

CIRCULAR DATED 6 JULY 2023

THIS CIRCULAR IS ISSUED BY SYSMA HOLDINGS LIMITED (THE “COMPANY”). THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS CIRCULAR OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

If you have sold or transferred all your Offer Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Offer Shares represented by physical share certificate(s) which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or the transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

The Company has opted for electronic dissemination of this Circular. Please note that no printed copies of this Circular will be despatched to Shareholders. Only printed copies of the notice regarding the electronic dissemination of this Circular will be despatched to Shareholders.

This Circular has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



SYSMA HOLDINGS LIMITED

SYSMA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 201207614H

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by



RHT CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No.: 201109968H

for and on behalf of

GTV CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 202229435K

to acquire all the issued and paid-up ordinary shares in the capital of Sysma Holdings Limited, other than those already owned, controlled or agreed to be acquired by GTV Capital Pte. Ltd. as at the date of the Offer.

Independent Financial Adviser to the Independent Directors of the Company



XANDAR CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 200002789M

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY 5.30 P.M. (SINGAPORE TIME) ON 20 JULY 2023 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).

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DEFINITIONS

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

GENERAL

“Accepting Shareholder”	: Shall have the meaning ascribed to it in Section 2.5 of the Letter to Shareholders in the Offer Document and described in Section 2.1 of this Circular
“Adjusted Offer Price”	: Shall have the meaning ascribed to it in Section 2.5 of the Letter to Shareholders in the Offer Document and described in Section 2.1 of this Circular
“Board”	: The board of Directors of the Company as at the Latest Practicable Date
“Business Day”	: A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
“Catalist”	: The Catalist Board of the SGX-ST
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist in force as at the Latest Practicable Date
“Circular”	: This circular to Shareholders in relation to the Offer enclosing, <i>inter alia</i> , the recommendation of the Independent Directors and the IFA Letter
“Closing Date”	: 5:30 p.m. on 20 July 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
“Code”	: The Singapore Code on Take-overs and Mergers
“Companies Act”	: Companies Act 1967 of Singapore
“Constitution”	: The constitution of the Company
“Date of Receipt”	: The date of receipt of the Relevant Acceptance Forms by CDP or the Registrar/Receiving Agent (as the case may be), on behalf of the Offeror (provided always that the Date of Receipt falls on or before the Closing Date)
“DCS”	: Shall have the meaning ascribed to it in Paragraph 2.1.1 of Appendix 1 of the Offer Document and described in Section 2.2 of this Circular
“Derivatives”	: Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
“Directors”	: The directors of the Company as at the Latest Practicable Date
“Dissemination Date”	: 22 June 2023, being the date of dissemination of the Offer Document
“Dissenting Shareholders”	: Shall have the meaning ascribed to it in Section 10.1 of the Letter to Shareholders in the Offer Document and described in Section 6 of this Circular

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“Distribution” or “Distributions”	:	Shall have the meaning ascribed to it in Section 2.4 of the Letter to Shareholders in the Offer Document and described in Section 2.1 of this Circular
“Encumbrances”	:	Shall have the meaning ascribed to it in Section 2.4 of the Letter to Shareholders in the Offer Document and described in Section 2.1 of this Circular
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of the Offer Document
“FAT”	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
“Final Day Rule”	:	Shall have the meaning ascribed to it in Paragraph 1.5 of Appendix 1 of the Offer Document and described in Section 2.2 of this Circular
“FY”	:	The financial year ended or ending, as the case may be, on 30 June of the relevant year
“IFA Letter”	:	The letter dated 6 July 2023 from Xandar Capital Pte. Ltd. to the Independent Directors in relation to the Offer as set out in Appendix I to this Circular
“Independent Directors”	:	The Directors who are considered independent for the purposes of making recommendations to the Shareholders in respect of the Offer, namely Mr Richard Tan Kheng Swee, Mr Teo Boon Tieng and Mr Lim Kheng Hock
“Interested Person”	:	As defined in the Note on Rule 24.6 of the Code and read with Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: a) a director, chief executive officer, or substantial shareholder of the company; b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or

DEFINITIONS

	f)	any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
“Interim Results”	:	Unaudited condensed financial statements of the Group for the six (6) months financial period ended 31 January 2023
“Irrevocable Undertakings”	:	Shall have the meaning ascribed to it in Section 7.1.2 of the Letter to Shareholders in the Offer Document and described in Section 4 of this Circular
“SEW”	:	Mr Sin Ee Wuen
“SEW Irrevocable Undertaking”	:	Shall have the meaning ascribed to it in Section 7.1.2 of the Letter to Shareholders in the Offer Document and described in Section 4 of this Circular
“SST”	:	Mr Sin Soon Teng
“Last Trading Day”	:	25 May 2023, being the last full market day on which the Shares were traded on the SGX-ST prior to the Offer Announcement Date
“Latest Practicable Date”	:	30 June 2023, being the latest practicable date prior to the finalisation and electronic dissemination of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Minimum Acceptance Condition”	:	Shall have the meaning ascribed to it in Section 2.6 of the Letter to Shareholders in the Offer Document and described in Section 2.1 of this Circular
“Non-Independent Directors”	:	SST and SEW collectively
“Notice to Shareholders”	:	The notice to Shareholders containing the address and instructions for the electronic retrieval of this Circular dated 6 July 2023
“Offer”	:	The voluntary conditional cash offer made by RHTC, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement relating to the Offer released by RHTC, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	:	1 June 2023, being the date of the Offer Announcement
“Offer Document”	:	The offer document dated 22 June 2023, including the FAA and FAT, and any other document which may be issued by RHTC, for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
“Offer Document Despatch Announcement”	:	The announcement relating to the electronic dissemination of the Offer Document released by RHTC, for and on behalf of the Offeror, on the Dissemination Date

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“Offer Document Notification”	: Notification of electronic dissemination of the Offer Document and its related documents dated 22 June 2023
“Offer Price”	: S\$0.168 in cash for each Offer Share
“Offer Shares”	: Shall have the meaning ascribed to it in Section 2.2 of the Letter to Shareholders in the Offer Document and described in Section 2.1 of this Circular
“Offeror Securities”	: (i) shares of the Offeror; (ii) securities which carry substantially the same rights as any shares of the Offeror; and (iii) convertible securities, warrants, options and Derivatives in respect of shares of the Offeror or other securities which carry voting rights in the Offeror
“Overseas Shareholders”	: Shall have the meaning ascribed to it in Section 14.2 of the Letter to Shareholders in the Offer Document and described in Section 11 of this Circular
“Register”	: The register of holders of Offer Shares, as maintained by the Registrar
“Roll-Over Arrangement”	: Shall have the meaning ascribed to it in Section 7.1 of the Letter to Shareholders in the Offer Document and described in Section 4 of this Circular
“Rule 22.6 Period”	: Shall have the meaning ascribed to it in Paragraph 1.4 of Appendix 1 of the Offer Document and described in Section 2.2 of this Circular
“Relevant Acceptance Forms”	: FAA and/or FAT
“Relevant Day”	: Shall have the meaning ascribed to it in Paragraph 3.1 of Appendix 1 of the Offer Document and described in Section 2.2 of this Circular
“Relevant Securities”	: (i) Shares; (ii) securities which carry voting rights in the Company; and (iii) convertible securities, warrants, options, awards or Derivatives in respect of any Shares or other securities which carry voting rights in the Company
“Securities Account”	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“Set-Off Amount”	: Shall have the meaning ascribed to it in Section 7.1 of the Letter to Shareholders in the Offer Document and described in Section 4 of this Circular
“SFA”	: Securities and Futures Act 2001 of Singapore
“SGXNET”	: A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“Shares”	: Issued and paid-up ordinary shares in the capital of the Company

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“Shareholders”	: Holders of Offer Shares (other than CDP) as indicated on the Register and Depositors who have Offer Shares entered against their names in the Depository Register
“Shut-Off Notice”	: Shall have the meaning ascribed to it in Paragraph 1.4 of Appendix 1 of the Offer Document and described in Section 2.2 of this Circular
“SRS”	: The Supplementary Retirement Scheme
“SRS Agent Banks”	: Agent banks included under SRS
“SRS Investors”	: Investors who have purchased Offer Shares pursuant to SRS
“S\$” and “cents”	: Singapore dollars and cents respectively, being the lawful currency of Singapore
“Subject Property”	: 11 Tuas South Street 10, Singapore 637098
“Undertaking Parties”	: Shall have the meaning ascribed to it in Section 7.1 of the Letter to Shareholders in the Offer Document and described in Section 4 of this Circular
“Valuation Document”	: The valuation certificate dated 20 June 2023 in respect of the Subject Property from the Valuer as set out in Appendix IV to this Circular
“Valuation Report”	: The valuation report dated 20 June 2023 in respect of the Subject Property from the Valuer made available for inspection at the registered office of the Company
“VWAP”	: Volume weighted average price
“Xiang Irrevocable Undertaking”	: Shall have the meaning ascribed to it in Section 7.1.1 of the Letter to Shareholders in the Offer Document and described in Section 4 of this Circular
“%” or “per cent.”	: Per centum or percentage

COMPANIES/ORGANISATIONS

“ACRA”	: The Accounting and Corporate Regulatory Authority of Singapore
“CDP”	: The Central Depository (Pte) Limited
“Company”	: Sysma Holdings Limited
“IFA”	: Xandar Capital Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Offer
“RHTC”	: RHT Capital Pte. Ltd., the financial adviser to the Offeror in relation to the Offer
“Group”	: The Company and its subsidiaries
“MAS”	: Monetary Authority of Singapore
“Offeror”	: GTV Capital Pte. Ltd.

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“Receiving Agent” or “Registrar”	: Tricor Barbinder Share Registration Services
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGX RegCo”	: Singapore Exchange Regulation
“SIC”	: Securities Industry Council of Singapore
“SRS”	: The Supplementary Retirement Scheme
“Valuer”	: Savills Valuation and Professional Services (S) Pte Ltd, being the independent valuer commissioned by the Company to conduct an independent valuation of the Subject Property in relation to the Offer
“Xiang”	: Xiang Investment Pte. Ltd.

Unless otherwise defined, the term “**acting in concert**” or “**concert parties**” shall have the meaning ascribed to it in the Code.

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

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

References to “**you**” and “**your**” in this Circular are, as the context so determines, to Shareholders.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one (1) gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Catalist Rules or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, the SFA, the Catalist Rules or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

For the purposes of this Circular, Dentons Rodyk & Davidson LLP has been appointed as the legal counsel to the Company in relation to Singapore law.

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

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

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In this Circular, any reference to the total number of Offer Shares is a reference to 252,348,600 Offer Shares (excluding 8,651,400 treasury shares) as at the Latest Practicable Date (based on the business profile of the Company extracted from ACRA on the Latest Practicable Date), unless the context otherwise requires. Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 252,348,600 Offer Shares (excluding 8,651,400 treasury shares) in issue as at the Latest Practicable Date (based on the business profile of the Company extracted from ACRA on the Latest Practicable Date).

Forward-looking Statements

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

SUMMARY TIMETABLE

Date of despatch of Offer Document	:	22 June 2023
Date of dissemination of this Circular	:	6 July 2023
Closing Date ⁽¹⁾	:	5.30 p.m. (Singapore time) on 20 July 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Date of settlement of consideration for Offer Shares acquired by the Offeror	:	In respect of valid acceptances of the Offer which are complete in all respects, within seven (7) Business Days of the later of: (a) the date on which the Offer becomes or is declared to be unconditional in all respects; or (b) the Date of Receipt of such acceptance

Note:

- (1) SRS Investors and other investors who hold Shares through finance companies or depository agents will receive notification letter(s) from their respective CPF Agent Banks, finance companies and/or depository agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, finance companies and/or depository agents in order to accept the Offer.

LETTER TO SHAREHOLDERS

SYSMA HOLDINGS LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO.: 201207614H

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Board of Directors:

Mr Sin Soon Teng (Executive Chairman and Group CEO)
Mr Sin Ee Wuen (Executive Director and Deputy CEO)
Mr Richard Tan Kheng Swee (Lead Independent Director)
Mr Teo Boon Tieng (Independent Director)
Mr Lim Kheng Hock (Independent Director)

Registered Office:

2 Balestier Road
#03-669 Balestier Hill Shopping
Centre
Singapore 320002

6 July 2023

To: The Shareholders of Sysma Holdings Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY RHT CAPITAL PTE. LTD. FOR AND ON BEHALF OF THE OFFEROR FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, RHTC announced, for and on behalf of the Offeror, that the Offeror intends to make an Offer for the Offer Shares at the Offer Price of S\$0.168 for each Offer Share.

A copy of the Offer Announcement is available on the website of the SGX-ST at <http://www.sgx.com>.

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document Notification, which contains the address and instructions for the electronic retrieval of the Offer Document disseminated on 22 June 2023 setting out, *inter alia*, the terms and conditions of the Offer. The principal terms of the Offer are set out in Section 2 of the Letter to Shareholders in the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at <http://www.sgx.com>.

1.3 Independent Financial Adviser

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in relation to the Offer.

1.4 Purpose of the Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of Xandar Capital Pte. Ltd. to the Independent Directors in relation to the Offer.

LETTER TO SHAREHOLDERS

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Independent Directors and the advice of Xandar Capital Pte. Ltd. to the Independent Directors in relation to the Offer before deciding whether to accept or reject the Offer.

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

2. THE OFFER

2.1 Terms of the Offer

The Offer is made by RHTC, for and behalf of the Offeror on the principal terms set out in Section 2 of the Letter to Shareholders in the Offer Document, details of which have been extracted from the Offer Document and set out in italics below. All terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"2. TERMS OF THE OFFER

2.1 Offer. *RHTC, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Offer Shares in accordance with Section 139 of the SFA, Rule 15 of the Code and subject to the terms and conditions set out in this Offer Document, the FAA and the FAT.*

2.2 Offer Shares. *For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares, other than (i) those already owned, controlled, or agreed to be acquired by the Offeror; and (ii) the Shares held by the Offeree in treasury ("**Offer Shares**"). As at the Latest Practicable Date, the Offeror does not own, hold, have interest in, or control any of the Shares in the capital of the Company.*

2.3 Offer Consideration. *The consideration for each Offer Share is as follows:*

<i>For each Offer Share: <u>S\$0.168</u> in cash ("Offer Price").</i>

2.4 No Encumbrances. *The Offer Shares are to be acquired (i) fully paid; (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("**Encumbrances**"); and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, "**Distributions**" and each, a "**Distribution**") on or after the Offer Announcement Date.*

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

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

LETTER TO SHAREHOLDERS

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

2.5.2 if such settlement date falls **after** the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (Offer Price after such reduction, "**Adjusted Offer Price**") and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

2.6 **Minimum Acceptance Condition.** The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances pursuant to the Offer (which have not been validly withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding not less than 90.0% of the total number of Shares in issue (excluding any Shares held in treasury) as at the close of the Offer ("**Minimum Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares amounting to not less than 90.0% of the total number of issued Shares (excluding any Shares held in treasury).

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

2.7 **Compulsory Acquisition.** Should the Offeror meet the conditions as prescribed by Section 215(1) of the Companies Act, as further detailed in **Section 10.1** of the Letter to Shareholders in this Offer Document below, the Offeror would be entitled to exercise the right to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Offer at a price equal to the Offer Price. In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer.

2.8 **Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof: (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date. "

2.2 Details of the Offer

Further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) requirements relating to announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer have been extracted from Section 3 of the Letter to Shareholders and Appendix 1 to the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

LETTER TO SHAREHOLDERS

“3. DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on:

- 3.1 the duration of the Offer;
 - 3.2 the settlement of the consideration for the Offer;
 - 3.3 the requirements relating to the announcement of the level of acceptances of the Offer; and
 - 3.4 the right of withdrawal of acceptances of the Offer
- ...

APPENDIX 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

- 1.1 **Closing Date.** The Offer is open for acceptance by Shareholders for at least twenty-eight (28) days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 20 July 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

- 1.2 **Subsequent Closing Date(s).** If the Offer is extended and:

- 1.2.1 the Offer is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or

- 1.2.2 the Offer is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least fourteen (14) days' prior notice in writing before it may close the Offer.

- 1.3 **No Obligation to Extend Offer.** The Offeror is not obliged to extend the Offer if the condition of the Offer as set out in **Section 2.6** of the Letter to Shareholders in this Offer Document is not fulfilled by the Closing Date.

- 1.4 **Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances.** Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for a period (“**Rule 22.6 Period**”) of not less than fourteen (14) days after the date on which the Offer would otherwise have closed, in order to give Shareholders who have not accepted the Offer the opportunity to do so.

This requirement does not apply if, before the Offer becomes or is declared unconditional as to acceptances, the Offeror has given Shareholders at least fourteen (14) days' notice in writing (“**Shut-Off Notice**”) that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

- 1.4.1 the Offeror may not give a Shut-Off Notice in a competitive situation; and

- 1.4.2 the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

For these purposes, the SIC would normally regard a “competitive situation” to have arisen if a competing offer for the Company has been announced.

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If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **Paragraph 4.2.1** of this **Appendix 1**, the Rule 22.6 Period will run from the date of such confirmation (if given) or the date on which the Offer would otherwise have closed, whichever is later.

1.5 Final Day Rule. The Offer (whether revised or not) will not be capable:

- 1.5.1 of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or
- 1.5.2 of being kept open after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with SIC's prior consent ("**Final Day Rule**"). The SIC will normally grant such permission if a competing offer has been announced.

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

2. SETTLEMENT

- 2.1 When Settlement is Due for All Shareholders.** Subject to the Offer becoming or being declared unconditional in all respects and to the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions set out in this Offer Document and in the Relevant Acceptance Forms, and in the case of a depositor, the receipt by the Offeror of confirmations satisfactory to it that the number of Offer Shares tendered by the depositor in acceptance of the Offer are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to the Accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by means of:

- 2.1.1 in the case of an Accepting Shareholder who has subscribed to CDP's Direct Crediting Services ("**DCS**"), credited directly into such Shareholder's designated bank account for S\$ via CDP's DCS. In the case of an Accepting Shareholder who has not subscribed to CDP's DCS, any monies to be paid to such Shareholder shall be credited to his Cash Ledger and be subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are as defined therein); or
- 2.1.2 in the case of an Accepting Shareholder holding share certificate(s) which are not deposited with CDP, a S\$ crossed cheque drawn on a bank operating in Singapore and sent by ordinary post to his address stated in his FAT or if none is stated, to his address as indicated in the register of members of the Company, at the risk of the Accepting Shareholder or in such other manner as may be agreed between the Registrar and the Accepting Shareholder,

as soon as practicable but in any event within seven (7) Business Days of the later of: (a) the date on which the Offer becomes or is declared to be unconditional in all respects, or (b) the Date of Receipt of such acceptance.

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3. ANNOUNCEMENTS

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

3.1.1 for which valid acceptances of the Offer have been received;

3.1.2 held by the Offeror and any of its concert parties prior to the commencement of the Offer Period (as defined under the Code); and

3.1.3 acquired or agreed to be acquired by the Offeror and any of its concert parties during the Offer Period (as defined under the Code),

and will specify the percentages of the total number of issued Shares (excluding any Shares held in treasury) represented by such numbers.

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

3.3 Valid Acceptances for Offer Shares.

3.3.1 Under Rule 28.1 of the Code and subject to **Section 16.3** of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares represented by acceptances, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

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

- 3.4 **Announcements.** In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by RHTC, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFER

- 4.1 **Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

- 4.2 **Right of Withdrawal of Shareholders.** A Shareholder who has accepted the Offer may withdraw his acceptance:

4.2.1 immediately if the Offer has become or been declared to be unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in **Paragraph 3.1** of this **Appendix 1** by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight (8) days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in **Paragraph 3.1** of this **Appendix 1**. For the purposes of **Paragraph 1.4** of this **Appendix 1**, the Rule 22.6 Period referred to therein shall run from the date of such confirmation (if given) or the date on which the Offer would otherwise have expired, whichever is later;

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4.2.2 *after fourteen (14) days from the first Closing Date of the Offer, if the Offer has not by then become unconditional as to acceptances. Such entitlement to withdraw may be exercisable until the Offer becomes or is declared to be unconditional as to acceptances; and*

4.2.3 *immediately if a competing offer for the Shares becomes or is declared to be unconditional as to acceptances. This right of withdrawal also applies in the converse situation, i.e. if the Offer becomes or is declared to be unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such offer immediately.*

4.3 **Procedures for Withdrawal of Acceptances.** *To withdraw his acceptance under the Offer:*

4.3.1 *an Accepting Shareholder holding Offer Shares which **are not deposited with** CDP must give written notice to the Offeror at GTV Capital Pte. Ltd. c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898; and*

4.3.2 *an Accepting Shareholder holding Offer Shares which **are deposited with** CDP must give written notice to the Offeror at GTV Capital Pte. Ltd. c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.*

A notice of withdrawal shall be effective only if signed by the Accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

2.3 Closing Date

Shareholders should note that the Offer is open for acceptance by the Shareholders for at least 28 days from the Dissemination Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 20 July 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2.4 Procedures for Acceptance of the Offer

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

3. INFORMATION ON THE OFFEROR

Details on the Offeror have been extracted from Section 5 of the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“5. INFORMATION ON THE OFFEROR

5.1 ***Introduction.*** *The Offeror was incorporated in the Republic of Singapore on 22 August 2022 and is a private company limited by shares. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.*

5.2 ***Share Capital and Shareholder.*** *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$30.00 with thirty (30) ordinary shares. SST is the sole shareholder of the Offeror.*

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- 5.3 **Director of the Offeror.** As at the Latest Practicable Date, SST is the sole director of the Offeror ("**Director**").
- 5.4 **Joint Offerors under Rule 10 of the Code.** The SIC has on 21 April 2023 confirmed to the Offeror that SST, Xiang and SEW are regarded as joint offerors for the purpose of Rule 10 of the Code, as further detailed in **Section 7.5** below.
- 5.5 **Information on SST.** SST is currently serving as the Executive Chairman and Group CEO of the Company and his position in the Company will remain unchanged after the close of the Offer. SST has a deemed interest in 166,600,000 Shares in the Company, representing approximately 66.02% of the total number of the issued Shares (excluding any Shares held in treasury). SST is also the Director and shareholder of the Offeror as set out above.
- 5.6 **Information on Xiang.** Xiang is a personal investment vehicle controlled by SST. It is incorporated in Singapore with an issued and paid-up share capital of S\$9,000. The shareholders and directors of Xiang comprise of (i) SST, holding 8,000 shares representing approximately 88.89% of the total issued and paid-up ordinary shares in the capital of Xiang; and (ii) NLK, holding 1,000 shares representing approximately 11.11% of the total issued and paid-up ordinary shares in the capital of Xiang. Xiang currently holds 166,600,000 issued Shares in the Company, representing approximately 66.02% of the total number of the issued Shares (excluding any Shares held in treasury). After the close of the Offer, Xiang will hold approximately 66.02% of the total issued and paid-up ordinary shares in the capital of the Offeror pursuant to the Roll-Over Arrangement.
- 5.7 **Information on SEW.** SEW is currently serving as an Executive Director and the Deputy CEO of the Company and his position in the Company will remain unchanged after the close of the Offer. SEW is the son of SST. SEW currently holds 8,703,500 issued Shares in the Company, representing approximately 3.45% of the total number of the issued Shares (excluding any Shares held in treasury). SEW will be holding approximately 3.45% of the total issued and paid-up ordinary shares in the capital of the Offeror after the close of the Offer, pursuant to the Roll-Over Arrangement.
- 5.8 **Xiang and SEW Roll-Over Arrangement.** As stated above, it is intended that following completion of the Roll-Over Arrangement, Xiang and SEW will each hold approximately 66.02% and 3.45% of the total issued and paid-up ordinary shares of the Offeror respectively.
- 5.9 **Additional Information.** Additional information on the Offeror is set out in **Appendix 3** to this Offer Document."

4. IRREVOCABLE UNDERTAKINGS

The full text of the undertakings provided by Xiang and SEW has been extracted from Section 7 of the Letter to Shareholders in the Offer Document and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"7. IRREVOCABLE UNDERTAKINGS AND ROLL-OVER ARRANGEMENT

- 7.1 **Irrevocable Undertakings and Roll-Over Arrangement.** As at the Offer Announcement Date, the Offeror has received irrevocable undertakings from:

- 7.1.1 Xiang, in relation to its 166,600,000 Shares in the Company, representing approximately 66.02% of the total number of issued Shares (excluding any Shares held in treasury) ("**Xiang Irrevocable Undertaking**"); and

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7.1.2 SEW, in relation to his 8,703,500 Shares in the Company, representing approximately 3.45% of the total number of issued Shares (excluding any Shares held in treasury) ("**SEW Irrevocable Undertaking**", together with the Xiang Irrevocable Undertaking, "**Irrevocable Undertakings**"),

pursuant to which each of Xiang and SEW ("**Undertaking Parties**") has, amongst other things unconditionally and irrevocably undertaken to the Offeror (i) to tender all of its/his respective Shares in acceptance of the Offer; and (ii) not to accept any competing offer.

Further, each Undertaking Party has agreed to be allotted and issued new ordinary shares in the capital of the Offeror ("**Offeror Shares**") for an aggregate subscription price that will be set-off in full against the cash consideration that would otherwise be payable under Rule 30 of the Code by the Offeror to each of the Undertaking Party for its/his Shares at the Offer Price ("**Set-Off Amount**") pursuant to the acceptance of the Offer by the Undertaking Parties ("**Roll-Over Arrangement**"). The Offeror Shares issued to each Undertaking Parties shall be in the proportion of their current shareholdings vis-à-vis one another in the Company.

7.2 **Aggregate Holdings of Undertaking Parties.** Pursuant to the Irrevocable Undertakings and as at the Latest Practicable Date, the aggregate number of Shares held by the Undertaking Parties amounts to 175,303,500 Shares, representing approximately 69.47% of the total number of issued Shares (excluding any Shares held in treasury).

7.3 **Termination of Irrevocable Undertakings.** The Irrevocable Undertakings will terminate or lapse or cease to have any effect upon the earlier of (i) the Offer lapsing or being withdrawn or fails to become or be declared unconditional in all respects for any reason other than as a result of a breach of the obligations of the Undertaking Parties under their respective Irrevocable Undertakings; or (ii) the Offer Document not being issued within the time period prescribed under the Code (or such later date as the SIC may permit).

7.4 **No Other Undertakings.** Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has received any undertakings from any other party to accept or reject the Offer.

7.5 **SIC Confirmation.** Pursuant to an application made by the Offeror to SIC to seek certain rulings in relation to the Offer, the SIC has, amongst other things, confirmed that SST, Xiang and SEW will be regarded as joint offerors for the purpose of Rule 10 of the Code and the Roll-Over Arrangement will not constitute a special deal under Rule 10 of the Code."

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

The full text of the rationale for the Offer and the Offeror's intentions in relation to the Company has been extracted from Sections 8 and 10 of the Letter to Shareholders in the Offer Document respectively, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extracts below carefully and note the Offeror's future plans for the Company.**

"8. RATIONALE FOR THE OFFER

8.1 **Challenging Business Environment.** The Company's building and construction business faces a challenging environment impacted by manpower shortage and escalating costs of workers' accommodation and construction materials. The Offeror believes a privatisation of the Company will provide the necessary flexibility to optimise its resources to protect the long-term competitiveness of the business.

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8.2 Opportunity for Shareholders to Realise Their Investment in the Shares at a Premium to Market Price Without Incurring Brokerage Costs. As set out in **Section 11** below, the Offer Price represents:

- 8.2.1 a premium of approximately 34.4% over the last traded price per Share of S\$0.125 on 25 May 2023, being the last full Market Day on which the Shares were traded on the SGX-ST prior to the Offer Announcement Date ("**Last Trading Day**"); and
- 8.2.2 a premium of approximately 40.0%, 34.4%, 30.2%, and 28.2% over the VWAP per Share of S\$0.120, S\$0.125, S\$0.129 and S\$0.131 for the 1-month, 3-month, 6-month and 12-month periods, respectively, up to and including the Last Trading Day.

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

8.3 Opportunity for Shareholders Who May Find it Difficult to Exit Their Investment in the Company Due to Low Trading Liquidity. The historical trading volume of the Shares has been low. The average daily trading volume of the Shares for the last 1-month, 3-month, 6-month and 12-month periods prior to and including the Last Trading Day are set out in the table below:

Description	Average daily trading volume ⁽¹⁾	Average daily trading volume as a percentage of total number of issued Shares (%) ⁽²⁾
1-month period prior to and including the Last Trading Day	4,952	0.002
3-month period prior to and including the Last Trading Day	6,274	0.002
6-month period prior to and including the Last Trading Day	11,587	0.005
12-month period prior to and including the Last Trading Day	6,633	0.003

Notes:

- (1) The average daily trading volume is computed based on data extracted from Bloomberg L.P. using the total volume of Shares traded divided by the number of Market Days⁽³⁾ with respect to the 1-month, 3-month, 6-month, and 12-month periods prior to and including the Last Trading Day.
- (2) Calculated using the average daily trading volume divided by the total number of issued Shares (excluding any Shares held in treasury).
- (3) A day on which SGX-ST is open for the trading of securities.

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

8.4 Greater Management Flexibility. The Offeror is of the view that the delisting and privatisation will provide the Company with greater control and management flexibility to find synergies to save costs and facilitate the implementation of any strategic initiatives and/or operational changes of the Company to achieve greater efficiency.

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- 8.5 **Compliance Costs Relating to Listing Status.** *If the Company is delisted, the Company will be able to dispense with compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and channel such expenses towards its business operations.*

9. THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The Offeror's Future Plans for the Company. *The Offeror's intention is to privatise and delist the Company if the Offer is unconditional as to acceptances.*

The board of directors retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which the board may regard to be in the interest of the Offeror.

Save as disclosed in this Offer Document, the Offeror intends for the Company to continue with its existing activities and has no intention 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 any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business."

6. LISTING STATUS AND COMPULSORY ACQUISITION

The full text of the Offeror's intentions relating to the listing status and compulsory acquisition of the Company has been extracted from Section 10 of the Letter to Shareholders in the Offer Document, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully.**

"10. LISTING STATUS AND COMPULSORY ACQUISITION

- 10.1 **Compulsory Acquisition.** *Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90.0% of the total number of issued Shares (other than those Shares already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise its right to compulsorily acquire all the remaining Shares from Shareholders who have not accepted the Offer ("Dissenting Shareholders") on the same terms as those offered under the Offer.*

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

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90.0% or more of the total number of issued Shares (excluding any Shares held in treasury). Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

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10.2 Listing Status and Trading Suspension. Pursuant to Rule 1104 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90.0% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10.0% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 Shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90.0% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10.0%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands falls below 10.0%, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact, and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Catalist Rules further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, for the percentage of the total number of Shares held in public hands to be raised to at least 10.0%, failing which the Company may be delisted from the SGX-ST.

The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1104 or Rule 1303(1) of the Catalist Rules, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

7. DISCLOSURES

Section 12 and Appendix 5 of the Letter to Shareholders in the Offer Document sets out information relating to disclosure of holdings, dealings and other arrangements, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"12. DISCLOSURES OF SHAREHOLDINGS AND DEALINGS

12.1 Shareholdings and Dealings in the Relevant Securities. Appendix 5 to this Offer Document sets out, based on responses received pursuant to enquiries that the Offeror has made:

12.1.1 the number of Relevant Securities owned, controlled or agreed to be acquired by the Offeror and its concert parties as at the Latest Practicable Date; and

12.1.2 the dealings in the Relevant Securities by the Offeror and its concert parties during the Reference Period.

12.2 Other Arrangements in the Relevant Securities. As at the Latest Practicable Date, based on the latest information available to the Offeror and save as disclosed in this Offer Document (including **Section 7** of the Letter to Shareholders in this Offer Document and **Appendix 5** to this Offer Document), none of the Offeror or its concert parties has:

12.2.1 entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Relevant Securities which may be an inducement to deal or refrain from dealing;

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12.2.2 received any irrevocable commitment (other than the Irrevocable Undertakings) to accept the Offer in respect of any Relevant Securities;

12.2.3 granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;

12.2.4 borrowed any Relevant Securities from any other person (excluding those which have been on-lent or sold); or

12.2.5 lent any Relevant Securities to any other person.

...

APPENDIX 5 – DISCLOSURES

1. HOLDINGS OF RELEVANT SECURITIES BY THE OFFEROR AND ITS CONCERT PARTIES

The table below sets out the number of Shares held by the Offeror and its concert parties as at the Latest Practicable Date. Based on the latest information available to the Offeror as at the Latest Practicable Date and save as disclosed below, none of the Offeror or its concert parties owns, controls or has agreed to acquire any Relevant Securities as at the Latest Practicable Date.

Name	Direct Interest		Deemed interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Xiang Investment Pte. Ltd.	166,600,000	66.02	–	–
Mr Sin Ee Wuen	8,703,500	3.45	–	–
Mr Sin Soon Teng	–	–	166,600,000 ⁽²⁾	66.02
Total	175,303,500	69.47		

Notes:

(1) The percentage shareholding interest is based on the total number of 252,348,600 Shares (excluding treasury shares of 8,651,400) as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.

(2) As disclosed in the annual report of the Company for the financial year ended 31 July 2022, SST's deemed interest arises through 166,600,000 Shares held by Xiang.

2. DEALINGS IN THE RELEVANT SECURITIES

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

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8. FINANCIAL ASPECTS OF THE OFFER

The full text of the financial aspects of the Offer has been extracted from Section 11 of the Letter to Shareholders in the Offer Document and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“11. FINANCIAL ASPECTS OF THE OFFER

The Offer Price represents the following premia over the historical traded prices of the Shares as set out below:

	Description	Share Price⁽¹⁾ (S\$)	Premium of Offer Price over Share Price (%)
(a)	<i>Last traded price of the Shares on the SGX-ST on the Last Trading Day</i>	0.125	34.4
(b)	<i>VWAP⁽²⁾ for the 1-month period up to and including the Last Trading Day</i>	0.120	40.0
(c)	<i>VWAP⁽²⁾ for the 3-month period up to and including the Last Trading Day</i>	0.125	34.4
(d)	<i>VWAP⁽²⁾ for the 6-month period up to and including the Last Trading Day</i>	0.129	30.2
(e)	<i>VWAP⁽²⁾ for the 12-month period up to and including the Last Trading Day</i>	0.131	28.2

Notes:

(1) *Rounded to the nearest three (3) decimal places.*

(2) *The VWAP is calculated based on the turnover divided by volume of the Shares (excluding any Shares held in treasury) as extracted from Bloomberg L.P.”*

9. CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources has been extracted from Section 13 of the Letter to Shareholders in the Offer Document, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“13. CONFIRMATION OF FINANCIAL RESOURCES

RHTC, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by holders of the Offer Shares on the basis of the Offer Price (excluding the Set-Off Amount).”

10. DIRECTORS' INTERESTS

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

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

11.1 Independence of Directors

SST is currently serving as the Executive Chairman and Group CEO of the Company and has a deemed interest in 166,600,000 Shares, representing approximately 66.02% of the total number of the issued Shares (excluding any Shares held in treasury), by virtue of his 88.89% direct interest in Xiang. SST is also the sole shareholder and director of the Offeror.

LETTER TO SHAREHOLDERS

SEW is currently serving as the Executive Director and Deputy CEO of the Company and has a direct interest in 8,703,500 Shares, representing approximately 3.45% of the total number of issued Shares (excluding any Shares held in treasury). SEW will be holding approximately 3.45% of the total issued and paid-up ordinary shares in the capital of the Offeror after the close of the Offer, pursuant to the Roll-Over Arrangement.

In view of the above, the Offeror had sought and obtained a ruling from SIC confirming, *inter alia*, that the Non-Independent Directors will be exempted from making a recommendation to Shareholders in respect of the Offer on the basis that they face irreconcilable conflicts of interest as a result of them being concert parties of the Offeror. Each of the Non-Independent Directors must, however, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

SEW is the son of SST.

As at the Latest Practicable Date, all of the Independent Directors consider themselves independent for the purposes of making a recommendation to Shareholders in respect of the Offer.

11.2 Key factors taken into consideration by the IFA

The key factors relied upon by the IFA in arriving at its advice to the Independent Directors in respect of the Offer are set out in paragraph 8 of the IFA Letter.

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

11.3 IFA's Opinion and Advice to the Independent Directors on the Offer

The IFA Letter setting out the opinion and advice of the IFA to the Independent Directors in relation to the Offer is set out in Appendix I to this Circular.

The opinion and advice of the IFA to the Independent Directors in relation to the Offer, based on the IFA's evaluation and assessment of the financial terms of the Offer, has been extracted from the IFA Letter and is set out below. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

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

We set out below a summary of the key factors we have taken into our consideration when assessing the "fairness" of the Offer:

Factors for the Offer Price

- (a) *the Offer Price is higher than the closing prices, trading prices and VWAPs of the Shares for the periods to and including the Last Trading Day set out in paragraph 8.1 of this IFA Letter;*
- (b) *the Offer Price represents a discount of 27.6% or a P/NAV ratio of 0.72 times. This P/NAV ratio implied by the Offer Price is higher than the maximum P/NAV ratio of the Comparable Companies; and*
- (c) *the P/E ratio implied by the Offer Price is higher than the maximum P/E ratio of the Comparable Companies;*

LETTER TO SHAREHOLDERS

Factors against the Offer Price

- (A) the Offer Price is below our range of estimated values of the Shares set out in paragraph 8.7 of this IFA Letter
- (B) the Offer Price represents a discount of 27.6% or a P/RNAV ratio of 0.72 times. The P/RNAV ratio implied by the Offer Price is below the mean and median P/NAV or P/RNAV ratios of the Privatisation Transactions;
- (C) as set out in paragraph 8.4 of this IFA Letter, the Group had adjusted net cash and cash equivalents of S\$32.51 million representing 24.06% of the Group's NAV as at 31 January 2023. The Offer Price represents an ex-net cash P/NAV ratio of 0.64 times; and
- (D) the EV/EBITDA ratio implied by the Offer Price is below the mean and median EV/EBITDA ratio of the Comparable Companies;

We set out below a summary of the key factors we have taken into our consideration when assessing the “**reasonableness**” of the Offer:

Factors for the Offer Price

- (i) the Offer presents an exit opportunity for Shareholders, in particular, given the low liquidity of the Shares for the periods prior to and up to the Latest Practicable Date set out in paragraph 8.1.2 of this IFA Letter and that there is no alternative takeover offer for the Shares as at the Latest Practicable Date. The average daily traded volumes of the Shares for all the periods prior to and including the Last Trading Day was less than 50,000 Shares as compared to the Company's free float of 77,045,100 Shares;
- (ii) while the Company has been paying dividend consistently since its listing in FY2012 (saved for FY2014 where the Group registered a loss), based on the five (5)-year annualised average dividend per Share and the Offer Price, Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in the alternative investments set out in paragraph 8.3 of this IFA Letter; and
- (iii) with the 69.47% shareholding, the Offeror and its concert parties can pass all resolutions on matters in which they do not have an interest at future general meetings of Shareholders including resolutions on dividend payments by the Company.

Factors against the Offer Price

- (I) the Group had been profitable since its listing (save for FY2014 and FY2018) and including the periods which had been adversely affected by the Covid-19 pandemic;
- (II) the Group also had strong order book of S\$126.7 million of which S\$72.5 million was secured in HY2023 which should provide a sustainable flow of activity to the Group;
- (III) the Group is in a healthy financial position with adjusted net cash and cash equivalents as at the Latest Practicable Date, which represent 24.06% of its NAV as at 31 January 2023;
- (IV) save for FY2014, FY2016 and FY2020, the Company has been paying dividend since its listing; and
- (V) the Shares had closed above the Offer Price on various trading days after the Offer Announcement Date.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to reject the Offer.”

LETTER TO SHAREHOLDERS

11.4 Recommendation of the Independent Directors

The Independent Directors have reviewed and considered carefully the terms of the Offer, and the opinion and advice of the IFA in the IFA Letter. The Independent Directors **concur** with the IFA's opinion and advice, as extracted from the IFA Letter and reproduced in Section 11.3 above. Accordingly, the Independent Directors recommend that Shareholders **reject** the Offer.

Shareholders are advised to read the terms and conditions of the Offer Document, carefully. Shareholders are advised to read the IFA Letter set out as Appendix I to this Circular carefully before deciding whether to accept or reject the Offer. Shareholders should note that the IFA's opinion and advice to the Independent Directors in relation to the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer.

In making their recommendations, the IFA and Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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

12. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 14 of the Letter to Shareholders in the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"14. OVERSEAS SHAREHOLDERS

14.1 Overseas Jurisdictions. *This Offer Document, the Relevant Acceptance Forms and/or any related documents do not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the Relevant Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law. The Offer will be made solely by this Offer Document, the Relevant Acceptance Forms and its related documents, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.*

The release, publication or distribution of this Offer Document, the Relevant Acceptance Forms and/or any related documents in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions in which this Offer Document, the Relevant Acceptance Forms and/or any related documents is released, published or distributed should inform themselves about and observe such restrictions.

*Copies of this Offer Document, the Relevant Acceptance Forms and/or any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer will violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

LETTER TO SHAREHOLDERS

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

- 14.2 **Overseas Shareholders.** The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of CDP (as the case may be) ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.

For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the Relevant Acceptance Forms and/or any related documents have not been, or may not be, despatched.

- 14.3 **Copies of the Notification and the Relevant Acceptance Forms.** Where there are potential restrictions on sending the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the Relevant Acceptance Forms and/or any related documents to any overseas jurisdiction, the Offeror and RHTC each reserves the right not to send these documents to such Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may nonetheless obtain copies of the Notification, the Relevant Acceptance Forms and/or any related documents during normal business hours and up to the Closing Date from (1) CDP (if he is a depositor), or (2) the office of the Registrar (if he is a scrip holder). Overseas Shareholders may find the email address, address and/or telephone number of CDP and the Registrar below:

**(1) The Central Depository
(Pte) Limited**

Tel: +65 6535 7511
Email: asksgx@sgx.com

**(2) Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)**

80 Robinson Road
#11-02, Singapore 068898
Tel: +65 6236 3550 or +65 6236 3555
Email: IS.Corporateactions@sg.tricorglobal.com

Alternatively, an affected Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror through CDP (if he is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or the Registrar (if he is a scrip holder) at the above-stated address to request for the Notification, the Relevant Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

- 14.4 **Compliance with Applicable Laws.** It is the responsibility of any Overseas Shareholder who wishes to: (i) request for the Notification, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including RHTC, CDP and the Registrar) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3)

LETTER TO SHAREHOLDERS

of the Companies Act. In (i) requesting for the Notification, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, RHTC, CDP and the Registrar that he is in (a) full observance of the laws of the relevant jurisdiction in that connection and (b) full compliance with all necessary formalities or legal requirements.

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

- 14.5 **Notice.** *The Offeror and RHTC each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement, notice or advertisement."*

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

13. INFORMATION RELATING TO SRS INVESTORS

Section 15 of the Letter to Shareholders in the Offer Document sets out information relating to SRS Investors, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"15. INFORMATION RELATING TO SRS INVESTORS

- 15.1 *SRS Investors will receive further information on how to accept the Offer from their respective SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.*
- 15.2 *SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks accordingly by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective SRS investment accounts."*

14. ELECTRONIC DISSEMINATION OF THIS CIRCULAR

In line with the news release and joint statements issued by the SGX-ST and the MAS, the SIC and the SGX RegCo, as the case may be, on 6 May 2020, 29 September 2020 and 29 June 2021 announcing that the MAS, the SIC and the SGX RegCo have introduced temporary measures to allow listed issuer and parties involved in take-over or merger transactions the option to electronically disseminate their take-over documents through publication on SGXNET and their corporate websites, thereby dispensing with the need to despatch hardcopy documents related to such take-over or merger transactions, no printed copies of this Circular will be despatched to the Shareholders.

Instead, this Circular has been disseminated electronically to the Shareholders through publication on SGXNET and via the website of the Company. In connection with the electronic dissemination of this Circular, the Notice to Shareholders with instructions on how to access and retrieve this Circular electronically will be despatched by ordinary post to the Shareholders.

LETTER TO SHAREHOLDERS

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror:

- (a) by CDP (in respect of the FAA); or
- (b) by the Registrar (in respect of the FAT),

as the case may be, not later than 5:30 p.m. (Singapore time) on the Closing Date abiding by the procedures for acceptance of the Offer as set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

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

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than (a) the IFA Letter for which the IFA has taken responsibility, (b) information extracted from the Offer Announcement, the Offer Document, the Offer Document Despatch Announcement and the Offer Document Notification, and (c) information relating to the Offeror and its concert parties) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading, and they jointly and severally accept responsibility accordingly.

Where any information in this Circular (other than (a) the IFA Letter for which the IFA has taken responsibility, (b) information extracted from the Offer Announcement, the Offer Document, the Offer Document Despatch Announcement and the Offer Document Notification, and (c) information relating to the Offeror and its concert parties) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement, the Offer Document, the Offer Document Despatch Announcement and the Offer Document Notification), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

17. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Circular which form part of this Circular.

Yours faithfully
For and on behalf of the Board
SYSMA HOLDINGS LIMITED

Mr Richard Tan Kheng Swee
Lead Independent Director

APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER



6 July 2023

SYSMA HOLDINGS LIMITED

2 Balestier Road #03-669
Balestier Hill Shopping Centre
Singapore 320002

Attention: The Independent Directors (as defined herein)

VOLUNTARY CONDITIONAL CASH OFFER (THE “OFFER”) BY RHT CAPITAL PTE. LTD. (“RHTC”) FOR AND ON BEHALF OF GTV CAPITAL PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (“SHARES”) IN THE CAPITAL OF SYSMA HOLDINGS LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AS AT THE DATE OF THE OFFER (THE “OFFER SHARES”)

Unless otherwise defined, the terms used herein shall have the same meaning ascribed to them in the circular to shareholders of the Company (“Shareholders”) dated 6 July 2023 issued by the Company in connection with the Offer (the “Circular”).

1. INTRODUCTION

1.1 The Offer

On 1 June 2023 (the “**Offer Announcement Date**”), RHTC announced, for and on behalf of the Offeror, that the Offeror will make an Offer for all the Offer Shares, in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore, and Rule 15 of the Singapore Code on Takeovers and Mergers (the “**Code**”) at the offer price of S\$0.168 (the “**Offer Price**”) for each Offer Share (the “**Offer Announcement**”).

On 22 June 2023, RHTC, for and on behalf of the Offeror, issued the offer document dated 22 June 2023 (the “**Offer Document**”), in respect of the Offer.

1.2 This IFA Letter

In connection with thereof, the Company has appointed Xandar Capital Pte. Ltd. (“**Xandar Capital**”) as the independent financial adviser (the “**IFA**”) to the directors of the Company (the “**Directors**”) who are considered independent under the Code for the purposes of making the recommendation to the Shareholders in respect of the Offer, namely Mr Richard Tan Kheng Swee, Mr Teo Boon Tieng and Mr Lim Kheng Hock (collectively, the “**Independent Directors**”), to assess the terms of the Offer, and advise (a) whether the

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)

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Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3936 Website 网址 <http://www.xandarcapital.com>

APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER



terms of the Offer are fair and reasonable; and (b) whether the Shareholder should accept or reject the Offer.

This letter sets out, *inter alia*, our evaluation and advice in respect of the Offer (this “**IFA Letter**”), and forms part of the Circular which provides, *inter alia*, the details of the Offer as well as the recommendation of the Independent Directors in respect of the Offer.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to advise the Independent Directors on (a) whether the terms of the Offer are fair and reasonable; and (b) whether the Shareholders should accept or reject the Offer, as the case may be.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer. We are not required nor authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Offer Shares, and therefore are not able to, and will not compare the Offer to any other alternative transaction. We are also not addressing the relative merits of the Offer as compared to any alternative transaction, or other alternatives, or whether such alternatives could be achieved, or are or will be available in future.

Our evaluation is limited to the terms of the Offer, and our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial and/or risks or merits (if any) of the Offer.

In the course of our evaluation, we have held discussions with certain Directors and management of the Company, and have examined publicly available information relating to the Company and its subsidiaries (the “**Group**”) as well as information provided and representations made to us by the aforesaid parties, including information in the Circular. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Our scope does not require us and we have not made any independent evaluation (including without limitation, market value or economic potential) or appraisal of the Group’s assets and liabilities.

The Company had in May 2023 commissioned Savills Valuation and Professional Services (S) Pte. Ltd. (the “**Valuer**”) to determine the market values of its three (3) investment

APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER



properties at 28 Race Course Lane, Singapore (the “**RC Properties**”), in connection with the marketing for sale of the RC Properties. The Company has provided a copy of the valuation report on the RC Properties (“**RC Valuation Report**”) for our evaluation purposes. For the avoidance of doubt, the RC Valuation Report is not commissioned in relation to the Offer, does not form part of the Circular and is also not a document available for inspection.

In connection with the Offer, the Company has also commissioned the Valuer to determine the market value of its building and warehouse under its property, plant and equipment, at Tuas South, Singapore (the “**Tuas Properties**”). The valuation report on the Tuas Properties (the “**Tuas Valuation Report**”) is a document available for inspection at the registered office of the Company for the period during which the Offer remains open for acceptance and a summary certificate of the Tuas Valuation is appended as Appendix IV to the Circular.

We are not involved and assume no responsibility for the RC Valuation Report and/or the Tuas Valuation Report. We have not made any independent verification of the matters and bases set out in the RC Valuation Report and the Tuas Valuation Report. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of the RC Valuation Report and the Tuas Valuation Report. Saved for the RC Valuation Report and the Tuas Valuation Report, we have not been furnished with any evaluation or appraisal of any assets or liabilities of the Company or the Group.

We also note from Section 16 of the Circular that, the Directors (including those who may have delegated detailed supervision of the Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Circular (other than (a) this IFA Letter for which the IFA has taken responsibility; (b) information extracted from the Offer Announcement, the Offer Document, the announcement relating to the electronic dissemination of the Offer Document released by RHTC, for and on behalf of the Offeror, dated 22 June 2023 and the notification of electronic dissemination of the Offer Document and its related documents dated 22 June 2023; and (c) information relating to the Offeror and parties acting or deemed to be acting in concert with the Offeror) are fair and accurate and that no material facts have been omitted from the Circular, the omission of which would make any statement in the Circular misleading, and they jointly and severally accept responsibility accordingly.

In respect of this IFA Letter, the RC Valuation Report and the Tuas Valuation Report, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information in the Circular (other than (a) this IFA Letter for which the IFA has taken responsibility; (b) information extracted from the Offer Announcement, the Offer Document, the announcement relating to the electronic dissemination of the Offer Document

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)

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APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER



released by RHTC, for and on behalf of the Offeror, dated 22 June 2023 and the notification of electronic dissemination of the Offer Document and its related documents dated 22 June 2023; and (c) information relating to the Offeror and parties acting or deemed to be acting in concert with the Offeror) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement, the Offer Document, the announcement relating to the electronic dissemination of the Offer Document released by RHTC, for and on behalf of the Offeror, dated 22 June 2023 and the notification of electronic dissemination of the Offer Document and its related documents dated 22 June 2023), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced therein.

The scope of our engagement does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group whether with or without the Offer. We have not reviewed any financial projections or forecasts of the Company or the Group and we do not express any view on the future growth prospects, financial position or earnings potential of the Company and/or the Group. Such evaluation shall remain the sole responsibility of the Directors, although we may draw upon their views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

Our advice is based upon economic, industry, market, monetary, regulatory and other relevant conditions subsisting and the information available to us as at 30 June 2023, being the latest practicable date prior to the issuance of the Circular (the “**Latest Practicable Date**”). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our advice in light of any subsequent development after the Latest Practicable Date that may affect our advice contained herein. Shareholders should take note of any announcements and/or events relevant to their consideration of the Offer which may be released or occur after the Latest Practicable Date.

In preparing this IFA Letter, we did not consider the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Shareholder, or any specific group of Shareholders. We recommend that Shareholders who may require specific advice in relation to their Shares, investment objectives or portfolios to consult their stockbroker, bank manager, legal, financial, tax or other professional advisers immediately.

This IFA Letter is for the use and benefit of the Independent Directors in connection with and for the purpose of their consideration of the Offer, and the recommendation made by the Independent Directors shall remain their responsibility.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not

APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER



provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our advice in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Independent Directors advise the Shareholders to read these pages carefully.

3. THE OFFER

The Offer is made in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore, and Rule 15 of the Code, and subject to the terms and conditions set out in the Offer Document and the acceptance forms accompanying the Offer Document, for all the Offer Shares.

The detailed terms and conditions of the Offer are set out in Section 2 of, and Appendix 1 to the Offer Document. Shareholders are advised to read the terms and conditions of the Offer as set out in the Offer Document carefully. We extract the following key information for your reference.

3.1 The Offer Shares

The Offer Shares refer to all the Shares other than (i) those already owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it as at the Offer Announcement Date; and (ii) the Shares held by the Company in treasury.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$46,576,127 comprising 252,348,600 Shares (the “**Existing Share Capital**”), excluding 8,651,400 Shares held by the Company in treasury.

3.2 The Offer Price

For each Offer Share: S\$0.168 in cash

3.3 Rights and Encumbrances of the Offer Shares

The Offer Shares will be acquired:

- (i) fully paid;

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- (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or interest of any kind or an agreement, arrangement or obligation to create any of the foregoing; and
- (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, "**Distributions**" and each, "**Distribution**") on or after the Offer Announcement Date.

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

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

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution ("**Books Closure Date**"), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and
- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the "**Adjusted Offer Price**") and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

As at the Latest Practicable Date, the Company has no outstanding unpaid Distributions.

3.4 Conditions to the Offer

The Offer will be conditional on the Offeror having received, by the close of the Offer, valid acceptances pursuant to the Offer (which have not been validly withdrawn) in respect of such

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number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding not less than 90.0% of the total number of issued Shares (excluding any Shares held in treasury) as at the close of the Offer (the “**Minimum Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares amounting to not less than 90.0% of the total number of issued Shares (excluding any Shares held in treasury).

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

Should the Offeror meet the Minimum Acceptance Condition, the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer at a price equal to the Offer Price, as further detailed in paragraph 8.1 below. In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer.

4. INFORMATION ON THE COMPANY

The Company is a public company limited by shares incorporated in Singapore on 28 March 2012 and its Shares have been quoted and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 3 August 2012.

The principal activities of the Company are that of an investment holding company and the provision of management consultancy services. The key businesses of the subsidiaries of the Company include investment holding, property development and the provision of building and construction services.

As at the Latest Practicable Date, the directors of the Company are:

- (i) Mr Sin Soon Teng (“**SST**”) (Executive Chairman and Group Chief Executive Officer);
- (ii) Mr Sin Ee Wuen (“**SEW**”) (Executive Director and Deputy Chief Executive Officer);
- (iii) Mr Richard Tan Kheng Swee (Lead Independent Director);
- (iv) Mr Teo Boon Tieng (Independent Director); and
- (v) Mr Lim Kheng Hock (Independent Director).

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5. INFORMATION ON THE OFFEROR

5.1 ABOUT THE OFFEROR

The Offeror was incorporated in the Republic of Singapore on 22 August 2022 and is a private company limited by shares. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.

As at 20 June 2023, being the latest practicable date of the Offer Document (the “**OD LPD**”):

- (i) the Offeror has an issued and paid-up share capital of S\$30.00 with thirty (30) ordinary shares. SST is the sole shareholder of the Offeror; and
- (ii) SST is the sole director of the Offeror.

The Securities Industry Council of Singapore (“**SIC**”) has on 21 April 2023 confirmed to the Offeror that SST, Xiang Investment Pte. Ltd. (“**Xiang**”) and SEW are regarded as joint offerors for the purpose of Rule 10 of the Code.

Shareholders may wish to note that:

- (a) SST is currently serving as the Executive Chairman and Group Chief Executive Officer of the Company and his position in the Company will remain unchanged after the close of the Offer.
- (b) SST has a deemed interest in 166,600,000 Shares in the Company, representing approximately 66.02% of the total number of the issued Shares (excluding any Shares held in treasury), arising from SST’s shareholding in Xiang.
- (c) Xiang is a personal investment vehicle controlled by SST. It is incorporated in Singapore with an issued and paid-up share capital of S\$9,000. The shareholders and directors of Xiang comprise (i) SST, holding 8,000 shares representing approximately 88.89% of the total issued and paid-up ordinary shares in the capital of Xiang and (ii) Ms Ng Lay Khim (“**NLK**”), holding 1,000 shares representing approximately 11.11% of the total issued and paid-up ordinary shares in the capital of Xiang. Xiang currently holds 166,600,000 issued Shares in the Company, representing approximately 66.02% of the total number of issued Shares (excluding any Shares held in treasury). After the close of the Offer, Xiang will hold approximately 66.02% of the total issued and paid-up ordinary shares in the capital of the Offeror pursuant to the Roll-Over Arrangement (as set out below).

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- (d) SEW is currently serving as the Executive Director and Deputy Chief Executive Officer of the Company and his position in the Company will remain unchanged after the close of the Offer.
- (e) SEW currently holds 8,703,500 issued Shares in the Company, representing approximately 3.45% of the total number of issued Shares (excluding any Shares held in treasury). SEW will be holding approximately 3.45% of the total issued and paid-up ordinary shares in the capital of the Offeror after the close of the Offer, pursuant to the Roll-Over Arrangement (as set out below).

The Roll-Over Arrangement.

Each of Xiang and SEW (the “**Undertaking Parties**”) have agreed to be allotted and issued new ordinary shares in the capital of the Offeror (the “**Offeror Shares**”) for an aggregate subscription price that will be set-off in full against the consideration that would otherwise be payable by the Offeror to each of the Undertaking Parties for its/his Shares at the Offer Price pursuant to the acceptance of the Offer by the Undertaking Parties

Information on the Offeror is set out in Section 5 of, as well as Appendix 3 to, the Offer Document.

5.2 IRREVOCABLE UNDERTAKINGS

As at the Offer Announcement Date, the Offeror has received irrevocable undertakings from:

- (i) Xiang, in relation to its 166,600,000 Shares in the Company, representing approximately 66.02% of the total number of issued Shares (excluding any Shares held in treasury) (“**Xiang Irrevocable Undertaking**”); and
- (ii) SEW, in relation to his 8,703,500 Shares in the Company, representing approximately 3.45% of the total number of issued Shares (excluding any Shares held in treasury) (“**SEW Irrevocable Undertaking**”, together with the Xiang Irrevocable Undertaking, the “**Irrevocable Undertakings**”),

pursuant to which each of the Undertaking Parties has, amongst other things unconditionally and irrevocably undertaken to the Offeror to tender all of its/his respective Shares in acceptance of the Offer.

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We summarise the Shares under the Irrevocable Undertakings as follows:

Names of Undertaking Parties	Shares	Percentage of the Existing Share Capital
Xiang ⁽¹⁾	166,600,000	66.02
SEW	8,703,500	3.45
TOTAL	<u>175,303,500</u>	<u>69.47</u>

Note:

- (1) SST is deemed to be interested in the Shares held by Xiang by virtue of SST holding 8,000 shares representing approximately 88.89% of the total issued and paid-up ordinary shares in the capital of Xiang.

There is no change to the Undertaking Parties and the Irrevocable Undertakings between the Offer Announcement Date and the OD LPD.

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect upon the Offer lapsing or being withdrawn for whatever reason other than as a result of a breach of any of the Undertaking Parties' obligations under the Irrevocable Undertakings.

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

6. THE OFFEROR'S RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer is set out in Section 8 of the Offer Document. We summarise as follows:

- (i) the Offeror believes a privatisation of the Company will provide the necessary flexibility to optimise its resources to protect the long-term competitiveness of the business;
- (ii) the Offer is an opportunity for Shareholders to realise their investment in the Shares at a premium to market price without incurring brokerage costs as the Offer Price represents premia to the last traded price per Share on 25 May 2023, being the last full market day on which the Shares were traded on the SGX-ST prior to the Offer

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Announcement Date (the “**Last Trading Day**”) and the volume weighted average price (“**VWAP**”) for the 1-month, 3-month, 6-month, and 12-month periods, up to and including the Last Trading Day;

- (iii) the Offer is an opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity;
- (iv) the Offeror is of the view that the delisting and privatisation will provide the Company with greater control and management flexibility to find synergies to save costs and facilitate the implementation of any strategic initiatives and/or operational changes of the Company to achieve greater efficiency; and
- (v) if the Company is delisted, the Company will be able to dispense with compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and channel such expenses towards its business operations.

7. THE OFFEROR'S INTENTIONS

The Offeror's intention for the Company is set out in Section 9 of the Offer Document. We extract in *italic* as follows:

“The Offeror's intention is to privatise and delist the Company if the Offer is unconditional as to acceptances.

The board of directors retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which the board may regard to be in the interest of the Offeror.

Save as disclosed in this Offer Document, the Offeror intends for the Company to continue with its existing activities and has no intention 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 any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business.”

We also note from Section 10.2 of the Offer Document that:

“The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1104 or Rule 1303(1) of the Catalist Rules, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.”

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8. EVALUATION OF THE OFFER

In our evaluation of the Offer, we have taken into account the following factors:

- (i) market performance of the Shares;
- (ii) the financial performance of the Group;
- (iii) the dividend track record of the Company;
- (iv) the financial position of the Group;
- (v) comparison of the valuation ratios of the Company implied by the Offer Price against those of comparable companies;
- (vi) comparison of the valuation ratios of the Company implied by the Offer Price with recently completed similar transactions for companies listed on the SGX-ST;
- (vii) estimated range of values of the Shares; and
- (viii) other considerations.

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

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**XANDAR
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8.1 MARKET PERFORMANCE OF THE SHARES

8.1.1 Historical closing prices of the Shares during the Reference Period (as defined below)

We compare the Offer Price with the closing price of the Shares (as extracted from Bloomberg L.P.) for the period from 26 May 2021 (being 24 months prior to the Last Trading Day) up to and including the Latest Practicable Date (the “**Reference Period**”) as follows:



The Offer Price is above the closing prices of the Shares for the period from 26 May 2021 to the Last Trading Day. The Offer Price represents a premium of S\$0.043 (or 34.40%) to the closing price of S\$0.125 on the Last Trading Day.

In our review of the closing prices of the Shares, we note that the Shares were traded only on 95 market days on which the SGX-ST were open for trading (“**Market Days**”) or 18.89% of the 503 Market Days during the period from 26 May 2021 to the Last Trading Day. In addition, given the low trading prices of the Shares during the aforesaid period, the closing prices of the Shares appeared volatile. We calculate that the closing prices of the Shares fluctuated more than 5% on 31 days where the Shares were traded (“**Trading Days**”) out of the 95 Trading Days during the period from 26 May 2021 to the Last Trading Day.

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We set out the following dates where the closing prices of the Shares fluctuated for more than 10% during the period from 26 May 2021 to the Last Trading Day:

Date	Closing price changes	Company's announcement prior to closing price fluctuation
14 June 2021 1	10.34% decrease from S\$0.145 on 9 June 2021 to S\$0.130 on 14 June 2021 (100,200 Shares traded)	Company announced amendments to the sale and purchase agreement in relation to the proposed acquisition of KH Engineering Limited ("KHEL") and KH Instrumentation Pte. Ltd. ("KHIPL") on 22 April 2021
6 July 2021 7 July 2021 2	11.11% decrease from S\$0.135 on 30 June 2021 to S\$0.120 on 6 July 2021 (100,000 Shares traded) 11.67% increase from S\$0.120 on 6 July 2021 to S\$0.134 on 7 July 2021 (100 Shares traded)	No announcement since 22 April 2021
30 July 2021 3	13.08% decrease from S\$0.130 on 29 July 2021 to S\$0.113 on 30 July 2021 (1,000 Shares traded)	Company announced the members' voluntary liquidation of two dormant subsidiaries
18 August 2021 4	10.53% increase from S\$0.114 on 6 August 2021 to S\$0.126 on 18 August 2021 (203,400 Shares traded)	Company announced the completion of the allotment and issue of shares in the capital of KHEL and KHIPL on 1 August 2021 and the Company's interest in KHEL decreased from 100% to 80% while KHEL's interest in KHIPL decreased from 100% to 90%
30 September 2021 5	10.07% decrease from S\$0.139 on 28 September 2021 to S\$0.125 on 30 September 2021 (500 Shares traded)	Company announced its results for FY2021 on 24 September 2021 and that a first and final dividend in respect of FY2021 has been recommended

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Date	Closing price changes	Company's announcement prior to closing price fluctuation
7 October 2021 (6)	15.65% increase from S\$0.115 on 6 October 2021 to S\$0.133 on 7 October 2021 (1,000 Shares traded)	No announcement since 24 September 2021
11 November 2021 (7)	10.71% decrease from S\$0.140 on 25 October 2021 to S\$0.125 on 11 November 2021 (130,000 Shares traded)	Company announced a supplemental notice to its notice of annual general meeting, that the ordinary resolution for a first and final tax exempt one-tier dividend of 0.5 Singapore cent per ordinary share for FY2021
14 December 2021 (8)	10.61% decrease from S\$0.132 on 1 December 2021 to S\$0.118 on 14 December 2021 (1,000 Shares traded)	Company announced the minutes of its annual general meeting and extraordinary general meeting on 8 December 2021
20 December 2021 (9)	11.57% increase from S\$0.121 on 17 December 2021 to S\$0.135 on 20 December 2021 (210,000 Shares traded)	No announcement since 8 December 2021
19 May 2022 (10)	21.32% increase from S\$0.136 on 4 April 2022 to S\$0.165 on 19 May 2022 (199,600 Shares traded)	Company announced members' voluntary liquidation of two dormant subsidiaries on 12 April 2022
23 May 2022 (11)	18.18% decrease from S\$0.165 on 19 May 2022 to S\$0.135 on 23 May 2022 (150,000 Shares traded)	No announcement since 12 April 2022

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Date	Closing price changes	Company's announcement prior to closing price fluctuation
30 November 2022 12	17.24% decrease from S\$0.145 on 23 September 2022 to S\$0.120 on 30 November 2022 (200,000 Shares traded)	Company announced the results of the annual general meeting on 18 November 2022

The Shares closed higher than the Offer Price at S\$0.169 on 5 June 2023, being the first day of trading of the Shares after the Offer Announcement Date.

Saved for 5 June 2023 and 26 June 2023 where the Shares closed at S\$0.169 (or S\$0.001 above the Offer Price), the Shares closed consistently at S\$0.168 for the period from 6 June 2023 to the Latest Practicable Date which is the same as the Offer Price.

8.1.2 Trading statistics of the Shares during the Reference Period

We tabulate below selected statistical information on the trading prices and volumes of the Shares during the Reference Period:

	VWAP ⁽¹⁾ (S\$)	Premium of Offer Price to VWAP (%)	Highest trading price (S\$)	Lowest trading price (S\$)	Average daily traded volume ⁽²⁾	Average daily traded volume as percentage of free float ⁽³⁾ (%)
<u>Periods prior to and up to the Last Trading Day</u>						
24-month	0.1324	26.85	0.165	0.108	48,378	0.06
12-month	0.1308	28.45	0.150	0.115	43,989	0.06
6-month	0.1288	30.48	0.140	0.115	45,974	0.06
3-month	0.1252	34.24	0.129	0.115	27,786	0.04
1-month	0.1202	39.78	0.125	0.115	34,667	0.04
Last Trading Day	0.1161	44.74	0.125	0.115	56,000	0.07

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	VWAP ⁽¹⁾ (S\$)	Premium of Offer Price to VWAP (%)	Highest trading price (S\$)	Lowest trading price (S\$)	Average daily traded volume ⁽²⁾	Average daily traded volume as percentage of free float ⁽³⁾ (%)
<u>Periods after the Offer Announcement Date up to the Latest Practicable Date</u>						
5 June 2023 to the Latest Practicable Date, both dates inclusive	0.1695	(0.87)	0.172	0.168	193,593	0.25
Latest Practicable Date	0.1680	Nil	0.168	0.168	16,700	0.02

Source: Bloomberg L.P.

Notes:

- (1) VWAP is stated, but not rounded, to four (4) decimal places in the above table.
- (2) The average daily traded volumes of the Shares are calculated based on the total number of Shares traded and the total Trading Days during those periods. 11,500 Shares traded on 15 November 2021 were excluding from the above table as the traded price(s) of these 11,500 Shares were not available.
- (3) Calculated based on 77,045,100 Shares, being the difference between (i) the Existing Share Capital of 252,348,600 Shares; and (ii) the 175,303,500 Shares held by the Undertaking Parties set out in paragraph 5.2 of this IFA Letter.

We note the following with regards to the trading prices of the Shares:

- (a) the Offer Price is higher than the highest trading price of the Shares for respective periods prior to and including the Last Trading Day as set out in the table above;
- (b) the highest trading price for the 24-month period prior to and including the Last Trading Day was S\$0.165 per Share and it occurred on 19 May 2022. The Offer Price represents a premium of 1.82% to this highest trading price per Share;
- (c) the Offer Price represents premia of 26.85%, 28.45% 30.48%, 34.24% and 39.78%, respectively to the VWAPs of the Shares for the 24-month, 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day which ranged between S\$0.1202 and S\$0.1324 per Share;

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- (d) the Offer Price represents a premium of 44.74% to the VWAPs of the Shares on the Last Trading Day;
- (e) the Shares traded at between S\$0.168 and S\$0.172 per Share for the period after the Offer Announcement Date up to the Latest Practicable Date; and
- (f) the Offer Price is the same as the closing price and VWAP of the Shares on the Latest Practicable Date.

We note the following on the trading liquidity of the Shares during the Reference Period:

- (i) free float of 77,045,100 Shares represents 30.53% of the Existing Share Capital of the Company;
- (ii) the average daily traded volumes of the Shares for all the periods prior to and including the Last Trading Day set out in the table above represent less than 0.10% of the free float. Average daily traded volume of the Shares for the aforesaid periods was less than 50,000 Shares;
- (iii) the average daily traded volume of the Shares for the Last Trading Day was 56,000 Shares and represent 0.07% of the free float;
- (iv) the average daily traded volume of the Shares for the period after the Offer Announcement Date up to the Latest Practicable Date increased to 193,593 Shares and represent 0.25% of the free float;
- (v) the Shares were traded on less than 26% of the Market Days for the various periods during 26 May 2021 to the Last Trading Day; and
- (vi) the Shares were traded on 70.0% of the Market Days during the period from 5 June 2023 to the Latest Practicable Date, both dates inclusive.

Based on the above, the trading volume of the Shares can be considered illiquid and the market prices of the Shares may not be a fair representation of the value of the Shares.

Nevertheless, given the low liquidity of the Shares, the Offer presents an exit opportunity for Shareholders.

Shareholders should note that there is no assurance that the market prices and trading volumes of the Shares will maintain at the level for the period after the Offer Announcement Date up to the Latest Practicable Date after the close of the Offer.

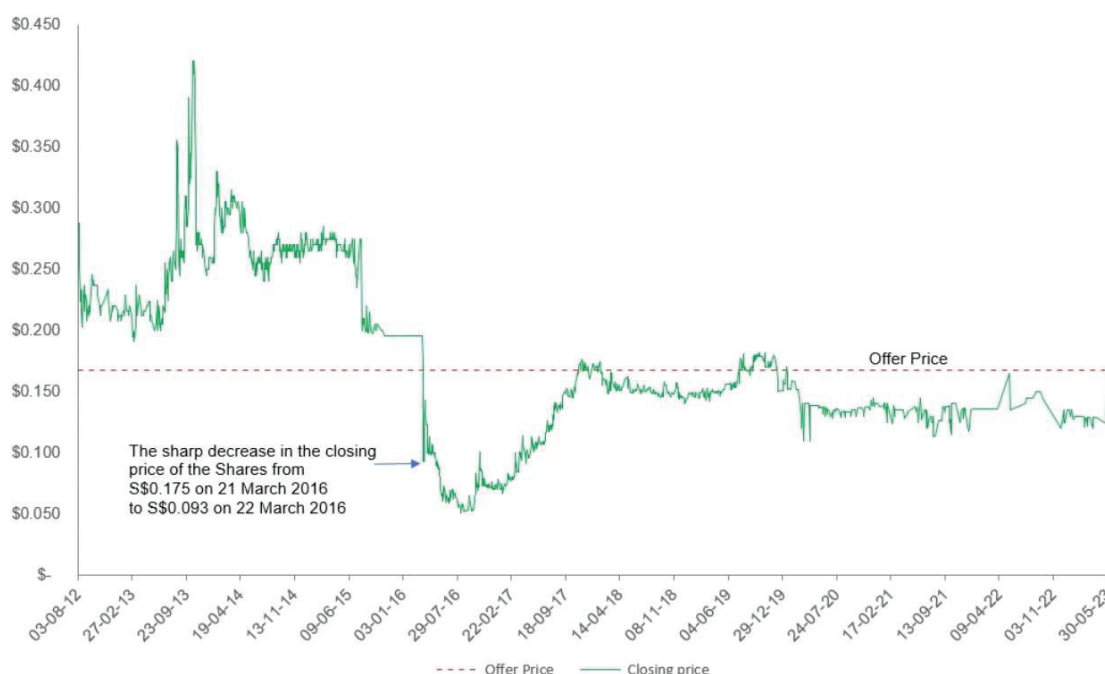
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Shareholders are also advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

8.1.3 Trading statistics of the Shares since listing

In our review of the trading statistics of the Shares, we note that there was a sharp decrease in the closing and trading prices of the Shares on 22 March 2016. A total of 3,076,100 Shares traded on 22 March 2016. We set out the closing prices of the Shares since the admission and listing of the Shares on the Catalist Board of the SGX-ST on 3 August 2012 as follows:



The SGX-ST queried the Company about the unusual price and volume movement of the Shares on 22 March 2016 and the Company responded that it was not aware of any information or any other possible explanation for the trading activities on 22 March 2016.

The Shares generally closed below the Offer Price on and after 22 March 2016. We calculated that the Shares only closed above the Offer Price on 93 Trading Days out of the 915 Trading Days for the period from 22 March 2016 to the Last Trading Day, both dates inclusive.

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We tabulate below selected statistical information on the trading prices and volumes of the Shares for the period from 3 August 2012 to the Last Trading Day, both dates inclusive, as follows:

	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price to VWAP (%)	Total trading volume	Total Trading Days
<u>Periods since 3 August 2012 up to the Last Trading Day</u>				
3 August 2012 to 31 December 2012	0.2619	(35.85)	28,609,000	57
Year 2013 (1 January to 31 December)	0.3432	(51.04)	399,728,000	172
Year 2014	0.2743	(38.76)	584,462,000	239
Year 2015	0.2664	(36.93)	229,481,700	135
Year 2016	0.1064	57.90	432,383,200	163
1 January 2016 to 21 March 2016	0.1839	(8.63)	343,600	2
22 March 2016 to 31 December 2016	0.1063	57.99	432,039,600	161
Year 2017	0.1061	58.37	330,737,200	216
Year 2018	0.1540	9.11	21,017,100	149
Year 2019	0.1627	3.23	18,233,000	154
Year 2020	0.1410	19.19	7,026,800	115
Year 2021	0.1316	27.67	3,771,100	77
Year 2022	0.1384	21.42	1,215,500	21
1 January 2023 to Last Trading Day	0.1298	29.44	1,104,000	22

Note:

(1) VWAP is stated, but not rounded, to four (4) decimal places in the above table.

As set out in the table above, the VWAP of the Shares were below the Offer Price for the periods between 22 March 2016 and the Last Trading Day, both dates inclusive.

The trading volumes of the Shares also decreased significantly in and since 2018.

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8.2 FINANCIAL PERFORMANCE OF THE GROUP

The market prices of shares are usually influenced by the financial performance of the listing group.

We set out the revenue and profit after tax attributable to the Shareholders since the listing of the Company in 2012 as follows:

S\$'000	Revenue	Profit after tax attributable to the Shareholders
Financial year ended 31 July ("FY") 2012	39,513	6,114
FY2013	35,474	6,596
FY2014	40,450 ⁽¹⁾ (excluding S\$20.7 million revenue from discontinued petroleum and chemical distribution business)	(11,847)
FY2015	98,422 ⁽¹⁾ (excluding S\$34.1 million revenue from discontinued petroleum and chemical distribution business)	2,636
FY2016	126,228 ⁽¹⁾	1,695
FY2017	97,172 ⁽¹⁾	8,337
FY2018 (<i>restated</i>)	74,908 ⁽¹⁾	(11,633)
FY2019	30,328 ⁽¹⁾	1,102
FY2020	33,751	1,183
FY2021	55,855	2,652
FY2022	52,304	6,585
Half year ended 31 January ("HY") 2022	25,426	3,129

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S\$'000	Revenue	Profit after tax attributable to the Shareholders
HY2023	29,606	(2,708)
Last 12 months ended 31 January ("LTM") 2023	56,484	748

Note:

- (1) Includes revenue from property development segment as follows:

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Revenue from property development (S\$'000)	7,668	42,948	72,189	31,938	42,582	1,230
As a percentage of the revenue for the relevant financial year/period (%)	18.96	43.64	57.19	32.87	56.85	4.06

As set out in the table above:

- (i) save for FY2014 to FY2019, the Group generated revenue solely from the building construction segment for the historical financial years/periods since the listing of the Company in August 2012;
- (ii) the Group reported profits for most of its historical financial years/periods, save for:
 - (a) losses in FY2014 attributed to start-up cost relating to the Group's petroleum and chemical distribution business which the Group embarked in October 2013. The Group discontinued the petroleum and chemical distribution business in FY2015;
 - (b) losses in FY2018 (restated) attributed to higher cost of sales in FY2018 due to the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 15 in FY2018. Cost of sales increased from approximately S\$63.80 million to approximately S\$79.20 million as a result of the adoption of SFRS(I) 15 in FY2018; and

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- (c) losses in HY2023 attributed to the lower gross profit margin in HY2023, decrease in government grants, as well as foreign exchange losses due to weakening United States dollar against Singapore dollar; and
- (iii) the Group's profit attributable to non-controlling interests amounted to approximately S\$627,000 and approximately S\$1.34 million for HY2023 and LTM2023 respectively. These are profits attributable to the minority shareholders of KHEL and KHIPL.

8.2.1 Earnings per Share and price-to-earnings ("P/E") ratio

Based on the profit attributable to Shareholders of approximately S\$748,000 for LTM2023 and the value of the Company as implied by the Offer Price, the P/E ratio of the Company as implied by the Offer Price is 56.71 times.

8.2.2 Earnings before interest, tax, depreciation and amortisation ("EBITDA") and enterprise value ("EV")-to-EBITDA ("EV/EBITDA") ratio

Given the high P/E ratio of the Company, the EV/EBITDA ratio may be more relevant in the evaluation of the Offer.

We calculate the EBITDA of the Group for LTM2023 as follows:

S\$'000	Audited FY2022	Unaudited HY2022	Unaudited HY2023	Unaudited LTM2023
Profit before income tax	9,390	4,515	(1,899)	2,976
Add: Depreciation	5,612	2,279	4,309	7,642
Add: Amortisation	183	91	91	183
Add: Finance costs	438	229	288	497
Less: Interest income	(241)	(135)	(272)	(378)
EBITDA	15,382	6,979	2,517	10,920

We also calculate that the Group had gain on disposal of financial assets measured at fair value through profit or loss, fair value gain on financial assets measured at fair value through profit or loss, loss on disposal of property, plant and equipment, gain on disposal of investment property and gain on disposal of investment in associate aggregating approximately S\$0.96 million in LTM2023. Excluding such gains and losses, the Group will have adjusted EBITDA of approximately S\$9.96 million for LTM2023.

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EV is defined as the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts less its cash and cash equivalents. We calculate the EV of the Group as follows:

	S\$'000
Value of the Company as implied by the Offer Price	42,395
Add: Borrowings and lease liabilities ⁽¹⁾	18,428
Add: Non-controlling interests ⁽¹⁾	6,247
Less: Cash and cash equivalents ⁽²⁾	(32,510)
EV	<u>34,559</u>

Notes:

(1) As at 31 January 2023.

(2) Please refer to paragraph 8.4.2(i) of this IFA Letter for the adjustments made to the Group's cash and cash equivalents as at 31 January 2023.

Based on the above calculations, the EV/EBITDA ratio of the Group implied by the Offer Price is 3.17 times while the EV/adjusted EBITDA ratio of the Group implied by the Offer is 3.48 times.

8.2.3 Order book and outlook

The Company announced the Group's results for HY2023 on 10 March 2023. In the same announcement, the Company disclosed the following:

"The Group's building construction business focused on timely execution and delivery of its order book which amounted to S\$126.7 million as at 31 January 2023, S\$72.5 million of which were secured in HY2023.

Moving forward, the Group will continue to leverage on its strong market reputation as a trusted builder of Good Class Bungalows ("GCBs") and high-end landed properties, and actively bid for new projects."

We note from the survey of professional forecasters (which provides a summary of forecasts of Singapore's key economic indicators by economists and analysts) published by the

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Monetary Authority of Singapore for June 2023 that the sentiments for the construction industry improved in the second quarter of 2023 as compared to the first quarter of 2023. The respondents forecasted the construction sector to register a median growth of 7.0% for 2023 as compared to 4.2% indicated in the same survey for March 2023.

However, in the same survey, the respondents also forecasted the accommodation and food services sector to register a median growth of 10.0% for 2023 as compared to 8.4% indicated in the same survey for March 2023. We understand from the Company that the Group leases dormitories to house its foreign workers. A growth in the percentage indicator for the accommodation and food services sector implies higher dormitory cost for the Group and may affect the financial performance of the Group.

8.3 DIVIDEND TRACK RECORD OF THE COMPANY

We set out the dividend track record of the Company since its listing as follows:

Dividends declared and paid by the Company	Singapore cents
FY2012 final dividend	1.94
FY2013 final dividend	0.84
FY2014 final dividend	-
FY2015 final dividend	0.1149
FY2016 final dividend	-
FY2017 final dividend	0.50
FY2018 final dividend	0.80
FY2019 final dividend	1.00
FY2020 final dividend	-
FY2021 final dividend	0.50
HY2022 interim dividend	1.00

The Company declared and paid dividends annually saved for FY2014 (when the Group registered a loss), FY2016 (when as the Group took a cautious view on the Group's

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prospects due to uncertainty of then market conditions) and FY2020 (given the then prevailing COVID-19 pandemic and business environment).

Based on the above dividend track record, we calculate the average annualised dividend per Share to be 0.58 Singapore cents, which represents a dividend yield of 3.47% based on the Offer Price.

For the purpose of analysing the Offer, we have considered that the Shareholders who accept the Offer may re-invest the proceeds from the Offer in selected alternative investments such as a broad Singapore market index instrument such as the Nikko AM Singapore STI ETF or Singapore treasury bills as follows:

	%
Trailing 12-month dividend yield of the Nikko AM Singapore STI ETF as at the Latest Practicable Date	3.93
Cut-off yield for 6-month Singapore Government Securities (SGS) treasury bill closed 22 June 2023	3.89

Source: Bloomberg L.P. and the website of the Monetary Authority of Singapore.

This suggests that Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in the above-mentioned alternative investments.

We wish to highlight that the above dividend track record analysis only serves as an illustrative guide and is not an indication of the Company's future dividend pay-out nor an indication of the performance of Nikko AM Singapore STI ETF or cut-off yield of future SGS treasury bills. There is no assurance that the Company will continue the dividend pay-out or Nikko AM Singapore STI ETF and SGS treasury bills will continue to generate such returns in the future.

8.4 THE FINANCIAL POSITION OF THE GROUP

8.4.1 Net asset value ("NAV") per Share

As set out in paragraph 8.1 above, the trading volume of the Shares can be considered illiquid and the market prices of the Shares may not be a fair representation of the value of the Shares. As such, the NAV of the Group is important in our consideration of the fair value of the Shares.

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

The latest announced NAV attributable to Shareholders was approximately S\$58.52 million as at 31 January 2023.

Based on the Existing Share Capital of 252,348,600 Shares as at the Latest Practicable Date, the NAV per Share is approximately S\$0.2319. The Offer Price represents a discount of approximately S\$0.0639 or 27.55% to the NAV per Share, or a P/NAV ratio of approximately 0.72 times.

8.4.2 Revalued NAV ("RNAV") per Share

In our evaluation of the NAV of the Group, we have considered whether there are any assets which may be valued at an amount that is materially different from that which was recorded in the latest announced balance sheet of the Group and whether there are any events in announcements made by the Company after the publication of the latest financial results that are likely to impact the NAV per Share.

We set out in the table below the assets which accounted for more than 5% of the NAV of the Group as at 31 January 2023:

	Unaudited as at 31 January 2023	
	S\$'000	As a percentage of the Group's NAV (including NAV attributable to non-controlling interests)
Cash and cash equivalents	38,486	59.42
Property, plant and equipment	24,142	37.28
Financial assets measured at fair value through profit or loss	21,424	33.08
Trade and other receivables	8,068	12.46
Contract assets	7,433	11.48
Goodwill	4,908	7.58
Property held for sale	3,469	5.36

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We review each of the material assets as follows:

(i) Cash and cash equivalents

The Group's cash and cash equivalents increased significantly from approximately S\$28.90 million as at 31 July 2021 to approximately S\$43.19 million as at 31 July 2022 due mainly to proceeds from disposal of financial assets measured at fair value through profit or loss.

Cash and cash equivalents amounted to approximately S\$38.49 million as at 31 January 2023, a decrease as compared to approximately S\$43.19 million as at 31 July 2023. The decrease was mainly due to purchase of property, plant and equipment as well as a US\$2.00 million investment in a company focused on start-ups in the construction sector in India in HY2023.

We understand from the Company that it had material cash outlay aggregating approximately S\$5.98 million for the period from 1 February 2023 to the Latest Practicable Date mainly for downpayments for purchase of machineries, dividends to minority interests of subsidiaries, as well as investments in unquoted equities.

As a result, the Group had adjusted cash and cash equivalents of approximately S\$32.51 million as at the Latest Practicable Date.

(ii) Property, plant and equipment

The Group's property, plant and equipment as at 31 January 2023 comprised steel items, leasehold properties and building improvements, machinery, land use rights, motor vehicles, office equipment and furniture and fittings.

Steel items refer to property, plant and equipment of KHEL and KHIPL which are utilised in the businesses of KHEL and KHIPL. Leasehold properties and building improvements as well as land use rights include the Tuas Properties which had net book value of approximately S\$7.10 million as at 31 January 2023.

The Company has commissioned the Valuer to provide the market value of the Tuas Properties as at 20 June 2023 for purposes of the Offer.

The Valuer adopted the direct comparison method for the Tuas Properties and assessed the market value of the Tuas Properties to be S\$7.20 million. Accordingly, the Group would record a revaluation surplus of approximately S\$0.1 million on the Tuas Properties had the Group disposed the Tuas Properties at the market value on the Latest Practicable Date.

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(iii) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss refer to investments made by the Group. As at 31 January 2023, the Group had three financial assets measured at fair value through profit and loss, mainly US\$10 million invested in Blue Planet Environmental Solutions Pte Ltd in October 2020, S\$5 million invested to acquire one (1) million placement shares in Pegasus Asia SPAC in January 2022 and US\$2 million invested in a company focused on start-ups in the construction sector in India in January 2023.

No valuation has been commissioned on these financial assets as:

- (a) the Company has recognised fair value loss on its investment in Blue Planet Environmental Solutions Pte Ltd in HY2023 due to the currency exchange fluctuations between United States dollar and Singapore dollar. As at 31 January 2023, the carrying value of the Group's investment in Blue Planet Environmental Solutions Pte Ltd was approximately S\$14.36 million;
- (b) the Company increased its investment in Blue Planet Environmental Solutions Pte Ltd by a further US\$0.5 million in March 2023;
- (c) shares in Pegasus Asia SPAC are traded on the SGX-ST and the closing price of the shares of Pegasus Asia SPAC on 9 June 2023, being the last Market Day where the shares in Pegasus Asia SPAC were traded prior to the Latest Practicable Date was S\$4.54. Based on this closing price, the fair value of the shares in Pegasus Asia SPAC held by the Group as at the Latest Practicable Date would have been approximately S\$4.54 million, representing a surplus of approximately S\$105,000 to the Group. However, we note that the shares in Pegasus Asia SPAC have very low liquidity. Pegasus Asia SPAC offered 25.6 million shares in its public offering in January 2022. Since its listing until the Latest Practicable Date, only 189,900 shares in Pegasus Asia SPAC were traded on the SGX-ST. Accordingly, we will not be including this surplus in our evaluation of the RNAV of the Group; and
- (d) the US\$2 million investment in the company focused on start-ups in the construction sector in India was undertaken in January 2023 which was less than six (6) months prior to the Latest Practicable Date.

(iv) Trade and other receivables

Trade and other receivables as at 31 January 2023 comprised trade receivables net of allowance and other receivables such as advance to suppliers and deposit. We

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note from the Company's annual report for FY2022 that there was no material change to the average credit period of 45 days for FY2022 which is the same as the average credit period for FY2021.

(v) Contract assets

Contract assets as at 31 January 2023 comprised retention monies on contract work and unbilled receivables.

(vi) Goodwill

Goodwill refers to goodwill arising from the acquisition of KHEL and KHIPL in February 2020 and acquisition of Dae Sung Construction Pte. Ltd. by KHEL in March 2021.

Goodwill is not amortised but is reviewed for impairment at least annually.

(vii) Property held for sale

Property held for sale refers to the RC Properties which had net book value of approximately S\$3.47 million as at 31 January 2023. Based on the market value derived by the Valuer based on direct comparison method on the RC Properties as at 4 May 2023, the Group would record a revaluation surplus of approximately S\$51,000 had the Group disposed the RC Properties at the market value on the Latest Practicable Date.

RNAV

Based on the above, we compute the Group's RNAV as follows:

	S\$'000
Unaudited NAV attributable to Shareholders as 31 January 2023	58,519
Add: Net revaluation surplus arising from the revaluation of the Tuas Properties set out in paragraph (ii) above	98
Add: Net revaluation surplus arising from the revaluation of the RC Properties set out in paragraph (vii) above	51

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S\$'000

Less: Potential tax liabilities arising from the hypothetical disposal of the properties at the valuation ascribed to them in the Tuas Valuation Report ⁽¹⁾	Nil
RNAV	58,668

Note:

- (1) The gain on disposal of Property, plant and equipment will be considered capital gain and not subject to tax.

Save as disclosed in above, the Company confirms that, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

- (1) there is no event subsequent to 31 January 2023 which would materially affect the NAV of the Group;
- (2) there are no material contingent liabilities, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the NAV of the Group as at 31 January 2023; and
- (3) there is no material change to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 31 January 2023.

Based on the Existing Share Capital of 252,348,600 Shares as at the Latest Practicable Date, the RNAV per Share is approximately S\$0.2325. The Offer Price represents a discount of approximately S\$0.0645 or 27.7% to the RNAV per Share, or a P/RNAV ratio of approximately 0.72 times.

8.4.3 Ex-net cash P/NAV ratio

As set out in paragraph 8.4.2(i) of this IFA Letter, the Group had adjusted cash and cash equivalents of approximately S\$32.51 million as at the Latest Practicable Date. This representing 56.04% of the Group's NAV as at 31 January 2023.

In the calculations of net cash of a company, quoted securities are usually included as there is a ready trading platform for such quoted securities which can be quickly converted into cash at the market price. However, as set out in paragraph 8.4.2(iii)(c) of this IFA Letter, the shares in Pegasus Asia SPAC have low liquidity and total shares in Pegasus Asia SPAC traded since its listing on the SGX-ST on 21 January 2022 up to the Latest Practicable Date amounted to only 189,900 shares in Pegasus Asia SPAC, or 18.99% of the 1,000,000 shares

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in Pegasus Asia SPAC held by the Group. Accordingly, we will not be including the shares in Pegasus Asia SPAC held by the Group in the calculations of the net cash of the Group.

After excluding total borrowings (comprising bank loans and lease liabilities) of approximately S\$18.43 million as at 31 January 2023, the Group will still have net cash of approximately S\$14.37 million, representing 24.55% of the Group's NAV as at 31 January 2023.

Given that there should not be any discount on cash and cash equivalents, we calculate the ex-net cash P/NAV ratio of the Shares as follows:

	(S\$'000)	On per Share basis (S\$)
Adjusted cash and cash equivalents as at the Latest Practicable Date, net of bank loans and lease liabilities	14,082	0.0558
Ex-net cash Offer Price		0.1122
Ex-net cash NAV as at 31 January 2023	44,437	0.1761
Ex-net cash P/NAV ratio		0.64 times

Shareholders may also wish to note that the ex-cash NAV of the Group as at 31 January 2023 included pledged bank loans and financial assets measured at fair value through profit or loss.

8.5 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE AGAINST THOSE OF COMPARABLE COMPANIES

We note that the Group generated revenue solely from building construction for FY2020, FY2021, FY2022 and HY2023. In particular, since the acquisition of KHEL and KHIPL in FY2020, the Group's building construction revenue also include civil engineering work performed by KHEL and KHIPL.

Accordingly, comparison is made to *profitable* companies listed on the SGX-ST with *construction business and/or civil engineering business contributing more than 50% of its revenue for their last 12 months financial results* (the "**Comparable Companies**") to assess the valuation ratios implied by the Offer Price versus the valuation ratios of the Comparable Companies based on their last traded prices as at the Latest Practicable Date.

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The list of Comparable Companies is not exhaustive and none of the Comparable Companies is identical to the Group in terms of business activities, scale of operations, geographical markets, asset base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in the accounting policies adopted by companies from various countries. Our analysis has not adjusted for such differences. In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

We set out in the table below the list of Comparable Companies, together with a brief description of their business activities:

Comparable Companies	Business Activities
BBR Holdings S Ltd ("BBR")	BBR operates as a holding company. The company, through its subsidiaries, provides general construction, engineering, property development, and green technology services. BBR serves customers in Asia.
Hock Lian Seng Holdings Ltd ("Hock Lian Seng")	Hock Lian Seng is a civil engineering firm. The company carries out civil engineering works for bridges, expressways, tunnels, MRT, port facilities, water and sewage facilities and other infrastructure works. Hock Lian Seng also procures and sells building materials, namely, concreting sand and aggregates, for building and construction purposes.
Huationg Global Limited ("Huationg")	Huationg provides civil engineering services for infrastructure projects and ancillary inland logistics support services. The company also sells construction materials.
Koh Brothers Group Ltd ("Koh Brothers")	Koh Brothers is an investment holding company whose subsidiaries are active in construction and real estate development. The company also manufactures concrete products and building materials, manages hotels, and sells and rents construction equipment. Koh Brothers distributes, designs, and fabricates equipment products for the oil and gas industry.

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Comparable Companies Business Activities

Koh Brothers Eco Engineering Ltd (“ KBE ”)	KBE operates within the industries of construction, building materials, real estate, and leisure. The company designs and installs water treatment systems and partakes in the process of waste water treatment.
KSH Holdings Ltd (“ KSH ”)	KSH constructs, develops, and manages various properties in Singapore, Malaysia, and the People's Republic of China.
TA Corp Ltd (“ TACL ”)	TACL develop and sells residential and other types of properties. The company is also involved in the construction business, including complementary services such as steel fabrication and metal works, a worker training and test center in Chennai, India, as well as the design, installation and maintenance of air conditioning and mechanical ventilation systems.

We set out in the table below the valuation ratios of the Comparable Companies as at the Latest Practicable Date:

Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$'m)	Net Profit ⁽²⁾ (S\$'m)	EV/EBITDA ratio ⁽²⁾⁽³⁾ (times)	P/E ratio (times)	P/NAV ratio (times)
BBR	35.78	5.69	8.75	6.29	0.36
Hock Lian Seng	138.27	16.51	1.48	8.38	0.60
Huatong	28.36	10.21	2.42	2.78	0.34
Koh Brothers	60.63	6.01	11.28	10.08	0.21
KBE	92.99	2.18	8.75	42.64	0.64
KSH	185.92	22.31	15.64	8.33	0.55
TACL	43.52	12.14	4.94	3.59	0.55
Maximum			15.64	42.64	0.64
Minimum			1.48	2.78	0.21

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Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$'m)	Net Profit ⁽²⁾ (S\$'m)	EV/EBITDA ratio ⁽²⁾⁽³⁾ (times)	P/E ratio (times)	P/NAV ratio (times)
Mean			7.61	11.73	0.46
Median			8.75	8.33	0.55
The Company ⁽⁴⁾	42.39	0.75	3.17	56.71	0.72

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

Notes:

- (1) Based on last traded prices of the respective counters as at the Latest Practicable Date.
- (2) Based on latest available 12 months or full year profits attributable to equity holders as announced by the respective Comparable Companies.
- (3) Based on the unadjusted EBITDA of the Company and the respective Comparable Companies.
- (4) Please refer to paragraphs 8.2.1, 8.2.2 and 8.4.1 of this IFA Letter for our calculations of the Company's EV/EBITDA ratio, P/E ratio and P/NAV ratio implied by the Offer Price.

As set out in the table, the P/NAV ratios of the Comparable Companies range from 0.21 times to 0.64 times and the P/NAV ratio of the Company implied by the Offer Price is higher than the range of the P/NAV ratios of the Comparable Companies.

While the EV/EBITDA ratio of the Company implied by the Offer Price is within the range and below the EV/EBITDA ratios of the Comparable Companies, we wish to highlight that the Group had high cash and cash equivalents which resulted in a lower numerator in the calculations of the EV/EBITDA ratio. Hence, the comparison may not be meaningful.

Similarly, the P/E ratio of the Company implied by the Offer Price is higher than the range of P/E ratios of the Comparable Companies. Shareholders may wish to note that this could be attributable to the low profit attributable to Shareholders of the Company as elaborated in paragraph 8.2 of this IFA Letter.

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8.6 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE WITH RECENTLY COMPLETED SIMILAR TRANSACTIONS FOR COMPANIES LISTED ON THE SGX-ST

As disclosed in Section 10.2 of the Offer Document, the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company.

Therefore, in our assessment on the fairness and reasonableness of the Offer Price, we have compared the valuation statistics implied by the Offer Price with the recently completed privatisation transactions where the offeror has indicated its intention to privatise and delist the offeree company (the "**Privatisation Transactions**"). These Privatisation Transactions are carried out either by way of voluntary delisting exit offers under Rule 1307 of the listing manual of the SGX-ST (the "**Listing Manual**"), offers being made by way of a scheme of arrangement under Section 210 of the Companies Act 1967 of Singapore or general takeover offers under the Code, whether in cash or otherwise, which were announced since 1 January 2021 and successfully privatised as at the Latest Practicable Date.

The comparison serves as a general indication of the premium/discount of offer prices over the last transacted prices and VWAPs of shares in privatisation offers without having regard to their specific industry characteristics or other considerations.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in the Privatisation Transactions set out in the analysis below are not directly comparable with the Group in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Offer with the Privatisation Transactions set out below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Group.

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The statistics of the Privatisation Transactions are as follows:

Name of companies	Date of announcement ⁽¹⁾	Type ⁽²⁾	Premium / (Discount) of offer price over/(to):				Offer price-to-NAV or RNAV ⁽³⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
G. K. Goh Holdings Limited	28-Feb-23	VGO	38.5	38.8	39.2	37.6	0.97
Global Dragon Limited	10-Feb-23	VGO	14.3	15.4	22.4	17.6	0.73
Chip Eng Seng Corporation Ltd.	24-Nov-22	MGO	5.6	13.1	26.5	33.7	0.56
Colex Holdings Limited	17-Oct-22	SOA	25.0	13.9	13.3	(14.5)	1.62
Asian Healthcare Specialists Limited	6-Oct-22	VGO	17.5	18.3	21.3	22.3	2.07
MS Holdings Limited	03-Oct-22	VGO	16.7	-	25.2	25.5	0.48
Moya Holdings Asia Limited	14-Sep-22	VD	41.5	43.8	48.4	48.4	1.39
Singapore Medical Group Limited	13-Sep-22	VGO	23.1	28.1	28.9	25.8	1.14
Memories Group Ltd	12-Sep-22	VD	34.3	67.3	72.2	74.7	1.02
Silkroad Nickel Ltd.	9-Sep-22	VGO	2.4	5.4	5.1	(5.5)	5.07 ⁽⁵⁾
SP Corporation Limited	20-Aug-22	SOA	169.5	163.7	162.8	156.9	1.00
GYP Properties Limited	09-Jul-22	VGO	34.2	37.9	33.3	28.2	0.69
Allied Technologies Limited	17-Jun-22	VGO	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	0.35
T T J Holdings Limited	20-May-22	VGO	36.1	33.6	28.8	28.0	0.63
Hwa Hong Corporation Limited	17-May-22	VGO	37.9	36.1	32.0	22.0	0.79
Excelpoint Technology Ltd	13-Apr-22	SOA	21.4	36.6	31.3	45.9	1.58

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Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)

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APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER



Name of companies	Date of announcement ⁽¹⁾	Type ⁽²⁾	Premium / (Discount) of offer price over/(to):				Offer price-to-NAV or RNAV ⁽³⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
Singapore O&G Ltd	7-Mar-22	VGO	18.0	14.8	12.2	11.3	3.55
Shinvest Holding Ltd.	16-Feb-22	VGO	12.9	8.5	10.2	10.1	0.66
Koufu Group Limited	29-Dec-21	VGO	15.8	14.5	13.6	15.1	3.21
Roxy-Pacific Holdings Limited	15-Dec-21	VGO	19.8	21.0	23.5	30.3	0.64
United Global Limited	10-Dec-21	VGO	12.5	16.7	16.7	16.2	1.06
Starburst Holdings Limited	10-Nov-21	VGO	5.8	3.9	9.2	12.8	1.84
SingHaiyi Group Ltd.	9-Nov-21	VGO	8.3	7.0	10.7	18.3	0.60
Fragrance Group Limited	9-Jul-21	VGO	16.9	19.0	19.0	20.0	0.70
Dutech Holdings Limited	28-May-21	VGO	74.0	73.3	74.7	73.3	0.74
Cheung Woh Technologies Limited	6-May-21	VGO	90.0	90.0	92.6	109.6	1.10
Top Global Limited	30-Apr-21	VGO	122.9	133.6	146.8	148.7	0.32
Sin Ghee Huat Corporation Ltd	29-Apr-21	VGO	25.6	68.2	68.2	68.8	0.57
Singapore Press Holdings Limited	30-Mar-21	SOA	57.3	71.5	80.3	94.8	1.05
Neo Group Limited	30-Mar-21	VGO	20.0	17.9	14.5	15.4	1.22
Singapore Reinsurance Corporation Limited	19-Mar-21	VGO	17.8	20.6	20.8	21.8	0.79
World Class Global Limited	12-Mar-21	SOA	112.1	107.9	107.9	89.2	0.83
International Press Softcom Limited	28-Jan-21	VGO	12.5	25.3	32.0	21.6	1.08

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Name of companies	Date of announcement ⁽¹⁾	Type ⁽²⁾	Premium / (Discount) of offer price over/(to):				Offer price-to-NAV or RNAV ⁽³⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
GL Limited	15-Jan-21	VGO	42.9	46.6	52.4	45.8	0.74
CEI Limited	11-Jan-21	VGO	15.0	18.1	20.5	23.6	1.89
Maximum			169.5	163.7	162.8	156.9	5.07
Minimum			2.4	3.9	5.1	(14.5)	0.32
Mean			35.8	40.3	41.7	41.0	1.11 ⁽⁵⁾
Median			20.7	25.4	27.7	25.7	0.90 ⁽⁵⁾
The Company	1-Jun-23	VGO	34.4	39.8	34.2	30.5	0.72

Source: Offeree circulars of the respective companies.

Notes:

- (1) Date of announcement refer to the date of announcement of offers.
- (2) VD – Voluntary Delisting; VGO – Voluntary General Offer; SOA – Scheme of Arrangement; and MGO – Mandatory General Offer.
- (3) Based on the NAV per share or adjusted NAV or RNAV per share, where available, as published in the independent financial adviser's letter set out in respective circular of the companies.
- (4) "n.a." means not applicable as the shares of Allied Technologies Limited were suspended for more than three years prior to its offer.
- (5) Excluded the P/NAV of Silkroad Nickel Ltd as statistical outlier.
- (6) Based on the P/RNAV ratio set out in paragraph 8.4.2 of this IFA Letter.

Based on the above, we note that:

- (a) the premium of the Offer Price over the last transacted price prior to the Offer is within the range, lower than the corresponding mean but higher than the corresponding median premium of the Privatisation Transactions;

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- (b) the premia of the Offer Price over the VWAPs for the respective periods set out in the table are also within the range, lower than the corresponding mean but higher than the corresponding median premia of the Privatisation Transactions; and
- (c) the P/RNAV ratio implied by the Offer Price is within the range of the Privatisation Transactions but lower than the corresponding mean and median P/NAV or P/RNAV ratios of the Privatisation Transactions.

8.7 ESTIMATED RANGE OF VALUES OF THE SHARES

We have analysed the market prices of the Shares, the financial performance and financial position of the Group in the preceding paragraphs of this IFA Letter.

As set out in paragraph 8.5 of the IFA Letter, the earnings ratio (namely the P/E ratio and the EV/EBITDA ratio) of the Company as implied by the Offer Price may not be meaningful in the evaluation of the Offer as the P/E ratio is higher than the Comparable Companies and the Group has high cash and cash equivalents which resulted in a low EV/EBITDA ratio for the Company.

As mentioned in paragraph 8.4.2(i) of this IFA Letter, the Group had adjusted cash and cash equivalents of approximately S\$32.51 million as at the Latest Practicable Date. Assuming that the Group repays all of its outstanding bank loans and lease liabilities, the Group will have net adjusted cash and cash equivalents of approximately S\$14.08 million.

We set out as follows:

	S\$'000	Remarks
Group's NAV as at 31 January 2023	64,766	Including non-controlling interests attributable to shareholders of subsidiaries
Less: Net adjusted cash and cash equivalents	(14,082)	No discount to cash
Less: Pledged bank deposits	(1,017)	No discount to pledged bank deposits which would be released upon repayment of bank loans and lease liabilities
Less: Financial assets measured at fair value through profit or loss	(21,424)	No impairment given recent transacted values
Less: Non-controlling interests	(6,247)	No discount to NAV attributable to non-controlling shareholders of subsidiaries
Remaining NAV attributable to Shareholders	21,996	

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If we apply the mean and median P/NAV ratios of the Comparable Companies to the remaining NAV and add back the net adjusted cash and cash equivalents, pledged bank deposits and financial assets measured at fair value through profit or loss, this implies that the valuation of the Company is between approximately S\$46.64 million and approximately S\$48.62 million.

Based on the Existing Share Capital of 252,348,600 Shares, this translates to approximately S\$0.185 to S\$0.193 per Share.

The Offer Price is below the estimated range of values of the Shares set out above.

8.8 OTHER CONSIDERATIONS

8.8.1 The Offer is subject to the Minimum Acceptance Conditions

Shareholders should note that if the Minimum Acceptance Condition is not met by the close of the Offer, the Offer will lapse and all Shares tendered will be returned to the respective Shareholders.

8.8.2 Offeror's intention relating to the listing status of the Company

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act 1967 of Singapore and does not intend to support or take any step (including the placing out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

8.8.3 Alternative takeover offer

The Directors confirm that (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

Nevertheless, Shareholders may wish to note that the Offeror and parties acting or deemed to be acting in concert with it already hold in aggregate 69.47% interest in the Company. Accordingly, the likelihood of any alternative takeover offer is remote.

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8.8.4 Statutory control of the Company

Similarly, given that the Offeror and parties acting or deemed to be acting in concert with it already hold in aggregate 69.47% interest in the Company, the Offeror and parties acting or deemed to be acting in concert with it can pass all resolutions on matters in which they do not have an interest at future general meetings of Shareholders including resolutions on dividend payments by the Company.

8.8.5 Transaction costs in connection with the disposal of the Shares

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open markets which will incur expenses such as brokerage commission and/or other trading costs.

9. OUR ADVICE

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

We set out below a summary of the key factors we have taken into our consideration when assessing the “**fairness**” of the Offer:

Factors for the Offer Price

- (a) the Offer Price is higher than the closing prices, trading prices and VWAPs of the Shares for the periods to and including the Last Trading Day set out in paragraph 8.1 of this IFA Letter;
- (b) the Offer Price represents a discount of 27.6% or a P/NAV ratio of 0.72 times. This P/NAV ratio implied by the Offer Price is higher than the maximum P/NAV ratio of the Comparable Companies; and
- (c) the P/E ratio implied by the Offer Price is higher than the maximum P/E ratio of the Comparable Companies.

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Factors against the Offer Price

- (A) the Offer Price is below our range of estimated values of the Shares set out in paragraph 8.7 of this IFA Letter;
- (B) the Offer Price represents a discount of 27.6% or a P/RNAV ratio of 0.72 times. The P/RNAV ratio implied by the Offer Price is below the mean and median P/NAV or P/RNAV ratios of the Privatisation Transactions;
- (C) as set out in paragraph 8.4 of this IFA Letter, the Group had adjusted net cash and cash equivalents of S\$32.51 million representing 24.06% of the Group's NAV as at 31 January 2023. The Offer Price represents an ex-net cash P/NAV ratio of 0.64 times; and
- (D) the EV/EBITDA ratio implied by the Offer Price is below the mean and median EV/EBITDA ratio of the Comparable Companies.

We set out below a summary of the key factors we have taken into our consideration when assessing the “**reasonableness**” of the Offer:

Factors for the Offer Price

- (i) the Offer presents an exit opportunity for Shareholders, in particular, given the low liquidity of the Shares for the periods prior to and up to the Latest Practicable Date set out in paragraph 8.1.2 of this IFA Letter and that there is no alternative takeover offer for the Shares as at the Latest Practicable Date. The average daily traded volumes of the Shares for all the periods prior to and including the Last Trading Day was less than 50,000 Shares as compared to the Company's free float of 77,045,100 Shares;
- (ii) while the Company has been paying dividend consistently since its listing in FY2012 (saved for FY2014 where the Group registered a loss), based on the five (5)-year annualised average dividend per Share and the Offer Price, Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in the alternative investments set out in paragraph 8.3 of this IFA Letter; and
- (iii) with the 69.47% shareholding, the Offeror and its concert parties can pass all resolutions on matters in which they do not have an interest at future general meetings of Shareholders including resolutions on dividend payments by the Company.

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Factors against the Offer Price

- (I) the Group had been profitable since its listing (save for FY2014 and FY2018) and including the periods which had been adversely affected by the Covid-19 pandemic;
- (II) the Group also had strong order book of S\$126.7 million of which S\$72.5 million was secured in HY2023 which should provide a sustainable flow of activity to the Group;
- (III) the Group is in a healthy financial position with adjusted net cash and cash equivalents as at the Latest Practicable Date, which represent 24.06% of its NAV as at 31 January 2023;
- (IV) save for FY2014, FY2016 and FY2020, the Company has been paying dividend since its listing; and
- (V) the Shares had closed above the Offer Price on various trading days after the Offer Announcement Date.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to reject the Offer.

This IFA Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Offer, and the recommendation made by them to the Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors or the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Offer, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

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

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

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APPENDIX II – ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

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

Name	Address	Appointment
Mr Sin Soon Teng	c/o 2 Balestier Road #03-669 Balestier Hill Shopping Centre Singapore 320002	Executive Chairman and Group CEO
Mr Sin Ee Wuen	c/o 2 Balestier Road #03-669 Balestier Hill Shopping Centre Singapore 320002	Executive Director and Deputy CEO
Mr Richard Tan Kheng Swee	c/o 2 Balestier Road #03-669 Balestier Hill Shopping Centre Singapore 320002	Lead Independent Director
Mr Teo Boon Tieng	c/o 2 Balestier Road #03-669 Balestier Hill Shopping Centre Singapore 320002	Independent Director
Mr Lim Kheng Hock	c/o 2 Balestier Road #03-669 Balestier Hill Shopping Centre Singapore 320002	Independent Director

2. PRINCIPAL ACTIVITIES

The Company is a public company limited by shares incorporated in Singapore on 28 March 2012 and its Shares have been quoted and listed on the Catalist Board of the SGX-ST since 3 August 2012.

As at the Latest Practicable Date, the principal activities of the Company are that of an investment holding company and the provision of management consultancy services. The key businesses of the subsidiaries of the Company include investment holding, property development and the provision of building and construction services.

3. SHARE CAPITAL

3.1. Issued Share Capital

Based on the business profile of the Company extracted from ACRA as at the Latest Practicable Date, the Company has an issued and fully paid-up capital of S\$46,576,127, comprising 252,348,600 Shares (excluding 8,651,400 treasury shares). The Company has one class of shares, being ordinary shares.

3.2. Rights in respect of Capital, Voting and Dividends

The rights of Shareholders in respect of capital, voting and dividends are contained in the Constitution, which is available for inspection at the Company's registered office as mentioned in paragraph 12 of Appendix II to this Circular. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends are reproduced in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3. Number of Shares Issued Since the End of FY2022

As at the Latest Practicable Date, no new Shares have been issued by the Company since the end of FY2022, being the end of the Company's last financial year.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

3.4. Outstanding Instruments Convertible into Shares

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

4. DISCLOSURE OF INTERESTS

4.1. Interests of the Company in Offeror Securities

Neither the Company nor its subsidiaries have any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

4.2. Dealings in Offeror Securities by the Company

Neither the Company nor its subsidiaries have dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3. Interests of the Directors in Offeror Securities

Save as disclosed below and in the Offer Document, none of the Directors has any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

SST is the sole shareholder of the Offeror, and owns 30 ordinary shares in the issued and paid-up share capital of the Offeror.

4.4. Dealings in Offeror Securities by the Directors

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

On 20 March 2023, SEW sold 10 ordinary shares, comprising of his entire shareholding in the Offeror, at S\$1.00 per ordinary share to Xiang.

On 27 March 2023, Xiang sold 30 ordinary shares, comprising of its entire shareholding in the Offeror and representing 100% of the entire issued and paid-up share capital of the Offeror, at S\$1.00 per ordinary share to SST.

4.5. Interests of the Directors in Relevant Securities

As at the Latest Practicable Date, save as disclosed below and in this Circular, none of the Directors has any direct or deemed interests in any Relevant Securities:

Name	Number of Shares					
	Direct		Deemed		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	% ⁽¹⁾
SST ⁽³⁾	—	—	166,600,000 ⁽²⁾	66.02	166,600,000	66.02
SEW ⁽³⁾	8,703,500	3.45	—	—	8,703,500	3.45

Notes:

- (1) As a percentage of the total number of 252,348,600 Shares (excluding treasury shares) in issue as at the Latest Practicable Date. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.
- (2) SST is deemed to be interested in the 166,600,000 Shares held by Xiang pursuant to Section 7 of the Companies Act. Xiang is a personal investment vehicle controlled by SST by virtue of SST holding 8,000 shares representing approximately 88.89% of the total issued and paid-up ordinary shares in the capital of Xiang.
- (3) SEW is the son of SST.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

4.6. Dealings in Relevant Securities by the Directors

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

4.7. Relevant Securities owned or controlled by Xandar Capital Pte. Ltd.

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

4.8. Dealings in Relevant Securities by Xandar Capital Pte. Ltd.

As at the Latest Practicable Date, none of Xandar Capital Pte. Ltd., its related corporations or any funds whose investments are managed by Xandar Capital Pte. Ltd. on a discretionary basis has dealt for value in any Relevant Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.9. Directors' Intentions

As at the Latest Practicable Date, the Directors who held direct or indirect interests in the Shares during the Offer Announcement Date have, taking into account their respective personal investment objectives, have indicated their intentions in respect of accepting or rejecting the Offer in respect of their Shares as follows:

- (a) SST's deemed interests arises through 166,600,000 Shares representing approximately 66.02% of the total number of issued Shares (excluding treasury shares) held by Xiang, a personal investment vehicle controlled by SST by virtue of SST holding 8,000 shares representing approximately 88.89% of the total issued and paid-up ordinary shares in the capital of Xiang. As set out in the Offer Document, the Offeror has received the Xiang Irrevocable Undertaking pursuant to which Xiang has, amongst other things, unconditionally and irrevocably undertaken to the Offeror (i) to tender all of its 166,600,000 Shares in acceptance of the Offer; and (ii) not to accept any competing offer.
- (b) SEW currently holds 8,703,500 issued Shares in the Offeree, representing approximately 3.45% of the total number of issued Shares (excluding treasury shares). As set out in the Offer Document, the Offeror has received the SEW Irrevocable Undertaking pursuant to which SEW has, amongst other things, unconditionally and irrevocably undertaken to the Offeror (i) to tender all of his 8,703,500 Shares in acceptance of the Offer; and (ii) not to accept any competing offer.

4.10. Directors' service contracts

As at the Latest Practicable Date, there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation, and there are no such service contracts entered into or amended by the Company or any of its subsidiaries during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

4.11. Other Disclosures

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) save for the Irrevocable Undertakings and the Roll-Over Arrangement as disclosed in Section 4 of this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) save for the Irrevocable Undertakings and the Roll-Over Arrangement as disclosed in Section 4 of this Circular, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

5. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in any information on the Group which is publicly available (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. The Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

7. SUMMARY OF FINANCIAL INFORMATION

7.1. Consolidated Statement of Comprehensive Income

A summary of the audited consolidated statement of comprehensive income of the Group for FY2020, FY2021 and FY2022 and the unaudited consolidated statement of comprehensive income of the Group for the six (6) months financial period ended 31 January 2023 is set out below.

	Unaudited 6 months ended 31 January 2023	Audited FY2022	Audited FY2021	Audited FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	29,606	52,304	55,855	33,751
Cost of sales	(26,071)	(40,805)	(48,620)	(28,352)
Gross profit	3,535	11,499	7,235	5,399
Other income	1,090	3,931	4,901	4,690
Gain on disposal of financial asset measured at fair value through profit or loss	–	5,829	–	–
Fair value gain/(loss) on financial assets measured at fair value through profit or loss	(520)	1,294	–	–
Other operating expenses	(2,730)	(4,027)	(3,216)	(2,927)
Administrative expenses	(2,986)	(8,698)	(5,645)	(4,280)
Finance costs	(288)	(438)	(321)	(294)
Profit/(loss) before tax	(1,899)	9,390	2,954	2,588
Income tax expense	(182)	(1,560)	(306)	(1,404)
Profit/(loss) for the year/period representing total comprehensive income for the period	(2,081)	7,830	2,648	1,184
Total comprehensive income for the year/period attributable to:				
Owners of the Company	(2,708)	6,585	2,652	1,183
Non-controlling interest	627	1,245	(4)	1
	(2,081)	7,830	2,648	1,184
Earnings/(Loss) per share attributable to owners of the Company (cents per share)				
Basic and diluted	(1.07)	2.61	1.05	0.47

The above summary is extracted from, and should be read in conjunction with, the annual reports of the Company for FY2020, FY2021 and FY2022, as well as the Interim Results, and their respective accompanying notes, copies of which are available for inspection at the Company's registered office as mentioned in paragraph 12 of Appendix II to this Circular.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

7.2. Statement of financial position

A summary of the audited consolidated statement of financial position of the Group for FY2022 and the half year ended 31 January 2023 is set out below.

S\$'000	31 January 2023 Unaudited	31 July 2022 Audited
Assets		
Non-current assets		
Property, plant and equipment	24,142	24,453
Goodwill	4,908	4,908
Financial asset measured at fair value through profit or loss	21,424	20,049
Other intangible assets	275	366
Contract assets	2,481	1,946
Total non-current assets	53,230	51,722
Current assets		
Cash and cash equivalents	38,486	43,191
Pledged bank deposits	1,017	1,016
Trade and other receivables	8,068	8,364
Contract assets	7,433	9,602
Properties held for sale	3,469	3,469
Total current assets	58,473	65,642
Total assets	111,703	117,364
Liabilities and equity		
Current liabilities		
Trade and other payables	16,651	18,036
Contract liabilities	2,904	4,071
Provisions	5,570	5,634
Bank loans	2,880	2,414
Lease liabilities	2,156	1,642
Income tax payable	1,312	1,624
Total current liabilities	31,473	33,421
Net current assets	27,000	32,221
Non-current liabilities		
Trade and other payables	468	383
Lease liabilities	2,527	2,528
Bank loans	10,865	12,374
Deferred tax liabilities	1,604	1,811
Total non-current liabilities	15,464	17,096
Total liabilities	46,937	50,517
Net assets	64,766	66,847
Capital and reserves		
Share capital	45,538	45,538
Treasury shares	(1,120)	(1,120)
Merger reserve	(3,517)	(3,517)
Equity reserve	(844)	(844)
Accumulated profits	18,462	21,170
Equity attributable to owners of the Company	58,519	61,227
Non-controlling interests	6,247	5,620
Total equity	64,766	66,847
Total equity and liabilities	111,703	117,364

Note – The above summary is extracted from, and should be read together with, the annual report of the Company for FY2022, audited consolidated financial statements of the Group for FY2022 and the Interim Results and the related notes thereto, copies of which are available for inspection at the Company's registered office as mentioned in paragraph 12 of Appendix II to this Circular.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

7.3. Material changes in financial position

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to announcements released by the Company on SGXNET, or which may be released by the Company subsequent to the dissemination date of this Circular), there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 31 July 2022, being the date to which the Company's last published audited financial statements were made up.

7.4. Material changes in Information

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to announcements released by the Company on SGXNET, or which may be released by the Company subsequent to the dissemination date of this Circular), there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

8. SIGNIFICANT ACCOUNTING POLICIES

The audited consolidated financial statements of the Group for FY2022 have been prepared in accordance with the provisions of the Companies Act and Singapore Financial Reporting Standards (International). A summary of the significant accounting policies of the Group is set out in Note 2 to the audited consolidated financial statements of the Group for FY2022 in the annual report for the Company for FY2022, which are available for inspection at the Company's registered office as mentioned in paragraph 12 of Appendix II to this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited consolidated financial statements of the Group for FY2022), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

9. CHANGES IN ACCOUNTING POLICIES

As at the Latest Practicable Date, save as disclosed in this Circular and publicly available information on the Group, there has been no change in the accounting policies of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

10. VALUATION DOCUMENT

The Company has commissioned independent valuation of the Subject Property. As disclosed in the Valuation Document, the basis of the valuation is on an As-Is basis and subject to vacant possession and free from all encumbrances. A copy of the Valuation Document is set out in Appendix IV to this Circular. The Valuation Document and the Valuation Report in respect of the Subject Property are available for inspection at the Company's registered office as mentioned in paragraph 12 of Appendix II to this Circular.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liabilities which would arise if the Subject Property, which is the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation. The potential tax liabilities that may be incurred by the Company on such hypothetical disposal of the Subject Property is nil as any gains would be capital in nature.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

11. GENERAL

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) Xandar Capital Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto; and (ii) the IFA Letter set out in Appendix I to this Circular, in the form and context in which they appear in this Circular.
- (c) Savills Valuation and Professional Services (S) Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto; and (ii) the Valuation Document set out in Appendix IV to this Circular, which have been made available for inspection at the registered office of the Company, in the form and context in which they appear in this Circular.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 2 Balestier Road, #03-669 Balestier Hill Shopping Centre, Singapore 320002 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2020, FY2021 and FY2022 (which contain the audited consolidated financial statements of the Group for FY2020, FY2021 and FY2022);
- (c) the Interim Results;
- (d) the letters of consent referred to in paragraph 11 of Appendix II to this Circular;
- (e) the IFA Letter set out in Appendix I to this Circular;
- (f) the Valuation Document set out in Appendix IV to this Circular; and
- (g) the Valuation Report in respect of the Subject Property from the Valuer.

Shareholders who wish to inspect any of the aforementioned documents are to make an appointment by phone at +65 6256 2288 or by email to sysma@sysma.sg.

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends have been reproduced below.

All capitalised terms and expressions used in the following extract shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 2 Balestier Road #03-669 Balestier Hill Shopping Centre Singapore 320002 during normal business hours for the period during which the Offer remains open for acceptance.

1. The Rights of Shareholders in respect of Capital

“SHARES

5. *Subject to the Statutes and the Listing Manual, no shares may be issued without the prior approval of the Company in General Meeting but subject thereto and to these Articles relating to new shares and to any special right attached to any share for the time being issued, the Directors may allot (with or without conferring any right of renunciation), grant options over or otherwise dispose of the same to such persons on such terms and conditions (including such consideration) and at such time as the Directors determine Provided Always that the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.* *Shares under control of Company in General Meeting.*
6. (1) *The Company in General Meeting may by Ordinary Resolution authorise the Directors to exercise any power of the Company to issue shares, such authority being confined to a particular exercise of that power or generally. Any such authority may be unconditional or subject to conditions and shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held whichever is the earlier but may be previously revoked or varied by the Company in General Meeting Provided Always that no shares may be issued to transfer a controlling interest without prior approval of the Company in General Meeting.* *Authority of Directors to issue shares.*
- (2) *Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the SGX-ST) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof or before such share is entered against the name of a Depositor in the Depository Register, as the case may be, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of such share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit.*
7. *Any share in the Company may be issued with such preferred, qualified, deferred or other special rights, privileges and conditions or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the Statutes, the Company may issue preference shares which are or, at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine PROVIDED ALWAYS that the total number of issued preference shares shall not exceed the total number of issued ordinary shares at any one time.* *Company may issue shares with preferred, qualified, deferred and other special rights.*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

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| 8. | <p><i>The Company shall have the power to issue further preference capital ranking equally with or in priority to the preference capital then already issued.</i></p> | <p><i>Issue of further preference shares.</i></p> |
| 9. | <p><i>Subject to the provisions of the Statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting, all provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him and that any holder of the preference shares concerned present either in person or by proxy may demand a poll Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.</i></p> | <p><i>Alteration of rights of preference shareholders.</i></p> |
| 10. | <p><i>Preference shareholders shall have the same rights as ordinary Members as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning the sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.</i></p> | <p><i>Rights of preference shareholders.</i></p> |
| 11. | <p><i>If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the holder for the time being of the share or his legal personal representative.</i></p> | <p><i>Instalments of shares.</i></p> |
| 12. | <p><i>The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, for any share in the capital of the Company but such commission shall not exceed ten per cent of the price at which the shares are issued or an amount equivalent thereof. Any such commission may be paid in whole or in part in cash or fully or partly paid shares of the Company as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any share in the Company, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the Statutes shall be observed, as far as applicable.</i></p> | <p><i>Commission for subscribing.</i></p> |
| 13. | <p><i>(1) The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, administrators or trustees of the estate of a deceased Member.</i></p> | <p><i>Joint holders.</i></p> |

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

- (2) *Subject to Article 13(1), any two or more persons may be registered as joint holders of any share and the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls and interest (if any) due in respect of such share.*
- (3) *The joint holder first named in the Register or the Depository Register, as the case may be, shall as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.*
14. *No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the person (other than the depository) entered in the Register as the registered holder or in the person whose name is entered in the Depository Register in respect of that share, as the case may be, except only where these Articles otherwise provide or as required by the Statutes or pursuant to any order of Court.* *No trusts recognised.*
15. *No person shall exercise any rights of a Member in respect of a share until his name shall have been entered in the Register as the registered holder thereof or in the Depository Register in respect of such share, as the case may be, and, unless the Directors otherwise determine, such person shall have paid all calls and other moneys for the time being due and payable on any share held by him.* *Exercise of rights of members.*
16. *No part of the funds of the Company shall be employed by the Directors or the Company in the acquisition of shares in the Company or in lending on the security of shares in the Company unless permitted by the Statutes.* *Company not to deal with its own shares.*
- SHARES CERTIFICATE**
17. *Every certificate for shares shall be under the Seal.* *Authentication of certificates.*
18. *Every certificate of shares shall specify the number of the shares in respect of which it is issued, and the amount paid up thereon. No share certificate shall be issued representing shares of more than one class.* *Certificates shall specify number of shares.*
19. *Every person whose name is entered as a registered holder in the Register shall be entitled without payment to receive within ten Market Days (or such other period as may be approved by the Exchange) after the closing date for applications to subscribe for a new issue of shares and within fifteen Market Days (or such other period as may be approved by the Exchange) after lodgement of a registrable transfer one certificate under the Seal in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class subject to such person's prior payment of two Singapore Dollars (or such other sum as the Directors shall from time to time determine having regard to any limitation thereof as the Exchange may prescribe) for every certificate after the first and such stamp duty as is payable on such certificate unless otherwise directed by the Directors Provided Always that in the case of joint registered holders, the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders.* *Member's right to certificate & cancellation of certificates.*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

- 20 (1) *Where only some of the shares comprised in any share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu thereof without charge.* *Issue of replacement certificates.*
- (2) *Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register may be cancelled at his request and a single new certificate for such shares issued in lieu thereof without charge.*
- (3) *Any share certificate representing shares of any class held by any person whose name is entered in the Register may be surrendered by such person for cancellation and at his request the Company may issue in lieu thereof two or more share certificates representing such shares in such proportions as such person may specify, and the Directors may comply with such request if they think fit. Such person shall pay a maximum of two Singapore Dollars for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine, taking into consideration any limitation thereof as may be prescribed by the Exchange.*
- (4) *Subject to the Statutes, if any share certificate shall be defaced, worn out, destroyed, stolen or lost, it may be renewed on such evidence being produced and a letter of indemnity or undertaking (if required) being given by the purchaser, registered holder, transferee, person entitled or Member company of the Exchange or on its behalf or their client or clients as the Directors shall require and in the case of defacement or wearing out on delivery up of the old certificate and in any case on payment of such sum not exceeding two Singapore Dollars as the Directors may from time to time require (or such other amount not exceeding two Singapore Dollars as may be permitted under the Statutes). In the case of theft, destruction or loss the registered holder or the person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such theft, destruction or loss.*
- (5) *Where shares are registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.*
21. *The certificates of shares registered in the names of two or more persons may be delivered to the joint holder first named in the Register.* *Delivery of share certificates.*

LIEN ON SHARES

22. *The Company shall have a first and paramount lien on every share (not being a fully-paid share) and all dividends or interests from time to time declared in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time, in respect of that share and for all moneys which the Company may be called upon by law to pay in respect of the shares of the Member or the deceased Member. The Directors may however waive any lien which has arisen and may resolve that any share shall for any limited period be exempt wholly or partially from the provisions of this Article 22.* *Company's lien on shares.*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

23. *For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, and no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on the holder for the time being of the share or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven days after such notice.* *Right to enforce lien by sale.*
24. *The net proceeds of any such sale shall be applied in or towards the satisfaction of the amount due, and the residue (if any) shall be paid to the person whose share has been sold, his executors, administrators, trustees or assignees or as he shall direct.* *Application of proceeds of sale.*
25. *To give effect to any such sale the Directors may authorise some person to transfer or to effect the transfer, as the case may be of the shares sold to the purchaser.* *How sale to be effected.*

CALLS ON SHARES

26. *The Directors may from time to time make calls upon the Members in respect of any money unpaid on their shares or on any class of shares and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to his having been given at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.* *Powers of Directors to make calls.*
27. *The joint holders of a share shall be jointly and severally liable to pay all calls and interest (if any) in respect thereof.* *Joint and several liability.*
28. *If before or on the day appointed for payment thereof a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at the rate of eight per cent per annum from the day appointed for payment thereof to the time of actual payment, but the Directors shall have power to waive payment of such interest or any part thereof.* *Interest on unpaid calls.*
29. *Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all the other relevant provisions of these Articles or the Statutes shall apply as if such sum were a call duly made and notified as hereby provided.* *Sums payable under terms of allotment to be deemed calls.*
30. *The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.* *Difference in calls between various holders.*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

31. *The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any part of the moneys so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.*
- Payment of call in advance.

FORFEITURE ON SHARES

32. *If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any interest thereon, the Directors may at any time thereafter during such time as the call or instalment or interest remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest (including interest upon interest) and expenses that may have been incurred by the Company by reason of such non-payment.*
- Notice to be given of intended forfeiture.
33. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or interest is payable shall be liable to be forfeited.*
- Form of notice.
34. *If the requirements of any notice as aforesaid are not complied with, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*
- If notice not complied with shares may be forfeited.
35. *Any share so forfeited or surrendered shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed.*
- Sale etc of forfeited and surrendered shares.
36. *The Directors may at any time before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender thereof upon such conditions as they think fit.*
- Power to annul forfeiture.
37. *For the purpose of giving effect to any sale of forfeited or surrendered shares, the Directors may authorise some person to transfer or to effect the transfer of, as the case may be, the shares sold to the purchaser.*
- Transfer of forfeited or surrendered shares.

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

38. *Any Member whose shares shall have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares but shall, notwithstanding such forfeiture or surrender, be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until payment, at the rate of eight per cent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. Any residue after the satisfaction of the unpaid calls, accrued interest and expenses shall be paid to the person whose shares have been forfeited or surrendered, his executors, administrators, trustees or assignees or as he shall direct.* *Liability on forfeited share.*
39. (1) *A statutory declaration in writing that the declarant is a Director or the Secretary, and that a share has been duly forfeited, surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate, where the same be required, delivered to a purchaser or (where the purchaser is a Depositor) to the Depository or the allottee thereof, as the case may be, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share.* *Declaration by Director or Secretary conclusive of fact of forfeiture.*
- (2) (a) *In the event of such sale, re-allotment or disposal, where the person (the "Relevant Person") to whom the share is sold, re-allotted or disposed of is not a Depositor, the share shall be registered in the Register in the name of the Relevant Person and, where the Relevant Person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of.*
- (b) *The Relevant Person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*

TRANSFER OF SHARES

40. *Save as provided by these Articles, there shall be no restriction on the transfer of fully paid shares (except where required by law or by the rules, bye-laws or listing rules of the Exchange). All transfers of shares may be effected by way of book-entry in the Depository Register Provided Always that the legal title in the shares may be transferred by the registered holders thereof by an instrument of transfer in the form approved by the Exchange. The instrument of transfer shall be left at the Office accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the registered holder of the shares until the name of the transferee is entered in the Register in respect thereof.* *Shares to be transferable.*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

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| 41. | <i>The instrument of transfer shall be signed both by the transferor and by the transferee, and it shall be witnessed Provided Always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository.</i> | <i>Instrument of transfer.</i> |
| 42. | <i>Shares of different classes shall not be comprised in the same instrument of transfer.</i> | <i>Only shares of same class to be in same instrument.</i> |
| 43. | <i>No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.</i> | <i>Restriction on transfer.</i> |
| 44. | <p><i>(1) All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.</i></p> <p><i>(2) The Company shall be entitled to destroy:-</i></p> <p style="margin-left: 20px;"><i>(a) all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof;</i></p> <p style="margin-left: 20px;"><i>(b) all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof; and</i></p> <p style="margin-left: 20px;"><i>(c) all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof.</i></p> <p><i>(3) It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that:</i></p> <p style="margin-left: 20px;"><i>(a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;</i></p> <p style="margin-left: 20px;"><i>(b) every share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and</i></p> <p style="margin-left: 20px;"><i>(c) every other document hereinbefore mentioned so destroyed was a valid and effective document; in accordance with the recorded particulars thereof in the books or records of the Company.</i></p> <p><i>(4) Articles 44(2) and 44(3) shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant.</i></p> <p><i>(5) Nothing contained in this Article 44 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstance which would not attach to the Company in the absence of this Article 44, and references in this Article 44 to the destruction of any document include references to the disposal thereof in any manner.</i></p> | <p><i>Retention of Instrument of transfer and disposal of documents.</i></p> |

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

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| 45. | <p><i>The Directors may decline to accept any instrument of transfer unless:-</i></p> <p style="margin-left: 40px;">(a) <i>all or any part of the stamp duty (if any) payable on each share transfer and such fee not exceeding two Singapore Dollars for each transfer or such other sum as may from time to time be prescribed by the Exchange is paid to the Company; and</i></p> <p style="margin-left: 40px;">(b) <i>such fee not exceeding two Singapore Dollars as the Directors may from time to time determine is paid to the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.</i></p> | <p><i>Fees relating to transfers.</i></p> |
| 46. | <p><i>The Directors may refuse to register the transfer of shares or allow the entry of or against a person's name in the Depository Register in respect of shares transferred or to be transferred to such person:-</i></p> <p style="margin-left: 40px;">(a) <i>which are not fully paid up; or</i></p> <p style="margin-left: 40px;">(b) <i>on which the Company has a lien.</i></p> | <p><i>Power of Directors to refuse to register.</i></p> |
| 47. | <p><i>If the Directors refuse to register any transfer of any share they shall, where required by the Statutes, serve on the transferor and transferee, within one month beginning with the day on which the transfer was lodged with the Company, a notice in writing informing each of them of such refusal and of the facts which are considered to justify the refusal.</i></p> | <p><i>Notice of refusal to be sent by Company.</i></p> |
| 48. | <p><i>The Register may be closed at such times and for such periods as the Directors may from time to time determine Provided Always that the Register shall not be closed for more than thirty days in any year Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange stating the period and purpose or purposes for which such closure is to be made.</i></p> | <p><i>Closure of the Register.</i></p> |
| 49. | <p>(1) <i>In the case of the death of a Member the survivor where the deceased was a joint holder, and the legal personal representative of the deceased who was a sole or only surviving holder, or where such legal representative is entered in the Depository Register in respect of the shares of the deceased Member who was a Depositor, shall be the only person recognised by the Company as having any title to his shares.</i></p> <p style="margin-top: 10px;">(2) <i>Nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.</i></p> | <p><i>Transmission of registered shares.</i></p> |
| 50. | <p><i>Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register may upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the share, upon giving to the Company notice in writing of such intent, or to make such transfer thereof as such deceased or bankrupt person could have made, but the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of such transfer by such deceased or bankrupt person before the death or bankruptcy, as the case may be.</i></p> | <p><i>Rights of registration and transfer upon demise or bankruptcy of Member.</i></p> |

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51. *Save as otherwise provided in these Articles, a person becoming entitled to a share pursuant to Articles 49⁽¹⁾ and 50, shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member until he shall have been registered as a Member in the Register or his name shall have been entered in the Depository Register, as the case may be Provided Always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with within ninety days of the date of such notice, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.*
- Person registered under transmission clause entitled to dividends.*

PURCHASE OF OWN SHARES

52. (1) *Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act.*
- Company may purchase its own shares.*
- (2) *All shares purchased by the Company shall (unless held as treasury shares in accordance with the provisions of the Act) be deemed to be cancelled. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorized by, or prescribed pursuant to, the Act.*
- Treasury shares.*

STOCK

53. *The Company in General Meeting may by Ordinary Resolution convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares.*
- Conversion of shares to stock.*
54. *When any shares have been converted into stock the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum amount of stock transferable.*
- Stockholders entitled to transfer interest.*
55. *The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same rights, privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such rights, privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares, have conferred such rights, privileges or advantages.*
- Stockholders entitled to profits.*
56. *All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words “shares” shall include “stock”, and “Depositor”, “Member” and “shareholder” shall include “stockholder”.*
- Definitions.*

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57. *The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorising such increase shall direct.* *Power to increase capital.*
58. (1) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Listing Manual, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances permit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think fit most beneficial to the Company, The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 58(1).* *Issue of new shares to Members and Notice of issue.*
- (2) *Notwithstanding Article 58(1), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*
- (i) (a) *issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or*
 - (b) *make or grant offers, agreements or options, (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and*
 - (ii) *notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force.*
- provided that:*
- (A) *the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by SGX-ST;*
 - (B) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the Listing Manual (unless such compliance is waived by the SGX-ST) and these Articles; and*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

(C) *unless revoked or varied by the Company in General Meeting, the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act whichever is the earliest.*

59. *Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association or these Articles, any capital raised by creation of new shares shall be considered as part of the original capital and all new shares shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.*

New capital considered part of original capital.

60. (1) *The Company may by Ordinary Resolution:-*

Alteration of capital.

- (a) *consolidate and divide all or any of its share capital; or*
- (b) *cancel the number of shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the number of the shares so cancelled; or*
- (c) *sub-divide its existing shares or any of them. The resolution by which the subdivision is effected may determine that, as between the holders of the resulting shares, one or more of such shares may have any such preferred, deferred or other special rights or be subject to any restriction as the Company has power to attach to unissued or new shares; or*
- (d) *subject to the Statutes, convert any class of shares into any other class of shares.*

(2) *The Company may by Special Resolution reduce its share capital in any manner and with and subject to any requirement authorised and consent required by law.*

MODIFICATION OF CLASS RIGHTS

61. *Subject to the Statutes and save as provided by these Articles, all or any of the special rights or privileges attached to any class of shares in the capital of the Company for the time being issued may, at any time, as well before as during liquidation, be modified, affected, altered or abrogated, either with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting, but so that the quorum thereof shall be not less than two persons personally present and holding or representing by proxy one-third of issued shares of the class, and that any holder of shares of the class, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class held or represented by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or Resolution to the Registrar of Companies.*

Modification of class rights.

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

2. The Rights of Shareholders in respect of voting

“GENERAL MEETINGS

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| 66. | <i>In addition to any other meetings, a General Meeting shall be held once at least in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings but in any event before the expiry of four months from the close of the financial year of the Company, or such other period as may be prescribed under the Statutes or by the SGX-ST from time to time.</i> | <i>General Meetings.</i> |
| 67. | <i>The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.</i> | <i>Annual General Meetings.</i> |
| 68. | <i>The First Annual General Meeting of the Company shall be held at such time within a period of not more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine.</i> | <i>First Annual General Meeting.</i> |
| 69. | <i>The Directors may call an Extraordinary General Meeting of the Company whenever they think fit in accordance with the Statutes.</i> | <i>Directors may call Extraordinary General Meetings.</i> |
| 70. | <i>The Directors shall, on the request of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such request the following provisions shall have effect:-</i> | <i>Extraordinary General Meetings called on requisition of shareholders.</i> |
| | <i>(a) The request must state the objects of the meeting and must be signed by the requestor and deposited at the Office, and may consist of several documents in like form each signed by one or more requestor.</i> | |
| | <i>(b) If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the request being so deposited, the requestor or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.</i> | |
| | <i>(c) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the Directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by the Statutes.</i> | |
| | <i>(d) Any meeting convened under this Article by the requestor shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.</i> | |

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| 71. | <p><i>Subject to the Statutes relating to the convening of meetings to pass Special Resolutions and agreements for shorter notice, at least fourteen clear days' notice in writing specifying the place, day and hour of the meeting, and in case of special business, a notice in writing setting out the general nature of such special business, accompanied by a statement regarding the effect of any proposed resolution in respect of such special business, shall be given to all Members and the Exchange other than such as are not entitled under these Articles to receive such notices from the Company. At least fourteen days notice in writing of any General Meeting shall be given and at least twenty-one days' notice in writing in the case of a Meeting to pass Special Resolution shall be given to all Members and the Exchange. Every such notice shall be published in at least one English Language daily newspaper circulating in the Republic of Singapore at least fourteen clear days before the meeting. Whenever any meeting is adjourned for fourteen days or more, at least seven days' notice in writing of the place and hour of such adjourned meeting shall be given in like manner Provided Always that when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</i></p> | <p><i>Notice of Meeting.</i></p> |
| 72. | <p><i>Any Member entitled to be present and vote at a meeting or his proxy may submit any resolution to any General Meeting, provided that at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served and the day appointed for the meeting, there shall be not less than three nor more than fourteen intervening days.</i></p> | <p><i>Members may submit resolution to meeting on giving notice to Company.</i></p> |
| 73. | <p><i>Upon receipt of any such notice as in the last preceding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.</i></p> | <p><i>Secretary to give notice to Members.</i></p> |
| 74. | <p><i>The accidental omission to give any notice to or non-receipt of any notice by any Member shall not invalidate the meeting or any resolution passed or proceedings at any such meeting.</i></p> | <p><i>Accidental omission to give notice.</i></p> |

PROCEEDINGS AT GENERAL MEETINGS

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| 75. | <p><i>All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, the declaration of dividends and the appointment of and the fixing of the remuneration of the Auditors.</i></p> | <p><i>Special business.</i></p> |
| 76. | <p><i>Save as is herein otherwise provided, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum is present at the commencement of the business. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 91.</i></p> | <p><i>Quorum.</i></p> |

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| 77. | <i>If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; In any other case it shall stand adjourned to the same day in the next week, at the same time and place. At the adjourned meeting, any two or more Members present in person or by proxy shall be a quorum.</i> | <i>If quorum not present.</i> |
| 78. | <i>The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director or, if no Director be present or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting.</i> | <i>Chairman.</i> |
| 79. | <i>The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</i> | <i>Adjournment.</i> |
| 80. | <i>At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by:-</i> | <i>How matters are to be decided.</i> |
| | <div style="margin-left: 40px;"> <i>(a) the Chairman of the meeting; or</i> </div> <div style="margin-left: 40px;"> <i>(b) not less than two Members present in person or by proxy and entitled to vote; or</i> </div> <div style="margin-left: 40px;"> <i>(c) a Member or Members present in person or by proxy, holding or representing, as the case may be:-</i> </div> <div style="margin-left: 80px;"> <i>i) not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting; or</i> </div> <div style="margin-left: 80px;"> <i>ii) shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.</i> </div> | |
| 81. | <div style="margin-left: 20px;"> <i>(1) If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.</i> </div> <div style="margin-left: 20px;"> <i>(2) No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.</i> </div> | <i>Chairman's direction as to poll.</i> |
| 82. | <i>Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.</i> | <i>Declaration of Chairman conclusive.</i> |

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| 83. | (1) | <p><i>No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting, as the case may be, at which the vote objected to is or may be given, tendered or cast, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.</i></p> | <p><i>Objection to admissibility.</i></p> |
| | (2) | <p><i>If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.</i></p> | |
| 84. | | <p><i>In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.</i></p> | <p><i>In the event of equality of votes.</i></p> |
| 85. | (1) | <p><i>Subject to and without prejudice to any special privileges or restriction as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company:-</i></p> | <p><i>Voting rights.</i></p> |
| | (a) | <p><i>every Member who is present in person or by proxy shall have one vote on a show of hands, the Chairman to decide which proxy shall be entitled to vote where a Member is represented by two proxies; and</i></p> | |
| | (b) | <p><i>every Member who is present in person or by proxy, in case of a poll, shall have one vote for every share which he holds or represents and upon which all calls or other sums due thereon to the Company have been paid.</i></p> | |
| | (2) | <p><i>For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting upon a poll being called, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company.</i></p> | |
| 86. | | <p><i>In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.</i></p> | <p><i>Right of joint holders.</i></p> |
| 87. | | <p><i>Unless the Directors otherwise determine, no person other than a Member who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any resolution either personally or by proxy at any General Meeting.</i></p> | <p><i>Members only entitled to vote upon full payment.</i></p> |
| 88. | | <p><i>A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy.</i></p> | <p><i>Votes of Members of unsound mind.</i></p> |

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| 89. | <i>On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.</i> | <i>Vote personal or by proxy.</i> |
| 90. | <p><i>(1) A proxy need not be a Member.</i></p> <p><i>(2) A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting Provided Always that where the Member is a Depositor, the Company shall be entitled and bound:-</i></p> <p style="margin-left: 40px;"><i>(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company;</i></p> <p style="margin-left: 40px;"><i>(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and</i></p> <p style="margin-left: 40px;"><i>(c) in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.</i></p> <p><i>(3) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.</i></p> | <p><i>Proxies.</i></p> |
| 91. | <i>Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meetings of the Company or any class of Members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder.</i> | <i>Corporation may appoint representative.</i> |
| 92. | <p><i>An Instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:-</i></p> <p style="margin-left: 40px;"><i>(1) in the case of an individual shall be signed by the shareholder or his attorney;</i></p> <p style="margin-left: 40px;"><i>(2) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.</i></p> | <p><i>Execution of instrument of proxy on behalf of shareholder.</i></p> |

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

- | | |
|--|--|
| 93. <i>Where an instrument appointing a proxy is signed on behalf of the shareholder by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.</i> | <i>Lodgement of instrument appointing proxy.</i> |
| 94. <i>The signature on an instrument of proxy need not be witnessed.</i> | <i>No witness needed for instrument of proxy.</i> |
| 95. <i>A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided Always that no notice in writing of the death or revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting.</i> | <i>When vote by proxy valid through authority revoked.</i> |
| 96. <i>An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.</i> | <i>Instrument deemed to confer authority.</i> |
| 97. <i>Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.</i> | <i>Voting in respect of shares of difference monetary denominations.</i> |

3. The Rights of Shareholders in respect of dividends

“DIVIDENDS

- | | |
|--|---|
| 135. <i>The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively.</i> | <i>Appropriation of profits.</i> |
| 136. <i>The Company in General Meeting may by Ordinary Resolution declare a dividend on or in respect of any share to the Members according to their rights and interest in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.</i> | <i>Declaration of dividends.</i> |
| 137. <i>No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.</i> | <i>Dividend payable out of profits.</i> |
| 138. <i>The declaration of the Directors as to the net profits of the Company shall be conclusive.</i> | <i>Declaration conclusive.</i> |

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

139. *The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.* Interim dividend.
140. *The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.* Debts may be deducted.
141. *A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be.* Effect of transfer.
142. *Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debenture stock of any other company, or in any one or more of such ways.* Dividend in specie.
- (1) *The Directors may further resolve in the case of ordinary shares in the Company, that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend, as the Directors may think fit. In such case, the following provisions shall apply:-*
- (a) *the basis of any such allotment shall be determined by the Directors;*
- (b) *the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
- (c) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

- (d) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “elected ordinary shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid for such purpose (notwithstanding any provision of the Articles to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalization, application, payment and distribution of funds which may be lawfully appropriated, capitalized, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (a) capitalize and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and amongst the holders of the elected ordinary shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*
- (2) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
- (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalization application, payment and distribution of funds pursuant to this Article, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlement accrues to the Company rather than the members) and to authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such appropriation, capitalization, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

143. *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmissions of shares hereinbefore contained entitled to become a Member, or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.* Power to retain dividends.
144. *In case several persons are registered in the Register or entered in the Depository Register, as the case may be, as the holders of any share, any resolution of the Directors or the Company in General Meeting declaring a dividend on shares of any class may specify that the dividend shall be payable to such persons at the close of business on a particular date and thereupon the dividend shall be payable in accordance with their respective holdings so registered. Any person registered in the Register or in the Depository Register, as the case may be, as the holder or joint holder of any share or is entitled jointly to a share in consequence of the death or bankruptcy of the holder may give effectual receipts for dividends, bonuses, other moneys payable or properties distributable and payment on account of dividends on or in respect of such shares.* Payment to and receipt by joint holders.
145. *Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.* Notice of dividend.
146. *Unless otherwise directed, any dividend may be paid by cheque, dividend warrant or Cashiers' Order, sent through the post to the registered address appearing in the Register or the Depository Register, as the case may be, of the Member or person entitled, or where two or more persons are registered in the Register or entered in the Depository Register, as the case may be, as joint holders or are entitled to the dividend as a result of the death or bankruptcy of the holder, to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect thereof and every cheque, dividend warrant or Cashiers' Order so sent shall be made payable to the order of the person to whom it is sent or to any person and address as such Member(s) or persons(s) may direct in writing. The Company shall not be responsible for the loss of any cheque, dividend warrant or Cashiers' Order, which shall be sent by post duly addressed to and at the sole risk of the Member or person for whom it is intended. Payment of the cheque, dividend warrant or Cashiers' Order by the bank upon which they are respectively drawn shall be a full and valid discharge to the Company. Notwithstanding the provisions of these Articles, payment by the Company to the Depository of any dividend payable to a Depositor shall also be a full and valid discharge of the Company from liability to the Depositor in respect of that payment to the extent of the payment made to the Depository.* Payment by post.
147. *The Depository will hold all dividends unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of the Company until claimed.* Unclaimed.

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

CAPITALISATION OF PROFITS AND RESERVES

148. (1) *The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve funds or to the credit of the profit and loss account or otherwise available for distribution; and accordingly that such sum be set free for distribution amongst the holders of shares in the Register or in the Depository Register, as the case may be, who would have been entitled thereto if distributed by way of dividends and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such holders or to their nominees in the proportion aforesaid or partly in the one way and partly in the other and the Directors shall give effect to such resolution.*
- Capitalisation of profits and reserves.*
- (2) *Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of the holders of such shares in the Register or in the Depository Register, as the case may be, under such resolution to a fractional part of a share by the issue of fractional certificates or by payment in cash or otherwise as they think fit and also to authorise any persons to enter on behalf of such holders entitled thereto or their nominees into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation; and any agreement made under such authority shall be effective and binding on all such holders and their nominees.*

RESERVE FUND

149. *The Directors may, before declaring any dividend or bonus in respect of any class of shares out of or in respect of the earnings or profits of the Company for any yearly or other period, cause to be reserved or retained and set aside out of such sums as they may determine to form a reserve fund to meet contingencies or depreciation in the value of the property of the Company, or for equalising dividends or for special dividends or for distribution of bonuses or for repairing, improving and maintaining any of the property of the Company, or for such other purposes the Directors shall, in their absolute discretion, think conducive to the interest of the Company."*
- Formation and object of Reserve Fund.*

APPENDIX IV – VALUATION DOCUMENT



Our Ref: V/2023/1008/PTE

20 June 2023

Sysma Holdings Limited
2 Balestier Road #01-665
Singapore 320002

Savills Valuation and
Professional Services (S) Pte Ltd
Reg No.: 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T: (65) 6836 6888
F: (65) 6536 8611

savills.com

Dear Sirs

VALUATION OF 11 TUAS SOUTH STREET 10, SINGAPORE 637098

We refer to the instructions of Sysma Holdings Limited (the "Client") to carry out valuation of the abovementioned property to provide the market value for the purpose of Voluntary Conditional General Offer.

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

This definition of market value is also consistent with that as advocated by the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council (IVSC).

We have carried out site inspections, title searches, made other relevant inquiries and investigations as we consider necessary to provide you with the Valuation Certificate outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be available for inspection under the Circular to shareholders of Sysma Holdings Limited.

The valuation method that we have adopted is Direct Comparison Method for all properties. In this method, a comparison is made with sales of similar properties in the subject or comparable localities. Adjustments are made for differences in location, size, tenure, design and layout, age/condition, and date of sale, etc., before arriving at the value of the subject property.

Savills Valuation and Professional Services (S) Pte Ltd ("Savills") have relied upon the property data supplied by the Client which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by the client and subsequent conclusions related to such data.

APPENDIX IV – VALUATION DOCUMENT



The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions as set out in the valuation report for the property and are our personal, unbiased professional analysis, opinions and conclusions. We have no present or prospective interest in the property and are not a related corporation of nor do we have a relationship with the Client, the advisers or other party/parties with whom the Client are contracting. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that our valuers undertaking this valuation are authorised to practice as valuers and have the necessary expertise as well as experience in valuing similar types of properties.

Yours faithfully

Savills Valuation And

A handwritten signature in black ink, appearing to read "Daniel Ee", written over a horizontal line.

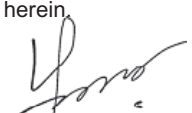
Daniel Ee
Executive Director
MSISV
Licensed Appraiser No. AD041-2004607E

The signatory has over 30 years of valuation and consultancy experience in Singapore.

encl. Valuation Certificate



Valuation Certificate

Address of Property	11 Tuas South Street 10, Singapore 637098
Client	Sysma Holdings Limited
Purpose of Valuation	Voluntary Conditional General Offer
Legal Description	Lot 4671X Mukim 7
Tenure	Leasehold 21 years and 11 months commencing on 15 November 2013
Registered Lessee	Kian Hock Engineering Pte. Ltd. ("Lessee"), a subsidiary of Sysma Holdings Limited.
Legal Encumbrances	The property is mortgaged to DBS Bank Ltd.
Brief Description	The subject property is located at the north-western junction of Tuas South Street 10 and Tuas South Street 9, off Tuas South Avenue 9 and Tuas South Avenue 14, and approximately 35 kilometres west of the City Centre. Notable landmarks nearby include CSL Building, CDPL (Tuas Dormitory), Tuas South Recreation Centre, Tuas South Dormitory, Toolbox, Shine@Tuas South, Tuas South Connection, Logos Tuas Logistics Hub, Tuas Biomedical Park II and the newly open Tuas Mega Port, among others. The subject property is a 3-storey detached factory comprising a high ceiling production area, ancillary office and ancillary workers' dormitory (for 100 workers). The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 23 March 2017 and 10 August 2018 respectively.
Site Area	4,526.7 sm, subject to government's re-survey
Gross Floor Area	3,327.79 sm, as provided and subject to final survey
Occupancy/Tenancy	The property is currently owner-occupied.
Annual Value (AV)	\$475,000. Property tax is payable at 10% of the assessed AV.
Master Plan (2014)	Business 2 with a plot ratio of 1.0
Land Premium	Land premium has been paid upfront.
Permitted Use	For warehouse for storage purposes and primary ancillary workers' dormitory and any use(s) that may be permitted by the Competent Authority under the Planning Act (Chapter 232) for a Business 2 zoning in accordance with the Master Plan Written Statement.
Basis of Valuation	As-Is basis and subject to vacant possession
Valuation Approach	Direct Comparison Method
Date of Valuation	20 June 2023
Recommended Market Value (As-Is Basis)	\$7,200,000 (Singapore Dollars Seven Million And Two Hundred Thousand Only)
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein. 
Prepared by	Daniel Ee Licensed Appraiser No. AD041-2004607E Savills Valuation And Professional Services (S) Pte Ltd

This valuation is exclusive of Goods and Services Tax.

LS-DE/pt

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in local currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023



SYSMA HOLDINGS LIMITED

Company Registration No: 201207614H
(Incorporated in the Republic of Singapore on 28 March 2012)
2 Balestier Road, #03-669, Balestier Hill Shopping Centre, Singapore 320002
Tel: 6256 2288 (4 lines) Fax: 6252 4156
E-mail: sysma@sysma.com.sg

FINANCIAL STATEMENTS ANNOUNCEMENT

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX
MONTHS PERIOD ENDED 31 JANUARY 2023**

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

PART I - CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

A Condensed interim consolidated statement of comprehensive income

	Note	Group		
		6 months ended		
		31/01/2023 Unaudited S\$'000	31/01/2022 Unaudited S\$'000	Increase/ (Decrease) %
Revenue	4	29,606	25,426	16.4
Cost of sales		(26,071)	(21,336)	22.2
Gross profit		3,535	4,090	(13.6)
Other income		1,090	1,846	(41.0)
Gain on disposal of financial asset measured at fair value through profit or loss		-	5,494	n.m.
Fair value loss on financial assets measured at fair value through profit or loss		(520)	(200)	160.0
Other operating expenses		(2,730)	(2,157)	26.6
Administrative expenses		(2,986)	(4,329)	(31.0)
Finance costs		(288)	(229)	25.8
Profit before income tax		(1,899)	4,515	n.m.
Income tax expense	5	(182)	(854)	(78.7)
(Loss)/ profit for the period, representing total comprehensive income for the period		(2,081)	3,661	n.m.
(Loss)/ profit attributable to:				
Owners of the company		(2,708)	3,129	n.m.
Non-controlling interests		627	532	17.86
		(2,081)	3,661	(156.8)
Total comprehensive (loss) income attributable to:				
Owners of the company		(2,708)	3,129	n.m.
Non-controlling interests		627	532	17.86
		(2,081)	3,661	n.m.
Weighted average number of ordinary shares ('000)		252,349	252,349	-
Basic and diluted earnings per share (cent)		(0.82)	1.45	n.m.

n.m.: not meaningful

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

	Group		
	Six months ended		
	31/01/2023	31/01/2022	Increase/ (Decrease)
	Unaudited	Unaudited	(Decrease)
	S\$'000	S\$'000	%
After charging:			
Depreciation of property, plant and equipment	4,309	2,279	89.1
Operating lease expenses	544	634	(14.2)
Interest on lease liabilities	96	57	68.4
Interest on bank loans	192	96	100.0
Net foreign exchange losses	1,275	577	121.0
Net loss allowance – trade receivables	-	57	n.m.
and crediting:			
Rental income	33	34	(2.9)
Interest income	272	135	101.5
Write back of provisions	64	-	n.m.
Net write back of loss allowance -trade receivables	503	-	n.m.
Government grants	62	695	(91.1)
Gain on disposal of property, plant and equipment	2	375	(99.5)

n.m.: not meaningful

Related party transactions

There are no material related party transactions during the current reporting period.

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

B Condensed interim statements of financial position

	Note	Group		Company	
		31/01/2023 Unaudited S\$'000	31/07/2022 Audited S\$'000	31/01/2023 Unaudited S\$'000	31/07/2022 Audited S\$'000
Assets					
Current assets					
Cash and cash equivalents		38,486	43,191	18,832	23,440
Pledged bank deposits		1,017	1,016	-	-
Trade and other receivables		8,068	8,364	7,268	4,485
Contract assets		7,433	9,602	-	-
Properties held for sale	6	3,469	3,469	-	-
Total current assets		58,473	65,642	26,100	27,925
Non-current assets					
Property, plant and equipment	7	24,142	24,453	-	-
Goodwill	8	4,908	4,908	-	-
Investment in subsidiaries		-	-	31,234	34,502
Financial asset measured at fair value through profit or loss	9	21,424	20,049	21,424	20,049
Other intangible assets	10	275	366	-	-
Other receivables		-	-	172	681
Contract assets		2,481	1,946	-	-
Total non-current assets		53,230	51,722	52,830	55,232
Total assets		111,703	117,364	78,930	83,157
Liabilities and equity					
Current liabilities					
Trade and other payables		16,651	18,036	17,366	17,670
Contract liabilities		2,904	4,071	-	-
Provisions		5,570	5,634	-	-
Bank loans	11	2,880	2,414	-	-
Lease liabilities		2,156	1,642	-	-
Income tax payable		1,312	1,624	175	69
Total current liabilities		31,473	33,421	17,541	17,739
Non-current liabilities					
Trade and other payables		468	383	-	-
Lease liabilities		2,527	2,528	-	-
Bank loans	11	10,865	12,374	-	-
Deferred tax liabilities		1,604	1,811	-	-
Total non-current liabilities		15,464	17,096	-	-

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

	Note	Group		Company	
		31/01/2023 Unaudited S\$'000	31/07/2022 Audited S\$'000	31/01/2023 Unaudited S\$'000	31/07/2022 Audited S\$'000
Capital and reserves	12				
Share capital		45,538	45,538	45,538	45,538
Treasury shares		(1,120)	(1,120)	(1,120)	(1,120)
Merger reserve		(3,517)	(3,517)	-	-
Equity reserve		(844)	(844)	-	-
Accumulated profits		18,462	21,170	16,971	21,000
Equity attributable to owners of the Company		58,519	61,227	61,389	65,418
Non-controlling interests		6,247	5,620	-	-
Total equity		64,766	66,847	61,389	65,418
Total liabilities and equity		111,703	117,364	78,930	83,157

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

B2 Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/01/2023 (Unaudited)		As at 31/07/2022 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,036	-	4,056	-

Amount repayable after one year

As at 31/01/2023 (Unaudited)		As at 31/07/2022 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
13,392	-	14,902	-

Details of any collateral

Lease liabilities are secured by certain machinery, works vehicles, and office equipment of the Group with carrying amount of S\$3,180,272 as at 31/01/2023 (31/07/2022: S\$4,445,247).

Bank loans are secured by certain properties held for sale, properties, and land of the Group with carrying amount of S\$11,254,068 as at 31/01/2023 (31/07/2022: S\$12,060,775).

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED
UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

C Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months period ended Unaudited 31/01/2023 S\$'000	Unaudited 31/01/2022 S\$'000
Operating activities			
(Loss)/ Profit before tax		(1,899)	4,515
Adjustments for:-			
Depreciation of property, plant and equipment		4,309	2,279
Amortisation of intangibles		91	91
Addition of provisions		(64)	-
Net foreign exchange losses from non-operating cash flows		825	577
Interest income		(272)	(135)
Finance costs		288	229
Write-back of loss allowance		(503)	57
Fair value loss on financial asset measured at fair value through profit and loss		520	200
Government grant income		(62)	(695)
Gain on disposal of financial asset measured at fair value through profit and loss		-	(5,494)
Gain on disposal of property, plant and equipment		(2)	(375)
Operating cash flows before movements in working capital changes		3,231	1,249
Trade and other receivables		872	2,275
Contract assets		1,634	1,410
Trade and other payables		(960)	(1,029)
Contract liabilities		(1,167)	(1,275)
Cash generated from operations		3,610	2,630
Net government grant income received		62	543
Tax paid		(701)	(601)
Net cash generated from operating activities		2,971	2,572
Investing activities			
Interest received		225	26
Purchase of property, plant and equipment		(2,720)	(1,572)
Proceeds from disposal of property, plant, equipment		2	613
Proceeds from financial asset measured at fair value through profit and loss		-	15,004
Investment in financial asset measured at fair value through profit and loss		(2,720)	(5,000)
Net cash (used in)/ from investing activities		(5,213)	9,071
Financing activities			
Repayment of bank borrowings		(1,043)	(754)
Interest paid		(289)	(160)
Repayment of lease liabilities		(1,130)	(884)
Increase in pledged deposits		(1)	(20)
Dividend paid		-	(1,262)
Net cash generated used in financing activities		(2,463)	(3,080)
Net (decrease)/ increase in cash and cash equivalents		(4,705)	8,563
Cash and cash equivalents at beginning of the financial period		43,191	28,898
Cash and cash equivalents at end of the financial period		38,486	37,461

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

D Condensed interim statements of changes in equity

	Share Capital	Treasury Shares	Merger Reserve	Equity reserve	Accumulat ed profits	Equity attributable to owners of the Company	Non- controlling interests	Total Equity
The Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2022 (Audited)	45,538	(1,120)	(3,517)	(844)	21,170	61,227	5,620	66,847
(Loss) profit for the period, representing total comprehensive income for the financial period	-	-	-	-	(2,708)	(2,708)	627	(2,081)
Balance at 31 January 2023	45,538	(1,120)	(3,517)	(844)	18,462	58,519	6,247	64,766

	Share Capital	Treasury Shares	Merger Reserve	Equity reserve	Accumulat ed profits	Equity attributable to owners of the Company	Non- controlling interests	Total Equity
The Group (Audited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2021	45,538	(1,120)	(3,517)	(844)	18,371	58,428	806	59,234
Non-controlling interest arising from issuance of subsidiaries shares	-	-	-	-	-	-	4,089	4,089
Profit for the period, representing total comprehensive income for the financial period	-	-	-	-	3,129	3,129	532	3,661
Dividends	-	-	-	-	(1,262)	(1,262)	-	(1,262)
Balance at 31 January 2022	45,538	(1,120)	(3,517)	(844)	20,238	60,295	5,427	65,722
Return of capital to non-controlling interests	-	-	-	-	-	-	(520)	(520)
Profit for the period, representing total comprehensive income for the financial period	-	-	-	-	3,455	3,455	713	4,168
Dividends	-	-	-	-	(2,523)	(2,523)	-	(2,523)
Balance at 31 July 2022	45,538	(1,120)	(3,517)	(844)	21,170	61,227	5,620	66,847

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

	Share Capital	Treasury Shares	Accumulated Profits	Total Equity
The Company (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2022	45,538	(1,120)	21,000	65,418
Loss for the period, representing total comprehensive income for the financial period	-	-	(4,029)	(4,029)
Balance at 31 January 2023	45,538	(1,120)	16,971	61,389

	Share Capital	Treasury Shares	Accumulated Profits	Total Equity
The Company (Audited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 August 2021	45,538	(1,120)	18,774	63,192
Profit for the period, representing total comprehensive income for the financial period	-	-	4,904	4,904
Dividend paid	-	-	(1,262)	(1,262)
Balance at 31 January 2022	45,538	(1,120)	22,416	66,834
Profit for the period, representing total comprehensive income for the financial period	-	-	1,107	1,107
Dividend paid	-	-	(2,523)	(2,523)
Balance at 31 July 2022	45,538	(1,120)	21,000	65,418

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

E Notes to the condensed interim financial statements

1. Corporate information

Sysma Holdings Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 31 January 2023 comprise the Company and its subsidiaries (collectively “the Group”). The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) Building and construction services;
- (b) Property development; and
- (c) Investment holding

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 January 2023 have been prepared in accordance with Singapore Financial Reporting Standards International (“SFRS(I)”) 1-34 *Interim Financial Reporting* (the “Standards”) issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last financial statements for the year ended 31 July 2022.

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 adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to the Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those Standards.

2.2 New and revised SFRS(I) Standards in issue but not yet effective

At the date of authorisation of these condensed interim financial statements, the Group has not applied the following new and revised SFRS(I)s that have been issued but are not yet effective:

Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to SFRS(I) 1-8	<i>Definition of Accounting Estimates</i>
Amendments to SFRS(I) 1-1	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

Management anticipates that the adoption of the above amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the below:

- Impairment of goodwill – Key assumptions underlying value in use (refer to Note 8).
- Valuation of financial asset measured at fair value through profit and loss – Key assumptions underlying net asset value (refer to Note 9).
- Provisions – The Group is involved in construction projects and records provisions for projects. Management's estimates are based on terms as set out in the letter of award or contracts or management's experience. Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- Calculation of loss allowance – The Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

4. Revenue and segment information

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the operating segments of the Group.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group is organized into the following main business segments:

1. Building Construction – General builders and construction contractors and general engineering.
2. Property development – Development of residential and commercial projects.
3. Investment holding – Investment in quoted and unquoted equities.

01 August 2022 to 31 January 2023 (Unaudited)	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Eliminations S\$'000	Group S\$'000
<u>Revenue</u>					
External Customers	29,606	-	-	-	29,606
Inter-segment	5,051	-	-	(5,051)	-
Total Revenue	34,657	-	-	(5,051)	29,606
<u>Results</u>					
Profit (loss) before income tax	7	13	(3,963)	2,044	(1,899)
Less: Income tax expense					(182)
Profit for the financial period					(2,081)
<u>Assets and Liabilities</u>					
Segment assets	6,2703	231	48,769		111,703
Segment liabilities	43,603	18	3,316		46,937
<u>Other Information</u>					
Depreciation of property, plant and equipment	(4,309)	-	-		(4,309)
Net provisions	64	-	-		64
Net loss allowance – trade receivables	503	-	-		503
Fair value loss on financial asset measured at fair value through profit or loss	-	-	(520)		(520)
Net foreign exchange losses	(22)	-	(1,253)		(1,275)
Government grant	61	-	1		62
Finance costs	(265)	-	(23)		(288)
Interest income	32	-	240		272
Addition to non-current assets	4,035	-	-		4,035

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

01 August 2021 to 31 January 2022 (Unaudited)	Building Construction S\$'000	Property Development S\$'000	Investment Holding S\$'000	Eliminations S\$'000	Group S\$'000
Revenue					
External Customers	25,426	-	-	-	25,426
Inter-segment	2,220	-	1,600	(3,820)	-
Total Revenue	27,646	-	-	(3,820)	25,426
Results					
Profit before income tax	666	^	3951	(102)	4,515
Less: Income tax expense					(854)
Profit for the financial period					1,661
Assets and Liabilities					
Segment assets	5,435	1,531	51,477		106,443
Segment liabilities	39,989	31	701		40,721
Other Information					
Depreciation of property, plant and equipment	(2,279)	-	-		(2,279)
Net loss allowance – trade receivables	(57)	-	-		(57)
Fair value loss on financial asset measured at fair value through profit or loss	-	-	(200)		(200)
Net foreign exchange losses	^	-	-		(577)
Government grant	691	-	4		695
Finance costs	(152)	-	(76)		(228)
Interest income	20	-	115		135
Addition to non-current assets	3,714	-	-		3,714

^: amount below S\$500

Geographical information – The Group only operates in Singapore.

Timing of revenue recognition – Construction revenue is from construction contracts over time.

5. Income tax expense

	6 months ended 31 January 2023	6 months ended 31 January 2022
	S\$'000	S\$'000
Current:		
Income tax	723	801
Deferred tax	(206)	41
	517	842
(Over) under provision of current tax in prior years	(335)	12
	182	854

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

6. Property held for sale

	Properties held for sale
	S\$'000
As at 31 July 2022 and 31 January 2023	3,469

6.1 Valuation

Properties held for sale

The properties held for sale are held at the lower of the cost and net realisable value. The net realisable value is determined based on assessment by an independent professional valuer. The valuation process involves significant judgements to determine the appropriate valuation methodologies and adjustments to comparable property prices when using the direct comparison method. Valuation is carried out at the end of every financial year.

7. Property, plant and equipment

During the six months ended 31 January 2023, the Group acquired assets amounting to S\$3.2 million (31 January 2022: S\$3.5 million) and disposed of assets with no carrying amount (31 January 2022: S\$0.2 million).

8. Goodwill

	Goodwill on Consolidation
	S\$'000
Cost and carrying amount:	
As at 31 July 2022 and 31 January 2023	4,908

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

In accordance with the requirements of SFRS(I) 1-36, the value in use calculations applied a discounted cash flow model using management approved cash flow projections.

The key assumptions used in determining the recoverable amount of the cash generating units ("CGUs") are those regarding discount rates, revenue growth rates, profitability margins, capital expenditures, working capital cycles and non-operating cash balances, as at the assessment date. The last assessment was done for the year ended 31 July 2022.

The discount rates applied to the cash flows projections are derived from the weighted average cost of capital plus a reasonable risk premium applicable to the CGUs at the date of assessment of the recoverable amounts. The growth rates used to extrapolate the cash flows of KH Engineering Ltd. ("KHE") and KH Instrumentation Pte. Ltd. ("KHI") are (5.6)% and 2.7% respectively for FY2023 (FY2021: (13.5)% and (24.8)% respectively for FY2022) and, 3% and 5% respectively for subsequent years (FY2021: growth rates used for subsequent years were 5% and 5% respectively). The growth rates used to extrapolate the cash flows of Dae Sung Construction Pte. Ltd. ("DSC") is 0.1% for FY2023 (FY2021: 23.5% for FY2022), 6% for FY2024 and FY2025, and 5% for FY2026 and FY2027 (FY2021: growth rates used for subsequent years was 5%). This does not exceed the long-term growth rate for the relevant markets. The implied pre-tax rates used to discount the cash flow projections of the respective CGUs are as follows:

- (a) The rate used to discount the cash flows from KHE is 8.0% (2021: 8.0%).
- (b) The rate used to discount the cash flows from KHI is 8.0% (2021: 8.0%).
- (c) The rate used to discount the cash flows from DSC is 8.0% (2021: 8.0%).

The values assigned to other key assumptions are based on past performances and expected future market development.

As at the end of the respective reporting periods, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amount of the CGU.

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

9. Financial asset measured at fair value through profit and loss

	31 January 2023 S\$'000	31 July 2022 S\$'000
Investment in unquoted equities (Level 3)		
- Issuer A (USD)	14,363	15,094
- Issuer B (USD)	2,626	-
	16,989	15,094
Investment in quoted equities (Level 1)		
- Issuer C (SGD)	4,435	4,955
	21,424	20,049

The investments in Issuer A, Issuer B, and Issuer C are in an unquoted equity investment, unquoted equity investment and quoted equity investment respectively

The fair value of the investment in Issuer A's unquoted equities has been estimated using valuation that arose from the subsequent round of external financing as a proxy. The last assessment was done for the financial ended 31 July 2022. The fair value assessment will be conducted again at the end of the financial year.

The investment in Issuer B's unquoted equities was completed on 26 January 2023, hence fair value is based on subscription amount. The fair value assessment will be conducted again at the end of the financial year.

The fair value of the investment in Issuer C's quoted equities acquired in 2022 is based on its value as reflected on the Singapore Exchange (SGX) where it is listed.

The last assessment was done for the financial year ended 31 July 2021. The fair value assessment will be conducted again at the end of the financial year.

There has been a decrease in the fair value of financial assets at fair value of S\$520,000 in HY2023 (2022: S\$1.3 million)

All other changes in the fair value of these financial assets are due to movements in exchange rates and the acquisition of financial assets.

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

10. Other intangible assets

Other intangible assets relate to the customer contracts secured by Dae Sung Construction Pte. Ltd. ("DSC") prior to its acquisition date.

These contracts legally bind DSC to the main contractors, to fulfil the agreed scopes of works and earn the sub-contract sums.

Fair value of the customer contracts was estimated using the multi period excess earnings method ("MEEM"), with the assistance of independent appraisers.

11. Bank loans

No new loans have been drawn down in the financial period ended 31 January 2023.

12. Share capital

	Number of shares	Share Capital (\$)
As at 31 January 2023 and 31 July 2022	252,348,600	44,418,066

There were 8,651,400 treasury shares (representing 3.4% of the Company's 252,348,600 ordinary shares (excluding treasury shares)) as at 31 January 2023 and 31 July 2022.

The Company did not have any outstanding options or convertibles as at 31 January 2023 and 31 July 2022. There were no subsidiary holdings as at 31 January 2023 and 31 July 2022.

13. Dividends

On 14 March 2022, an interim one-tier tax exempt dividend of 1.0 Singapore cent per share amounting to \$2,523,486 in respect of the financial year ended 31 July 2022 was declared. On 31 March 2022, the dividend was paid to shareholders.

No dividend has been declared or recommended for the financial period ended 31 January 2023.

Declaration of dividends, if any, for the financial year will be determined at year end.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

APPENDIX V – UNAUDITED CONDENSED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 31 JANUARY 2023

SYSMA HOLDINGS LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 JANUARY 2023

PART II - OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 January 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 31 January 2023 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—**

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

- (b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

4. **Where the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Please refer to Section 2 of Part I.

5. **If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to Section 2 of Part I.

6. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -**
(a) **current period reported on; and**
(b) **immediately preceding financial year**

	Group		Company	
	31/01/2023	31/07/2022	31/01/2023	31/07/2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Singapore cents)	(Singapore cents)	(Singapore cents)	(Singapore cents)
Net asset value per ordinary share attributable to owners of the company	23.19	24.26	24.33	25.92

As at 31 January 2023, the number of ordinary shares issued (excluding treasury shares) is 252,348,600 (31 July 2022: 252,348,600).

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7. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to Section 12 of Part I.

8. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to Section 12 of Part I.

9. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

10. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of current financial Period reported on.

11. Review of performance of the Group

Review of Group Performance for the six months ended 31 January 2023 ("HY2023") vs the six months ended 31 January 2022 ("HY2022")

Revenue increased from S\$25.4 million in HY2022 to S\$29.6 million in HY2023 mainly due to better progress in construction works.

Cost of sales increased from S\$21.3 million in HY2022 to S\$26.1 million in HY2023, in line with corresponding increase in revenue as well as overall increase in cost of construction. As a result, the gross profit margin decreased from 16.1% in HY2022 to 11.9% in HY2023.

Depreciation expense had increased by approximately S\$2.0 million from S\$2.3 million in HY2022 to S\$4.3 million in HY2023 mainly due to purchases of fixed assets in the current financial period in line with the increase in revenue. Amortization expense remained constant at S\$0.1 million.

Other income decreased to S\$1.1 million in HY2023. This was mainly due to the decrease in government grants of S\$0.6 million due to ceasing COVID-19 related support, decrease in gain on disposal of fixed assets of S\$0.4 million, and decrease in miscellaneous income of S\$0.3 million mainly from sale of steel scrap materials. This was partially offset by increase in interest income from fixed deposits of S\$0.3 million due to increased usage of fixed deposits in HY2023, and increase in reversal of bad debt provision due to recovery of previously provided for receivables.

Other operating expenses increased from S\$2.2 million in HY2022 to S\$2.7 million in HY2023. This was mainly due to an increase in loss on foreign exchange of S\$0.7 million due to a weakening of the US dollar against the Singapore dollar, partially offset by a decrease in loss allowance - trade receivables of S\$0.1 million.

The decrease in administrative expenses from S\$4.3 million in HY2022 to S\$3.0 million in HY2023 was mainly due to the decrease in staff salary and related expenses of S\$1.3 million mainly attributable to one-off business generation incentive of S\$1.1 million incurred in HY2022.

The income tax expense saw a decrease of S\$0.7 million. This was mainly due to a decrease in current tax expense of S\$0.1 million (in line with decreased profit), decrease in deferred tax expense of S\$0.2 million, and an increase in overprovision of prior year tax of S\$0.3 million.

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As a result of the above, our net profit saw a decrease of S\$5.7 million to a net loss of S\$2.1 million.

Review of Group Financial Position

As at 31 January 2023, current assets amounted to S\$58.5 million or approximately 52.4% of total assets. Current assets decreased by approximately S\$7.2 million mainly due to decrease in cash and cash equivalents of S\$4.7 million, decrease in contract assets of S\$2.2 million, and decrease in trade and other receivables of S\$0.3 million.

Decrease in cash and cash equivalents was mainly due to net cash outflow from investing activities of S\$5.2 million, and net cash outflow from financing activities of S\$2.5 million and partially offset by the net cash inflow from operating activities of S\$3.0 million.

Decrease in trade and other receivables of S\$0.3 million is mainly due to improved collectability from customers.

Current contract assets decreased by S\$2.2 million mainly due to the decrease in unbilled revenue of S\$1.5 million, and decrease in retention receivables of S\$0.7 million.

Non-current assets amounted to S\$53.2 million or approximately 47.6% of total assets. The S\$1.5 million increase in non-current assets was mainly due to the increase in investment in financial assets measured at fair value through profit and loss of S\$1.4 million. This movement was due to a US\$2.0 million (S\$2.7 million) investment in a BVI company focused on a startup in the construction sector in India. The remaining S\$0.7 million offsetting decrease was due to exchange rate movements and fair value changes. Please refer to Section 9 of Part I for additional details.

Current liabilities amounted to S\$31.5 million or approximately 67.1% of our total liabilities. Current liabilities decreased by approximately S\$1.9 million mainly due to the decrease in trade and other payables of S\$1.4 million. This was mainly due to the decrease in accruals of S\$1.3 million. Further, current liabilities decreased due to the decrease in contract liabilities of S\$1.2 million mainly due to reduction in advances received from customers, and income tax payable of S\$0.3 million. This was partially offset by the increase in bank loan of S\$0.5 million due to reclassification from non-current liabilities, and increase in lease liabilities of S\$0.5 million,

Bank loans increased by S\$0.5 million (current) mainly due to reclassification from Bank Loans (non-current) which was in line with the movement in repayment dates and decreased by S\$1.85 million (non-current) mainly due to loan repayments during the period.

Lease liabilities had increased by S\$0.5 million (current, non-current remained fairly constant) due to new leases, as well as extension of existing ones, partially offset by repayments during the period.

Income tax payable decreased by S\$0.3 million, in line with the decrease in current tax expense and repayment of tax during the period.

Non-current liabilities amounted to S\$15.5 million or approximately 32.9% of our total liabilities. The decrease of S\$1.6 million is mainly attributable to decreases in bank loans of S\$1.5 million and the decrease in deferred tax liabilities of S\$0.2 million due to unwinding of Purchase Price Allocation ("PPA") adjustments.

Accumulated profits decreased by S\$2.7 million due to the net loss attributable to owners of the company of S\$2.7 million in HY2023.

Review of Statement of Cash Flows

In HY2023, net cash inflows from operating activities of approximately S\$3.0 million was a result of operating cash inflows before working capital changes of approximately S\$3.2 million, adjusted for net working capital outflows of approximately S\$0.3 million, and a result of the following material movements in HY2023:

- Depreciation of property plant and equipment had increased by S\$2.1 million as explained in the "Review of Group Performance" above.

The net working capital outflows of approximately S\$0.3 million were mainly due to income tax paid of S\$0.7 million, decreases in trade and other payables of S\$1.0 million, and contract liabilities of S\$1.2 million, partially offset by net grant income received of S\$0.1 million, decreases in trade and other receivables of S\$0.9 million, and contract assets by S\$1.6 million.

Net cash outflow from investing activities amounted to S\$5.2 million and was mainly due to the new investment in financial asset measured at fair value through profit and loss of S\$2.7 million and the purchase of Property, Plant and Equipment ("PPE") of S\$2.7 million, partially offset by interest received of S\$0.2 million.

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Net cash outflow from financing activities amounted to approximately S\$2.5 million and was mainly due to repayment of bank borrowings of S\$1.0 million, repayment of lease liabilities of S\$1.1 million, and repayment of interest of S\$0.3 million.

12. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

13. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the business environment to remain challenging amidst global uncertainties. Continued tightening of monetary policies will dampen opportunities as we see major economies dealing with high inflation. We expect this to negatively impact high indebtedness and as such will be cautious and prudent with cash management and liabilities. The prolonged war in Ukraine and potential geo-political escalation of tensions between major powers continue to cloud our outlook for the world economy.

The Group will continue to keep a lookout for suitable opportunities in relation to all segments to grow its business strategically.

Building Construction Business

The Group's building construction business focused on timely execution and delivery of its order book which amounted to S\$126.7 million as at 31 January 2023, S\$72.5 million of which were secured in HY2023.

Moving forward, the Group will continue to leverage on its strong market reputation as a trusted builder of Good Class Bungalows ("GCBs") and high-end landed properties, and actively bid for new projects.

Property Development Business

The Group continues to be on the lookout for suitable property development opportunities.

Investments

The Group continues to maintain its investment in Blue Planet Environmental Solutions Pte Ltd and Pegasus Asia.

The Group invested US\$2.0 million in Alpha Ray Global Limited, a BVI Investment Holding company focused on a startup in the construction sector in India.

The Group will continue to market the three remaining commercial units in 28 RC Suites (previously classified under Property Development Business Segment).

Please refer to Section 9 of Part I for additional details.

14. Dividend information

(a) Current Financial Period Reported on

No dividend has been declared or recommended.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Corresponding period of the Immediately Preceding Financial Year

On 14 March 2022, an interim one-tier tax exempt dividend of 1.0 Singapore cent per share amounting to \$2,523,486 in respect of the financial year ended 31 July 2022 was declared. On 31 March 2022, the dividend was paid to shareholders.

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- (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 hands of shareholders, this must be stated)

Not applicable.

- (d) Date Payable

Not applicable.

- (e) Books closure date

Not applicable.

- 15. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period so as to conserve cash for the challenging environment ahead.

- 16. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate for interested person transactions.

There was no interested person transaction of S\$100,000 or more entered into during HY2023.

- 17. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A**

Acquisition of shares in Alpha Ray Global Limited ("AG")

The Company had on 26 January 2023 acquired 50,261 shares representing 19.1% equity in AG for a total consideration of US\$2 million. AG is focused on a startup in the construction sector in India

Save as disclosed above, there were no other incorporations of new entities, acquisitions, and sale of shares during HY2023.

- 18. 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) of the Catalist Rules**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

SIN SOON TENG
EXECUTIVE CHAIRMAN AND GROUP CEO
10 March 2023

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CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited consolidated financial statements for the six months ended 31 January 2023 to be false or misleading in any material respect.

On behalf of the Board of Directors

SIN SOON TENG
Executive Chairman & Group CEO

TEO BOON TIENG
Independent Non-Executive Director

10 March 2023

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance 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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