives reflect management's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable asset.

The Group reviews annually the estimated useful lives of plant and machinery based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that the Group's future results could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives by 1 year would increase the Group's annual depreciation expense by MYR 172,000 and MYR286,000 for 30 June 2024 and 31 December 2023 respectively.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Use of judgements and estimates (continued)

(c) Impairment of trade receivables

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation.

To measure the expected credit losses, these receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forwardlooking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and inflationary rate in Malaysia to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Any possible changes in these inputs could result in revision to the loss allowance recorded by the Group.

Management has considered a range of possible outcomes, i.e. a baseline scenario and the worst-case scenario in computing the expected credit losses ("**ECL**"). In the baseline scenario, management incorporated the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables and made adjustments to the expected loss rates accordingly. In the worst-case scenario, management considered a further increase in expected loss rate as computed in the baseline scenario. A probability-weighting of occurrence was subsequently applied to these two different scenarios to derive at the expected credit loss allowance to be made. A 20% increase in the probability-weighting would increase the loss allowance by MYR45,000 and MYR39,000 for 30 June 2024 and 31 December 2023 respectively.

4. Revenue and segment information

The chief operating decision maker ("**CODM**") has been identified as the Executive Directors of the Group who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group is principally engaged in scheduled waste management services, sales of recovered and recycled products and chemical trading. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group. For the financial period ended 30 June 2024 and 30 June 2023, there are three operating segments based on business type: (1) scheduled waste management services, (2) sales of recovered and recycled products, and (3) chemical trading.

The CODM considers the business from activities perspective and assess the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the CODM. These reports are prepared on the same basis as the consolidated financial statements.

Transactions between operating segments are carried out on agreed terms. The effects of such intersegment transactions and balances arising thereof are eliminated.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Revenue and segment information (continued)

	6 months ended 30 June 2024					
	Scheduled waste management services	Sales of recovered and recycled products	Chemical trading	Total		
	MYR'000	MYR'000	MYR'000	MYR'000		
Group						
Segment revenue						
Total revenue	34,432	5,659	1,717	41,808		
Intersegment revenue elimination		(1)	(990)	(991)		
Revenue from external customers	34,432	5,658	727	40,817		
Segment results	17,457	830	554	18,841		
Other income				996		
Other gains				72		
Administrative expenses				(4,701)		
Selling and distribution expenses				(1,505)		
Finance expenses				(241)		
Net impairment reversal on trade receivables				74		
Profit before income tax			=	13,536		
Significant non-cash items						
Depreciation of property, plant and equipment	1,558	365	2	1,925		
Depreciation of right-of-use assets	230	54	17	301		
Additions:						
Property, plant and equipment	5,149	1,208	_	6,357		

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Revenue and segment information (continued)

	6 months ended 30 June 2023					
	Scheduled waste management services	Sales of recovered and recycled products	Chemical trading	Total		
	MYR'000	MYR'000	MYR'000	MYR'000		
Group						
Segment revenue						
Total revenue	32,156	4,728	1,642	38,526		
Intersegment revenue elimination		_	(880)	(880)		
Revenue from external customers	32,156	4,728	762	37,646		
Segment results	18,057	1,035	541	19,633		
Other income						
- interest income				883		
Other gains				281		
Administrative expenses				(4,264)		
Selling and distribution expenses				(1,368)		
Finance expenses				(298)		
Net impairment reversal on trade receivables				55		
Profit before income tax			-	14,922		
Significant non-cash items						
Depreciation of property, plant and equipment	1,071	132	_	1,203		
Depreciation of right-of-use assets	279	34	14	327		
Additions:						
Property, plant and equipment	7,739	957	-	8,696		

Most of the Group's revenue is generated from customers located in Malaysia and all the assets of the Group are located in Malaysia. Accordingly, no geographical segment analysis is presented.

There was a customer which contributed over 10% of the Group's total revenue during the period ended 30 June 2024 and 30 June 2023.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Financial assets and liabilities

	Group		Cor	npany
_	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Financial assets	MYR'000	MYR'000	MYR'000	MYR'000
Trade and other receivables	16,546	12,947	1	_
Amount due from a related party	16	4	_	_
Amount due from a subsidiary	_	-	25,836	25,837
Short-term deposits	_	85	_	_
Cash and cash equivalents	58,396	62,450	164	867
	74,958	75,486	26,001	26,704

	G	iroup	Cor	npany
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Financial liabilities	MYR'000	MYR'000	MYR'000	MYR'000
Trade and other payables	11,833	11,734	275	510
Borrowings	2,504	2,732	_	-
Lease liabilities	9,915	9,962	_	-
	24,252	24,428	275	510

6. Other income

	Gro	Group		
	30 June 2024	30 June 2023		
	MYR'000	MYR'000		
Interest income	996	883		

7. Other gains - net

	Gre	Group		
	30 June 2024	30 June 2023		
	MYR'000	MYR'000		
Write-off of property, plant and equipment	_	(4)		
Currency exchange gain – net	72	285		
	72	281		

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Expenses by nature

	Group 6 months ended 30 June		
	2024	2023	
	MYR'000	MYR'000	
Depreciation of property, plant and equipment	1,925	1,203	
Depreciation of right-of-use assets	301	327	
Employee compensation	8,273	6,498	
Transportation charges	998	1,072	
Fuel oil and petrol	638	553	
Utilities expense	1,251	1,203	
Short-term leases	495	145	
Repair and maintenance fee	1,504	1,182	
Raw material consumed	6,221	4,973	
Consumables	575	559	
Subcontractor charges	1,424	238	
Sludge disposal	2,692	3,044	
Professional fees	406	406	
Others	1,479	2,242	
Total cost of sales, administrative expenses and selling and distribution expenses	28,182	23,645	

9. Income tax expense

	Gro	Group		
	6 months ended 30 June			
	2024	2023		
	MYR'000	MYR'000		
Tax expense attributable to profit is made up of:				
Current income tax				
- current period	3,724	4,040		
Deferred income tax expense	(40)	(40)		
	3,684	4,000		

10. Net asset value

	Group		
	30 June 2024 31 December 2		
Net Asset Value per share (excluding treasury shares) (MYR cents)	82	76	
Net Asset Value (MYR'000)	115,812	111,595	
Number of shares in issue at period/year end (excluding treasury shares)	141,122,084	146,518,384	

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Property, plant and equipment

		Plant and	Furniture and office	Motor	Work in	
	Buildings	machinery	equipment	vehicles	progress	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Group						
As at 30 June 2024						
Cost						
Beginning of financial period	22,469	24,860	3,871	8,122	15,804	75,126
Reclassification	15,181	398	87	_	(15,666)	_
Additions	199	71	74	193	5,820	6,357
End of financial period	37,849	25,329	4,032	8,315	5,958	81,483
Accumulated depreciation						
Beginning of financial period	3,215	18,746	2,966	3,630	-	28,557
Depreciation charge	476	717	165	567	_	1,925
End of financial period	3,691	19,463	3,131	4,197	-	30,482
Net book value						
End of financial period	34,158	5,866	901	4,118	5,958	51,001
=						

	Buildings	Plant and machinery	Furniture and office equipment	Motor vehicles	Work in Progress	Total
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
Group						
As at 31 December 2023						
Cost						
Beginning of financial year	22,455	24,107	3,833	4,355	5,963	60,713
Additions	14	1,162	95	4,017	9,841	15,129
Disposal	-	(409)	(57)	(250)	_	(716)
End of financial year	22,469	24,860	3,871	8,122	15,804	75,126
Accumulated depreciation						
Beginning of financial year	2,729	17,866	2,679	3,225	-	26,499
Depreciation charge	486	1,285	344	584	-	2,699
Disposal		(405)	(57)	(179)	_	(641)
End of financial year	3,215	18,746	2,966	3,630	-	28,557
Net book value						
End of financial year	19,254	6,114	905	4,492	15,804	46,569

Bank borrowings (Note 12) are secured on buildings of the Group with carrying amounts of MYR1,857,000 and MYR1,900,000 as at 30 June 2024 and 31 December 2023 respectively.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Borrowings

	Group		
	30 June 2024	31 December 2023	
	MYR'000	MYR'000	
Non-current			
Term loans (secured)	1,704	1,886	
Hire purchase liabilities	340	389	
	2,044	2,275	
Current			
Term loans (secured)	364	364	
Hire purchase liabilities	96	93	
	460	457	
Total borrowings	2,504	2,732	

These borrowings bear floating interest rates. The weighted average interest rate of the borrowings as at 30 June 2024 and 31 December 2023 is 4.42% and 4.42% per annum. The hire purchase liabilities bear fixed interest rates ranging from 2.33% to 2.36%.

13. Share capital and treasury shares

(a) Share capital

	Group and Company 31 December	
	30 June 2024 31 December 202	
-	MYR'000	MYR'000
ed and full paid		
t beginning of the year and end of the year		
147,747,784 ordinary shares including treasury shares	84,977	84,977

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Share capital and treasury shares (continued)

(b) Treasury shares

	Group and Company			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	No of	shares	MYR'000	MYR'000
At beginning of the period/ year	956,400	_	857	_
Purchased during the period/ year	5,396,300	956,400	5,635	857
At end of the period/ year	6,352,700	956,400	6,492	857

Treasury shares relate to ordinary shares of the Company that are held by the Company. In the period ended 30 June 2024, the purchase prices of the treasury shares ranged from \$0.28 to \$0.30 per share.

As at 30 June 2024, the Company's treasury shares constituted 4.31% of the total number of ordinary shares outstanding. There were no sales, transfer, cancellation and/ or use of subsidiary holdings or treasury shares during the period ended 30 June 2024.

14. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2024 is based on the profit attributable to ordinary shareholders of MYR9,852,000 (30 June 2023: MYR10,922,000) and the weighted average number of ordinary shares* outstanding during the financial period of 145,726,036 shares (30 June 2023: 147,474,784 shares).

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial period.

(b) Diluted earnings per share

For the period ended 30 June 2024 and 2023, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Related party transactions

In addition to the information disclosed elsewhere in the consolidated interim financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Related party transactions

The ultimate controlling shareholders of the Group are Mr Wong Kim Fatt, Mdm Loo Sok Ching and Mr Ban Kim Wah. Related parties are entities controlled by individuals within the ultimate group of controlling shareholders.

	Group	
	30 June 2024 30 June 2	
	MYR'000	MYR'000
With entities controlled by the two of the ultimate controlling shareholders of the Group:		
Provision of scheduled waste management services	105	91
Cleaning services charges	1	1

	Group	
	30 June 2024	30 June 2023
	MYR'000	MYR'000
Financial guarantee granted for Group's borrowings		
Jointly and severally by certain Directors of the Group	2,504	2,432

(b) Balances with related parties

	Group	
	30 June 2024	31 December 2023
-	MYR'000	MYR'000
With entities controlled by two of the ultimate controlling shareholders of the Group:		
Trade receivables	16	4

16. Events occurring after the reporting period

There are no known subsequent events which have led to adjustment to this set of interim financial statements.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. Review

The condensed interim consolidated financial statements of financial position of 5E Resources Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months ended 30 June 2024 and explanatory notes have not been audited nor reviewed by the Company's auditors.

2. Review of performance of the group

Consolidated Statement of Comprehensive Income

<u>Revenue</u>

Total revenue increased by approximately MYR3.2 million or 8.5% from approximately MYR37.6 million in six months ended 30 June 2023 ("**6M2023**") to approximately MYR40.8 million in six months ended 30 June 2024 ("**6M2024**"). The increase was primarily due to the increase in revenue from our scheduled waste management services segment.

Our revenue generated from scheduled waste management services increased by approximately MYR2.2 million or 6.8% from approximately MYR32.2 million in 6M2023 to approximately MYR34.4 million in 6M2024, primarily due to increase in demand for scheduled waste management services.

Our revenue generated from sales of recovered and recycled products increased by approximately MYR1.0 million or 21.3% from approximately MYR4.7 million in 6M2023 to approximately MYR5.7 million in 6M2024, primarily due to increase in demand for recovered and recycled products.

Our revenue generated from chemical trading slightly decreased by approximately MYR35,000 or 4.6% from approximately MYR762,000 in 6M2023 to approximately MYR727,000 in 6M2024, primarily due to decrease in demand for chemicals from our existing customers.

Cost of sales

Our cost of sales increased by approximately MYR4.0 million or 22.2% from approximately MYR18.0 million in 6M2023 to approximately MYR22.0 million in 6M2024. The increase was contributed by the segment of scheduled waste management services and sales of recovered and recycled products.

Cost of sales attributable to scheduled waste management services increased by approximately MYR2.9 million or 20.6% from approximately MYR14.1 million in 6M2023 to approximately MYR17.0 million in 6M2024, mainly due to increase in depreciation, subcontractor charges, repair and maintenance and raw materials cost.

Cost of sales attributable to sales of recovered and recycled products increased by approximately MYR1.1 million or 29.7% from approximately MYR3.7 million in 6M2023 to approximately MYR4.8 million in 6M2024, mainly due to higher cost of purchase of waste especially precious metals.

Cost of sales attributable to chemical trading decreased by approximately MYR48,000 or 21.7% from approximately MYR221,000 in 6M2023 to approximately MYR173,000 in 6M2024, in tandem with the decrease in revenue from chemical trading.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (continued)

2. Review of performance of the group (continued)

Consolidated Statement of Comprehensive Income (continued)

Gross profit

Gross profit decreased by approximately MYR0.8 million or 4.1% from approximately MYR19.6 million in 6M2023 to approximately MYR18.8 million in 6M2024. Our overall gross profit margin decreased from approximately 52.2% in 6M2023 to 46.2% in 6M2024 due to higher depreciation charge, subcontractor charges and raw materials costs.

Other income

Other income increased by approximately MYR113,000 or 12.8% from approximately MYR883,000 in 6M2023 to approximately MYR996,000 in 6M2024, mainly due to the interest earned from the placement of funds in the fixed deposit accounts and bank current accounts.

Other gains

Other gains decreased by approximately MYR209,000 or 74.4% from approximately MYR281,000 in 6M2023 to approximately MYR72,000 in 6M2024, mainly due to lower net gain on foreign exchange.

Expenses

Our administrative expenses increased by approximately MYR0.4 million or 9.3% from approximately MYR4.3 million in 6M2023 to approximately MYR4.7 million in 6M2024, primarily due to increase in staff cost in 6M2024.

Our selling and distribution expenses increased by approximately MYR0.1 million or 7.1% from approximately MYR1.4 million in 6M2023 to approximately MYR1.5 million in 6M2024, primarily due to increase in marketing staff costs in 6M2024 especially sales commission, in line with the increase in sales in 6M2024.

Our finance expenses decreased by approximately MYR57,000 or 19.1% from approximately MYR298,000 in 6M2023 to approximately MYR241,000 in 6M2024, mainly due to the completion of lease agreements of hostels and forklifts.

Net impairment losses on trade receivables

In 6M2024, we recognised a reversal of impairment loss on trade receivables of approximately MYR74,000 due to improved collection from the customers as at period end.

Income tax expense

Our income tax expense decreased by approximately MYR0.3 million or 7.5% from approximately MYR4.0 million in 6M2023 to approximately MYR3.7 million in 6M2024. Our effective income tax rate increased from approximately 26.8% in 6M2023 to approximately 27.2% in 6M2024, mainly due to higher non-tax deductible expenses.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (continued)

2. Review of performance of the group (continued)

Consolidated Statements of Financial Position

Non-current assets

The Group's non-current assets increased by MYR4.1 million from MYR62.0 million as at 31 December 2023 to MYR66.1 million as at 30 June 2024, largely due to:

- a. Increase in property, plant and equipment of approximately MYR6.4 million due to additions of machineries, offset by the depreciation charge of MYR1.9 million; and
- b. Decrease in right-of-use assets of MYR0.3 million mainly due to depreciation charge for the period.

Current assets

The Group's current assets remained stable at MYR76.2 million as at 30 June 2024 and as at 31 December 2023, mainly due to:

- a. Decrease in cash and cash equivalents by MYR4.1 million due to payment to contractors and suppliers.
- b. Trade and other receivables increased by MYR3.6 million due to higher sales recorded.
- c. Decrease in short-term deposits by MYR0.1 million due to withdrawal of fixed deposit placed from the bank.
- d. Increase in other current assets by MYR0.4 million due to higher prepayment to suppliers.

Non-current liabilities

The Group's non-current liabilities decreased by MYR0.3 million from MYR13.5 million as at 31 December 2023 to MYR13.2 million as at 30 June 2024, primarily due to decrease in borrowings by MYR0.2 million as a result of repayment of the existing term loan and hire purchase liabilities.

Current liabilities

The Group's current liabilities increased by MYR0.2 million from MYR13.1 million as at 31 December 2023 to MYR13.3 million as at 30 June 2024, largely due to:

- a. Increase in trade and other payables of MYR0.1 million as a result of higher other payables recorded.
- b. Contract liabilities increased by MYR0.4 million mainly due to higher deposit received from our customers as unfulfilled performance.
- c. Decrease in current income tax liabilities of MYR0.3 million due to lower chargeable income in 6M2024.

Shareholders' equity

The Group's shareholders' equity increased by MYR4.2 million from MYR111.6 million as at 31 December 2023 to MYR115.8 million as at 30 June 2024 mainly due to net profit for the six months ended 30 June 2024 of MYR9.9 million off-set by the purchase of treasury shares of MYR5.6 million.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (continued)

2. Review of performance of the group (continued)

Consolidated Statements of Cash Flows

The Group generated net cash from operating activities before movement in working capital of approximately MYR14.9 million in 6M2024 compared with approximately MYR15.6 million in 6M2023 as a result of lower profit before tax.

The Group's net cash flows generated from operating activities remain relatively consistent with corresponding period.

Net cash flows used in investing activities in 6M2024 amounted to approximately MYR5.3 million, which was attributable to purchase of property, plant and equipment of approximately MYR6.4 million, partially offset by interest received of approximately MYR1.0 million and withdrawal of short-term fixed deposit of approximately MYR0.1 million.

Net cash flows used in financing activities in 6M2024 amounted to approximately MYR6.2 million, which was attributable to repayment of borrowings and lease liabilities of approximately MYR0.2 million and MYR0.1 million respectively, purchase of treasury shares of approximately MYR5.6 million and interest paid of MYR0.3 million.

- 3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion:
 - (a) Updates on the efforts taken to resolve each outstanding audit issue.
 - (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern

Not applicable.

4. Where a forecast, or a prospect statement, has previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (continued)

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months

Consultants and architect have been appointed to prepare and review the drawings for the construction of Phase 2 of our new plant at PTD71200, Jalan Perak 2, Kawasan Perindustrian Pasir Gudang, Mukim Plentong, Johor, Malaysia. The tendering process will commence upon approval of the drawings from the local authorities.

As disclosed in the announcement dated 20 June 2024, our subsidiary, 5E Resources Sdn. Bhd. ("**5ER**") had entered into a conditional sale and purchase agreement to acquire a piece of leasehold industrial land. The application for the State Authority Consent to transfer the property in favour of 5ER has been submitted to the land office and currently awaiting the decision.

The economic and business landscape continues to be challenging amidst rising inflation and continued disruption to the global supply chain. The Group remains vigilant and will continue to focus on improving our operational efficiency to optimise the utilization of the resources.

6. Dividend information

(a) Whether an interim (final) ordinary dividend had been declared (recommended) for current financial period reported on

No dividend has been declared or recommended for the six months ended 30 June 2024.

(b) Whether an interim (final) ordinary dividend had been declared (recommended) for previous corresponding period

No dividend has been declared or recommended for the previous corresponding period for the six months ended 30 June 2024.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hand of shareholders, this must be stated).

Not applicable

(d) Date payable

Not applicable

(e) The date on which Registrable Transfers received by the Company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (continued)

7. If no dividend had been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend had been declared or recommended for the six months ended 30 June 2024. The available fund will be retained for working capital use.

8. If the group had obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transaction as require under Rule 920(1)(a)(ii). If no IPT mandate had been obtained, a statement to that effect.

The Group does not have a general mandate for Interested Person Transactions ("**IPT**"). There were no other IPT greater than S\$100,000 or more for 6M2024.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the required format.

10. Status of the use of IPO funds raised

The Group raised net proceeds of S\$8.0 million. As of the date of announcement, the balance of net proceeds is as follows:

	Allocation of net proceeds	Amount utilised as at the date of this announcement	Balance as at the date of this announcement
	S\$'000	S\$'000	S\$'000
Capital investment in facilities, plants, machineries and/ or equipment to enhance production efficiency and capacities	7,276	3,985 ⁽¹⁾	3,291
General working capital purposes	741	741 ⁽²⁾	-
Total	8,017	4,726	3,291

Notes:

- (1) The amount of approximately S\$3,985,000 was utilised for payment to contractors and suppliers relating to the purchase of machineries and construction of the new plant at PTD 71200, Jalan Perak 2, Kawasan Perindustrian Pasir Gudang, Mukim Plentong, Johor, Malaysia.
- (2) The breakdown of the utilisation of net proceeds to be used for general working capital purposes are as follows:

5E RESOURCES LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (continued)

10. Status of the use of IPO funds raised (continued)

Summary of Expenses	S\$'000
Purchases from suppliers	239
Staff Cost	233
Utility Bills	96
Tax payment	65
Professional fees	98
Administrative expenses	10
Total	741

11. Confirmation by the Board

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months period ended 30 June 2024 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Lim Te Hua Executive Director and Chief Executive Officer 6 August 2024

APPENDIX H – SCHEME CONDITIONS

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.

As at the Latest Practicable Date, save for the Scheme Conditions set out in paragraph (d)(i) of this **Appendix H** which have been satisfied (or, where applicable, waived), the Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in this **Appendix H** by the Cut-Off Date.

The completion of the Acquisition is conditional upon the satisfaction (or, where applicable, the waiver) of the following:

- (a) Approval by Shareholders: the approval of the Scheme by a majority in number of Shareholders, present and voting, either in person or by proxy at the Scheme Meeting, such majority representing not less than three-fourths in value of the Shares voted at the Scheme Meeting, pursuant to the requirements of Section 210(3AB) of the Companies Act;
- (d) **Court Order**: the grant of the Court Order sanctioning the Scheme and such Court Order having become final;
- (c) **Lodgement of Court Order with ACRA**: the lodgement of the Court Order with ACRA pursuant to Section 210(5) of the Companies Act;
- (d) Regulatory Approvals: prior to the first application to the Court for the order to convene the Scheme Meeting, the following Regulatory Approvals having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to the Relevant Date, and where such Regulatory Approvals are subject to conditions, such conditions being satisfied on or prior to the Relevant Date:
 - (i) confirmation from the SIC that:
 - (A) Rules 14, 15, 16, 17, Note 1(b) to Rule 19, 20.1, 21, 22, 28, 29 and 33.2 of the Code do not apply to the Scheme, subject to any conditions that the SIC may deem fit to impose but without prejudice to Clause 3.4 of the Implementation Agreement;
 - (B) it has no objections to the Scheme Conditions as set out in this **Appendix H**; and
 - the clearance by the Sponsor and/or the SGX-ST (as the case may be) of the Scheme Document and the approval-in-principle of the SGX-ST for the proposed delisting of the Company from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms;
- (e) **No Illegality**: between the date of the Implementation Agreement and up to the Relevant Date:
 - no order, injunction, judgment or decree issued by any Governmental Authority or other legal restraints or prohibition preventing the consummation of the Acquisition or implementation of the Scheme shall be in effect;
 - (ii) no *bona fide* official proceeding initiated by any Governmental Authority shall be pending which has the effect of or a reasonable prospect of materially restraining, enjoining or otherwise preventing the consummation of the Acquisition or implementation of the Scheme or resulting in the same; and
 - (iii) no law shall have been enacted, entered, promulgated or enforced by any Governmental Authority that prohibits, materially restricts or makes illegal the consummation of the Acquisition or the implementation of the Scheme;

APPENDIX H – SCHEME CONDITIONS

- (f) No Prescribed Occurrence: between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence in relation to the Offeror (as set out in Part 1 of Appendix I) or any Group Company (as set out in Part 2 of Appendix I), in each case, occurring other than as required or contemplated by the Implementation Agreement or the Scheme;
- (g) **Company Warranties**: there having been no material breach by the Company of its Warranties given under the Implementation Agreement as at the date of the Implementation Agreement and as at the Relevant Date as though made on and as at each such date except to the extent any Warranty expressly relates to an earlier date (in which case as at such earlier date), in each such case which has resulted in a material adverse effect on the business of the Group (taken as a whole) and is material in the context of the Scheme; and
- (h) Offeror Warranties: there having been no material breach by the Offeror of its Warranties given under the Implementation Agreement as at the date of the Implementation Agreement and as at the Relevant Date as though made on and as at each such date except to the extent any Warranty expressly relates to an earlier date (in which case as at such earlier date), in each such case which has resulted in a material adverse effect on the business of the Offeror (taken as a whole) and is material in the context of the Scheme.

APPENDIX I – PRESCRIBED OCCURRENCES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.

Part 1 – Prescribed Occurrence in relation to the Offeror

- 1. "Prescribed Occurrence" means, in relation to the Offeror, any of the following:
 - (a) **Injunction**: an injunction or other order issued against the Offeror by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by the Offeror;
 - (b) **Resolution for Winding Up**: the Offeror resolving that it be wound up;
 - (c) **Appointment of Liquidator and Judicial Manager**: the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or any other similar officer of the Offeror;
 - (d) **Order of Court for Winding Up**: the making of an order by a court of competent jurisdiction for the winding up of the Offeror;
 - (e) **Composition**: the Offeror entering into any arrangement or general assignment or composition for the benefits of its creditors generally;
 - (f) **Appointment of Receiver**: the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Offeror;
 - (g) **Insolvency**: the Offeror becoming or being deemed by Law or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due; or
 - (h) **Analogous Event**: any event occurs which, under the Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

Part 2 – Prescribed Occurrence in relation to the Company (and where applicable, any Group Company)

- 1. "Prescribed Occurrence" means, in relation to the Company (or where applicable, any Group Company), any of the following:
 - (a) **Conversion of Shares**: any Group Company converting all or any of its shares into a larger or smaller number of shares;
 - (b) Share Buy-back: any Group Company (i) undertaking any share buy-backs pursuant to its existing share buy-back mandate; or (ii) entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
 - (c) **Alteration of Share Capital**: any Group Company resolving to reduce or otherwise alter its share capital in any way;
 - (d) Allotment of Shares or Units: any Group Company making an allotment of, or granting an option to subscribe for, any shares, units or securities convertible into shares or units or agreeing to make such an allotment or to grant such an option or convertible security;
 - (e) **Issuance of Debt Securities**: any Group Company issuing, or agreeing to issue, convertible notes or other debt securities;

APPENDIX I – PRESCRIBED OCCURRENCES

- (f) **Dividends**: any Group Company declaring, making or paying any dividends or any other form of distribution to its shareholders;
- (g) **Injunction**: an injunction or other order issued against any Group Company by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by any Group Company;
- (h) **Resolution for Winding Up:** any Group Company resolving that it be wound up;
- Appointment of Liquidator and Judicial Manager: the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or any other similar officer of any Group Company;
- (j) **Order of Court for Winding Up**: the making of an order by a court of competent jurisdiction for the winding up of any Group Company;
- (k) **Composition**: any Group Company entering into any arrangement or general assignment or composition for the benefits of its creditors generally;
- (I) **Appointment of Receiver**: the appointment of a receiver or a receiver and manager, in relation to the property or assets of any Group Company;
- (m) **Insolvency**: any Group Company becoming or being deemed by Law or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;
- (n) **Cessation of Business**: any Group Company ceases or threatens to cease for any reason to carry on business in the usual ordinary course; or
- (o) **Analogous Event**: any event occurs which, under the Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

APPENDIX J – OFFEROR'S WARRANTIES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.

The Offeror hereby warrants and undertakes to and with the Company that:

1. Incorporation, Authority, Capacity, etc.

- 1.1. It is a company duly incorporated and validly existing under its laws of incorporation.
- 1.2. It (a) has full power and capacity to sign and deliver the Implementation Agreement and to exercise all its rights and perform all its obligations under the Implementation Agreement, and (b) has taken all necessary corporate action to authorise its entry into and delivery of, the Implementation Agreement and the exercise of its rights and the performance of its obligations under the Implementation Agreement.
- 1.3. The Implementation Agreement to which it is a party, when executed, will constitute valid and legally binding obligations on it, enforceable in accordance with their respective terms.
- 1.4. Save as expressly provided in the Implementation Agreement, all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties, any Governmental Authority or other authority) in order:
 - (a) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement; and
 - (b) to ensure that those obligations are valid, legally binding and enforceable,

have been taken, fulfilled and done, and are in full force and effect and all conditions of each such consent or authorisation have been complied with.

- 1.5. The execution and delivery of, and the performance by it of its obligations under, the Implementation Agreement to which it is a party will not:
 - (a) result in a breach of any provision of its Constitutional Documents; or
 - (b) result in a breach of, or give any third party a right to terminate or modify, or result in the creation of any Encumbrance under, any agreement, licence or other instrument or result in a breach of any order, judgment or decree of any court, Governmental Authority or regulatory body to which it is a party or by which it or any of its assets is bound.

2. No Litigation, Investigations and Proceedings

- 2.1. No litigation, arbitration or administrative proceeding against it is current or pending or threatened to restrain the entry into, exercise of its rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.
- 2.2. Neither it nor any of its directors are the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding.

3. No Insolvency

- 3.1. It is not insolvent, or unable to pay its debts when due.
- 3.2. No resolutions have been passed nor has any other step been taken or legal proceedings been started or threatened against it, for its bankruptcy, winding-up or dissolution or for the appointment of a liquidator, judicial manager, receiver, administrator, administrative receiver or similar officer over any or all of its assets which would prevent it from fulfilling, or inhibit or impair its ability to fulfil, its obligations under the Implementation Agreement.

4. Sufficiency of Financial Resources

The Offeror has sufficient financial resources to undertake and complete the Acquisition and implement the Scheme, and shall procure that a confirmation of the Offeror's financial resources to satisfy the Scheme Consideration will be provided by an appropriate third party in compliance with the requirements of the Code and the SIC.

APPENDIX K – COMPANY'S WARRANTIES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.

The Company hereby warrants and undertakes to and with the Offeror that:

1. Corporate Information

1.1. Incorporation, Authority, Capacity, Etc.

- (a) The Group Companies are companies duly incorporated and validly existing under the Laws of their jurisdiction of incorporation.
- (b) It (i) has full power and capacity to sign and deliver the Implementation Agreement and to exercise all its rights and perform all its obligations under the Implementation Agreement, and (ii) has taken all necessary corporate action to authorise its entry into and delivery of, the Implementation Agreement and the exercise of its rights and the performance of its obligations under the Implementation Agreement.
- (c) The Implementation Agreement constitutes valid and legally binding obligations on it, enforceable in accordance with their respective terms.
- (d) Save as expressly provided in the Implementation Agreement, all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from any Governmental Authority or other authority) in order:
 - (i) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement; and
 - (ii) to ensure that those obligations are valid, legally binding and enforceable,

have been taken, fulfilled and done, and are in full force and effect and all conditions of each such consent or authorisation have been complied with.

- (e) Save for the approvals as expressly provided in the Implementation Agreement, the execution and delivery of, and the performance by it of its obligations under, the Implementation Agreement will not:
 - (i) result in a breach of any provision of the Constitutional Documents of any Group Company; or
 - (ii) result in a breach of, or give any third party a right to terminate or modify, or result in the creation of any Encumbrance under, any agreement, licence or other instrument or result in a breach of any order, judgment or decree of any court, Governmental Authority or regulatory body to which any Group Company is a party or by which such Group Company or any of its assets is bound.

1.2. Company Shares

(a) All the Shares have been duly authorised and validly allotted and issued, are fully paidup and rank *pari passu* in all respects with each other. The Company does not have any outstanding warrants, convertible securities or options in issue and is not subject to any actual or contingent obligation to issue or convert securities except as required or contemplated by the Implementation Agreement, and it will not announce, declare, pay or make any dividend or any distribution (in cash or in kind) to the Shareholders.

APPENDIX K – COMPANY'S WARRANTIES

- (b) As at the date of the Implementation Agreement:
 - (i) there are 141,122,084 Shares in the capital of the Company in issue (excluding 6,352,700 shares which are held as treasury shares); and
 - (ii) there are no unexercised options and no existing share option scheme for the granting of options to any employees of the Group.

2. No Litigation, Investigations and Proceedings

- 2.1. There are no current, pending or threatened litigation, arbitration or administrative proceedings against any Group Company that would restrain the entry into, exercise of the Company's rights under and/or performance or enforcement of or compliance with the Company's obligations under the Implementation Agreement.
- 2.2. None of the Group Companies nor any of its directors are the subject of any governmental, quasigovernmental, criminal, regulatory or stock exchange investigation and/or proceeding.

3. Legal Matters

Compliance with laws

- 3.1. Each Group Company has carried on and is carrying on its business and operations so that there have been no breaches in any material respect of applicable laws, regulations and bye-laws in each country in which they are carried on which are material in the context of the assets or business of the Group, except that where any breach arises by reason only of any law, regulation and/or bye-law having been enacted between the date of the Implementation Agreement and the Relevant Date which has retrospective effect, such Group Company shall not be regarded as having been in breach of this paragraph 3.1(a) if such Group Company takes all reasonable steps to comply with such law, regulation and/or bye-law immediately thereafter.
- 3.2. There have not been and there are no material breaches by any Group Company of its constitutional documents.

4. No Insolvency

- 4.1. None of the Group Companies are insolvent, or unable to pay debts when due.
- 4.2. No resolutions have been passed nor has any other step been taken or legal proceedings been started or threatened against any Group Company for its bankruptcy, winding-up or dissolution or for the appointment of a liquidator, judicial manager, receiver, administrator, administrative receiver or similar officer over any or all of its assets which would prevent the Company from fulfilling, or inhibit or impair its ability to fulfil, its obligations under the Implementation Agreement.

APPENDIX K – COMPANY'S WARRANTIES

5. Effect of the Acquisition

The execution and delivery of, and the performance by the Company of its obligations under the Implementation Agreement and the transactions contemplated hereunder:

- (a) do not and will not result in a breach of any provision of the Constitution or the constitutional documents of any Group Company; or
- (b) do not and will not conflict with or result in the breach of or constitute a default under any agreement or instrument to which any Group Company is a party, or any loan to or mortgage created by any Group Company, or relieve any other party to a contract with any Group Company of its obligations under such contract, or entitle such party to terminate or modify such contract, whether summarily or by notice, or result in the creation of any Encumbrance under any agreement, licence or other instrument, or result in a breach of any order, judgment or decree of any court, Governmental Authority or regulatory body to which any Group Company is a party or by which any Group Company or any of their respective assets is bound, unless the effect of such conflict, breach or default does not have a material adverse effect.

APPENDIX L – OBLIGATIONS OF THE OFFEROR

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.

The Offeror shall in connection with the implementation of the Scheme, as expeditiously as practicable, do the following:

- (a) **Joint Announcement**: release the Joint Announcement jointly with the Company on the SGX-ST on the Joint Announcement Date;
- (b) **Offeror's Letter to the Shareholders**: prepare the Offeror's Letter to the Shareholders in compliance with all applicable Laws and regulations, including the Code, for inclusion as part of the Scheme Document;
- (c) Responsibility of Directors: ensure that its directors and such other persons as the SIC may require, take responsibility for the Offeror's Letter and all other information relating to the Offeror or the Offeror's concert parties provided by or on behalf of the Offeror to the Company for inclusion in the Scheme Document and all other ancillary documents in such manner as may be required by all applicable Laws and regulations, including the Code, the Catalist Rules and the Companies Act; and
- (d) **Implementation of the Scheme**: take all steps required to be taken by it to procure that the Scheme is implemented on the terms set out in the Implementation Agreement and to be set out in the Scheme Document.

APPENDIX M – OBLIGATIONS OF THE COMPANY

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the date of this Scheme Document up until the Effective Date.

Subject to (i) the fiduciary duties of its directors and (ii) compliance with all applicable Laws, the Company shall in connection with the implementation of the Scheme, as expeditiously as practicable, do the following:

- (a) **Joint Announcement**: release the Joint Announcement jointly with the Offeror on the SGX-ST on the Joint Announcement Date;
- (b) Implementation of the Scheme: take all steps required to be taken by it to procure that the Scheme is implemented on the terms set out in the Implementation Agreement and to be set out in the Scheme Document;
- (c) **IFA**: appoint an IFA to (i) advise the Non-Conflicted Directors in connection with the Scheme; and (ii) publicly state in its opinion, *inter alia*, whether the terms of the Scheme are fair and reasonable;
- (d) **Scheme Document and Approval of Documents by the Offeror**: prepare the requisite Shareholder documents, including the Scheme Document in accordance with any order of the Court, the Code, the Companies Act, the Catalist Rules and all applicable Laws and regulations and despatch the same;
- (e) **Clearance by the Sponsor and/or the SGX-ST**: submit the draft Scheme Document to the Sponsor and/or the SGX-ST for clearance as soon as reasonably practicable after the Joint Announcement Date and diligently seek such clearance promptly;

(f) Scheme Meeting:

- (i) apply to the Court for an order under Section 210(1) of the Companies Act to convene the Scheme Meeting and for any ancillary orders relating thereto; and
- (ii) convene the Scheme Meeting;
- (g) **Application for Delisting of the Company**: subject to the Scheme becoming effective in accordance with its terms, apply to the SGX-ST for a delisting of the Company with effect after the Effective Date;
- (h) Directors' Responsibility: ensure that its directors shall take responsibility for all information included in the Scheme Document (other than information relating to the Offeror and its concert parties provided by or on behalf of the Offeror to the Company for inclusion in the Scheme Document) and all ancillary documents, as required by all applicable Laws and regulations, including any order of the Court, the Code, the Catalist Rules and the Companies Act;
- (i) Despatch of Documents: subject to obtaining the Court's order under Section 210(1) of the Companies Act to convene the Scheme Meeting, instruct the registrar of the Company to despatch to the Entitled Shareholders the Scheme Document and appropriate forms of proxy for use at the Scheme Meeting promptly following approval thereof by the Sponsor and/or the SGX-ST and the Court, respectively;
- (j) ACRA Lodgment: subject to the Court Order being granted, deliver a copy of the Court Order to ACRA for lodgement in accordance with such time frames as set out in Clause 5.3 of the Implementation Agreement, pursuant to Section 210(5) of the Companies Act;
- (k) Consultation with the Offeror: the Company will consult in good faith with the Offeror with a view to establishing appropriate procedures to provide the Offeror with access to information which they may reasonably require for the purposes of the Acquisition and/or the Scheme and to facilitate the timely notification of material matters affecting the business of the Company to the Offeror;

APPENDIX M – OBLIGATIONS OF THE COMPANY

- (I) Provision of Assistance: from the date of the Implementation Agreement until (and including) the Relevant Date, the Company will, and will procure each Group Company will, authorise and direct its officers, employees, auditors, legal advisers and other advisers to provide reasonable assistance to and to co-operate with the Offeror as the Offeror may reasonably request for the completion of the Acquisition and/or the implementation of the Scheme;
- (m) **No Dividend or Distribution**: it will not, during the period from the date of the Implementation Agreement up to (and including) the Relevant Date:
 - (i) announce, declare, pay or make any dividend or make any distribution (in cash or in kind) to the Shareholders; or
 - (ii) (and will procure that no Group Company will) create, allot or issue any shares or other securities convertible into equity securities, or create, issue or grant any option or right to subscribe in respect of any of its share capital, or agree to do any of the foregoing.

The manner of convening the Scheme Meeting is set out below:

Convening, holding and/or conducting the Scheme Meeting

- 1. The Company shall be at liberty to convene the Scheme Meeting at a date, time and/or location to be determined by the Company.
- 2. The minutes of the Scheme Meeting shall be published on SGXNet and the corporate website of the Company within one month after the date of the Scheme Meeting.

Right or entitlement to speak on a resolution at the Scheme Meeting

3. The Company may require that a Shareholder shall, before the Scheme Meeting, send to the Company, by post to the Company's registered office, electronic mail ("e-mail") and/or such other electronic means as the Company considers appropriate, the matters which the Shareholder wishes to raise at the Scheme Meeting, and each such matter, if substantial and relevant and sent within a reasonable time before the Scheme Meeting, is to be responded to at or before the Scheme Meeting in any manner the Company determines appropriate.

Quorum at the Scheme Meeting

4. A quorum may be formed by two (2) Shareholders attending in person or by proxy.

Voting at the Scheme Meeting

- 5. Each Shareholder entitled to attend and vote at the Scheme Meeting may attend in person or shall be entitled to appoint a proxy(ies). The proxy need not be a Shareholder and may be the Chairman of the Scheme Meeting.
- 6. Each Shareholder who wishes to appoint a proxy(ies) must complete the Proxy Form in accordance with the instructions printed thereon and lodge it with the Share Registrar, In.Corp Corporate Services Pte. Ltd., either:
 - (a) via email at shareregistry@incorp.asia; or
 - (b) by post at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877,

in either case, not less than 72 hours before the time fixed for the Scheme Meeting.

- 7. Each Shareholder which is not a relevant intermediary and is entitled to attend and vote at the Scheme Meeting may only appoint one (1) proxy to attend and vote in his/her/its stead and may only cast all the voting rights attached to his/her/its Shares at the Scheme Meeting (whether in person or by proxy) in one (1) way. Where a Shareholder which is not a relevant intermediary appoints more than one (1) proxy, such additional appointments shall be invalid.
- 8. In relation to any Shareholder which is a relevant intermediary:
 - (a) subject to paragraph 8(b) below, a Shareholder which is a relevant intermediary need not cast all the voting rights attached to the Shares held on behalf of its sub-account holders in the same way provided that each vote is exercised in relation to a different Share or Shares; and

- (b) a Shareholder which is a relevant intermediary may appoint more than two (2) proxies in relation to the Scheme Meeting to exercise all or any of the Shareholder's rights to attend and to speak and vote at the Scheme Meeting, but each proxy must be appointed to exercise the voting rights attached to a different Share or Shares held by the Shareholder (which number and class of Shares must be specified). Each proxy appointed in accordance with this paragraph 8(b) may only cast all the voting rights attached to such Share or Shares at the Scheme Meeting in one way.
- 9. For purposes of determining whether the conditions under Section 210(3AB)(a) of the Companies Act ("**Headcount Test**") and Section 210(3AB)(b) of the Companies Act ("**Value Test**") are satisfied:
 - (a) the Company shall treat each proxy appointed in accordance with paragraph 7 above and which casts a vote in respect of its Shares for or against the Scheme as:
 - (i) casting one (1) vote in number for purposes of the Headcount Test; and
 - (ii) the value represented by the proxy for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy.

For the avoidance of doubt, where a person has been appointed as proxy of more than one Shareholder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing Shareholder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified);

- (b) the Company shall treat each proxy appointed in accordance with paragraph 8(b) above or each sub-account holder on whose behalf the Shareholder which is a relevant intermediary holds Shares, and which casts a vote for or against the Scheme as:
 - (i) casting one (1) vote in number for purposes of the Headcount Test; and
 - (ii) the value represented by the proxy or sub-account holder for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy or the sub-account holder.

For the avoidance of doubt, where a person has been appointed as proxy of more than one sub-account holder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing sub-account holder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified). The Shareholder which is a relevant intermediary shall submit to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. either:

- A. by post at:
 - (1) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (2) (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877; or
- B. by email to <u>shareregistry@incorp.asia</u>,

the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares);

- (c) where a Shareholder which is a relevant intermediary casts the voting rights attached to the Shares held on behalf of its sub-account holder(s) both for and against the Scheme otherwise than in accordance with paragraph 8(b) above or without specifying the number of sub-account holders, the number and class of Shares held by each sub-account holder and the vote cast by each sub-account holder, without prejudice to the treatment of any proxies appointed in accordance with paragraph 8(b) above:
 - the Company shall treat the relevant intermediary as casting one (1) vote in favour of the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes for the Scheme than against the Scheme;
 - the Company shall treat the relevant intermediary as casting one (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes against the Scheme than for the Scheme;
 - (iii) the Company shall treat the relevant intermediary as casting one (1) vote for and one
 (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts equal votes for and against the Scheme; and
 - (iv) with respect to each of the scenarios set out in paragraphs 9(c)(i), (ii) and (iii) above, the value represented by the relevant intermediary for purposes of the Value Test shall be the number of Shares in relation to which voting rights "for" and "against" the Scheme are being exercised by the relevant intermediary.
- 10. If any Shareholder fails to submit a Proxy Form (if applicable) in the manner and within the period stated therein or if the Proxy Form (if applicable) is incomplete, improperly completed, illegible or where the true intentions of the Shareholder are not ascertainable from the instructions of the Shareholder specified in the Proxy Form (if applicable), the Shareholders and the proxy of such Shareholder (if applicable) may only be admitted to the Scheme Meeting at the discretion of the Chairman. Any such Shareholder shall, nonetheless, be bound by the terms of the Scheme in the event that it becomes effective.
- 11. For purposes of voting at the Scheme Meeting, the Company shall be entitled to reject any Proxy Form lodged by a Shareholder if the Shareholder is not shown to be a shareholder of the Company in the Company's Register of Members or the Depository Register (collectively, the "**Registers**") as at 72 hours before the time of the Scheme Meeting.

Laying and production of documents at the Scheme Meeting

- 12. This Scheme Document and any other document to be laid or produced before the Scheme Meeting may be so laid or produced by being sent or published in the manner provided in paragraph 14 below.
- 13. Shareholders may also obtain printed copies of this Scheme Document by submitting the Request Form to the Share Registrar of the Company, In.Corp Corporate Services Pte. Ltd., either:
 - (a) by post at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877;or
 - (b) via e-mail to <u>shareregistry@incorp.asia</u>,

in either case by no later than **10.00 a.m. on 15 January 2025**. Printed copies of this Scheme Document will be sent to the address in Singapore specified by the Shareholder by ordinary post at its own risk, up to three (3) Market Days prior to the date of the Scheme Meeting.

Giving of Notice of the Scheme Meeting

- 14. The Scheme Meeting (including any adjourned or postponed meeting) shall be called by notice in writing of not less than 14 clear days (i.e. not inclusive of the day on which the Notice of Scheme Meeting is served, and the day of the Scheme Meeting) in all of the following manners:
 - (a) as may be determined by the Company, either: (i) by ordinary post to or left at the Shareholder's last known Singapore address as appearing in the Registers, or in the case of joint Shareholders, the joint Shareholder named first in the Registers at such person's address as appearing in the Registers; or (ii) by e-mail to the Shareholder's last known e-mail address as appearing in the Company's records, or in the case of joint Shareholders, the joint Shareholder named first in the Registers at such person's e-mail address as appearing in the Company's records;
 - (b) by way of advertisement in the Straits Times;
 - (c) by way of announcement on SGXNet; and
 - (d) by way of publication on the Company's corporate website,

subject to any potential restrictions on sending this Scheme Document to any overseas jurisdiction. The Company shall not be liable for any mistake with respect to each Shareholder's address or e-mail as how it is recorded in the Registers or the Company's records, including but not limited to the said address or e-mail address being outdated or that the Shareholder no longer resides at said address or utilises said e-mail address.

- 15. The Notice of Scheme Meeting:
 - (a) shall set out the date, time and venue of the Scheme Meeting;
 - (b) shall provide instructions on how the Shareholders can locate this Scheme Document electronically;
 - (c) shall set out how a Shareholder may vote (either in person or by proxy) at the Scheme Meeting;
 - (d) shall state how a Shareholder may submit questions in advance of the Scheme Meeting or during the Scheme Meeting; and
 - (e) may be accompanied by any other documents relevant to the Scheme Meeting.

Other matters

- 16. Mdm. Sok Ching, or failing her, any other director of the Company, shall be appointed Chairperson of the Scheme Meeting ("**Chairman**") and the Chairman shall report the results of the Scheme Meeting to the Court as soon as practicable after the conclusion of the Scheme Meeting.
- 17. Not less than 14 days before the day appointed for the Scheme Meeting, the Scheme Document consisting of, *inter alia*, the following:
 - (a) a Letter to Shareholders from the Company to the Shareholders containing details of, *inter alia*, the purpose of the Scheme Document and information relating to the purpose of the Scheme Document, as well as a copy of the Scheme;
 - (b) an Explanatory Statement which contains, *inter alia*, the information required to be disclosed under Section 211 of the Companies Act;
 - (c) a letter from W Capital Markets Pte. Ltd., as the IFA to the Non-Conflicted Directors, in respect of, *inter alia*, the Scheme;

- (d) the Offeror's Letter to the Shareholders;
- (e) the Notice of Scheme Meeting;
- (f) the Proxy Form; and
- (g) any other ancillary documents,

shall be published or sent in accordance with paragraphs 14(a), 14(c) and 14(d) above save that where the Notice of Scheme Meeting sent in accordance with paragraph 14(a)(i) includes instructions through which the Scheme Document can be located and accessed by Shareholders electronically (including, for example, links and/or QR codes), it shall not be necessary to send a printed copy of the Scheme Document in accordance with paragraph 14(a)(i).

18. Any inadvertent omission to give any Shareholder the Notice of Scheme Meeting or the non-receipt of the Notice of Scheme Meeting by any Shareholder shall not invalidate the proceedings at the Scheme Meeting, unless otherwise ordered by the Court.

APPENDIX O – THE SCHEME

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OA 1266/2024

In the matter of Section 210 of the Companies Act 1967

And

In the Matter of 5E Resources Limited (Company Registration No.: 202136285K)

... Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Among

5E Resources Limited

And

The Shareholders (as defined herein)

And

GreenEdge Sdn. Bhd.

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PRELIMINARY

In this Scheme of Arrangement, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings:

"Acquisition"		proposed acquisition by the Offeror of all the Shares luding treasury shares)		
"Business Day"	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which banks in Singapore are generally open for business		
"CDP"	:	The Central Depository (Pte) Limited		
"Companies Act"	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time		
"Company"	:	5E Resources Limited		
"Court"	:	The General Division of the High Court of the Republic of Singapore or, in the event of an appeal, the Appellate Division of the High Court of the Republic of Singapore or the Court of Appeal of the Republic of Singapore (as may be applicable)		
"Cut-Off Date"	:	The date falling nine months from the Joint Announcement Date or such other date as may be agreed in writing between the Offeror and the Company		
"Directly-Held Shares"	:	Shares held by an Entitled Shareholder as a Depositor or in scrip form registered in its name		
"Effective Date"	:	The date on which the Scheme, if approved and sanctioned by the Court, becomes effective in accordance with its terms		
"Encumbrance"	:	Any claim, charge, mortgage, security, pledge, lien, option, restriction, equity, power of sale, hypothecation or other third party rights or interest, retention of title, right of pre-emption, right of first refusal or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing		
"Entitled Depository Agent"	:	An Entitled Shareholder who is a Depository Agent		
"Entitled Shareholders"	:	All Shareholders as at 5.00 p.m. on the Record Date		
"Implementation Agreement"	:	The implementation agreement dated 25 October 2024 entered into between the Company and the Offeror setting out the terms and conditions on which Acquisition and the Scheme will be implemented		
"Indirectly-Held Shares"	:	Shares held by an Entitled Shareholder in its capacity as a Depository Agent on behalf of sub-account holder(s)		

"Joint Announcement"	:	The joint announcement by the Company and the Offeror dated 25 October 2024 in relation to, <i>inter alia</i> , the Acquisition and the Scheme
"Joint Announcement Date"	:	25 October 2024, being the date of the Joint Announcement
"Latest Practicable Date"	:	31 December 2024, being the latest practicable date prior to the publication of the Scheme Document
"Offeror"	:	GreenEdge Sdn. Bhd., a company incorporated in Malaysia
"Offeror Concert Party Group"	:	The Offeror and persons acting or presumed to be acting in concert with the Offeror in relation to the Acquisition and the Scheme (which, for the avoidance of doubt, includes Mdm. Sok Ching, Mr. Te Hua, Mr. Shankar, Mr. Kim Fatt and Mr. Kim Wah)
"Record Date"	:	The date to be announced (before the Effective Date) by the Company on which the Transfer Books and Register of Members will be closed in order to determine the entitlements of the Shareholders in respect of the Scheme
"Register of Members"	:	The Register of Members of the Company
"Scheme"	:	This scheme of arrangement under Section 210 of the Companies Act dated 7 January 2025, in its present form or with or subject to any modification thereof or amendment or addition thereto in accordance with its terms or condition(s) approved or imposed by the Court
"Scheme Conditions"	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Cut-Off Date for the Scheme to be implemented and which are reproduced in Appendix H to the Scheme Document
"Scheme Consideration"	:	S\$0.38 in cash per Share
"Scheme Document"	:	The scheme document dated 7 January 2025 (and any other document(s) which may be issued by or on behalf of the Company to the Shareholders to amend, revise, supplement or update the document(s) from time to time) containing, <i>inter alia</i> , the Scheme, the Explanatory Statement, the Notice of Scheme Meeting and the Proxy Form
"Scheme Meeting"	:	The meeting of the Shareholders to be convened at the direction of the Court to consider and, if thought fit, approve the Scheme (including any adjournment thereof), notice of which is set out in Appendix O to the Scheme Document
"Securities Account"	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited

"Share Registrar"	:	In.Corp Corporate Services Pte. Ltd., the share registrar of the Company
"Shareholders"	:	Persons who are registered as holders of the Shares in the Register of Members and Depositors registered in the Depository Register as having Shares credited to their Securities Account
"Shares"	:	The issued and paid-up ordinary shares in the capital of the Company
"SRS"	:	Supplementary Retirement Scheme
"SRS Agent Banks"	:	Agent banks included under the SRS
"SRS Investors"	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
"S\$" or "SGD" and "cents"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"Transfer Books"	:	The transfer books of the Company

The terms **"Depositor**", **"Depository Agent**", **"Depository Register**" and **"sub-account holder**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "**treasury shares**", "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 4, 5 and 6 of the Companies Act.

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

Any reference to any enactment or statute shall include a reference to any subordinate legislation and any regulation made under the relevant enactment or statute and is a reference to that enactment, statute, subordinate legislation or regulation as from time to time amended, consolidated, modified, reenacted or replaced, whether before or after the date of this Scheme.

Any reference to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise specified.

RECITALS

- (A) The Company was incorporated in Singapore on 18 October 2021 and was listed on the Catalist Board of the SGX-ST on 12 May 2022. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$28,172,464 comprising 147,474,784 Shares. As at the Latest Practicable Date, the total number of Shares is 141,122,084 Shares (excluding treasury shares) and the Company holds 6,352,700 Shares in treasury.
- (B) The primary purpose of this Scheme is the acquisition by the Offeror of all the Shares (excluding treasury shares and Shares held by the Offeror Concert Party Group) ("**Acquisition**").
- (C) The Company and the Offeror have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme and the implementation thereof.

(D) The Offeror has agreed to appear by legal counsel at the hearing of the Originating Application to sanction this Scheme, if required, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

1. CONDITIONS PRECEDENT

This Scheme is conditional upon each of the Scheme Conditions being satisfied (or, subject to the terms of the Implementation Agreement, waived) on or before the Cut-Off Date.

2. TRANSFER OF THE SHARES

- 2.1 With effect from the Effective Date, all the Shares held by Entitled Shareholders (other than those already held by the Company as treasury shares and those already held by the Offeror Concert Party Group) will be transferred to the Offeror fully paid up, free from all Encumbrances and together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date.
- 2.2 For the purpose of giving effect to the transfer of the Shares provided for in Clause 2 of this Scheme:
 - (a) in the case of Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders an instrument or instruction of transfer of all the Shares held by such Entitled Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholder; and
 - (b) in the case of Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Entitled Shareholders, to debit, not later than seven Business Days after the Effective Date, all the Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror.

3. PAYMENT OF SCHEME CONSIDERATION

- 3.1 In consideration for the transfer of the Shares to the Offeror under **Clause 2** of this Scheme and subject to **Clause 1** of this Scheme, the Offeror shall pay or procure that there shall be payment to each Entitled Shareholder the Scheme Consideration for each Share transferred by the Entitled Shareholder, in the form of S\$0.38 in cash per Share.
- 3.2 Each Entitled Shareholder:
 - (a) who holds Directly-Held Shares, shall be entitled to receive the Scheme Consideration for all of its Directly-Held Shares; and
 - (b) who holds Indirectly-Held Shares, shall in respect of each sub-account holder, be entitled to receive the Scheme Consideration for all the Indirectly-Held Shares held on behalf of such sub-account holder.

3.3 SRS Investors

SRS Investors should consult their SRS Agent Banks for further information on the Scheme. If they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

3.4 The Scheme Consideration

The Offeror shall, not later than seven Business Days after the Effective Date, and against the transfer of the Shares set out in **Clause 2** of this Scheme, make payment of the aggregate Scheme Consideration to Entitled Shareholders who are entitled to receive the Scheme Consideration for their Shares as follows:

(a) Entitled Shareholders whose Shares are not deposited with CDP.

The Offeror shall pay each Entitled Shareholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of such Entitled Shareholder by ordinary post to its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Shareholder, or in the case of joint Entitled Shareholders, to the first-named Entitled Shareholder made out in favour of such Entitled Shareholder by ordinary post to its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Entitled Shareholders.

(b) Entitled Shareholders whose Shares are deposited with CDP.

The Offeror shall pay each Entitled Shareholder (being a Depositor) by making payment of the aggregate Scheme Consideration payable to such Entitled Shareholder to CDP. CDP shall:

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

3.5 Obligations to make payment of Scheme Consideration

- (a) In relation to Entitled Shareholders, on and after the day being six calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Company's name with a licensed bank in Singapore selected by the Company.
- (b) The Company or its successor entity shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clause 3.4 of this Scheme to persons who satisfy the Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in Clause 3.4 of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the

relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to **Clause 3.1** of this Scheme.

- (c) On the expiry of six years from the Effective Date, the Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under this Scheme and the Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in **Clause 3.5(a)** of this Scheme including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.
- (d) **Clause 3.5(c)** of this Scheme shall take effect subject to any prohibition or condition imposed by law.
- 3.6 From the Effective Date, each existing share certificate representing a former holding of Shares by an Entitled Shareholder (not being a Depositor) will cease to be evidence of title to the Shares represented thereby. Entitled Shareholders (not being Depositors) shall be required to forward their existing share certificates relating to their Shares to the Share Registrar, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877 as soon as possible, but not later than seven Business Days after the Effective Date for cancellation.

4. EFFECTIVE DATE

- 4.1 Subject to the satisfaction of the conditions precedent set out in **Clause 1** of this Scheme, this Scheme shall become effective and binding upon a copy of the order of the Court sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with ACRA for registration.
- 4.2 Unless this Scheme shall have become effective and binding as aforesaid on or before the Cut-Off Date (or such other date as the Court on the application of the Company or the Offeror may allow), this Scheme shall lapse.
- 4.3 The Company and the Offeror may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.
- 4.4 In the event that this Scheme does not become effective and binding for any reason, the costs and expenses incurred by the Company in connection with this Scheme will be borne by the Company.
- 4.5 This Scheme shall be governed by, and construed in accordance with, the laws of Singapore, and the Company, the Offeror and the Shareholders submit to the non-exclusive jurisdiction of the courts of Singapore. A person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term or provision of this Scheme.

Dated 7 January 2025

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OA 1266/2024

In the matter of Section 210 of the Companies Act 1967

And

In the Matter of 5E Resources Limited (Company Registration No.: 202136285K)

... Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Among

5E Resources Limited

And

The Shareholders (as defined herein)

And

GreenEdge Sdn. Bhd.

NOTICE IS HEREBY GIVEN that by an Order of Court made in the above matter, the High Court of the Republic of Singapore ("**Court**") has directed a meeting ("**Scheme Meeting**") of the Shareholders of 5E Resources Limited ("**Company**") to be convened and such Scheme Meeting shall be held at SAF Yacht Club, West Wing Poolside Lounge, Level 1, 43 Admiralty Road West, Singapore 759962, on 22 January 2025 at 10.00 a.m., for the purpose of considering and, if thought fit, approving (with or without modification) the following resolution:

THE SCHEME RESOLUTION

"THAT the Scheme of Arrangement dated 7 January 2025 proposed to be made pursuant to Section 210 of the Companies Act 1967 of Singapore, between (i) the Company, (ii) the Shareholders and (iii) GreenEdge Sdn. Bhd., a copy of which has been circulated with this Notice convening this Scheme Meeting, be and is hereby approved."

All references to the Scheme Document in this Notice shall mean the Company's Scheme Document to Shareholders dated 7 January 2025. All capitalised terms used but not otherwise defined herein shall have the same meanings given to them in the Scheme Document.

By the said Order of Court, the Court has appointed Mdm. Sok Ching, or failing her, any director of the Company, to act as Chairman of the Scheme Meeting and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to, inter alia, the subsequent sanction of the Court.

IMPORTANT NOTICE FROM THE COMPANY:

The Scheme Meeting will be convened and held in a wholly physical format at SAF Yacht Club, West Wing Poolside Lounge, Level 1, 43 Admiralty Road West, Singapore 759962 on 22 January 2025 at 10.00 a.m.. There will be no option for Shareholders to participate virtually.

Electronic copies of the Scheme Document (together with this Notice, the Proxy Form and the Request Form) has been made available on SGXNet at the URL <u>https://sgx.com/securities/company-announcements</u> and the Company's corporate website at the URL <u>https://www.5e-resources.</u> <u>com/announcements</u>. A Shareholder will need an internet browser and PDF reader to view these documents on SGXNet and the corporate website of the Company. A printed copy of the Scheme Document will NOT be despatched to Shareholders (unless upon request). Instead, only printed copies of this Notice of Scheme Meeting, the Proxy Form and the Request Form will be despatched to Shareholders.

Shareholders (including Overseas Shareholders) may obtain printed copies of the Scheme Document by submitting the Request Form to the Share Registrar, In.Corp Corporate Services Pte. Ltd. either:

- (a) by post at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (<u>on or after 13 January 2025</u>) 36 Robinson Road, #20-01 City House, Singapore 068877; or
- (b) via email to shareregistry@incorp.asia,

in either case by no later than 10.00 a.m. on 15 January 2025. Printed copies of this Scheme Document will be sent to the address in Singapore specified by the Shareholder by ordinary post at its own risk, up to three (3) Market Days prior to the date of the Scheme Meeting.

Notes:

Arrangements for Conduct of the Scheme Meeting

- 2. Arrangements relating to the conduct of the Scheme meeting, including:
 - (a) attending the Scheme Meeting in person;
 - (b) submitting questions related to the Scheme Resolution to be tabled for approval at the Scheme Meeting, in advance of the Scheme Meeting or at the Scheme Meeting itself; and/or
 - (c) voting at the Scheme Meeting by the Shareholder (i) in person or (ii) by his/her/its duly appointed proxy,

are set out in this Notice of Scheme Meeting. Any reference to a time of day is made by reference to Singapore time.

^{1.} A copy of the said Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act 1967 of Singapore, are incorporated in the Scheme Document of which this Notice forms part.

Shareholders, including SRS Investors, or, where applicable, their appointed proxy who will be attending the Scheme Meeting in person should bring along their NRIC/passport so as to enable the verification of their identity on the day of the Scheme Meeting.

Question & Answer, Minutes of Scheme Meeting

- Shareholders, including SRS Investors, may submit questions related to the Scheme Resolution to be tabled for approval at the Scheme Meeting, in advance of the Scheme Meeting. To do so, all questions must be submitted in the following manner by 10.00 a.m. on 15 January 2025:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (on or after 13 January 2025) 36 Robinson Road, #20-01 City House, Singapore 068877; or
 - (b) if submitted electronically, via email to the Company at <u>ir@5e-resources.com</u>.
- 4. Shareholders, including SRS Investors, who submit questions by post to the Share Registrar or via email to the Company must provide the following information:
 - (a) the Shareholder's full name;
 - (b) the Shareholder's full address; and
 - (c) the manner in which the Shareholder holds Shares in the Company (e.g. via SRS).
- 5. Shareholders are strongly encouraged to submit their questions electronically via email.
- 6. The Company will endeavour to address all substantial and relevant questions received by it in the manner set out above by 10.00 a.m. on 17 January 2025 (being at least 48 hours prior to the closing date and time for the lodgement of the Proxy Forms) and the Company's responses will be posted on SGXNet and the Company's corporate website. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- 7. Shareholders (including SRS Investors) or, where applicable, their appointed proxy, may also ask the Chairman of the Scheme Meeting substantial and relevant questions related to the Scheme Resolution to be tabled for approval at the Scheme Meeting, at the Scheme Meeting.
- 8. The Company will publish the minutes of the Scheme Meeting on the Company's corporate website and on SGXNet within one (1) month from the date of the Scheme Meeting, and the minutes will include the responses to the substantial and relevant questions received from Shareholders which are addressed during the Scheme Meeting.

Voting, or appointing a proxy to vote, at the Scheme Meeting

- 9. A Shareholder who wishes to exercise his/her/its voting rights at the Scheme Meeting may:
 - (a) vote at the Scheme Meeting in person; or
 - (b) appoint a proxy to vote on his/her/its behalf at the Scheme Meeting.
- 10. A Shareholder which is not a relevant intermediary (as defined below) and is entitled to attend and vote at the Scheme Meeting may only appoint one (1) proxy to attend and vote in his/her/its stead and may only cast all the voting rights attached to his/her/its Shares at the Scheme Meeting (whether in person or by proxy) in one (1) way. Where a Shareholder which is not a relevant intermediary appoints more than one (1) proxy, such additional appointments shall be invalid.
- 11. A proxy need not be a member of the Company and may be the Chairman of the Scheme Meeting.
- 12. A Shareholder who wishes to submit an instrument appointing a proxy must complete the accompanying proxy form ("**Proxy Form**"), before submitting it in the manner set out below and the instructions set out in the Proxy Form.
- 13. A form of proxy applicable for the Scheme Meeting is enclosed with the printed document of which this Notice of Scheme Meeting forms part. Printed copies of this Notice to Scheme Meeting, the Proxy Form and the Request Form will be sent to Shareholders. The Proxy Form may also be accessed at the Company's corporate website at the URL <u>https://sgx.com/securities/company-announcements</u> and on SGXNet at the URL <u>https://www.5e-resources.com/announcements</u>.

- 14. In the case of joint holders of Shares, any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting, the person whose name stands first in the Register of Members of the Company or, as the case may be, the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) shall alone be entitled to vote.
- 15. The Proxy Form must be deposited with the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. either:
 - (a) by post at:
 - (i) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (ii) (on or after 13 January 2025) 36 Robinson Road, #20-01 City House, Singapore 068877; or
 - (b) sent by email to <u>shareregistry@incorp.asia</u>,

in either case by 10.00 a.m. on 19 January 2025 (being not less than 72 hours before the time appointed for the Scheme Meeting).

16. Shareholders are strongly encouraged to submit their completed Proxy Forms electronically via email.

17. If any Shareholder fails to submit a Proxy Form (if applicable) in the manner and within the period stated therein or if the Proxy Form (if applicable) is incomplete, improperly completed, illegible or where the true intentions of the Shareholder are not ascertainable from the instructions of the Shareholder specified in the Proxy Form (if applicable), the Shareholders and the proxy of such Shareholder (if applicable) may only be admitted to the Scheme Meeting at the discretion of the Chairman. Any such Shareholder shall, nonetheless, be bound by the terms of the Scheme in the event that it becomes effective.

18. Relevant intermediaries:

- (a) Persons who hold Shares through relevant intermediaries, other than SRS Investors, and who wish to participate in the Scheme Meeting should contact the relevant intermediary through which they hold such Shares as soon as possible. Persons who hold Shares through relevant intermediaries, other than SRS Investors, may (i) vote at the Scheme Meeting if they are appointed as proxy by their respective relevant intermediaries; or (ii) specify their voting instructions to / arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.
- (b) In addition, SRS Investors may (i) vote at the Scheme Meeting if they are appointed as proxy by their respective SRS operators, and should contact their respective SRS operators if they have any queries regarding their appointment as proxy; or (ii) specify their voting instructions to / arrange for their votes to be submitted with their respective SRS operators, and should approach their respective SRS operators by 10.00 a.m. on 13 January 2025, being at least seven working days before the date of the Scheme Meeting, to ensure their votes are submitted.
- 19. In relation to any Shareholder which is a relevant intermediary:
 - (a) subject to paragraph 19(b) below, a Shareholder which is a relevant intermediary need not cast all the voting rights attached to the Shares held on behalf of its sub-account holders in the same way provided that each vote is exercised in relation to a different Share or Shares; and
 - (b) a Shareholder which is a relevant intermediary may appoint more than two (2) proxies in relation to the Scheme Meeting to exercise all or any of the Shareholder's rights to attend and to speak and vote at the Scheme Meeting, but each proxy must be appointed to exercise the voting rights attached to a different Share or Shares held by the Shareholder (which number and class of Shares must be specified). Each proxy appointed in accordance with this paragraph 19(b) may only cast all the voting rights attached to such Share or Shares at the Scheme Meeting in one way.

A "relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
- (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

- 20. For purposes of determining whether the conditions under Section 210(3AB)(a) of the Companies Act ("Headcount Test") and Section 210(3AB)(b) of the Companies Act ("Value Test") are satisfied:
 - (a) the Company shall treat each proxy appointed in accordance with paragraph 10 above and which casts a vote in respect of its Shares for or against the Scheme as:
 - (i) casting one (1) vote in number for purposes of the Headcount Test; and
 - (ii) the value represented by the proxy for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy.

For the avoidance of doubt, where a person has been appointed as proxy of more than one Shareholder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing Shareholder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified);

- (b) the Company shall treat each proxy appointed in accordance with paragraph 19(b) above or each sub-account holder on whose behalf the Shareholder which is a relevant intermediary holds Shares, and which casts a vote for or against the Scheme as:
 - (i) casting one (1) vote in number for purposes of the Headcount Test; and
 - (ii) the value represented by the proxy or sub-account holder for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy or the sub-account holder.

For the avoidance of doubt, where a person has been appointed as proxy of more than one sub-account holder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing sub-account holder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified). The Shareholder which is a relevant intermediary shall submit to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. either:

- A. by post at:
 - (1) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (2) (on or after 13 January 2025) 36 Robinson Road, #20-01 City House, Singapore 068877; or
- B. by email to <u>shareregistry@incorp.asia</u>,

the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares);

- (c) where a Shareholder which is a relevant intermediary casts the voting rights attached to the Shares held on behalf of its sub-account holder(s) both for and against the Scheme otherwise than in accordance with paragraph 19(b) above or without specifying the number of sub-account holders, the number and class of Shares held by each sub-account holder and the vote cast by each sub-account holder, without prejudice to the treatment of any proxies appointed in accordance with paragraph 19(b) above:
 - the Company shall treat the relevant intermediary as casting one (1) vote in favour of the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes for the Scheme than against the Scheme;
 - the Company shall treat the relevant intermediary as casting one (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes against the Scheme than for the Scheme;
 - (iii) the Company shall treat the relevant intermediary as casting one (1) vote for and one (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts equal votes for and against the Scheme; and
 - (iv) with respect to each of the scenarios set out in paragraphs 20(c)(i), (ii) and (iii) above, the value represented by the relevant intermediary for purposes of the Value Test shall be the number of Shares in relation to which voting rights "for" and "against" the Scheme are being exercised by the relevant intermediary.
- 21. Please see the Scheme Document and the notes to the Proxy Form for more information.

Personal data privacy

- 22. By either (I) attending the Scheme Meeting, (II) submitting an instrument appointing proxy to attend, speak and vote at the Scheme Meeting and/or any adjournment thereof, (III) submitting any question in advance of, or at, the Scheme Meeting, and/or (IV) submitting the Request Form to request for a printed copy of the Scheme Document, a Shareholder:
 - (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its respective agents or service providers) for the following purposes:
 - the processing, administration and analysis by the Company (or its respective agents or service providers) of instruments appointing proxy(ies) for the Scheme Meeting (including any adjournment thereof);
 - the addressing of questions received from Shareholders in advance of or at the Scheme Meeting and, if necessary, the following up with the relevant Shareholders in relation to such questions;
 - (iii) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Scheme Meeting (including any adjournment thereof); and
 - (iv) in order for the Company (or its respective agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines,

(collectively, the "Purposes");

- (b) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy and/or representative(s) to the Company (or its respective agents or service providers), the Shareholder has obtained the prior consent of such proxy and/or representative(s) for the collection, use and disclosure by the Company (or its respective agents or service providers) of the personal data of such proxy and/or representative(s) for the Purposes;
- (c) agrees to provide the Company with written evidence of such prior consent upon reasonable request;
- (d) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty; and
- (e) agrees and consents to such photographic, sound and/or video recordings of the Scheme Meeting as may be made by the Company (or its respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the Scheme Meeting. Accordingly, the personal data of the Shareholder (such as his/her name, his/her presence at the Scheme Meeting and any questions he/she may raise or motions he/she may propose/ second) may be recorded by the Company (or its respective agents or service providers) for such purpose.

Dated this 7th day of January 2025

Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937

Solicitors for 5E Resources Limited

PROXY FORM FOR SCHEME MEETING

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OA 1266/2024

In the matter of Section 210 of the Companies Act 1967

And

In the Matter of 5E Resources Limited (Company Registration No.: 202136285K)

... Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Among

5E Resources Limited

And

The Shareholders (as defined herein)

And

GreenEdge Sdn. Bhd.

PROXY FORM FOR SCHEME MEETING

5E RESOURCES LIMITED	IMPORTANT:
(Company Registration No. 202136285K) (Incorporated in the Republic of Singapore)	1. A proxy need not be a member of the Company and may be the Chairman of the Scheme Meeting.
(incorporated in the nepublic of Singapore)	2. A Shareholder who is not a relevant intermediary and is entitled to attend and vote at the Scheme Meeting may appoint one (1) proxy to attend and vote in his/ her/its stead. Where a Shareholder who is not a relevant intermediary appoints more than one (1) proxy, such additional appointments shall be invalid.
PROXY FORM SCHEME MEETING (Please see notes overleaf before completing this Form)	 For SRS Investors who have used their SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them. SRS Investors should contact their SRS operators to submit their votes by 10.00 a.m. on 13 January 2025, being at least seven working days before the date of the Scheme Meeting. All capitalised terms used in this Proxy Form but not otherwise defined herein shall have the same meanings given to them in the Company's Scheme Document to Shareholders dated 7 January 2025.
	 Please read the notes overleaf which contains instructions on, inter alia, the appointment of a Shareholder's proxy to attend, speak and vote on his/ her/its behalf, at the Scheme Meeting.
	Personal Data Privacy
	By submitting an instrument appointing a proxy, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Scheme Meeting dated 7 January 2025.
I/We (Name)	(NRIC No./Passport No./UEN No.)

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of
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being a member/members* of **5E RESOURCES LIMITED** ("Company"), hereby appoint:

Name	Address	NRIC/ Passport No.		

or failing him/her*, the Chairman of the Scheme Meeting of the Company, as my/our* proxy to attend and to vote for me/us* on my/our* behalf at the Scheme Meeting to be held at SAF Yacht Club, West Wing Poolside Lounge, Level 1, 43 Admiralty Road West, Singapore 759962 on 22 January 2025 at 10.00 a.m. and at any adjournment thereof, for the purpose of considering and, if thought fit, approving the Scheme of Arrangement referred to in the notice convening the Scheme Meeting, and at such Scheme Meeting (or at any adjournment thereof) to vote for me/us* and in my/our* name(s) for the said Scheme or against the said Scheme as hereunder indicated.

I/We* direct my/our* proxy to vote for or against, or abstain from voting on, the Scheme of Arrangement as indicated hereunder. If no specific direction as to voting is given, my/our* proxy may vote or abstain from voting at his/her* discretion. If no person is named in the above boxes, the Chairman of the Scheme Meeting shall be my/our* proxy to vote, for or against the Scheme of Arrangement to be proposed at the Scheme Meeting, for me/us* and on my/our* behalf at the Scheme Meeting and at any adjournment thereof. In appointing the Chairman of the Scheme Meeting as proxy, Shareholders must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

Voting will be conducted by poll.

THE SCHEME RESOLUTION	For	Against	Abstain
To approve the Scheme of Arrangement			

Notes:

If you are a Shareholder which is not a relevant intermediary:

You may only cast all the votes you use in the Scheme Meeting **IN ONE WAY**. If you wish to vote "**FOR**" the resolution, please indicate with a tick (\checkmark) in the box marked "**FOR**" as set out above. If you wish to vote "**AGAINST**" the resolution, please indicate with a tick (\checkmark) in box marked "**AGAINST**" as set out above. If you wish to abstain from voting on the resolution, please indicate with a tick (\checkmark) in the box marked "**ABSTAIN**" as set out above. DO NOT TICK MORE THAN ONE BOX.

If you are a Shareholder which is a relevant intermediary:

Please indicate (i) the number of votes "FOR" or "AGAINST" in the "FOR" or "AGAINST" boxes as set out above in respect of the resolution; and (ii) the number of Shares your proxy is directed to abstain from voting in the "ABSTAIN" box provided in respect of the resolution.

Dated this _____ day of _____ 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

(Address)

Signature(s) of Shareholder(s) and/or Common Seal

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM FOR SCHEME MEETING

Notes:

- The Scheme Meeting will be convened and held in a wholly physical format. There will be no option for Shareholders to participate virtually. This Proxy Form (along with the Scheme Document, the Notice of Scheme Meeting and the Request Form) may be accessed at the Company's website at the URL <u>https://www.5e-resources.com/announcements</u> and on SGXNet at the URL 1. https://www.sgx.com/securities/company-announcements.
- A Shareholder who wishes to exercise his/her/its voting rights at the Scheme Meeting may: (a) vote at the Scheme Meeting in person or (b) appoint a proxy to vote on his/her/its behalf at the Scheme Meeting. A Shareholder which is not a relevant intermediary and is entitled to attend and vote at the Scheme Meeting may only appoint one (1) proxy to attend and vote in his/her/its stead and may only cast all the voting rights attached to his/her/its Shares at the Scheme Meeting (whether in person or by proxy) in one (1) way. Where a Shareholder which is not a relevant intermediary appoints more than one proxy, such additional appointments shall be invalid. A proxy need not be a member of the Company and may be the Chairman of the Scheme Meeting. The appointment of a proxy by this instrument shall not preclude a Shareholder form attending and voting in person at the Scheme Meeting. If a Shareholder attends the Scheme Meeting in person, the 2 3.
- 4 appointment of a proxy shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy to the Scheme Meeting
- A Shareholder should insert the total number of Shares held. If the Shareholder has Shares entered against his/her/its name in the Depository Register maintained by CDP, he/she/it should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares. If the Shareholder has Shares entered against his/her/its should insert that number of Shares entered against his/her/its should insert that number of Shares entered against his/her/its should insert that number of Shares entered against his/her/its should insert that number of Shares entered against his/her/its should insert that number of Shares entered against his/her/its should insert that number of Shares entered against his/her/its should insert that number of Shares entered against his/h 5. name in the said Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the Shareholder.
- If the Shareholder is shown to not have any Shares entered against his/her/its name as at 72 hours before the time fixed for the Scheme Meeting, the Proxy Form will be rejected. 6.
- 7 The Proxy Form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- Where a Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must (failing previous registration with the Company) be lodged with the Proxy Form; failing which the instrument may be treated as invalid. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the 8.
- 9. appointor specified on and/or attached to the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by CDP to the Company. The Proxy Form (together with the power of attorney or such other authority, if any) must be deposited with the Company's Share Registrar's Office either:
- 10.
 - (a) by post to In.Corp Corporate Services Pte. Ltd. at:
 - (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or (i)
 - (on or after 13 January 2025) 36 Robinson Road, #20-01 City House, Singapore 068877; or (ii)

sent by email to shareregistry@incorp.asia, (b)

n either case by 10.00 a.m. on 19 January 2025 (being not less than 72 hours before the time appointed for the Scheme Meeting). Shareholders are strongly encouraged to submit their completed Proxy Forms electronically via email.

- If any Shareholder fails to submit a Proxy Form (if applicable) in the manner and within the period stated herein or if the Proxy Form (if applicable) is incomplete, improperly completed, illegible or where the 11. true intentions of the Shareholder are not ascertainable from the instructions of the Shareholder specified in the Proxy Form (if applicable), the Shareholders and the proxy of such Shareholder (if applicable) may only be admitted to the Scheme Meeting at the discretion of the Chairman. Any such Shareholder shall, nonetheless, be bound by the terms of the Scheme in the event that it becomes effective.
- Relevant Intermediaries:

13.

- Persons who hold Shares through relevant intermediaries, other than SRS Investors, and who wish to participate in the Scheme Meeting should contact the relevant intermediary through which they hold such Shares as soon as possible. Persons who hold Shares through relevant intermediaries, other than SRS Investors, may (a) vote at the Scheme Meeting if they are appointed as proxy by their (a) respective relevant intermediaries; or (b) specify their voting instructions to / arrange for their votes to be submitted with their respective relevant intermediaries; and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.
- In addition, SRS Investors may (i) yote at the Scheme Meeting if they are appointed as proxy by their respective SRS operators, and should contact their respective SRS operators if they have any queries regarding their appointment as proxy; or (ii) specify their voting instructions to / arrange for their votes to be submitted with their respective SRS operators, and should approach their respective SRS operators by 10.00 a.m. on 13 January 2025, being at least seven working days before the date of the Scheme Meeting, to ensure their votes are submitted. (b)
- In relation to any Shareholder which is a relevant intermediary
- subject to paragraph 13(b) below, a Shareholder which is a relevant intermediary need not cast all the voting rights attached to the Shares held on behalf of its sub-account holders in the same way provided that each vote is exercised in relation to a different Share or Shares; and (a)
- (b) a Shareholder which is a relevant intermediary may appoint more than two (2) proxies in relation to the Scheme Meeting to exercise all or any of the Shareholder's rights to attend and to speak and vote at the Scheme Meeting, but each proxy must be appointed to exercise the voting rights attached to a different Share or Shares held by the Shareholder (which number and class of Shares must be specified). Each proxy appointed in accordance with this paragraph 13(b) may only cast all the voting rights attached to such Share or Shares at the Scheme Meeting in one way. A "relevant intermediary" means:
- a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares (i) in that capacity;
- a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
- (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- For purposes of determining whether the conditions under Section 210(3AB)(a) of the Companies Act ("Headcount Test") and Section 210(3AB)(b) of the Companies Act ("Value Test") are satisfied: 14
 - the Company shall treat each proxy appointed in accordance with paragraph 3 above and which casts a vote in respect of its Shares for or against the Scheme as: (a)
 - casting one (1) vote in number for purposes of the Headcount Test; and (i)
 - the value represented by the proxy for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy.

For the avoidance of doubt, where a person has been appointed as proxy of more than one Shareholder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing Shareholder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified);

- the Company shall treat each proxy appointed in accordance with paragraph 13(b) above or each sub-account holder on whose behalf the Shareholder which is a relevant intermediary holds Shares, and which casts a vote for or against the Scheme as: (b)
 - casting one (1) vote in number for purposes of the Headcount Test; and
 - the value represented by the proxy or sub-account holder for purposes of the Value Test shall be the number of Shares in relation to which voting rights are being exercised by the proxy or the sub-(ii) account holder

For the avoidance of doubt, where a person has been appointed as proxy of more than one sub-account holder to vote at the Scheme Meeting, the votes of such proxy shall be counted as separate votes attributable to each appointing sub-account holder for purposes of the Headcount Test and Value Test provided that the proxy is exercising the voting rights attached to a different Share or Shares (which number and class of Shares must be specified). The Shareholder which is a relevant intermediary shall submit to the Company's Share Registrar either:

- by post to In.Corp Corporate Services Pte. Ltd. at: (1)
 - (before 13 January 2025) at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - В. (on or after 13 January 2025) at 36 Robinson Road, #20-01 City House, Singapore 068877; or
- (2) by email to shareregistry@incorp.asia,
- the list of these sub-account holder(s) (which sets out the name of each sub-account holder, the number of Shares attributed to each sub-account holder, and whether the sub-account holder has voted in favour of or against the Scheme in respect of such Shares);

where a Shareholder which is a relevant intermediary casts the voting rights attached to the Shares held on behalf of its sub-account holder(s) both for and against the Scheme otherwise than in holder, without prejudice to the treatment of any proxies appointed in accordance with paragraph 13(b) above:

- the Company shall treat the relevant intermediary as casting one (1) vote in favour of the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes for the (i) Scheme than against the Scheme:
- (ii) the Company shall treat the relevant intermediary as casting one (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts more votes against the Scheme than for the Scheme;
- the Company shall treat the relevant intermediary as casting one (1) vote for and one (1) vote against the Scheme for the purposes of the Headcount Test if the relevant intermediary casts equal (iii) votes for and against the Scheme; and
- (iv) with respect to each of the scenarios set out in paragraphs 14(c)(i), (ii) and (iiii) above, the value represented by the relevant intermediary for purposes of the Value Test shall be the number of Shares in relation to which voting rights "for" and "against" the Scheme are being exercised by the relevant intermediary.
- SRS Agent Banks acting on the request of SRS Investors who wish to attend the Scheme Meeting as observers are requested to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and number of Shares held. The list, signed by an authorised signatory of the SRS Agent Bank, should reach the Company's Share Registrar, In Corp Corporate Services Pte. Ltd., at (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712, or (on or after 13 January 2025) 36 Robinson Road, #20-01 City House, Singapore 068877, at least 72 hours before the time appointed for holding the Scheme Meeting. All references to a time of day is made by reference to Singapore time.
- 16.
- All Shareholders will be bound by the outcome of the Scheme Meeting regardless of whether they have attended or voted at the Scheme Meeting. 17.
- All capitalised terms not otherwise defined herein shall have the meanings given to them in the Company's Scheme Document dated 7 January 2025. 18.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy or proxies, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Scheme Meeting dated 7 January 2025.

REQUEST FORM



7 January 2025

Dear Shareholder of 5E Resources Limited ("Company")

All references to the Scheme Document in this Request Form shall mean the Company's Scheme Document to Shareholders dated 7 January 2025. All capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Scheme Document.

We wish to inform you that the Scheme Meeting of the Company will be convened and held in a wholly physical format at SAF Yacht Club, West Wing Poolside Lounge, Level 1, 43 Admiralty Road West, Singapore 759962 on 22 January 2025 at 10.00 a.m.. There will be no option for Shareholders to participate virtually.

Printed copies of the Notice of Scheme Meeting and Proxy Form can be found in the enclosed envelope. In line with the Company's sustainability efforts, we are implementing the use of electronic communications for the despatch of the Scheme Document. In this regard, the Scheme Document (together with the Notice of Scheme Meeting, the Proxy Form and this Request Form) has been made available for download or online viewing on SGXNet at <u>https://sgx.com/securities/company-announcements</u> and the Company's website at <u>https://www.5e-resources.com/announcements</u>. You will need an internet browser and a PDF reader to view the electronic copy of the Scheme Document. A printed copy of the Scheme Document will not be despatched to Shareholders (unless upon request).

We sincerely hope that you will join our sustainability efforts and embrace electronic communications. However, if you still wish to obtain printed copies of the Scheme Document, please complete the Request Form below and email it to <u>shareregistry@incorp.asia</u>, or post it with the envelope enclosed, by no later than 10.00 a.m. on 15 January 2025.

By providing us with the information required in the Request Form below, you agree and acknowledge that we and/or our service provider(s) may collect, use and disclose your personal data as contained in your submitted Request Form or which is otherwise collected from you (or your authorised representative(s)), for the purpose of processing and effecting your request and in order for us and/or our service provider(s) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Yours sincerely For and on behalf of **5E Resources Limited**

Loo Sok Ching Chairperson and Executive Director

REQUEST FORM

To: 5E Resources Limited

c/o In.Corp Corporate Services Pte. Ltd. at:

(a) (before 13 January 2025) 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or

(b) (on or after 13 January 2025) 36 Robinson Road, #20-01 City House, Singapore 068877

Please complete and sign this Request Form and send it by email to <u>shareregistry@incorp.asia</u>, or post it with the envelope enclosed, by no later than **10.00 a.m. on 15 January 2025**. We regret that incomplete or improperly completed request forms will not be processed.

Please send me a printed copy of the Scheme Document.

Name(s) of Shareholder(s): _

NRIC/Passport/Company Registration No:

The shares are held by me/us under or through:

Physical Scrip

Supplementary Retirement Scheme

Address: _

Signature(s):

_ Date: __