

## CIRCULAR DATED 4 NOVEMBER 2022

**THIS CIRCULAR IS ISSUED BY MS HOLDINGS LIMITED (“THE COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF THE COMPANY AND THE ADVICE OF XANDAR CAPITAL PTE. LTD., THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.**

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

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or 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, SAC Capital Private Limited (“**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any statements made, reports contained or opinions expressed in this Circular.

The contact person for the Sponsor is Ms. Charmian Lim (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



(Incorporated in the Republic of Singapore)  
(Company Registration No. 201414628C)

### **CIRCULAR TO SHAREHOLDERS**

in relation to the

### **VOLUNTARY UNCONDITIONAL CASH OFFER**

by

#### **RHB BANK BERHAD**

(Incorporated in Malaysia 196501000373 (6171-M))  
(UEN No.: S99FC5710J)

for and on behalf of

#### **KINGSWIN INVESTMENT PTE. LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 202231982C)

to acquire all the issued and paid-up ordinary shares in the capital of the Company, other than those already held by the Offeror as at the date of the Offer in accordance with the Singapore Code on Take-overs and Mergers

*Independent Financial Adviser to the Independent Directors in respect of the Offer*



**XANDAR CAPITAL PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200002789M)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 18 NOVEMBER 2022 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

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In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

- “Acceptance Forms”** : The FAA and the FAT collectively or any one of them, as the case may be
- “acting in concert”** : Has the meaning ascribed to it under the Code and references to **“Concert Parties”** shall be construed accordingly
- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Board” or “Directors”** : The directors of the Company as at the Latest Practicable Date
- “Business Day”** : A day on which banks in Singapore are open for business in Singapore, other than a Saturday, Sunday or public holiday
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist in force as at the Latest Practicable Date
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This Circular to Shareholders dated 4 November 2022 issued by the Company to Shareholders in respect of the Offer containing, amongst other things, the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors in respect of the Offer
- “Closing Date”** : **5.30 p.m. (Singapore time) on 18 November 2022** or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day of the lodgement of acceptances of the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : The Companies Act 1967 of Singapore, as amended, modified and supplemented from time to time
- “Company”** : MS Holdings Limited
- “Company Securities”** : (i) Shares;  
(ii) securities which carry voting rights in the Company; or  
(iii) convertible securities, warrants, options (including any options granted under any employee share scheme of the Company) or derivatives in respect of Shares or securities which carry voting rights in the Company
- “Concert Parties”** : Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
- “Constitution”** : The constitution of the Company
- “FAA”** : Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
- “FAT”** : Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are not deposited with CDP

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## DEFINITIONS

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- “Free Float Requirement”** : Under Rule 723 of the Catalist Rules, the Company must ensure that at least 10% of the total number of issued Shares (excluding preference shares, convertible equity securities and treasury shares) is held in public hands
- “FY”** : Financial year ended or ending on, as the case may be, 30 April of a particular year as stated
- “Group”** : The Company and its subsidiaries
- “IFA” or “Xandar”** : Xandar Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
- “IFA Letter”** : The letter dated 4 November 2022 from the IFA to the Independent Directors containing, *inter alia*, its advice in relation to the Offer, as set out in Appendix I of this Circular
- “Independent Directors”** : The Directors who are considered independent under the Code for the purposes of making the recommendation to the Shareholders in respect of the Offer, being Mr. Tan Jia Hui Clarence, Mr. Lim Kee Way Irwin, Mr. Lau Yan Wai and Mr. Kho Kewee
- “Interested Persons”** : As defined in the Note on Rule 24.6 of the Code and read with Note 1 on Rule 23.12 of the Code, an interested person, in relation to a company, is:
- (i) a director, chief executive officer, or Substantial Shareholder of the company;
  - (ii) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company;
  - (iii) 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;
  - (iv) 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;
  - (v) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or
  - (vi) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (v) above together (directly or indirectly) have an interest of 30% or more
- “Latest Practicable Date”** : 28 October 2022, being the latest practicable date prior to the dissemination of this Circular electronically
- “Loss of Free Float Announcement”** : The announcement dated 31 October 2022 released by RHB, for and on behalf of the Offeror, in relation to, *inter alia*, the Free Float Requirement not being satisfied
- “Offer”** : The voluntary unconditional cash offer made by RHB for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and

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## DEFINITIONS

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	subject to the conditions set out in the Offer Document and the Acceptance Forms, as such Offer may amended, extended and revised from time to time by or on behalf of the Offeror
<b>“Offer Announcement”</b>	: The announcement in connection with the Offer released by RHB, for and on behalf of the Offeror, on the Offer Announcement Date
<b>“Offer Announcement Date”</b>	: 3 October 2022, being the date of the Offer Announcement
<b>“Offer Document”</b>	: The document dated 21 October 2022 and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update such offer document(s) from time to time
<b>“Offer Period”</b>	: The period from the Offer Announcement Date until the date the Offer is declared to have closed or lapsed
<b>“Offer Price”</b>	: S\$0.070 in cash for each Offer Share
<b>“Offer Shares”</b>	: All the issued Shares to which the Offer relates, as described in Section 2.1 (Offer Shares) of the Letter to Shareholders in the Offer Document
<b>“Offeror”</b>	: Kingswin Investment Pte. Ltd.
<b>“Offeree Notification”</b>	: Has the meaning ascribed to it in Section 17 of this Circular
<b>“Offeror Securities”</b>	: The shareholdings of the:  (i) equity share capital 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 (i) or (ii),  in the Offeror
<b>“Overseas Shareholder”</b>	: A Shareholder whose address is outside Singapore as shown in the Register or in the Depository Register (as the case may be)
<b>“Register”</b>	: The register of holders of the Shares, as maintained by the Share Registrar
<b>“related corporations”</b>	: Shall have the meaning ascribed to it in the Companies Act
<b>“RHB”</b>	: RHB Bank Berhad, through its Singapore branch, as the financial adviser to the Offeror
<b>“Securities Account”</b>	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as amended, modified and supplemented from time to time
<b>“SGX-ST”</b>	: The Singapore Exchange Securities Trading Limited
<b>“SGXNET”</b>	: The Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the

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## DEFINITIONS

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	:	Exchange for the purpose of the SGX-ST making that information available to the market
<b>“Share Registrar”</b>	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), the share registrar of the Company
<b>“Shareholders”</b>	:	Holder of Shares, including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
<b>“Shares”</b>	:	Ordinary Shares in the capital of the Company
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“SRS”</b>	:	The Supplementary Retirement Scheme
<b>“SRS Agent Banks”</b>	:	Agent banks included under the SRS
<b>“SRS Investors”</b>	:	Investors who have purchased Shares pursuant to the SRS
<b>“Subsidiary”</b>	:	Has the meaning ascribed to it under the Companies Act
<b>“Substantial Shareholder”</b>	:	A person who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in Section 2 of the SFA
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
<b>“%” or “per cent.”</b>	:	Percentage or per centum

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

**Appendices.** Reference to any Appendix shall refer to the Appendices to this Circular, unless otherwise specified.

**Capitalised terms in the extracts.** Capitalised terms used in the extracts of the Offer Document, the IFA Letter, and the Constitution shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter, and the Constitution respectively, unless otherwise specified.

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

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

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

**Rounding.** Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, totals or sub-totals shown, as the case may be, may not be an arithmetic aggregation of the figures that precede them.

**Sections.** Any reference in this Circular to a section is a reference to a section of this Circular, unless otherwise stated.

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## DEFINITIONS

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

**Statutes or ordinances.** Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended, supplemented or re-enacted. Any word defined under the SFA, Companies Act, the Code, the Listing Manual or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the respective enactment, as the case may be, unless the context otherwise requires.

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

**Number of Shares and Percentage as at the Latest Practicable Date.** In this Circular, unless the context otherwise requires, (a) any reference to the total number of issued Shares is a reference to a total number of 165,789,460 Shares in issue as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA), and (b) any reference to a percentage shareholding in the capital of the Company is calculated based on 165,789,460 Shares in issue as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA).



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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

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## INDICATIVE TIMELINE

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Date of dissemination of the Offer Document : 21 October 2022

Date of dissemination of this Circular : 4 November 2022

Closing Date : **5.30 p.m. (Singapore time) on 18 November 2022<sup>(1)</sup>**  
or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Please refer to Section 3 and paragraph 1 of Appendix 1 of the Offer Document for further information.

Date of settlement of consideration for valid acceptances of the Offer : In respect of acceptances of the Offer which are complete and valid in all respects and in accordance with the instructions given in, *inter alia*, the Offer Document and the Acceptance Forms which are received on or before the Closing Date, within seven (7) Business Days of the date of such receipt of acceptance.

Please refer to Section 3 and paragraph 2 of Appendix 1 of the Offer Document for further information.

**Note:**

- (1) Pursuant to Rule 22.6 of the Code, as the Offeror has not stated in the Offer Document that the Offer will not be extended beyond the first closing date, in the event that the Offeror extends the first closing date, the Offer will remain open for a period of not less than 14 days after the date on which the Offer would otherwise have closed.

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## LETTER TO SHAREHOLDERS

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### MS HOLDINGS LIMITED

(Company Registration No.: 201414628C)  
(Incorporated in Singapore)

#### Directors

Mdm. Ng Chui Hwa  
(Executive Chairman)

Mr. Yap Chin Hock  
(Executive Director and Chief Executive Officer)

Mr. Tan Jia Hui Clarence  
(Executive Director and Investment Director)

Mr. Lim Kee Way Irwin  
(Lead Independent Director)

Mr. Lau Yan Wai  
(Independent Director)

Mr. Kho Kewee  
(Independent Director)

#### Registered Office

22 Pandan Road  
Singapore 609274

4 November 2022

**To: The Shareholders of MS Holdings Limited**

Dear Sir/Madam,

#### **VOLUNTARY UNCONDITIONAL CASH OFFER BY RHB FOR AND ON BEHALF OF THE OFFEROR FOR THE OFFER SHARES**

##### **1. INTRODUCTION**

###### **1.1 Offer Announcement**

On the Offer Announcement Date, RHB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary unconditional cash offer for the Offer Shares at the Offer Price.

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

###### **1.2 Independent Directors**

As at the Latest Practicable Date, each of Mr. Tan Jia Hui Clarence, Mr. Lim Kee Way Irwin, Mr. Lau Yan Wai and Mr. Kho Kewee considers himself independent for the purposes of making a recommendation to the Shareholders in respect of the Offer.

The SIC has ruled on 16 October 2022 that Mdm. Ng Chui Hwa and Mr. Yap Chin Hock are exempted from the requirement to make a recommendation to the Shareholders on the Offer as they face an irreconcilable conflict of interest in doing so, being a Concert Party of the Offeror.

Notwithstanding such exemption, each of Mdm. Ng Chui Hwa and Mr. Yap Chin Hock must still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

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## LETTER TO SHAREHOLDERS

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### 1.3 Offer Document

On 21 October 2022, RHB despatched, for and on behalf of the Offeror, the hardcopy notification to Shareholders containing instructions on how to access the electronic copy of the Offer Document, together with the hardcopy Acceptance Form(s), as the case may be. The Offer Document sets out, *inter alia*, the terms and conditions of the Offer.

The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document.

**Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

An electronic copy of the Offer Document is available on the website of the SGX-ST at <http://www.sgx.com/> and on the website of the Company at <https://www.mohsengcranes.com/>.

### 1.4 Loss of Free Float Announcement

On 28 October 2022, the Company announced that the Offeror had received valid acceptances to the Offer such that Company no longer met the Free Float Requirement and trading of the Shares will be suspended at the close of the Offer.

On 31 October 2022, RHB issued the Loss of Free Float Announcement, for and on behalf of the Offeror, announcing that the Free Float Requirement is no longer satisfied and the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. The Loss of Free Float Announcement also states that the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted, 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. Shareholders are urged to read the Loss of Free Float Announcement carefully.

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

### 1.5 Independent Financial Adviser

Xandar has been appointed by the Company as the independent financial adviser to advise the Independent Directors, for the purposes of making their recommendation to Shareholders in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

### 1.6 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

**Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding on whether to accept or reject the Offer.**

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

## 2. THE OFFER

The Offer is made by RHB, for and on behalf of the Offeror, on the principal terms set out in Section 2 of the Offer Document, extracts of which are set out below.

Unless otherwise defined, all terms and expressions used in the extracts below shall have the

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## LETTER TO SHAREHOLDERS

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same meanings as ascribed to them in the Offer Document.

### 2.1 Offer Shares and Offer Price

For each Offer Share: S\$0.070 in cash.

Sections 2.1, 2.2 and paragraph 2 of Appendix 4 of the Offer Document sets out information on the Offer and the share capital of the Company, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

#### 2 THE OFFER

2.1 **Offer Shares.** *RHB, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Shares other than those already held by the Offeror as at the date of the Offer ("Offer Shares") in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in this Offer Document and the Acceptance Forms. For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the Concert Parties. For the purpose of the Offer, the expression "Offer Shares" shall include such Shares.*

2.2 **Offer Price.** *The consideration for each Offer Share is as follows:*

***For each Offer Share: S\$0.070 in cash ("Offer Price").***

#### APPENDIX 4 ADDITIONAL INFORMATION ON THE COMPANY

#### 2 SHARE CAPITAL

*Based on a search conducted with ACRA on the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$29,882,946.52, comprising 165,789,460 issued Shares.*

### 2.2 No Encumbrances

Section 2.3 of the Offer Document sets out information on the Offer Shares, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

#### 2 THE OFFER

2.3 **No Encumbrances.** *The Offer Shares are to be acquired (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company (collectively, "Distributions") (if any), the Record Date for which falls on or after the Offer Announcement Date.*

*In the event of any such Distributions on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer by the amount of such Distribution.*

### 2.3 Unconditional Offer

Section 2.4 of the Offer Document states that the Offer is unconditional in all respects.

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## LETTER TO SHAREHOLDERS

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### 2.4 Warranty

Section 2.6 of the Offer Document states the representations and warranties of a Shareholder who tenders his Offer Shares in acceptance of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

#### **2 THE OFFER**

**2.6 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, or on behalf of the beneficial owner(s) thereof, as (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) declared, paid or made by the Company, the Record Date for which falls on or after the Offer Announcement Date.*

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

**Accordingly, Shareholders should note that the Offer will close at 5:30 p.m. (Singapore time) on 18 November 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

### 2.5 Details of the Offer

The details of the Offer relating to: (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement of the level of acceptances of the Offer; and (d) the right of the withdrawal of acceptances to the Offer are set out in paragraphs 1 to 4 of Appendix 1 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

#### **APPENDIX 1 DETAILS OF THE OFFER**

##### **1. DURATION OF THE OFFER**

**1.1 First Closing Date.** *The Offer is open for acceptance by Shareholders for at least 28 days from the Electronic 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 18 November 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.*

**1.2 Offer to Remain Open for 14 Days Thereafter.** *Pursuant to Rule 22.6 of the Code, as the Offeror has not stated in this Offer Document that the Offer will not be extended beyond the first closing date, the Offer will remain open for a period not less than fourteen (14) days after the date on which the Offer would otherwise have closed.*

**1.3 Revision.** *Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for 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 who had previously accepted the Offer.*

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## LETTER TO SHAREHOLDERS

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

### 2. SETTLEMENT FOR THE OFFER

*Subject to the receipt by the Offeror from accepting Shareholders of valid acceptances, complete in all respects and in accordance with the instructions given in this Offer Document and the FAA, FAT and/or the terms and conditions for Electronic Acceptance (as the case may be) and in the case of a Depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares are standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time(s), remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to 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 (in the case of Depositors) credit directly into Depositor's designated bank accounts for S\$ via CDP's Direct Crediting Service ("DCS") or (in the case of scrip holders) a S\$ crossed cheque drawn on a bank in Singapore and sent by ordinary post to the address stated in the respective FATs, or, if none is set out, to the respective addresses maintained in the register of members of the Company (as the case may be), at the risk of the accepting Shareholders (or in such other manner as the accepting Shareholders may have agreed with CDP for the payment of any cash contributions in the case of Depositors) as soon as practicable and in any case within seven (7) Business Days of the date of receipt of acceptances of the Offer which are complete and valid in all respects and which are received on or before the Closing Date.*

*In the event an accepting Shareholder who is a Depositor is not subscribed to CDP's DCS, any monies to be paid shall be credited to such accepting Shareholder's 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 Distribution are as defined therein).*

### 3. ANNOUNCEMENTS

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

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

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

- 3.2 **Suspension.** *Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of paragraph 3.1 (Timing and Contents) 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.** *Subject to Section 14.4 (Valid Acceptances) of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares*

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## LETTER TO SHAREHOLDERS

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*represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.*

*Acceptances of the Offer will only be treated as valid for the purposes of this Offer 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 RHB, 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 immediately if the Offeror fails to comply with any of the requirements set out in paragraph 3.1 (Timing and Contents) of this **Appendix 1** by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to Rule 22.9 of the Code, this right of withdrawal may be terminated not less than eight (8) days after the Relevant Day by the Offeror confirming (if that be the case) that the Offer is still unconditional as to acceptances and complying with Rule 28.1 of the Code.*

4.3 **Method of Withdrawal.** *To withdraw his acceptance, a Shareholder who has accepted the Offer must give written notice to the Offeror:*

- (a) *Kingswin Investment Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984 Singapore 903934, where the Offer Shares are deposited with the CDP; or*
- (b) *Kingswin Investment Pte. Ltd. c/o Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898, where the Offer Shares are not deposited with the CDP.*

***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.***

#### **2.6 Procedures for Acceptance of the Offer**

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

#### **2.7 No Irrevocable Undertakings**

Section 11.3(a) of the Offer Document states the following:

#### **11. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS**

11.3 **Other Arrangements in the Company Securities.** *Based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and its Concert Parties has:*



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## LETTER TO SHAREHOLDERS

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- (a) *received any irrevocable commitment or undertaking from any person to accept or reject the Offer;*

### 3. INFORMATION ON THE OFFEROR

Section 5 and Appendix 3 of the Offer Document sets out certain information on the Offeror and its Concert Parties, extracts of which are set out below. Additional information on the Offeror extracted from Appendix 3 of the Offer Document is set out in Appendix IV to this Circular. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

#### 5. INFORMATION ON THE OFFEROR

- 5.1 **The Offeror.** *The Offeror is a company incorporated in Singapore on 9 September 2022 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.*

*As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$2.00 comprising 2 ordinary shares, of which 100% is held by Mdm Ng Chui Hwa, who is also the sole director of the Offeror.*

*As at the Latest Practicable Date, the Offeror does not hold any Shares.*

- 5.2 **Additional Information.** *Additional information on the Offeror is set out in **Appendix 3** to this Offer Document.*

### 4. RATIONALE FOR THE OFFER

Section 7 of the Offer Document sets out information on the rationale for the Offer, extracts of which are set out below. Shareholders are advised to read the extracts below carefully. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

#### 7. RATIONALE FOR THE OFFER

- 7.1 **Intention to Delist and Privatise the Company.** *The Offeror is making the Offer with a view to delisting and privatising the Company.*

- 7.2 **Opportunity for Shareholders to realise their investment in the Shares at a premium without incurring brokerage fees.** *As set out in Section 10 (Financial Aspects of the Offer) of the Letter to Shareholders in this Offer Document, the Offer Price represents a premium of approximately 25.2%, 25.4% and 24.6% over the VWAP per Share for the three (3)-month, six (6)-month and twelve (12)-month periods respectively up to and including 30 September 2022, being the last full Market Day prior to the date of the Offer Announcement ("**Last Trading Day**"). There were no trades in respect of the Shares on the Last Trading Day as well as for the one (1)-month period up to and including the Last Trading Day.*

*The Offer Price also represents a premium of 16.7% over the last transacted price per Share of S\$0.060 on 26 August 2022 being the last Market Day on which the Shares were transacted prior to the Last Trading Day.*

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

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## LETTER TO SHAREHOLDERS

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**7.3 Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity.** *The trading volume of the Shares has been low, with an average daily trading volume<sup>1</sup> of approximately 7,147 Shares, 3,899 Shares and 2,037 Shares during the three (3)-month, six (6)-month and twelve (12)-month periods respectively up to and including the Last Trading Day. This represents less than 0.005% of the total number of issued Shares for each of the relevant periods. There were no trades in respect of the Shares for the one (1)-month period up to and including the Last Trading Day.*

*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.*

**7.4 Greater management flexibility.** *The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and/or operational changes of the Group to achieve greater efficiency and competitiveness.*

**7.5 Compliance costs relating to listing status.** *If the Company is delisted, the Company will be able to save on 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 focus its resources and channel such expenses towards its business operations.*

<sup>1</sup> The average daily trading volumes are calculated by using the total volume of Shares traded divided by the number of Market Days with respect to the three (3)-month period, six (6)-month period and twelve (12)-month period up to and including the Last Trading Day

### 5. OFFEROR'S INTENTIONS FOR THE COMPANY

Section 8 of the Offer Document sets out information on the Offeror's intentions in relation to the Company, extracts of which are set out below. Shareholders are advised to read the extracts below carefully and note the Offeror's future plans for the Company. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

#### **8. OFFEROR'S INTENTIONS FOR THE COMPANY**

*The Offeror has no current intention to (a) make material changes to the existing business of the Group, (b) re-deploy the Group's fixed assets, or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves and which it may regard to be in the interests of the Company.*

### 6. COMPULSORY ACQUISITION AND LISTING STATUS

Section 9 of the Offer Document sets out the intentions of the Offeror relating to its rights of compulsory acquisition in respect of the Company and the listing status of the Company, the full text of which has been extracted from the Offer Document and set out below. Unless otherwise defined, 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 matters relating to compulsory acquisition and listing status and trading suspensions.**

**9. COMPULSORY ACQUISITION AND LISTING STATUS**

- 9.1 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if 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% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**"), 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. The Offeror will then proceed to delist the Company from the SGX-ST.**

*Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.*

- 9.2 **Listing Status.** Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 200 Shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

*In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, 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. LOSS OF FREE FLOAT**

The following paragraph 3 has been extracted from the Loss of Free Float Announcement and which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document and the Loss of Free Float Announcement.

**3. LOSS OF PUBLIC FLOAT AND OFFEROR'S INTENTIONS**

*Under Rule 723 of the Catalist Rules, the Company must ensure that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) is held in public hands ("Public Float Requirement").*

*As at the date of this Announcement, as the percentage of Shares held by the public is approximately 8.01% of the total number of issued Shares (excluding any Shares held in treasury), the Public Float Requirement is not satisfied.*

*Accordingly, pursuant to Rule 1104 and Rule 1303(1) of the Catalist Rules, the SGX-ST will suspend trading of the Shares only at the close of the Offer. Shareholders who have not accepted the Offer will not be able to trade their Shares upon any such suspension.*

***It should be noted that as stated in the Offer Document, 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.***

**8. FINANCIAL ASPECTS OF THE OFFER**

Section 10 of the Offer Document sets out certain information on the financial aspects of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

**10. FINANCIAL ASPECTS OF THE OFFER**

*The Offer Price of S\$0.070 represents the following premia over certain historical market prices of the Shares as set out below:*

	<b>Description</b>	<b>Share Price<sup>(1)</sup> (S\$)</b>	<b>Premium of Offer Price over Share Price (%)<sup>(2)</sup></b>
(a)	<i>Last traded price of the Shares on the SGX-ST on the Last Trading Day</i>	N.A. <sup>(3)</sup>	N.A. <sup>(3)</sup>
(b)	<i>Last transacted price of the Shares on 26 August 2022 being the last Market Day on which the Shares were transacted prior to the Last Trading Day</i>	0.0600	16.7
(c)	<i>VWAP for the one (1)-month period up to and including the Last Trading Day</i>	N.A. <sup>(3)</sup>	N.A. <sup>(3)</sup>
(d)	<i>VWAP for the three (3)-month period up to and including the Last Trading Day</i>	0.0559	25.2
(e)	<i>VWAP for the six (6)-month period up to and including the Last Trading Day</i>	0.0558	25.4

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## LETTER TO SHAREHOLDERS

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(f)	VWAP for the twelve (12)-month period up to and including the Last Trading Day	0.0562	24.6
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**Notes:**

- (1) Based on data extracted from Bloomberg L.P., and rounded to the nearest four (4) decimal places.
- (2) For the purpose of the table above, all percentage figures are rounded to the nearest one decimal place.
- (3) Denotes not applicable as there were no trades in respect of the Shares on the Last Trading Day and for the one (1)-month period up to and including the Last Trading Day.

### 9. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

Section 11 and Appendix 5 of the Offer Document sets out certain information relating to disclosures of interests in Company Securities, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

#### 11. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

11.1 **Shareholdings and Dealings in the Company Securities.** Appendix 5 to this Offer Document sets out, based on responses received pursuant to enquiries that the Offeror has made, (a) the number of Company Securities owned, controlled or agreed to be acquired by the Offeror and its Concert Parties as at the Latest Practicable Date, and (b) the dealings in the Company Securities by the Offeror and its Concert Parties during the Reference Period.

11.2 **No Other Holdings and Dealings in the Company Securities.** Save as disclosed in Appendix 5 to this Offer Document, and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and its Concert Parties:

- (a) owns, controls or has agreed to acquire any Company Securities; or
- (b) has dealt for value in any Company Securities during the Reference Period.

As at the Latest Practicable Date, save as disclosed in Appendix 5 to this Offer Document, the sole Director is not interested (as interpreted in accordance with Section 4 of the SFA), directly or indirectly, in any Company Securities.

11.3 **Other Arrangements in the Company Securities.** Based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and its Concert Parties has:

- (a) received any irrevocable commitment or undertaking from any person to accept or reject the Offer;
- (b) entered into any arrangement (whether by option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Offer;
- (c) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (d) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold), or
- (e) lent any Company Securities to another person.

## LETTER TO SHAREHOLDERS

### **APPENDIX 5** **DISCLOSURE OF SHAREHOLDINGS AND DEALINGS**

#### 1. **HOLDINGS IN SHARES**

As at the Latest Practicable Date, based on responses to enquiries that the Offeror has made, the holdings of the Offeror and its Concert Parties in the Shares are set out below:

Name	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Offeror</b>	-	-	-	-	-	-
<b>Offeror Director</b>						
Mdm Ng Chui Hwa <sup>(2)</sup>	-	-	109,282,108	65.92	109,282,108	65.92
<b>Other parties acting in concert with the Offeror</b>						
Loke Investments Pte. Ltd.	109,282,108	65.92	-	-	109,282,108	65.92
Mr Yap Sian Lay <sup>(3)</sup>	-	-	109,282,108	65.92	109,282,108	65.92
Mr Yap Chin Hock <sup>(4)</sup>	-	-	109,282,108	65.92	109,282,108	65.92
Ms Yap Bee Ling (Ye Meiling) <sup>(5)</sup>	5,610,000	3.38	-	-	5,610,000	3.38
Ms Yap Bee Tin <sup>(6)</sup>	-	-	-	-	-	-
<b>Other parties presumed to be acting in concert with the Offeror</b>						
Mr Lionel Ian Li Huanping <sup>(7)</sup>	2,000	n.m. <sup>(8)</sup>	-	-	2,000	n.m.
<b>Financial Adviser</b>						
RHB Bank Berhad, through its Singapore branch	-	-	-	-	-	-

**Notes:**

- (1) Based on the 165,789,460 Shares in issue as at the Latest Practicable Date.
- (2) Mdm Ng Chui Hwa holds approximately 29% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, she is deemed to be interested in the 109,282,108 shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the SFA.
- (3) Mr Yap Sian Lay holds approximately 41% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, he is deemed to be interested in the 109,282,108 shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the SFA. Mr Yap Sian Lay is the spouse of Mdm Ng Chui Hwa.
- (4) Mr Yap Chin Hock holds approximately 20% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, he is deemed to be interested in the 109,282,108 shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the SFA. Mr Yap Chin Hock is the son of Mr Yap Sian Lay and Mdm Ng Chui Hwa.
- (5) Ms Yap Bee Ling (Ye Meiling) holds approximately 6% of the issued and paid-up share capital of Loke Investments Pte. Ltd.. She is the daughter of Mr Yap Sian Lay and Mdm Ng Chui Hwa.
- (6) Ms Yap Bee Tin holds approximately 4% of the issued and paid-up share capital of Loke Investments Pte. Ltd.. She is the daughter of Mr Yap Sian Lay and Mdm Ng Chui Hwa.
- (7) Mr Lionel Ian Li Huanping is the spouse of Ms Yap Bee Ling (Ye Meiling).
- (8) "n.m." means not meaningful.

#### 2. **DEALINGS IN COMPANY SECURITIES DURING THE REFERENCE PERIOD**

Based on responses to enquiries that the Offeror has made, none of the Offeror and its Concert Parties has dealt for value in the Company Securities during the Reference Period.

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## LETTER TO SHAREHOLDERS

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### 10. CONFIRMATION OF FINANCIAL RESOURCES

Section 12 of the Offer Document sets out information on the confirmation of financial resources, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

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

*RHB, as financial adviser to the Offeror in connection with the Offer, has confirmed that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer on the basis of the Offer Price.*

### 11. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in paragraphs 5.3 to 5.6 of Appendix II to this Circular.

### 12. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

#### 12.1 General

Shareholders should read and carefully consider the recommendation of the Independent Directors as set out in Section 12 of this Circular and the advice of the IFA to the Independent Directors which is set out in Appendix I to this Circular, before deciding whether to accept or reject the Offer.

#### 12.2 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 7 and summarized 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.

#### 12.3 Advice of the IFA to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular.

Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the qualifications and assumptions as set out in the IFA Letter, the IFA has given its advice to the Independent Directors as set out in paragraph 8 of the IFA Letter, an extract of which is reproduced below.

Shareholders should read the extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in Appendix I to this Circular. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

#### **8. 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.*

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## LETTER TO SHAREHOLDERS

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*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 Group would have reported losses for three years consecutively from FY2020 to FY2022 without the one-off gain of approximately S\$5.21 million from the disposal of its property at 11 Gul Drive in FY2021;*
- (b) the EV/EBITDA ratio and ex-cash P/NAV ratio of the Group as implied by the Offer Price are higher than the range of the corresponding ratios of the Comparable Companies;*
- (c) the P/NAV ratio of the Group as implied by the Offer Price is within the range and higher than the mean and median P/NAV ratios of the Comparable Companies;*
- (d) the Offer Price represents premia of more than 20% to the VWAPs of the Shares for the 3-month, 6-month and 12-month periods prior to the Offer Announcement Date; and*
- (e) the Offer Price is within the estimated values of the Shares which range between approximately S\$0.044 and approximately S\$0.073 for each Offer Share as set out in paragraph 7.6 of this IFA Letter.*

*Factors against the Offer Price*

- (i) the Offer Price is below the NAV per Share and represents a discount of approximately S\$0.0764 or 52.2% to the NAV per Share; and*
- (ii) the P/NAV ratio of the Group as implied by the Offer Price is lower than the mean and median corresponding ratios of the Privatisation Transactions.*

*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) trading of the Shares has generally been relatively thin, with sporadic trading activity and volatile market prices from time to time for the period between 30 October 2018 and the Latest Practicable Date; and*
- (II) as at the Offer Announcement Date, only 10.70% of the issued share capital of the Company were held in the hands of public which is slightly above the Free Float Requirement. This percentage decreased to 9.87% with the acceptances totaling 1,383,100 Shares received by the Offeror as at the Latest Practicable Date. Accordingly, the trading of the Shares will be suspended upon the close of the Offer even if the Offeror does not receive valid acceptances that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares as the Company no longer meets the Free Float Requirement.*

*Factors against the Offer Price*

*None.*

***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 fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer.***



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## LETTER TO SHAREHOLDERS

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### 13. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

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

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

**SHAREHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS CIRCULAR, INCLUDING THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THIS OFFER AS SET OUT IN APPENDIX I TO THIS CIRCULAR IN THEIR ENTIRETY, BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT CAREFULLY.**

Further, in rendering the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder.

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

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

### 14. ACTION TO BE TAKEN BY THE SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than 5.30 p.m. (Singapore time) on the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 of the Offer Document and the accompanying FAA and/or FAT, as the case may be.

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 Share Registrar (in respect of the FAT),

as the case may be, not later than 5:30 p.m. (Singapore time) on the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

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

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## LETTER TO SHAREHOLDERS

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### 15. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 13 of the Offer Document which sets out information in relation to Overseas Shareholders, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

#### 13. OVERSEAS SHAREHOLDERS

13.1 **Overseas Jurisdictions.** *This Offer Document does 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 in any jurisdiction in contravention of applicable law.*

*The release, publication or distribution of this Offer Document, the Hardcopy Notification, the Acceptance Forms and any other formal documentation in relation to the Offer (collectively, "Offer Documentation") in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which any Offer Documentation is released, published or distributed should inform themselves about and observe such restrictions.*

*Copies of the Offer Documentation 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.*

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

13.2 **Overseas Shareholders.** *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an "Overseas Shareholder") may be affected by the laws of the relevant overseas jurisdiction in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdiction.*

***For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom the Hardcopy Notification and the relevant Acceptance Forms have not been, or may not be, sent.***

*It is the responsibility of Overseas Shareholders who wish to accept the Offer to (a) request for the Offer Documentation, or (b) satisfy themselves as to the full observance of the laws of the relevant overseas 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 and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, RHB, CDP, the Receiving Agent and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, RHB, CDP, the Receiving Agent and/or any person acting on their behalf may be required to pay. In (a) requesting*

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## LETTER TO SHAREHOLDERS

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for the Offer Documentation, or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and RHB that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

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

- 13.3 **Copies of the Hardcopy Notification and the relevant Acceptance Forms.** Where there are potential restrictions on sending the Hardcopy Notification and the relevant Acceptance Forms to any overseas jurisdiction, the Offeror and RHB each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Hardcopy Notification, the relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from (a) the CDP (if he is a Depositor) by contacting CDP's Customer Service Hotline at +65 6535 7511 during their operating hours or emailing CDP at [asksgx@sgx.com](mailto:asksgx@sgx.com) for instructions on how to obtain a copy of such documents, or (b) the office of the Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) (if he holds the Offer Shares in scrip form) at **80 Robinson Road, #11-02, Singapore 068898**. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror (i) through CDP (if he is a Depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or (ii) the Share Registrar (if he holds the Offer Shares in scrip form) at **80 Robinson Road, #11-02, Singapore 068898** to request for the Hardcopy Notification, the relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.
- 13.4 **Notice.** The Offeror and RHB 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 or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

Where there are potential restrictions on sending the Offeree Notification and/or any related documents to any overseas jurisdictions, the Company reserves the right not to send the Offeree Notification and/or any related documents to such overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless (subject to compliance with applicable laws), download a copy of this Circular from the website of the Company at <https://www.mohsengcranes.com/> and the website of the SGX-ST at <http://www.sgx.com/>.

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 and in that connection, that each of them is in full compliance with all necessary formalities and legal requirements.

## 16. INFORMATION PERTAINING TO SRS INVESTORS

Section 14.6 of the Offer Document sets out information pertaining to SRS Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### 14 GENERAL

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

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## LETTER TO SHAREHOLDERS

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*any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date. SRS Investors who accept the Offer and elect for the Offer Price will receive the Offer Price payable in respect of their Offer Shares in their SRS investment accounts.*

### 17. ELECTRONIC DISSEMINATION OF THIS CIRCULAR

In line with the news release and joint statements issued by SGX-ST on 6 May 2020, 29 September 2020 and 29 June 2021 announcing that the Monetary Authority of Singapore, the SIC and the Singapore Exchange Regulation have introduced temporary measures to allow listed issuer and parties involved in takeover 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 the websites of the SGX-ST and the Company. In connection with the electronic dissemination of this Circular, the hardcopy notification with instructions on how to access and retrieve this Circular electronically (“**Offeree Notification**”) will be despatched by ordinary post to the Shareholders.

### 18. CONSENTS

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

### 19. DIRECTORS' RESPONSIBILITY STATEMENT

The recommendation of the Independent Directors set out in Section 12 of this Circular is the responsibility of the Independent Directors. Save for (a) the recommendation of the Independent Directors to Shareholders set out in Section 12 of this Circular for which the Independent Directors are solely responsible, (b) the IFA Letter for which the IFA takes responsibility, (c) information extracted from the Offer Announcement and the Offer Document, and (d) information relating to the Offeror and its Concert Parties, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Offer, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the Offer Document and the IFA Letter), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

### 20. GENERAL INFORMATION

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

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## LETTER TO SHAREHOLDERS

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### 21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 22 Pandan Road Singapore 609274, 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;
- (c) the IFA Letter, as set out in Appendix I to this Circular; and
- (d) the letter of consent referred to in Section 18 of this Circular.

### 22. 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 of Directors of  
**MS HOLDINGS LIMITED**

Mr. Lim Kee Way Irwin  
Lead Independent Director

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

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4 November 2022

**MS HOLDINGS LIMITED**

22 Pandan Road  
Singapore 609274

Attention: The Independent Directors (as defined herein)

**VOLUNTARY UNCONDITIONAL CASH OFFER (THE “OFFER”) BY RHB BANK BERHAD, THROUGH ITS SINGAPORE BRANCH (“RHB”), FOR AND ON BEHALF OF KINGSWIN INVESTMENT PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE “SHARES”) IN THE CAPITAL OF MS HOLDINGS LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY HELD 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 MS Holdings Limited (the “Company”) dated 4 November 2022 issued in connection with the Offer (the “Circular”)*

**1. INTRODUCTION**

On 3 October 2022 (the “**Offer Announcement Date**”), RHB announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

In connection with thereof, the Company has appointed Xandar Capital Pte. Ltd. (“**Xandar Capital**”) as the independent financial adviser (the “**IFA**”) to the board of directors of the Company (the “**Directors**”) who are considered independent under the Code for the purposes of making the recommendation to the holders of Shares (“**Shareholders**”) in relation to the Offer, namely, Mr. Tan Jia Hui Clarence, Mr. Lim Kee Way Irwin, Mr. Lau Yan Wai and Mr. Kho Kewee (collectively, the “**Independent Directors**”), to assess the terms of the Offer, and advise (a) whether the terms of the Offer are fair and reasonable; and (b) whether the Shareholders 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.

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, including without limitation, leasehold land and building, cranes and motor vehicles of the Group.

Save for (a) the recommendation of the Independent Directors to Shareholders set out in Section 13 of the Circular for which the Independent Directors are solely responsible, (b) this IFA Letter for which the IFA takes responsibility, (c) information extracted from the offer announcement dated 3 October 2022 (the “**Offer Announcement**”) and the offer document dated 21 October 2022 (the “**Offer Document**”), and (d) information relating to the Offeror and its concert parties, the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Offer, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. In respect of this IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated herein with respect to the Group are, to the best of their knowledge and belief, fair and accurate. Where any information in the Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained

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

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from a named source (including, without limitation the Offer Announcement, the Offer Document and this IFA Letter), the sole responsibility of the Directors has been to ensure that, through reasonable enquiries, such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in the Circular in its proper form and context.

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 provided to us as at 28 October 2022, being the Latest Practicable Date (the “**Latest Practicable Date**”) for the Circular. 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 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 by RHB, for and on behalf of the Offeror, in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in the Offer Document and the acceptance forms which form part of the Offer Document, for all the Offer Shares.

The principal terms and conditions of the Offer are set out in Section 2 of, and Appendix 1 to the Offer Document. We extract the following for your reference.

#### **3.1 The Offer Shares**

The Offer Shares refers to all the Shares other than those already held by the Offeror as at the date of the Offer.

The Offer is extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror in connection with the Offer (the "**Concert Parties**").

#### **3.2 The Offer Price**

**For each Offer Share: S\$0.070 in cash (the "Offer Price").**

#### **3.3 No Encumbrances**

The Offer Shares are to be acquired:

- (i) fully paid;
- (ii) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**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 and other distributions declared, paid or made by the Company (collectively, "**Distributions**") (if any), the Record Date for which falls on or after the Offer Announcement Date. "**Record Date**" is defined as, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such Distributions.

#### **3.4 Unconditional Offer**

The Offer is unconditional in all respects.



#### **4. INFORMATION ON THE COMPANY**

The Company was incorporated in Singapore on 21 May 2014 and its Shares have been quoted and listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) since November 2014 on the Catalist Board of the SGX-ST.

The Group is principally in the business of leasing of mobile and lorry cranes and trading of cranes and related equipment. On 5 January 2022, the Group announced its business expansion into automotive financing and the Group’s diversification into such business was approved by the Shareholders at an extraordinary general meeting convened on 24 March 2022.

As at the Latest Practicable Date, the Company has only one class of shares, being ordinary shares, all fully-paid or credited as fully-paid, with equal ranking rights to dividend, voting at general meetings and return of capital. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$29,882,946.52, comprising 165,789,460 Shares. As at the Latest Practicable Date, the Company does not hold any Shares in treasury.

As at the date of the Circular, the Directors of the Company are:

- (1) Mdm. Ng Chui Hwa (Executive Chairman);
- (2) Mr. Yap Chin Hock (Executive Director and CEO);
- (3) Mr. Tan Jia Hui Clarence (Executive Director and Investment Director);
- (4) Mr. Lim Kee Way Irwin (Lead Independent Director);
- (5) Mr. Lau Yan Wai (Independent Director); and
- (6) Mr. Kho Kewee (Independent Director).

#### **5. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES**

##### **5.1 ABOUT THE OFFEROR**

The Offeror is a company incorporated in the Republic of Singapore on 9 September 2022 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.

As at 17 October 2022, being the latest practicable date for the Offer Document, the Offeror has an issued and paid-up share capital of S\$2.00 comprising two (2) ordinary shares, of which 100% is held by Mdm. Ng Chui Hwa (the Executive Chairman of the Company), who is also the sole director of the Offeror.

As at 17 October 2022, the Offeror does not hold any Shares.

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



Additional information on the Offeror is set out in Appendix 3 to the Offer Document.

## 5.2 THE OFFEROR'S CONCERT PARTIES

As set out in Appendix 5 to the Offer Document, the holdings of Shares by the Concert Parties are as follows:

	Number of Shares (held directly)	% interest in the capital of the Company
<u>Parties acting in concert with the Offeror</u> <sup>(1)</sup>		
Loke Investments Pte. Ltd. <sup>(2)</sup>	109,282,108	65.92
Ms. Yap Bee Ling (Ye Meiling) <sup>(3)</sup>	5,610,000	3.38
<u>Parties presumed to be acting in concert with the Offeror</u> <sup>(1)</sup>		
Mr. Lionel Ian Li Huanping <sup>(3)</sup>	2,000	n.m. <sup>(4)</sup>
Total	114,894,108	69.30

**Notes:**

- (1) Loke Investments Pte. Ltd., Mr. Yap Sian Lay, Mr. Yap Chin Hock, Ms. Yap Bee Ling (Ye Meiling) and Ms. Yap Bee Tin have been identified as parties acting in concert with the Offeror while Mr. Lionel Ian Li Huanping has been identified as party presumed to be acting in concert with the Offeror.
- (2) Mr. Yap Sian Lay (technical director of the Group), Mdm. Ng Chui Hwa (the Executive Chairman of the Company) and Mr. Yap Chin Hock (the Executive Director and CEO of the Company) hold approximately 41%, 29% and 20% of the issued and paid-up share capital of Loke Investments Pte. Ltd. respectively. Accordingly, they are each deemed to be interested in the 109,282,108 Shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore. Mr. Yap Chin Hock is the son of Mr. Yap Sian Lay and Mdm. Ng Chui Hwa. The remaining shareholders of Loke Investments Pte. Ltd. are Ms. Yap Bee Ling (Ye Meiling) and Ms. Yap Bee Tin who holds 6% and 4% of the issued and paid-up share capital of Loke Investments Pte. Ltd. respectively. Ms. Yap Bee Ling (Ye Meiling) and Ms. Yap Bee Tin are daughters of Mr. Yap Sian Lay and Mdm. Ng Chui Hwa.
- (3) Mr. Lionel Ian Li Huanping is the spouse of Ms. Yap Bee Ling (Ye Meiling).
- (4) "n.m." means not meaningful.

## 5.3 UNDERTAKINGS

As at 17 October 2022, being the latest practicable date for the Offer Document, the Offeror and its Concert Parties has not received any irrevocable commitment or undertaking from any person to accept or reject the Offer.



#### **5.4 LEVEL OF ACCEPTANCES**

As at the Latest Practicable Date, the Company announced that the Offeror has received acceptances totalling 1,383,100 Shares, representing 0.83% of the issued share capital of the Company.

Together with the Shares held by the Offeror's Concert Parties and the Shares held by Mr. Tan Jia Hui Clarence, the Executive Director and Investment Director of the Company, the percentage of Shares held by the public as at the Latest Practicable Date is approximately 9.87% of the total number of Shares and is therefore less than the requisite 10% of the total number of issued Shares as required under Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**") (the "**Free Float Requirement**"). The Company therefore no longer meets the Free Float Requirement and trading of the Shares will be suspended at the close of the Offer.

#### **6. THE OFFEROR'S RATIONALE FOR THE OFFER AND INTENTIONS FOR THE COMPANY**

The Offeror's rationale for the Offer and intentions for the Company are set out in Sections 7 and 8 of the Offer Document respectively.

##### **6.1 THE OFFEROR'S RATIONALE FOR THE OFFER**

We extract as follows:

*"The Offeror is making the Offer with a view to delisting and privatising the Company.*

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

*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.*

*The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and/or operational changes of the Group to achieve greater efficiency and competitiveness.*

*If the Company is delisted, the Company will be able to save on 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 focus its resources and channel such expenses towards its business operations."*



## 6.2 THE OFFEROR'S INTENTIONS FOR THE COMPANY

We extract as follows:

*“The Offeror has no current intention to (a) make material changes to the existing business of the Group, (b) re-deploy the Group’s fixed assets, or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves and which it may regard to be in the interests of the Company.”*

## 7. EVALUATION OF THE OFFER

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

- (a) the historical financial performance of the Group;
- (b) the financial position of the Group;
- (c) the historical market performance of the Shares;
- (d) comparison of the valuation ratios of the Company implied by the Offer Price against its listed comparable companies;
- (e) comparison of the valuation ratios of the Offer with recently completed privatisation transactions for companies listed on the SGX-ST;
- (f) the estimated range of values of the Shares; and
- (g) other relevant considerations.

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

### 7.1 HISTORICAL FINANCIAL PERFORMANCE OF THE GROUP

For purposes of evaluating the financial terms of the Offer, we have considered the financial performance of the Group for the financial year ended 30 April (“FY”) 2020, FY2021 and FY2022:

S\$'000	Audited		
	FY2020	FY2021	FY2022
Revenue	13,955	9,806	16,664
(Loss) / Profit before income tax	(1,253)	2,864	(3,128)
(Loss) / Profit for the year	(1,326)	3,214	(2,859)

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S\$'000	Audited		
	FY2020	FY2021	FY2022
(Loss) / Profit attributable to owners of the Company	(1,355)	3,224	(2,870)

We note the following with respect to the financial performance of the Group:

FY2020 versus FY2021

The Company's financial year end is 30 April.

The COVID-19 pandemic, which brought about the implementation of the circuit breaker by the Singapore government to curb the spread of COVID-19 in Singapore for the period between 7 April 2020 and 1 June 2020 (the “**Circuit Breaker Period**”), had a more pronounced effect to the Group's revenue for FY2021 as compared to FY2020. During the Circuit Breaker Period, almost all construction worksites were suspended from operations. The Group's business continued to be affected even after the circuit breaker measures were lifted, as its customers' construction sites continued to operate at limited capacity and also had manpower issues. As a result, the Group's revenue for FY2021 decreased by approximately S\$4.15 million (or approximately 29.7%) from approximately S\$13.96 million in FY2020 to approximately S\$9.81 million in FY2021.

The Group's gross profit margin also decreased by approximately 10.3 percentage points from approximately 26.0% in FY2020 to approximately 15.7% in FY2021.

Nevertheless, as the Group recognised a one-off gain of approximately S\$5.21 million from the disposal of its property at 11 Gul Drive in FY2021, the Group reported a profit attributable to owners of the Company of approximately S\$3.22 million for FY2021 and declared a final dividend of S\$0.01 per Share for FY2021. This final dividend was paid on 24 September 2021.

The Group would have reported a loss without the one-off gain of approximately S\$5.21 million from the disposal of its property at 11 Gul Drive in FY2021.

FY2021 versus FY2022

The Group's revenue increased by approximately S\$6.86 million (or approximately 69.9%) from approximately S\$9.81 million in FY2021 to approximately S\$16.66 million in FY2022. The Company attributed the increase to the sale of a used mobile crane for S\$3.8 million in FY2022.

In addition, the Company obtained Shareholders' approval to diversify into automotive financing business (which involves hire-purchase leasing of motor vehicles, floor stock financing and ad-hoc trading of used motor vehicles) in March 2022 and generated revenue of approximately S\$0.52 million from this new business segment in FY2022.



However, as the Group recorded a loss on disposal of the used mobile crane amounting to approximately S\$2.4 million in FY2022, the Group reported gross profit of approximately S\$909,000 in FY2022 and its gross profit margin further reduced to approximately 5.5% for FY2022. Excluding the sale of the used mobile crane, the Group would have reported a revenue of approximately S\$12.86 million and a gross profit of approximately S\$3.31 million with a gross profit margin of 25.7% for FY2022.

With the lower gross profit and the absence of the one-off gain of approximately S\$5.21 million from the disposal of its property at 11 Gul Drive in FY2021, the Group reported a loss attributable to owners of the Company of approximately S\$2.87 million for FY2022.

#### **7.1.1 Historical price-earnings (“P/E”) ratio implied by the Offer Price**

P/E illustrates the valuation ratio of the current market value of a company’s shares relative to its consolidated basic earnings per share as stated in its financial statements. The P/E is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical P/E is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

As the Group reported a loss for FY2022 (being the latest available full year results of the Group), the P/E ratio of the Group will be negative and is not meaningful for our analysis.

#### **7.1.2 Enterprise value (“EV”) to earnings before interest, tax, depreciation and amortisation (“EBITDA”) (“EV/EBITDA”) ratio implied by the Offer Price**

We note from the review of the Group’s financial statements that depreciation of property, plant and equipment accounted for a significant percentage of the Group’s operating expenses in FY2020, FY2021 and FY2022. The Group also had significant finance costs in FY2020, FY2021 and FY2022. Accordingly, EBITDA, which represents the operating earnings of the Group may be a better indicator of the operating performance of the Group and the EV/EBITDA ratio, which is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges may be a better valuation indicator. In our calculation of the Group’s EBITDA, we have also excluded the one-off gain from the disposal of its property at 11 Gul Drive in FY2021. For clarifications, the Group also had other income (such as government grants and/or incentives and provision for reinstatement cost written back) as well as one-off expenses (such as impairment losses) in FY2020, FY2021 and/or FY2022. As such income and/or expenses do not have a material impact the presentation of the trend of the Group’s EBITDA from FY2020 to FY2022 and do not affect the calculations of the

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Company's EV/EBITDA ratio (which is based on the EBITDA for FY2022), we have not adjusted for such income and/or expenses in the following EBITDA calculations.

**EBITDA**

We calculate the EBITDA of the Group for FY2020, FY2021 and FY2022 as follows:

<b>S\$'000</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
(Loss)/Profit before income tax	(1,253)	2,864	(3,128)
<i>Add back:</i>			
- Depreciation of property, plant and equipment	3,512	3,381	3,144
- Interest expense	1,133	951	636
<i>Less:</i>			
- Interest income	(11)	(3)	(2)
- One-off gain on disposal of plant and equipment	-	(5,212)	-
<b>EBITDA</b>	<b>3,381</b>	<b>1,981</b>	<b>650</b>

As set out in the table above, the Group's EBITDA decreased from approximately S\$3.38 million in FY2020 to approximately S\$1.98 million in FY2021 and further declined to approximately S\$650,000 in FY2022.

As mentioned in paragraph 7.1 of this IFA Letter, the Group recorded a loss on disposal of the used mobile crane amounting to approximately S\$2.4 million in FY2022. However, we had not added back such one-off loss on disposal to calculate the EBITDA as we understand that the Group will incur maintenance, depreciation, labour and finance cost on the used mobile crane had the sale not taken place.

**EV**

We calculate the EV of the Group as implied by the Offer Price as follows:

	<b>S\$'000</b>
Value of the Company as implied by the Offer Price	11,605
Add: Loans and borrowings, and lease liabilities	21,931 <sup>(1)</sup>
Less: Cash and cash equivalents	(5,734) <sup>(1)</sup>
<b>EV</b>	<b>27,802</b>

**Note:**

(1) As at 30 April 2022.





EV/EBITDA ratio

Based on the above calculations, the EV/EBITDA ratio of the Group implied by the Offer Price is approximately 42.77 times.

**7.1.3 Outlook of the Group**

The Group's crane leasing and trading business

We extract the following from the Company's annual report for FY2022:

*"Barring unforeseen circumstances and other factors, such as the rising interest rates and/or oil prices and the potential onset of a global recession, which may negatively impact our industry and the economy, the Group believes that the outlook for the crane rental business should improve with the easing of COVID-19 measures. The Group is cautiously optimistic that business activities are gradually showing signs of improvement. The Group will continue to take steps to persevere and intensify its effort in optimising its business operation amidst this challenging time and identify new markets as well as explore new business segments."*

We note that the Group serves a wide customer base operating within the construction, marine, logistics, oil and gas as well as infrastructure industries in Singapore for its crane leasing and trading business.

The Building and Construction Authority of Singapore ("**BCA**"), in their media release dated 26 January 2022, projected that the total construction demand in 2022 to be between S\$27 billion and S\$32 billion, and BCA expects the total construction demand to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026. Based on the media releases made by BCA dated 8 January 2020, 18 January 2021 and 26 January 2022, the total construction demand for 2019, 2020 and 2021 was S\$33.4 billion, S\$21.3 billion (preliminary estimate) and S\$29.94 billion (preliminary estimate) respectively. This implies that the Singapore's construction industry is gradually recovering to pre-pandemic levels.

The Group's new automotive financing business

We extract the following from the Company's circular to Shareholders dated 1 March 2022:

*"The management has identified Proposed New Business as having the potential to develop an alternate income stream to the Group by utilising the Group's existing cash balances. The Board also believes that the Proposed Diversification will offer new business opportunities to the Group and improve its prospects, so as to enhance Shareholders' value for the Company."*

As set out in paragraph 7.1 of this IFA Letter, the Group diversified into automotive financing business upon receipt of Shareholders' approval in March 2022 and generated revenue of approximately S\$0.52 million from this new business segment over the two months period in FY2022.



## 7.2 FINANCIAL POSITION OF THE GROUP

As the Group reported a loss and had low EBITDA for FY2022, the net asset value (“NAV”) of the Group is important in our evaluation of the financial terms of the Offer. We summarise in the table below the audited balance sheet of the Group as at 30 April 2022:

<b>S\$’000</b>	<b>Audited 30 April 2022</b>
Current assets	11,653
Current liabilities	(9,867)
Net current assets	1,786
Non-current assets	38,119
Non-current liabilities	(15,547)
NAV of the Group	24,358
Less: Non-controlling interest	(88)
NAV attributable to Shareholders	24,270

As the Group does not have any intangible assets, its net tangible assets (“NTA”) is the same as its NAV.

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 provides basis for the value of the Offer Shares.

Notwithstanding the foregoing, Shareholders should note that analyses based on the NAV of the Group only provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

### 7.2.1 NAV per Share

Based on the total number of 165,789,460 Shares as at the Latest Practicable Date and the Group’s NAV of approximately S\$24,270,000 as at 30 April 2022, the NAV per Share is approximately S\$0.1464 and the Offer Price represents a discount of approximately S\$0.0764 or 52.2% to the NAV per Share, or a P/NAV ratio of approximately 0.48 times.

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**7.2.2 Review of the components of the Group’s NAV as at 30 April 2022**

In our evaluation of the financial position of the Group, we also have considered whether there are any assets which should be valued at an amount that is materially different from that which was recorded in the financial positions of the Group as presented in the table above and whether there are any factors in recent announcements made by the Company that are likely to impact the NAV per Share.

We set out in the table below, the assets and liabilities which accounted for more than 5% of the total assets of the Group as at 30 April 2022:

	<b>Audited as at 30 April 2022</b>	
	<b>S\$’000</b>	<b>As a percentage of the Group’s total assets</b>
Property, plant and equipment	36,327	73.0
Borrowings and lease liabilities (current and non-current)	21,931	44.1
Trade and other receivables (current and non-current)	7,644	15.4
Cash and bank balances	5,734	11.5

We review these material assets and liabilities in the paragraphs below.

(i) Property, plant and equipment

Property, plant and equipment comprised the Group’s cranes and motor vehicles which had a total net book value of approximately S\$21.82 million as at 30 April 2022 as well as the leasehold land and building at Pandan Road (the “**Pandan Facilities**”) which had a total net book value of approximately S\$11.30 million as at 30 April 2022.

No valuation on such assets were undertaken for the purposes of the Offer.

The cranes and motor vehicles were utilised for its crane leasing activities. As at 30 April 2022, the Group had 29 mobile cranes and lorry cranes that have lifting capabilities ranging from 25 tonnes to 500 tonnes. We note from our review of the Company’s annual reports that, saved for the sale of the used mobile crane in FY2022, there has been no change to the number of mobile cranes and lorry cranes since 30 April 2019. These mobile cranes and lorry cranes are depreciated using the straight-line method over their estimated useful lives of five (5) to 30 years. We also note the Group sold the used mobile crane at a cash consideration of approximately S\$3.8 million, recording a loss on disposal of approximately S\$2.4 million in FY2022.

The Pandan Facilities are utilised by the Group for its own use and are depreciated using the straight-line method over their estimated useful lives of 22 to 45 years. The market value of the Pandan Facilities based on a valuation performed for

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mortgage/financing purposes in May 2022 was S\$11.0 million. As the difference between the net book value and market value of the Pandan Facilities amounted to only approximately S\$299,000 or 1.2% of the Group's NAV, no adjustment has been made to the Group's NAV as at 30 April 2022.

(ii) Borrowings and lease liabilities (current and non-current)

The borrowings and lease liabilities were taken to finance the Group's acquisition of property, plant and equipment. The effective interest rates of the bank borrowings ranged from 2.23% to 3.78% per annum while the effective interest rates of the lease liabilities ranged from 2.65% to 4.00% per annum for FY2022.

(iii) Trade and other receivables (current and non-current)

The Group had non-current trade receivables of approximately S\$1.79 million arising from its automotive financing business as at 30 April 2022.

We calculate the Group's average trade debtors' turnover days (being average trade debtors' balance at the beginning and end of year divided by revenue for the year multiplied by 365 days) to be 242 days for FY2022 which is an improvement as compared to 326 days for FY2021 and 274 days for FY2020. However, if the revenue from the sale of the used mobile crane which was transacted on cash basis has been excluded from the calculations, the average trade debtors' turnover days of the Group for FY2022 would have been 314 days. We understand from the Company that receipt of trade receivables from customers have generally been slower since the COVID-19 pandemic. The Company had already made partial provision for trade receivables which were more than 90 days past due in FY2022.

(iv) Cash and bank balances

Cash and bank balances comprises mainly cash at bank which earns interest at floating rates based on daily deposit rates ranging from 0.13% to 0.20% per annum for FY2022.

We inquire and the Board 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 30 April 2022 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 30 April 2022; 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 30 April 2022.

Accordingly, there is no adjustment to the NAV of the Group.

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**7.2.3 Ex-cash NAV per Share**

Although total cash and bank balances amounted to only approximately 11.5% of the Group's total assets as at 30 April 2022, we calculate that total cash and bank balances represents approximately 49.4% of the value of the Company as implied by the Offer Price.

We calculate the ex-cash P/NAV ratio of the Shares as follows:

	<b>As at 30 April 2022 (S\$'000)</b>	<b>As at 30 April 2022 on a per Share basis (S\$)</b>
Cash and bank balances	5,734	0.0346
Ex-cash Offer Price		0.0354
Ex-cash NAV	18,536	0.1118
Ex-cash P/NAV ratio		0.32 times

The ex-cash P/NAV ratio of approximately 0.32 times is higher than that of the Comparable Companies (as defined in paragraph 7.4 of this IFA Letter) all of which had ex-cash P/NAV ratio of approximately 0.2 times as at the Latest Practicable Date. The valuation statistics of the Comparable Companies are set out in paragraph 7.4 of this IFA Letter.

**7.3 HISTORICAL MARKET PERFORMANCE OF THE SHARES**

We note that the Company was listed and the Shares first commenced trading on the Catalist board of the SGX-ST on 7 November 2014.

In October 2018, the Company undertook a rights cum warrants issue and increased its issued share capital to 165,789,460 Shares. The rights shares were listed and quoted on the Catalist board of the SGX-ST on 30 October 2018. There has been no change to the issued share capital of the Company since 30 October 2018 and up to the Latest Practicable Date.

Based on the 114,894,108 Shares held by the Offeror's Concert Parties as set out in paragraph 5.2 of this IFA Letter as well as the 33,157,892 Shares held by Mr. Tan Jia Hui Clarence, the Executive Director and Investment Director of the Company, we calculate the free float of the Company to be 17,737,460 Shares as at the Offer Announcement Date. This represents only 10.70% of the issued share capital of the Company which is slightly above the 10% shareholding held in the hands of public required under Rule 723 of the Listing Manual (Section B : Rules of Catalist) of the SGX-ST (the "**Catalist Rules**").

In addition, we note from the Company's annual report for FY2022 that it only had 136 Shareholders as at 22 July 2022.

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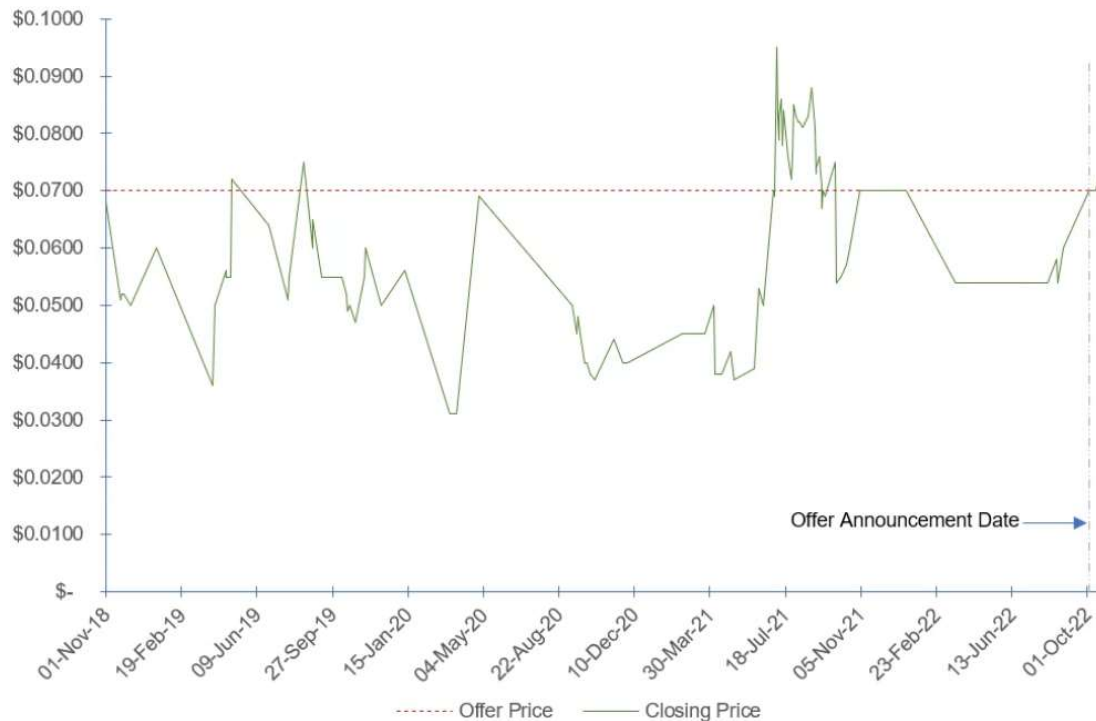
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As a result, the trading of the Shares has generally been relatively thin, with sporadic trading activity and volatile market prices from time to time for the period between 30 October 2018 and the Latest Practicable Date.

Further details relating to the historical market prices and trading statistics of the Shares can be found in the ensuing paragraphs.

### 7.3.1 Historical closing price of the Shares

The following chart compares the Offer Price against the historical closing price of the Shares for period since 30 October 2018 and up to the Latest Practicable Date:



Source: Bloomberg L.P.

We note from the chart above that:

- (a) the closing prices of the Shares were relatively volatile and fluctuated between a low of S\$0.031 per Share and a high of S\$0.095 per Share for period between 30 October 2018 and 30 September 2022, being the last market day on which the SGX-ST is open for trading in securities (“**Market Day**”) prior to the Offer Announcement Date (the “**Last Market Day**”);
- (b) the low closing price of S\$0.031 per Share occurred on 16 and 26 March 2020, when the Singapore government introduced social distancing to limit large crowds

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gathering in close proximity over a prolonged duration to manage the risk of local transmission of COVID-19 in Singapore in March 2020 while the high closing price of S\$0.095 per Share occurred on 5 July 2021, after the Company proposed a one (1) cent final dividend in its full year results for FY2021 announced on 29 June 2021;

- (c) the Shares only closed on or above the Offer Price for 35 days out of the 111 days where the Shares were traded (“**Traded Days**”) for period between 30 October 2018 and the Last Market Day. Out of these 35 days, 27 days were during the period from 30 June 2021 (being the day after the dividend announcement on 29 June 2021 as mentioned above) to 7 September 2021 (being the last Market Day before the Shares became ex-dividend on 8 September 2021); and
- (d) the Shares had closed on or above the Offer Price for the period between the Offer Announcement Date and the Latest Practicable Date. 1,300 Shares out of the 2,972,100 Shares traded for the period between the Offer Announcement Date and the Latest Practicable Date transacted at S\$0.072 per Share.

**7.3.2 Historical trading statistics of the Shares**

We also tabulate the trading statistics of the Shares for the period between 30 October 2018 and the Latest Practicable Date as follows:

	<b>VWAP <sup>(1)</sup></b>	<b>Premium of Offer Price to VWAP <sup>(2)</sup></b>	<b>Highest traded price <sup>(3)</sup></b>	<b>Lowest traded price <sup>(3)</sup></b>	<b>Average daily traded volume <sup>(2)</sup></b>	<b>Average daily traded volume as percentage of free float <sup>(3)</sup></b>
	<b>(S\$)</b>	<b>(%)</b>	<b>(S\$)</b>	<b>(S\$)</b>		<b>(%)</b>
<u>Periods prior to the Offer Announcement Date</u>						
Since 30 October 2018	0.0616 <sup>(4)</sup>	13.64 <sup>(4)</sup>	0.105	0.031	196,150 <sup>(4)</sup>	1.11 <sup>(4)</sup>
24 months	0.0663 <sup>(5)</sup>	5.58 <sup>(5)</sup>	0.105	0.037	207,426 <sup>(5)</sup>	1.17 <sup>(5)</sup>
12 months	0.0562	24.56	0.079	0.054	36,671	0.21
6 months	0.0558	25.45	0.060	0.054	97,480	0.55
3 months	0.0559	25.22	0.060	0.054	114,350	0.64
1 month	NIL	NIL	NIL	NIL	NIL	NIL
26 August 2022 <sup>(6)</sup>	0.0595	17.65	0.060	0.059	120,000	0.68
<u>Periods after the Offer Announcement Date</u>						
Up to and including the Latest Practicable Date	0.070	0.00	0.072	0.070	371,513	2.09
Latest Practicable Date	0.070	0.00	0.072	0.070	104,800	0.59

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Source: Bloomberg L.P.

**Notes:**

- (1) "VWAP" refers to volume weighted average price and is rounded to four (4) decimal places.
- (2) The average daily traded volumes of the Shares are calculated based on the total number of Shares traded and the total Traded Days during that period.
- (3) Percentage of free float is calculated based on 17,737,460 Shares as at the Offer Announcement Date, being the difference between (i) the Company's total share capital of 165,789,460 Shares; and (ii) the 114,894,108 Shares held by the Offeror's Concert Parties as well as the 33,157,892 Shares held by Mr. Tan Jia Hui Clarence, the Executive Director and Investment Director of the Company.
- (4) These statistics include the market purchases of 5,500,000 Shares by Mr. Yap Chin Hock at S\$0.055 per Share for the period between 24 April 2019 and 2 May 2019 as well as the market purchase of 3,200,000 Shares by Mr. Tan Jia Hui Clarence at S\$0.045 per Share on 22 March 2021. Had these market purchases been excluded, the VWAP of the Shares for the period since 30 October 2018 up to the Last Market Day would be S\$0.0685 per Share and the Offer Price would have represented only a small premium of approximately 2.19% to this VWAP. The average daily traded volume of the Shares would also be lower at 117,772 Shares or 0.66% of the Company's free float.
- (5) These statistics include the market purchase of 3,200,000 Shares by Mr. Tan Jia Hui Clarence at S\$0.045 per Share on 22 March 2021. Had this market purchase was excluded, the VWAP of the Shares for the 24-month period prior to the Offer Announcement Date would be S\$0.0726 per Share and the Offer Price would have represented a discount of approximately 3.58% to this VWAP. The average daily traded volume of the Shares would also be lower at 160,368 Shares or 0.90% of the Company's free float.
- (6) Being the last Traded Day on which the Shares were transacted prior to the Last Market Day.

We note the following with regard to the traded prices of the Shares:

- (a) including the market purchases by Mr. Yap Chin Hock and Mr. Tan Jia Hui Clarence, the VWAP of the Shares for the periods prior to the Offer Announcement Date were all below the Offer Price;
- (b) excluding the market purchases by Mr. Tan Jia Hui Clarence at S\$0.045 per Share on 22 March 2021, the VWAP of the Shares for the 24-month period prior to the Offer Announcement Date of S\$0.0726 per Share is slightly higher than the Offer Price. This is likely to be attributable to the higher traded prices of the Shares for the period between 30 June 2021 and 7 September 2021 when the Shares were traded on a "cum-dividend" basis. A total of 8,521,200 Shares were traded at a total value of S\$674,148.52 during the aforesaid period or a VWAP of S\$0.0791 per Share;
- (c) the Offer Price represents a discount of approximately 33.3% to the highest traded price at S\$0.105 per Share for the periods prior to the Offer Announcement Date;
- (d) the Offer Price represents a premium of approximately 125.8% to the lowest traded price of S\$0.031 per Share for the periods prior to the Offer Announcement Date;
- (e) the Offer Price represents premia of more than 20% to the VWAPs of the Shares for the 3-month, 6-month and 12-month periods prior to the Offer Announcement Date;

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- (f) on 26 August 2022, being the Last Traded Day, the Shares traded between S\$0.059 and S\$0.06 per Share. The Offer Price represents premia of between 16.7% and 18.6% to the traded prices of the Shares on the Last Traded Day; and
- (g) the Shares traded and closed at or above the Offer Price for the period between the Offer Announcement Date and the Latest Practicable Date. It appears that the market price of the Shares is likely to have been supported by the Offer.

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

- (i) as mentioned in note (2) to the table above, the average daily traded volumes of the Shares are calculated based on the total number of Traded Days. The average daily traded volumes of the Shares will be lower if it is calculated based on the number of Market Days during that period. We set out the number of Traded Days and Market Days for the same periods as follows:

	<b>Number of Traded Days</b>	<b>Number of Market Days</b>
<u>Periods prior to the Offer Announcement Date</u>		
Since 30 October 2018	111	988
Last 24 months	68	505
Last 12 months	14	252
Last 6 months	5	125
Last 3 months	4	64
Last 1 month	-	22
<u>Period after the Offer Announcement Date</u>		
Up to the Latest Practicable Date	8	19

*Source: Bloomberg L.P.*

As set out in the table above, the Shares were traded on less than 14% of the Market Days for the aforesaid periods prior to the Offer Announcement Date; and

- (ii) while the Shares traded represent more than 1% of the free float of the Company for the period between 30 October 2018 and the Last Market Day and the 24-month period prior to the Offer Announcement Date, the absolute number of Shares traded amounted to less than 210,000 Shares;
- (iii) excluding the market purchases by Mr. Yap Chin Hock and Mr. Tan Jia Hui Clarence, the average daily traded volume of the Shares for the periods prior to the Offer Announcement Date will be below 161,000 Shares;



- (iv) the liquidity of the Shares may also be affected by the aforesaid market purchases of Shares by Mr. Yap Chin Hock for the period between 24 April 2019 and 2 May 2019 as well as by Mr. Tan Jia Hui Clarence on 22 March 2021 which reduced the Company's free float by 8,700,000 Shares. The lower average daily traded volume of the Shares for the 3-month, 6-month and 12-month periods prior to the Offer Announcement Date could be attributed to the lower free float;
- (v) there were no trades of Shares for the one-month period prior to the Offer Announcement Date; and
- (vi) the Shares were traded on eight (8) Market Days out of 19 Market Days for the period between the Offer Announcement Date and the Latest Practicable Date.

Shareholders should also note that the historical market performance of the Shares is not indicative of the future price performance of the Shares, which may be affected by factors beyond the scope of our evaluation.

#### **7.4 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE AGAINST ITS LISTED COMPARABLE COMPANIES**

The Group only commenced the automotive financing business in the last quarter of FY2022. We notice that more than 90% of the Group's revenue for the last three (3) completed financial years to be generated from the leasing and trading of used cranes. Comparison is therefore made to companies listed in Singapore which also generated most or all of its revenue from similar business activities (the "**Comparable Companies**") to assess the valuation ratios implied by the Offer Price.

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

<b>Comparable Companies</b>	<b>Business activities</b>
Hiap Tong Corporation Ltd. (" <b>Hiap Tong</b> ")	Hiap Tong is a leasing and trading provider of hydraulic lifting and haulage equipment services primarily to the marine, petrochemical, and construction industries in Singapore.
Sin Heng Heavy Machinery Ltd. (" <b>Sin Heng</b> ")	Sin Heng is a heavy lifting services provider, servicing the infrastructure and geotechnic, construction, offshore and marine, oil and gas industries. The company's business activities are renting and trading cranes and aerial lifts. Sin Heng also sells and distributes spare parts for cranes and aerial lifts.
Tiong Woon Corporation Holding Limited (" <b>Tiong Woon</b> ")	Tiong Woon and its subsidiaries provide heavy lift, heavy haulage, transportation services, and engineering services. The company also offers crane services, and provides wharfing and stevedoring services.

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**Comparable Companies    Business activities**

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Yongmao Holdings Ltd. ("Yongmao")	Yongmao designs and manufactures construction equipment. The company produces tower cranes, components, and accessories for sale and leasing.
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Source: Bloomberg L.P. and the respective website of the Comparable Companies.

Given that we have only identified four (4) Comparable Companies, we do not further shortlist them based on other factors such as market capitalisation, revenue or profitability. 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.

For the comparison of Comparable Companies, we have referred to various valuation measures to provide an indication of current market expectations with regard to the valuation of these companies as below:

<b>Valuation ratios</b>	<b>General description</b>
P/E	P/E ratio illustrates the ratio of the market price of a company's share relative to its historical consolidated earnings per share. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
EV/EBITDA	EV/EBITDA ratio is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.
P/NAV	P/NAV ratio illustrates the ratio of the market capitalisation of a company relative to its NAV as stated in its financial statements. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
P/NTA	P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their amortisation and asset valuation policies.

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

Comparable Companies	Market Capitalisation <sup>(1)</sup> (S\$'million)	Profit attributable to equity holders <sup>(2)</sup> (S\$'million)	P/E ratio (times)	EV/EBITDA ratio (times)	P/NAV ratio (times)	Ex-cash P/NAV ratio (times)
Hiap Tong	21.6	1.6	13.4	3.3	0.3	0.2
Sin Heng	51.0	3.9	13.2	1.5	0.5	0.2
Tiong Woon	104.3	11.4	9.2	3.3	0.4	0.2
Yongmao	63.0	11.7	5.8	3.0	0.4	0.2
Maximum			13.4	3.3	0.5	0.2
Minimum			5.8	1.5	0.3	0.2
Mean			10.5	2.8	0.4	0.2
Median			11.4	3.2	0.4	0.2

The Company	11.6	(2.9)	Negative	42.8	0.5	0.3
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Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

**Notes:**

- (1) Based on last traded prices of the respective Comparable Companies as at the Latest Practicable Date and the market capitalisation implied by the Offer Price for the Company.
- (2) Based on latest available 12 months profits attributable to equity holders as announced by the respective Comparable Companies.
- (3) Please refer to paragraph 7.1.2 of this IFA Letter for the calculations of the Company's EV/EBITDA ratio.
- (4) Based on the P/NAV ratio and ex-cash P/NAV ratio of the Company set out in paragraphs 7.2.1 and 7.2.3 of this IFA Letter.

For illustrative purpose only, based on the above ratio analysis, we note that:

- (a) the EV/EBITDA ratio and the ex-cash P/NAV ratio of the Group as implied by the Offer Price are higher than the range of the corresponding ratios of the Comparable Companies; and



- (b) the heavy equipment companies listed on the SGX-ST are all trading below their respective NAV. The P/NAV ratio of the Group as implied by the Offer Price is within the range and higher than the mean and median corresponding ratios of the Comparable Companies.

#### **7.5 COMPARISON OF THE VALUATION RATIOS OF THE OFFER WITH RECENTLY COMPLETED PRIVATISATION TRANSACTIONS FOR COMPANIES LISTED ON THE SGX-ST**

As disclosed in Section 9.2 of the Offer Document, the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. If entitled, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer, then proceed to delist the Company from the SGX-ST.

Accordingly, we have compared the key terms of the Offer with those of selected successful privatisation transactions that were announced and completed since 1 January 2021 and up to the Latest Practicable Date, which were 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 where the offeror has stated its intentions to delist the listed company from the SGX-ST, whether in cash or otherwise (the “**Privatisation Transactions**”).

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs prior to the announcement of the respective Privatisation Transactions.

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 <sup>(1)</sup>	Type <sup>(2)</sup>	Premium / (Discount) of offer price over/(to):				Offer price-to-NAV or RNAV <sup>(3)</sup> (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
Silkroad Nickel Ltd.	9-Sep-22	VGO	2.4	5.4	5.1	(5.5)	5.07
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. <sup>(4)</sup>	n.a. <sup>(4)</sup>	n.a. <sup>(4)</sup>	n.a. <sup>(4)</sup>	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
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	73.7	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	21-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

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**Premium / (Discount) of offer price over/(to):**

<b>Name of companies</b>	<b>Date of announcement<sup>(1)</sup></b>	<b>Type<sup>(2)</sup></b>	<b>Last transacted price (%)</b>	<b>1-month VWAP (%)</b>	<b>3-month VWAP (%)</b>	<b>6-month VWAP (%)</b>	<b>Offer price-to-NAV or RNAV<sup>(3)</sup> (times)</b>
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
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			122.9	133.6	146.8	148.7	5.07
Minimum			2.4	3.9	5.1	(5.5)	0.32
Mean			34.7	38.7	39.8	40.2	1.27
Median			19.9	23.2	26.2	22.8	0.79

<b>The Company</b>	<b>3-Oct-22</b>	<b>VGO</b>	<b>NIL</b>	<b>NIL</b>	<b>25.2</b>	<b>25.5</b>	<b>0.48<sup>(5)</sup></b>
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Source: The offeree circulars of the respective companies.

**Notes:**

- (1) Date of announcement refer to the date of first announcement, including holding announcement, of offers.
- (2) VGO – Voluntary General Offer; and SOA – Scheme of Arrangement.
- (3) Based on the NAV per share or adjusted/revalued NAV (“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) Based on the P/NAV ratio set out in paragraph 7.2.1 of this IFA Letter.



Based on the above, we note that:

- (a) the premium of the Offer Price over the 3-month VWAP and the 6-month VWAP are within the range of premia/(discount) represented by the offer price of the Privatisation Transactions but are lower than the mean premia represented by the offer price of the Privatisation Transactions; and
- (b) the P/NAV ratio of 0.48 times implied by the Offer Price is within the range but lower than the mean and median of the P/NAV (or P/RNAV) ratios of the Privatisation Transactions.

## **7.6 ESTIMATED RANGE OF VALUES OF THE SHARES**

Given that the Group reported a loss and had low EBITDA for FY2022, the earnings-based ratios such as P/E ratio and EV/EBITDA ratio will not be relevant in our consideration of the estimated range of values of the Shares.

Accordingly, we have focused on the asset-based ratio, namely P/NAV ratio in our consideration of the estimated range of values of the Shares.

As set out in paragraph 7.4 of this IFA Letter, the heavy equipment companies listed on the SGX-ST are all trading below their respectively NAV. Based on the range of the P/NAV ratio of the Comparable Companies, the estimated values of the Shares will range from S\$0.044 to S\$0.073.

## **7.7 OTHER CONSIDERATIONS**

### **7.7.1 Suspension of trading of Shares at close of the Offer**

Rule 1104 of the Catalist Rules states that, upon the announcement by the Offeror that valid acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares until it is satisfied at least 10% of the total numbers of issued Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public.

As mentioned in paragraph 5.4, the Offeror has received acceptances totalling 1,383,100 Shares, representing 0.83% of the issued share capital of the Company. Together with the Shares held by the Offeror's Concert Parties and the Shares held by Mr. Tan Jia Hui Clarence, the Executive Director and Investment Director of the Company, the percentage of Shares held by the public as at the Latest Practicable Date is approximately 9.87% of the total number of Shares and the Company therefore no longer meets the Free Float Requirement and trading of the Shares will be suspended at the close of the Offer.

Further, we note from the Group's annual report for FY2022 that, as at 22 July 2022, the total number of Shareholders is only 136. In addition, the top 20 Shareholders as at 22 July 2022 hold in aggregate 159,221,100 Shares representing approximately 96.0% of the total issued share capital of the Company.





Accordingly, even if the Offeror does not receive valid acceptances that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares, the SGX-ST will still suspend the trading of the Shares as the Company no longer meets the Free Float Requirement and has less than 200 Shareholders who are members of the public upon the close of the Offer.

As set out in Section 9.2 of the Offer Document, 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.

Shareholders who do not accept the Offer will not have a public market to trade in the Shares after the close of the Offer, except that the Shares held by such Shareholders will be compulsory acquired by the Offeror when the Offeror exercises its rights of compulsory acquisition, if entitled.

#### **7.7.2 Alternative takeover offer**

The Directors confirmed 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.

#### **7.7.3 Dividend track record**

The Company only paid two dividends after its listing in November 2014, the first one being the final dividend of S\$0.01 per Share for FY2015 and the second one being the final dividend of S\$0.01 per Share for FY2021.

As set out in the Company's annual report for FY2022, the Company does not have a formal dividend policy at present. The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, financial position, results of operations, cash flow, capital needs, the terms of the Group's borrowing arrangements (if any), plans for expansion and other factors which the Directors may deem appropriate.

Given the infrequent dividend pay-outs since the listing of the Company in November 2014, it is not meaningful to compare the Company's dividend pay-out with alternative investments.

#### **7.7.4 Transaction costs in connection with the disposal of the Shares**

Given the low liquidity of the Shares (in terms of volume traded and the number of Traded Days) for the periods set out in paragraph 7.3 of this IFA Letter, 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.



**8. 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 Group would have reported losses for three years consecutively from FY2020 to FY2022 without the one-off gain of approximately S\$5.21 million from the disposal of its property at 11 Gul Drive in FY2021;
- (b) the EV/EBITDA ratio and ex-cash P/NAV ratio of the Group as implied by the Offer Price are higher than the range of corresponding ratios of the Comparable Companies;
- (c) the P/NAV ratio of the Group as implied by the Offer Price is within the range and higher than the mean and median P/NAV ratios of the Comparable Companies;
- (d) the Offer Price represents premia of more than 20% to the VWAPs of the Shares for the 3-month, 6-month and 12-month periods prior to the Offer Announcement Date; and
- (e) the Offer Price is within the estimated values of the Shares which range between approximately S\$0.044 and approximately S\$0.073 for each Offer Share as set out in paragraph 7.6 of this IFA Letter.

*Factors against the Offer Price*

- (i) the Offer Price is below the NAV per Share and represents a discount of approximately S\$0.0764 or 52.2% to the NAV per Share; and

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- (ii) the P/NAV ratio of the Group as implied by the Offer Price is lower than the mean and median corresponding ratios of the Privatisation Transactions.

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) trading of the Shares has generally been relatively thin, with sporadic trading activity and volatile market prices from time to time for the period between 30 October 2018 and the Latest Practicable Date; and
- (II) as at the Offer Announcement Date, only 10.70% of the issued share capital of the Company were held in the hands of public which is slightly above the Free Float Requirement. This percentage decreased to 9.87% with the acceptances totalling 1,383,100 Shares received by the Offeror as at the Latest Practicable Date. Accordingly, the trading of the Shares will be suspended upon the close of the Offer even if the Offeror does not receive valid acceptances that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares as the Company no longer meets the Free Float Requirement.

*Factors against the Offer Price*

None.

**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 fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT 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.

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The logo for Xandar Capital, featuring the word "XANDAR" in a large, stylized, blue font above the word "CAPITAL" in a smaller, blue font. The logo is enclosed in a thin blue rectangular border.

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 ON THE COMPANY

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### 1. DIRECTORS

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

<b>Name</b>	<b>Address</b>	<b>Designation in the Company</b>
Mdm. Ng Chui Hwa	c/o 22 Pandan Road Singapore 609274	Executive Chairman
Mr. Yap Chin Hock	c/o 22 Pandan Road Singapore 609274	Executive Director and Chief Executive Officer
Mr. Tan Jia Hui Clarence	c/o 22 Pandan Road Singapore 609274	Executive Director and Investment Director
Mr. Lim Kee Way Irwin	c/o 22 Pandan Road Singapore 609274	Lead Independent Director
Mr. Lau Yan Wai	c/o 22 Pandan Road Singapore 609274	Independent Director
Mr. Kho Kewee	c/o 22 Pandan Road Singapore 609274	Independent Director

### 2. REGISTERED OFFICE

The registered office of the Company is at 22 Pandan Road Singapore 609274.

### 3. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 21 May 2014 and its Shares have been quoted and listed on the SGX-ST since 2014 on the Catalist Board of the SGX-ST.

The Company and its subsidiaries are principally in the business of leasing of mobile and lorry cranes and trading of cranes and related equipment. On 5 January 2022, the Group announced its business expansion into automotive financing and the Group's diversification into such business was approved by the Shareholders at an extraordinary general meeting convened on 24 March 2022.

### 4. SHARE CAPITAL

#### 4.1. Issued Share Capital

As at the Latest Practicable Date, the Company has only one class of shares, being ordinary shares, all fully-paid or credited as fully-paid, with equal ranking rights to dividend, voting at general meetings and return of capital. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$29,882,946.52, comprising 165,789,460 Shares.

As at the Latest Practicable Date, the Company does not hold any Shares in treasury.

#### 4.2. Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are set out in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts shall have the meanings ascribed to them in the Constitution.

## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

### 4.3. New Issues

As at the Latest Practicable Date, there has been no issuance of shares by the Company since 30 April 2022, being the end of the last financial year.

### 4.4. Convertible securities

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.

## 5. DISCLOSURE OF INTERESTS AND DEALINGS

### 5.1. Interests of the Company in Offeror Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or deemed interest in the Offeror Securities.

### 5.2. Dealings in Offeror Securities by the Company

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

### 5.3. Interests of the Directors in Company Securities

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

Direct Interest			Deemed Interest		Total Interest	
Name of Director	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Mdm. Ng Chui Hwa	-	-	109,282,108 <sup>(2)</sup>	65.92	109,282,108	65.92
Mr. Yap Chin Hock	-	-	109,282,108 <sup>(3)</sup>	65.92	109,282,108	65.92
Mr. Tan Jia Hui Clarence	33,157,892	20.00	-	-	33,157,892	20.00

#### Notes:

- (1) Calculated based on the 165,789,460 Shares in issue as at the Latest Practicable Date.
- (2) Mdm. Ng Chui Hwa holds approximately 29% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, she is deemed to be interested in the 109,282,108 Shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the SFA. On 31 October 2022, based on the Loss of Free Float Announcement, Loke Investments Pte. Ltd. had validly tendered all its 109,282,108 Shares in acceptance of the Offer.
- (3) Mr. Yap Chin Hock holds approximately 20% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, he is deemed to be interested in the 109,282,108 Shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the SFA. Mr. Yap Chin Hock is the son of Mdm. Ng Chui Hwa. On 31 October 2022, based on the Loss of Free Float Announcement, Loke Investments Pte. Ltd. had validly tendered all its 109,282,108 Shares in acceptance of the Offer.

### 5.4. Dealings in Company Securities by the Directors

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

## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

### 5.5. Interests of the Directors in Offeror Securities

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

Directors	No. of Shares held	Approximate Shareholding <sup>(1)</sup>
Mdm. Ng Chui Hwa	2	100.0%

Note:

- (1) The percentage shareholding is based on an aggregate of two (2) ordinary shares in the capital of the Offeror as at the Latest Practicable Date.

### 5.6. Dealings in Offeror Securities by the Directors

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

### 5.7. Company Securities owned or controlled by the IFA

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

### 5.8. Dealing in Company Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis has dealt for value in the Company Securities.

### 5.9. Intentions of the Directors in respect of their Offer Shares

The Directors who are also Shareholders have indicated their intention in respect of voting and/or accepting or declining the Offer in respect of their respective holdings of Shares as at the Latest Practicable Date, as follows:

- (a) each of Mdm. Ng Chui Hwa and Mr. Yap Chin Hock have informed the Company that Loke Investments Pte. Ltd. has accepted the Offer in respect of all the Shares. Loke Investments Pte. Ltd. is majority-controlled by Mdm. Ng Chui Hwa and Mr. Yap Chin Hock; and
- (b) Mr. Tan Jia Hui Clarence has informed the Company that he intends to accept the Offer in respect of all the Shares held by him and will be tendering his acceptance of the Offer in respect of all the Shares held by him.

Save for Mdm. Ng Chui Hwa, Mr. Yap Chin Hock and Mr. Tan Jia Hui Clarence, none of the other Directors has any other direct or deemed interest in the Shares.

## 6. DIRECTORS' SERVICE AGREEMENTS

As at the Latest Practicable Date:

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

## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### 7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director, or any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

### 8. VIEWS OF THE BOARD ON THE OFFEROR'S INTENTIONS FOR THE COMPANY AND ITS EMPLOYEES

The Board refers Shareholders to the rationale for the Offer and the Offeror's intentions for the Company and its employees as produced from the Offer Document in Section 5 of this Circular. The Board is willing to render reasonable co-operation with the Offeror to maintain the existing business and operations of the Group which is in the interests of the Company and the Shareholders as a whole.

### 9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

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

### 10. MATERIAL LITIGATION

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

### 11. SUMMARY OF FINANCIAL INFORMATION

#### 11.1. Consolidated Statements of Comprehensive Income

A summary of the audited consolidated statements of comprehensive income of the Group for FY2020, FY2021 and FY2022 is set out below.

	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>
Revenue	13,955	9,806	16,664
Cost of sales	(10,333)	(8,268)	(15,755)
<b>Gross profit</b>	<b>3,622</b>	<b>1,538</b>	<b>909</b>
Other income	1,330	6,855	478



## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

	FY2020 (S\$'000)	FY2021 (S\$'000)	FY2022 (S\$'000)
<b>Expenses</b>			
Distribution expenses	(20)	(12)	(21)
General and administrative expenses	(5,052)	(4,566)	(3,858)
Finance costs	(1,133)	(951)	(636)
<b>(Loss)/profit before tax</b>	(1,253)	2,864	(3,128)
Income tax credit/(expense)	(73)	350	269
<b>(Loss)/profit for the year representing total comprehensive (loss)/income for the year</b>	(1,326)	3,214	(2,859)
<b>(Loss)/profit net of tax, representing total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(1,355)	3,224	(2,870)
Non-controlling interests	29	(10)	11
<b>(Loss)/profit net of tax, representing total comprehensive (loss)/profit for the year</b>	(1,326)	3,214	(2,859)
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
Basic and diluted (loss)/earning per share (cents per share)	(0.82)	1.94	(1.73)
Final tax-exempt dividend per ordinary share	-	S\$0.01	-

The above summary of the audited consolidated statements of comprehensive income of the Group for FY2020, FY2021 and FY2022 should be read together with the annual reports of the Company and the audited consolidated financial statements of the Group for the relevant years and the related notes thereto.

Copies of the audited consolidated financial statements of the Group for the relevant financial periods are set out in the annual reports which are available for inspection as mentioned under Section 21 of this Circular.

### 11.2. Consolidated Statements of Financial Position

A summary of the audited consolidated statements of financial position of the Group as at 30 April 2021 and 30 April 2022 is set out below.

	30 April 2021 (S\$'000)	30 April 2022 (S\$'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	45,585	36,327
Trade receivables	-	1,792
Investment in subsidiaries	-	-
<b>Total non-current assets</b>	45,585	38,119
<b>Current assets</b>		
Trade and other receivables	4,754	5,852
Inventories	8	67
Cash and bank balances	10,546	5,734
<b>Total current assets</b>	15,308	11,653
<b>Total assets</b>	60,893	49,772
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	29,334	29,334
Merger reserve	(19,728)	(19,728)
Retained earnings/(Accumulated losses)	19,192	14,664
<b>Equity attributable to owners of the Company</b>	28,798	24,270
Non-controlling interests	77	88

## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

	30 April 2021 (S\$'000)	30 April 2022 (S\$'000)
<b>Total equity</b>	28,875	24,358
<b>Non-current liabilities</b>		
Borrowings	13,069	10,962
Lease liabilities	3,771	3,176
Deferred tax liabilities	1,312	1,009
Provision for reinstatement cost	400	400
<b>Total non-current liabilities</b>	18,552	15,547
<b>Current liabilities</b>		
Borrowings	8,823	7,330
Lease liabilities	1,807	463
Trade and other payables	2,812	2,032
Income tax payable	24	42
<b>Total current liabilities</b>	13,466	9,867
<b>Total liabilities</b>	32,018	25,414
<b>Total equity and liabilities</b>	60,893	49,772

The above summary of the audited consolidated statements of financial position of the Group as at 30 April 2021 and 30 April 2022 should be read together with the annual report of the Company and the audited consolidated financial statements of the Group for the relevant year and the related notes thereto.

Copies of the audited consolidated financial statements of the Group for the relevant financial periods are set out in the annual reports which are available for inspection as mentioned under Section 21 of this Circular.

### 11.3. Significant Accounting Policies

A summary of significant accounting policies of the Group are disclosed in Note 2 of the audited consolidated financial statements of the Group for FY2022 as set out in the Group's annual report for FY2022.

Save as disclosed in this Circular and in publicly available information on the Group, as at the Latest Practicable Date, there are no significant accounting policies or any matters from the notes to the financial statements of the Group which are of major relevance for the interpretation of the financial statements of the Group.

### 11.4. Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information of the Group, as at the Latest Practicable Date, there was 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.

### 11.5. Material Changes in Financial Position

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Company, there has not been, within the knowledge of the Company, any material changes in the financial position or prospects of the Company since 30 April 2022, being the date on which the last published audited consolidated financial statements of the Group were made up.

### 11.6. Material Changes in Information

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

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## APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at 22 Pandan Road Singapore 609274 during normal business hours from the date of this Circular and for the period during which the Offer remains open for acceptance.

### **1. Rights in respect of capital:**

#### **SHARES**

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| 5.  | Subject to the Statutes, 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) at such time as the Directors determine.  | Shares under control of Company in General Meeting.                                    |
| 6.1 | Subject to the limits referred to in Article 58, 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.  | Authority of Directors to issue shares.  |
| 6.2 | Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the Exchange) 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 at any time exceed the total number of the issued ordinary shares for the time being. The rights attaching to shares other than ordinary shares shall be expressed in these Articles. | Company may issue shares with preferred, qualified, deferred and other special rights. |

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### APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 8.  | The Company shall have the power to issue further preference capital ranking equally with or in priority to the preference capital then already issued.  | Issue of further preference shares.              |
| 9.  | Subject to the provisions of the Statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting, all provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him and that any holder of the preference shares concerned present either in person or by proxy may demand a poll Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting. | Alteration of rights of preference shareholders. |
| 10. | Preference shareholders shall have the same rights as ordinary Members as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning the sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.  | Rights of preference shareholders.               |
| 11. | If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the holder for the time being of the share or his legal personal representative.  | Instalments of shares.                           |
| 12. | The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Any such commission or brokerage 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 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, so far as applicable.   | Commission for subscribing.                      |

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## APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- 13.1 The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, administrators or trustees of the estate of a deceased Member. Joint holders.
- 13.2 Subject to Article 13.1, any two or more persons may be registered as joint holders of any share and the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls and interest (if any) due in respect of such share.
- 13.3 The joint holder first named in the Register or the Depository Register, as the case may be, shall as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.
14. No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the 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. The Company may, subject to and in accordance with the Act and any other relevant legislation, rules or regulations enacted or prescribed by any relevant authority from time to time, purchase or otherwise acquire ordinary shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. All shares purchased by the Company shall, unless held in treasury shares in accordance with the Act, be deemed cancelled immediately on purchase or acquisition by the Company. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Power to purchase or acquire its issued shares.

### SHARE CERTIFICATE

17. Every certificate for shares shall be under the Seal. Authentication of certificates.
18. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid and amount (if any) unpaid thereon and shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No share certificate shall be issued representing shares of more Certificates shall specify number of shares.

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### APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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than one class.

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 ten 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 Statutes or Exchange may prescribe) for every certificate after the first 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 and cancellation of certificates.
- 20.1 Where only some of the shares comprised in any share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu thereof without charge. Issue of replacement certificates.
- 20.2 Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register may be cancelled at his request and a single new certificate for such shares issued in lieu thereof without charge.
- 20.3 Any share certificate representing shares of any class held by any person whose name is entered in the Register may be surrendered by such person for cancellation and at his request the Company may issue in lieu thereof two or more share certificates representing such shares in such proportions as such person may specify, and the Directors may comply with such request if they think fit. Such person shall pay a maximum of two Singapore Dollars for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine, taking into consideration any limitation thereof as may be prescribed by the Exchange.
- 20.4 Subject to the Statutes, if any share certificate shall be defaced, worn out, destroyed, stolen or lost, it may be renewed on such evidence being produced and a letter of indemnity or undertaking (if required) being given by the purchaser, registered holder, transferee, person entitled or member company of the Exchange or on its behalf or their client or clients as the Directors shall require and in the case of defacement or wearing out on delivery of the old certificate and in any case on payment of such sum not exceeding two Singapore Dollar as the Directors may from time to time require (or such other amount 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.

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## APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- 20.5 Where shares are registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.
21. The certificates of shares registered in the names of two or more persons may be delivered to the joint holder first named in the Register. Delivery of share certificates.

### 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 from time to time declared in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may 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 upon such terms as they may deem fit in the best interest of the Company. Company's lien on shares.
23. For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, and no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on the holder for the time being of the shares 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 unpaid calls and accrued interest and expenses of such sale, and the residue (if any) shall be paid to the person whose shares have 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.

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28. If before or on the day appointed for payment thereof a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at the rate of eight per cent per annum from the day appointed for payment thereof to the time of actual payment, but the Directors shall have power to waive payment of such interest or any part thereof. Interest on unpaid calls.
29. Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all the other relevant provisions of these Articles or the Statutes shall apply as if such sum were a call duly made and notified as hereby provided. Sums payable under terms of allotment to be deemed calls.
30. The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls. Difference in calls between various holders.
31. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any part of the moneys so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Payment of call in advance.

### FORFEITURE OF SHARES

32. If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any interest thereon, the Directors may at any time thereafter during such time as the call or instalment or interest remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest (including interest upon interest) and expenses that may have been incurred by the Company by reason of such non-payment. Notice to be given of intended forfeiture.
33. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or interest is payable shall be liable to be forfeited. Form of notice.
34. If the requirements of any notice as aforesaid are not complied with, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. If notice not complied with shares may be forfeited.



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**APPENDIX III – RELEVANT EXTRACTS FROM  
THE COMPANY’S CONSTITUTION**

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| 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 condition as they think fit.  | Power to annul forfeiture.   |
| 37.  | For the purpose of giving effect to any sale of forfeited or surrendered shares, the Directors may authorise some person to transfer or to effect the transfer of, as the case may be, the shares sold to the purchaser.  | Transfer of forfeited or surrendered shares.                           |
| 38.  | Any Member whose shares shall have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares but shall, notwithstanding such forfeiture or surrender, be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until payment, at the rate of eight per cent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. Any residue after the satisfaction of the unpaid calls, accrued interest and expenses shall be paid to the person whose shares have been forfeited or surrendered, his executors, administrators, trustees or assignees or as he shall direct. | Liability on forfeited shares.   |
| 39.1 | A statutory declaration in writing that the declarant is a Director or the Secretary, and that a share has been duly forfeited, surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate, where the same be required, delivered to a purchaser or (where the purchaser is a Depositor) to the Depository or the allottee thereof, as the case may be, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share.  | Declaration by Director or Secretary conclusive of fact of forfeiture. |
| 39.2 | (a) In the event of such sale, re-allotment or disposal, where the person (the “Relevant Person”) to whom the share is sold, re-allotted or disposed of is not a Depositor, the share shall be registered in the Register in the name of the Relevant Person and, where the Relevant Person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of.<br><br>(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.   |  |

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## APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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### TRANSFER OF SHARES

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| 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 Directors and the Exchange. The instrument of transfer shall be left at the Office accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the registered holder of the shares until the name of the transferee is entered in the Register in respect thereof. | Shares to be transferable.                          |
| 41.  | The instrument of transfer shall be signed both by the transferor and by the transferee, and it shall be witnessed Provided Always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository.  | Instrument of transfer.                             |
| 42.  | Shares of different classes shall not be comprised in the same instrument of transfer.   | Only shares of same class to be in same instrument. |
| 43.  | No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.  | Restriction on transfer.                            |
| 44.  | All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.   | Retention of Instrument of transfer.                |
| 45.  | The Directors may decline to accept any instrument of transfer unless:-  | Fees relating to transfers.                         |
| 45.1 | all or any part of the stamp duty (if any) payable on each share transfer is paid to the Company; and  |   |
| 45.2 | such fee not exceeding two Singapore Dollars as the Directors may from time to time determine or such other sum as may from time to time be prescribed by the Exchange 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.  |   |
| 46.  | The Directors may refuse to register the transfer of shares or allow the entry of or against a person’s name in the Depository Register in respect of shares transferred or to be transferred to such person:-   | Power of Directors to refuse to register.           |
| 46.1 | which are not fully paid up; or  |   |
| 46.2 | on which the Company has a lien.   |   |
| 47.  | If the Directors refuse to register any transfer of any share they shall, where required by the Statutes, serve on the transferor and transferee, within one month beginning with the day on which the transfer was lodged with the Company, a notice in writing informing each of them of such refusal and of the facts which are considered  | Notice of refusal to be sent by Company.            |

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to justify the refusal.

48. The Register may be closed at such times and for such periods as the Directors may from time to time determine Provided Always that the Register shall not be closed for more than thirty days in any year Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange stating the period and purpose or purposes for which such closure is to be made. Closure of the Register.

### TRANSMISSION OF SHARES

- 49.1 In the case of the death of a Member the survivor where the deceased was a joint holder, and the legal personal representative of the deceased who was a sole or only surviving holder, or where such legal representative is entered in the Depository Register in respect of the shares of the deceased Member who was a Depositor, shall be the only person recognised by the Company as having any title to his shares. Transmission of registered shares.
- 49.2 Nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.
50. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register may upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the share, upon giving to the Company notice in writing of such intent, or to make such transfer thereof as such deceased or bankrupt person could have made, but the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of such transfer by such deceased or bankrupt person before the death or bankruptcy, as the case may be. Rights of registration and transfer upon demise or bankruptcy of Member.
51. Save as otherwise provided in these Articles, a person becoming entitled to a share pursuant to Articles 49.1 and 50, shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member until he shall have been registered as a Member in the Register or his name shall have been entered in the Depository Register, as the case may be Provided Always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with within ninety days of the date of such notice, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with. Person registered under transmission clause entitled to dividends.

### STOCK

52. 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.
53. 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 Stockholders entitled to transfer interest.

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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 number of stock transferable.

54. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the number of their respective interests in such stock units and such interests shall, in proportion to the number of stock units 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.

55. All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words “shares” shall include “stock”, and “Depositor”, “Member” and “shareholder” shall include “stockholder”. Definitions.

### INCREASE OF CAPITAL

56. The Company in General Meeting may, subject to the Act and these Articles 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 as the Company by the resolution authorising such increase shall direct. Power to increase capital.
- 57.1 Unless otherwise determined by the Company in General Meeting or except as permitted by the listing rules of the Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings, in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. Issue of new shares to Members.
- 57.2 The offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in the manner hereinbefore provided. Notice of issue.
58. Notwithstanding Article 56 above but subject to the Act and the listing rules of the Exchange, the Company may pursuant to Section 161 of the Act by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue shares whether by way of rights, bonus or otherwise, and/or Issue of shares subject to the Act and the listing rules of the Exchange.

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make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, and (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:-

58.1 the aggregate number of shares or Instruments 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 but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed any applicable limits prescribed by the Exchange;

58.2 (subject to such manner of calculation as may be prescribed by the Exchange) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 58.1 above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that the Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee share options on issue at the time that the Ordinary Resolution is passed, and any subsequent consolidation or subdivision of shares provided that if a general mandate is obtained before the listing of the Company on the Exchange, the percentage of issued share capital shall be based on the post-invitation issued share capital of the Company after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee share options on issue at the time such authority is given, and for any consolidation or subdivision of shares; and

58.3 unless previously revoked or varied by the Company in General Meeting, such authority conferred by the Ordinary Resolution shall not continue 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 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.

### ALTERATION OF CAPITAL

60.1 The Company may by Ordinary Resolution:-

Alteration of capital.

- (a) consolidate and divide all or any 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

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amount of the shares so cancelled; or

- (c) by subdivision of its shares or any of them. The resolution by which the subdivision is effected may determine that, as between the holders of the resulting shares, one or more of such shares may have any such preferred, deferred or other special rights or be subject to any restriction as the Company has power to attach to unissued or new shares; or
- (d) subject to the Statutes, convert any class of shares into any other class of shares.

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

### MODIFICATION OF CLASS RIGHTS

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.

### CAPITALISATION OF PROFITS AND RESERVES

149.1 The Directors may, with the sanction of an Ordinary Resolution of the Company in General Meeting (including any Ordinary Resolution passed pursuant to Article 6.1 or Article 58), 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 on full new shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such holders or in their nominees in the proportion aforesaid or partly in the one way and partly in the other unless otherwise permitted by the provisions of the Act.

Capitalisation of profits and reserves.

149.2 Whenever such Ordinary 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

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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.

### **2. Rights in respect of voting:**

#### **GENERAL MEETINGS**

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| 66.  | In addition to any other meetings, a General Meeting shall be held at least once in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings.   | General Meetings.   |
| 67.  | The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.  | Annual General Meetings.  |
| 68.  | The First Annual General Meeting of the Company shall be held at such time within a period of not more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine.   | First Annual General Meeting.   |
| 69.  | The Directors may call an Extraordinary General Meeting of the Company whenever they think fit in accordance with the Statutes.  | Directors may call Extraordinary General Meetings.                    |
| 70.  | The Directors shall, on the requisition 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 requisition the following provisions shall have effect:-  | Extraordinary General Meetings called on requisition of shareholders. |
| 70.1 | The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.   |   |
| 70.2 | If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit. |   |
| 70.3 | 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.   |   |

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- 70.4 Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.
71. Subject to the Statutes relating to the convening of meetings to pass Special Resolutions or a resolution of which special notice has been given to the Company, shall be called by twenty-one days’ notice in writing at the least and an Annual General Meeting or any other General Meeting, by fourteen days’ notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held. Every notice calling a general meeting shall specify the place, day and hour of the meeting, and in case of special business, a notice 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 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 the Exchange. Every such notice shall be published in at least one English Language daily newspaper circulating in Singapore at least fourteen days before the meeting. Whenever any meeting is adjourned for fourteen days or more, at least seven days’ notice 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.
72. Any Member entitled to be present and vote at a meeting or his proxy may submit any resolution to any General Meeting, provided that at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served and the day appointed for the meeting, there shall be not less than three nor more than fourteen intervening days.
73. Upon receipt of any such notice as in the last preceding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.
74. The accidental omission to give any notice to or non-receipt of any notice by any Member shall not invalidate the meeting or any resolution passed or proceedings at any such meeting.

Notice of meeting.

Members may submit resolution to meeting on giving notice to Company.

Secretary to give notice to Members.

Accidental omission to give notice.

### PROCEEDINGS AT GENERAL MEETINGS

75. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, whether by rotation or otherwise, the declaration of dividends and

Special business.



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the appointment of and the fixing of the remuneration of the Auditors.

76. Save as is herein otherwise provided, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum is present at the commencement of the business. A corporation or a limited liability partnership being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 91. Quorum.
77. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place. At the adjourned meeting, any two or more Members present in person or by proxy shall be a quorum. If quorum not present.
78. The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting. If there is no such Chairman or if at any General Meeting he is not present within fifteen minutes after the time appointed for holding the General Meeting or is unwilling to act as Chairman, the Directors present shall choose a Director amongst them to be Chairman of the General Meeting or, if no Director is present or if all the Directors present are unwilling to take the Chair, or otherwise fail to choose a Director amongst them to be Chairman of the meeting, the Members present shall choose a Member present to be Chairman. Chairman.
79. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Adjournment.
80. At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by:- How matters are to be decided.
- 80.1 the Chairman of the meeting; or
- 80.2 not less than five Members present in person or by proxy and entitled to vote; or
- 80.3 a Member or Members present in person or by proxy, holding or representing, as the case may be:-
- (a) not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting; or
- (b) shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 81.1 If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded Chairman's direction as to poll.

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- 81.2 No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.
82. Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution. Declaration of Chairman conclusive.
- 83.1 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting, as the case may be, at which the vote objected to is or may be given, tendered or cast, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive. Objection to admissibility.
- 83.2 If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.
84. In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote. In the event of equality of votes.

### VOTES OF MEMBERS

- 85.1 Subject to and without prejudice to any special privileges or restriction as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company:- Voting rights.
- (a) every Member who is present in person or by proxy shall have one vote on a show of hands, the Chairman shall be entitled to treat the first named proxy as the authorised representative to vote where a Member is represented by two proxies; and
- (b) every Member who is present in person or by proxy, in case of a poll, shall have one vote for every share which he holds or represents and upon which all calls or other sums due thereon to the Company have been paid.
- 85.2 For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting upon a poll being called, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company.
86. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority Right of joint holders.

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shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.

87. Unless the Directors otherwise determine, no person other than a Member who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy at any General Meeting. Members only entitled to vote upon full payment.
88. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy. Votes of Members of unsound mind.
89. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Vote personal or by proxy.
- 90.1 A proxy need not be a Member. Proxies.
- 90.2 A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting Provided Always that where the Member is a Depositor, the Company shall be entitled and bound:-
- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company;
  - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and
  - (c) in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
- 90.3 In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company’s option to treat the instrument of proxy as invalid.
91. Any corporation or limited liability partnership 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 Corporation or limited liability partnership may appoint representative.

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behalf of the corporation or limited partnership which he represents as if he had been an individual shareholder.

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| 92.  | An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:-   | Execution of instrument of proxy on behalf of appointer.         |
| 92.1 | in the case of an individual shall be signed by the appointer or his attorney;  |  |
| 92.2 | in the case of a corporation or limited liability partnership shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or limited liability partnership.  |  |
| 93.  | Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. | Lodgement of instrument appointing proxy.                        |
| 94.  | The signature on an instrument of proxy need not be witnessed.  | No witness needed for instrument of proxy.                       |
| 95.  | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided Always that no notice in writing of the death or revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting.   | When vote by proxy valid though authority revoked.               |
| 96.  | An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.   | Instrument deemed to confer authority.                           |
| 97.  | Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.   | Voting in respect of shares of different monetary denominations. |

### **3. Rights in respect of dividends:**

#### **DIVIDENDS**

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

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| 137. | No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.  | Dividend payable out of profits.         |
| 138. | The declaration of the Directors as to the net profits of the Company shall be conclusive.  | Declaration conclusive.                  |
| 139. | The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.   | Interim dividend.                        |
| 140. | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.   | Debts may be deducted.                   |
| 141. | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor’s name in the Depository Register, as the case may be.  | Effect of transfer.                      |
| 142. | Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures or debenture stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payment shall be made to any Member upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividends as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 63 of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective. | Dividend in specie.                      |
| 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. |

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THE COMPANY’S CONSTITUTION**

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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 Post Office 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 Post Office 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 person(s) may direct in writing. The Company shall not be responsible for the loss of any cheque, dividend warrant or Post Office Order, which shall be sent by post duly addressed to and at the sole risk of the Member or person for whom it is intended. Payment of the cheque, dividend warrant or Post Office Order by the bank upon which they are respectively drawn shall be a full and valid discharge to the Company. Notwithstanding the provisions of these Articles, payment by the Company to the Depository of any dividend payable to a Depositor shall also be a full and valid discharge of the Company from liability to the Depositor in respect of that payment to the extent of the payment made to the Depository. Payment by post.
147. The Depository will hold all dividends unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of the Company until claimed. Unclaimed dividends.
- 148.1 Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:- Scrip dividend.
- (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 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 foresaid, 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 election 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 these Articles;

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- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the elected ordinary shares) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 149, the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sums standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis; or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

148.2 (a) The ordinary shares allotted pursuant to the provisions of Article 148.1 shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of Article 148.1, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned).

148.3 The Directors may, on any occasion when they resolve as provided in Article 148.1, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of these Articles shall be

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## APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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read and construed subject to subject to such determination.

148.4 The Directors may, on any occasion when they resolve as provided in Article 148.1, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register are outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlement of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

148.5 Notwithstanding the foregoing provisions of these Articles, if at any time after the Directors’ resolution to apply the provisions of Article 148.1 in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of Article 148.1.

### RESERVE FUND

150. 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.



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## APPENDIX IV – ADDITIONAL INFORMATION ON THE OFFEROR

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The following information on the Offeror has been extracted from Appendix 3 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as ascribed to them in the Offer Document.

### APPENDIX 3 ADDITIONAL INFORMATION ON THE OFFEROR

#### 1. DIRECTOR

*The name, address and description of the Director as at the Latest Practicable Date are as follows:*

<b>Name</b>	<b>Address</b>	<b>Description</b>
<i>Mdm Ng Chui Hwa</i>	<i>c/o 22 Pandan Road Singapore 609274</i>	<i>Director</i>

#### 2. PRINCIPAL ACTIVITIES

*The Offeror is a company incorporated in the Republic of Singapore on 9 September 2022 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.*

#### 3. SHARE CAPITAL

*As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$2.00 comprising 2 ordinary shares, of which 100% is held by Mdm Ng Chui Hwa.*

#### 4. FINANCIAL SUMMARY

*As the Offeror was incorporated on 9 September 2022, no audited or unaudited financial statements of the Offeror have been prepared to date.*

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

#### 5. MATERIAL CHANGES IN FINANCIAL POSITION

*As at the Latest Practicable Date, save as a result of the making and financing of the Offer, there has been no known material change in the financial position of the Offeror since its incorporation.*

#### 6. REGISTERED AND PRINCIPAL OFFICE

*The registered office of the Offeror is at 22 Pandan Road Singapore 609274. The Offeror does not have a principal office in Singapore.*