

CIRCULAR DATED 31 MAY 2021

THIS CIRCULAR IS ISSUED BY TOP GLOBAL LIMITED (THE “COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF STIRLING COLEMAN CAPITAL LIMITED (AS THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS) TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled “Definitions” of this Circular.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

If you have sold or transferred all your ordinary 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 ordinary 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 you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (“SGX-ST”). The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

CIMB Bank Berhad (13491-P)
Singapore Branch
(Incorporated in Malaysia)

for and on behalf of

SW Investment Holding Pte. Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration No. 202110119R)

to acquire all the issued and paid-up ordinary shares in the capital of the Company
Independent Financial Adviser to the Independent Directors of the Company



Stirling Coleman Capital Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 200105040N)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 14 JUNE 2021 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

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DEFINITIONS

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

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| “Acceptance Condition” | : | Has the meaning ascribed to in Section 2.1(d) of this Circular |
| “ACRA” | : | Accounting and Corporate Regulatory Authority of Singapore |
| “Books Closure Date” | : | Has the meaning ascribed to in Section 2.1(c)(i) of this Circular |
| “Business Day” | : | A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore |
| “CDP” | : | The Central Depository (Pte) Limited |
| “CIMB” | : | CIMB Bank Berhad, Singapore Branch |
| “Circular” | : | This circular dated 31 May 2021 issued by the Company to Shareholders in relation to the Offer (including, <i>inter alia</i> , the Appendices to this Circular) and any other document which may be issued by or on behalf of the Company to amend, revise, supplement or update this Circular from time to time |
| “Closing Date” | : | 5.30 p.m. (Singapore time) on 14 June 2021 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer |
| “Code” | : | The Singapore Code on Take-overs and Mergers |
| “Commencement Date” | : | 17 May 2021, being the date of despatch of the Offer Document |
| “Companies Act” | : | The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time |
| “Company” | : | Top Global Limited |
| “Company Securities” | : | (a) Shares; (b) securities which carry voting rights in the Company; or (c) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company |
| “Constitution” | : | The constitution of the Company, as amended, modified or supplemented from time to time |
| “CPF” | : | Central Provident Fund |

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| “CPF Agent Banks” | : | Agent banks included under the CPFIS |
| “CPFIS” | : | Central Provident Fund Investment Scheme |
| “CPFIS Investors” | : | Investors who purchase Shares using their CPF contributions pursuant to the CPFIS |
| “Directors” | : | The directors of the Company as at the Latest Practicable Date |
| “Distributions” | : | Has the meaning ascribed to in Section 2.1(b)(iii) of this Circular |
| “Encumbrances” | : | Has the meaning ascribed to in Section 2.1(b)(ii) of this Circular |
| “FAA” | : | Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of the Offer Document |
| “FAT” | : | Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are not deposited with CDP and which forms part of the Offer Document |
| “FY” | : | Financial year ended or ending (as the case may be) 31 December of a particular year as stated |
| “Group” | : | The Company and its subsidiaries |
| “IFA” | : | Stirling Coleman Capital Limited, the independent financial adviser to the Independent Directors in relation to the Offer |
| “IFA Letter” | : | The letter dated 31 May 2021 from the IFA to the Independent Directors in relation to the Offer, as set out in Appendix I to this Circular |
| “Independent Directors” | : | The directors of the Company who are considered to be independent for the purposes of the Offer, being Dr. Lam Lee G, Ms. Jennifer Chang Shyre Gwo and Mr. Yeo Chin Tuan Daniel |
| “Irrevocable Undertakings” | : | Has the meaning ascribed to in Section 4 of this Circular |
| “Last Trading Day” | : | 29 April 2021, being the last Market Day on which Shares were traded on the SGX-ST prior to the Offer Announcement Date |
| “Latest Practicable Date” | : | 20 May 2021, being the latest practicable date prior to the printing of this Circular |

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| “Listing Manual” | : | The listing manual of the SGX-ST, as amended up to the Latest Practicable Date |
| “Market Day” | : | A day on which the SGX-ST is open for the trading of securities |
| “Mdm Oei” | : | Mdm. Oei Siu Hoa @ Sukmawati Widjaja |
| “Ms Mimi Maeloa” | : | Ms. Mimi Yuliana Maeloa |
| “Mr Maeloa” | : | Mr. Hano Maeloa |
| “Offer” | : | The voluntary conditional cash offer made by CIMB, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such Offer may be amended, extended and revised from time to time by or on behalf of the Offeror |
| “Offer Announcement” | : | The announcement relating to the Offer released by CIMB, for and on behalf of the Offeror, on the Offer Announcement Date |
| “Offer Announcement Date” | : | 30 April 2021, being the date of the Offer Announcement |
| “Offer Document” | : | The offer document dated 17 May 2021, including the FAA and the FAT, issued by CIMB, for and on behalf of the Offeror, in respect of the Offer, and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time |
| “Offer Document LPD” | : | 10 May 2021, stated in the Offer Document to be the latest practicable date prior to the printing of the Offer Document |
| “Offer Price” | : | S\$0.39 in cash for each Offer Share |
| “Offer Shares” | : | All Shares in the capital of the Company, excluding Shares held in treasury |
| “Offeror” | : | SW Investment Holding Pte. Ltd. |
| “Offeror Directors” | : | The directors of the Offeror as at the Latest Practicable Date, being Mdm Oei and Mr Maeloa |
| “Offeror Securities” | : | (a) securities which carry voting rights in the Offeror; or (b) convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in the Offeror |
| “Overseas Shareholders” | : | Has the meaning ascribed to in Section 12.1 of this Circular |

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| “PTSD” | : | PT. Suryamas Dutamakmur Tbk |
| “Register” | : | The register of holders of Shares, as maintained by the Share Registrar |
| “Share Registrar” | : | Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services) |
| “Securities Account” | : | A securities account maintained by a Depositor with CDP, but does not include a securities sub-account |
| “SFA” | : | The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time |
| “SGX-ST” | : | The Singapore Exchange Securities Trading Limited |
| “Shareholders” | : | Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register |
| “Shares” | : | Issued and paid-up ordinary shares in the capital of the Company |
| “SIC” | : | Securities Industry Council of Singapore |
| “SRS” | : | The Supplementary Retirement Scheme |
| “SRS Agent Banks” | : | Agent banks included under SRS |
| “SRS Investors” | : | Investors who purchase Shares pursuant to SRS |
| “S\$” and “cents” | : | Singapore dollars and cents, respectively, being the lawful currency of Singapore |
| “Undertaking Shareholders” | : | Has the meaning ascribed to in Section 4.1 of this Circular |
| “VWAP” | : | Volume-weighted average price |
| “%” or “per cent” | : | Percentage or per centum |

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

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

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

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

Shares. Unless stated otherwise, any reference in this Circular to the total number of Shares is a reference to a total of 321,381,099 Shares (excluding 514,200 Shares held in treasury) as at the Latest Practicable Date (based on the results of the electronic instant information search on the Company dated the Latest Practicable Date obtained from ACRA).

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

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

Statutes. Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that modification, as the case may be.

Subsidiary, Related Corporations. The expressions “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise specified.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular in italics and all capitalised terms and expressions used within these reproduced statements shall have the same meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “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 as at the Latest Practicable Date. 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 or outcomes 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 neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

- Date of despatch of the Offer Document : 17 May 2021
- Date of despatch of this Circular : 31 May 2021
- Closing Date⁽¹⁾⁽²⁾ : 5.30 p.m. (Singapore time) on 14 June 2021 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
- Date of settlement of consideration for valid acceptances of the Offer : (a) In respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven (7) Business Days of that date; and
- (b) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within seven Business Days of the date of such receipt.

Please refer to paragraph 1 of Appendix IV to the Offer Document for further details.

Notes:

- (1) The Offer must initially be open for 28 days from the Commencement Date.
- (2) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or depository agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and/or depository agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and depository agents in order to accept the Offer.

TOP GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198003719Z)

Board of Directors:

Dr. Lam Lee G (Independent Non-Executive Chairman)
Mdm. Oei Siu Hoa @ Sukmawati Widjaja (Executive Director)
Mr. Hano Maeloa (Chief Executive Officer and Executive Director)
Ms. Jennifer Chang Shyre Gwo (Chief Operating Officer and Executive Director)
Mr. Yeo Chin Tuan Daniel (Non-Executive Independent Director)
Ms. Mimi Yuliana Maeloa (Non-Executive Director)

Registered Office:

302 Orchard Road
#18-02 Tong Building
Singapore 238862

31 May 2021

To: The Shareholders of Top Global Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY CIMB FOR AND ON BEHALF OF THE OFFEROR

1. INTRODUCTION

1.1 Offer Announcement

On 30 April 2021, CIMB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the Shares, excluding Shares held in treasury (“**Offer Shares**”) in accordance with Rule 15 of the Code (the “**Offer Announcement**”).

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

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document despatched by the Offeror on the Commencement Date, being 17 May 2021, containing the formal offer by CIMB, for and on behalf of the Offeror, to acquire all the Offer Shares, subject to the terms and conditions set out in the Offer Document.

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

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

1.3 Independent Financial Adviser

Stirling Coleman Capital Limited has been appointed as the independent financial adviser to the Independent Directors in relation to the Offer.

1.4 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 advice of the IFA to the Independent Directors and the recommendation of the Independent Directors set out in this Circular before deciding whether or not to accept the Offer.

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

2. THE OFFER

2.1 Terms of the Offer

The Offeror is making the Offer for the Offer Shares subject to the terms and conditions set out in the Offer Document, the FAA and/or the FAT (as the case may be), on the following basis:

(a) Offer Price

Section 2.1 of the Offer Document states that the consideration for each Offer Share is S\$0.39 in cash (the “**Offer Price**”).

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

(b) No Encumbrances

Section 2.2 of the Offer Document states that the Offer Shares will be acquired:

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

(c) Adjustments for Distributions

Section 2.1 of the Offer Document states that without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

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

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), and the Offeror is registered as the holder of such Offer Shares as at the Books Closure Date, the Offer Price for each Offer Share shall not be reduced, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or
- (ii) if such settlement date falls after the Books Closure Date, or if such settlement date falls on or before the Books Closure Date but the Offeror is not registered as the holder of such Offer Shares as at the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

(d) Minimum Acceptance Condition

Section 2.4 of the Offer Document states that the Offer will be conditional upon the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding Shares representing not less than 90% of the voting rights attributable to all the Shares in issue (excluding Shares held in treasury) as at the Closing Date (the “**Acceptance Condition**”).

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

The Offeror reserves the right to waive the Acceptance Condition or reduce such condition to a level below 90% (but in any event above 50%) of the voting rights attributable to all the Shares in issue (excluding Shares held in treasury). In the event that such revision is made during the course of the Offer, the revised Offer will remain open for another 14 days following the date of posting of the written notification of such revision to Shareholders and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight (8) days of the posting of the written notification of such revision.

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

2.2 Warranty

Section 2.5 of the Offer Document states that acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all Distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

2.3 Duration of the Offer

Section 2.6 of the Offer Document states the following:

(a) First Closing Date

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

Accordingly, the Offer will close at 5.30 p.m. Singapore time on 14 June 2021 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

(b) Subsequent Closing Date(s)

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

(c) Offer to Remain Open for 14 days after being Declared Unconditional as to Acceptances

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

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with paragraph 2(a) of Appendix IV to the Offer Document, such period of not less than 14 days during which the Offer shall remain open for acceptance will run from the date of such confirmation, or the date on which the Offer would otherwise have expired, whichever is later.

(d) Final Day Rule

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

(e) Revision

Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of posting 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 Shareholder including those who had previously accepted the Offer.

(f) No Obligation to Extend Offer

The Offeror is not obliged to extend the Offer if the Acceptance Condition is not fulfilled by the Closing Date.

2.4 Further Details of the Offer

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

2.5 Procedures for Acceptance

The procedures for acceptance of the Offer are set out in Appendix V to the Offer Document.

2.6 No Downstream Offer

Section 2.9 of the Offer Document states that as at the Offer Document LPD, the Company holds an aggregate shareholding interest of approximately 72.96% in PTSD, a company listed on the Indonesia Stock Exchange and that the Offeror will not be making a takeover offer for PTSD as a result of the Offer.

3. INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from Section 3 of the Offer Document and reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“3.1 Incorporation

The Offeror is a private company limited by shares incorporated in Singapore on 22 March 2021. Its principal activity is that of investment holding.

3.2 Share Capital

As at the Latest Practicable Date, the Offeror has an issued share capital of S\$100 comprising 100 ordinary shares and it is wholly owned by Mdm Oei."

Appendix I to the Offer Document sets out certain additional information on the Offeror.

4. IRREVOCABLE UNDERTAKINGS

- 4.1 The following information on the irrevocable undertakings by the Undertaking Shareholders has been extracted from Section 5 of the Offer Document and reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"5.1 Details of Irrevocable Undertakings

Mdm Oei and Mr. Maeloa (collectively, the "Undertaking Shareholders") have each executed an irrevocable undertaking dated 30 April 2021 (collectively, the "Irrevocable Undertakings") in favour of the Offeror, pursuant to which she/he will undertake, inter alia, to:

- (a) accept or procure the acceptance of the Offer in respect of all of her/his Shares; and*
- (b) waive her/his rights under Rule 30 of the Code to receive all consideration payable to her/him for Shares tendered in acceptance of the Offer.*

5.2 Expiry of Irrevocable Undertakings

Each of the Irrevocable Undertakings shall expire if the Offer is withdrawn or lapses, or fails to become or be declared to be unconditional in all respects for whatever reason, other than as a result of a breach of any of the Undertaking Shareholders' obligations under their respective Irrevocable Undertaking.

5.3 No other Irrevocable Undertakings

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

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

The Offeror's rationale for the Offer has been extracted from Section 7 of the Offer Document and reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

"7.1 Low Trading Liquidity

On 10 March 2021, Mdm Oei acquired 26,023,193 Shares by way of an off-market transaction at a significant premium to the prevailing market price of the Shares on that date, and between 11 March 2021 and 29 April 2021 (both dates inclusive), Mdm Oei acquired an aggregate of 4,681,100 Shares by way of market purchases.

Prior to such acquisitions, the trading volume of the Shares has historically been low, with an average daily trading volume⁶ of approximately 19,505 Shares, 13,198 Shares, 11,380 Shares and 10,551 Shares during the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including the Relevant Trading Day. These represent less than 0.01% of the total number of Shares (excluding Shares held in treasury).

7.2 Opportunity for Shareholders to realise their Investment in the Shares at a Premium over Historical Trading Prices of the Shares without incurring Brokerage and other Costs

The Offer Price represents a premium of approximately 132.1%, 146.8%, 148.4% and 142.2% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including the Relevant Trading Day.

The Offer Price is also at a premium of between 0.3% and 17.8% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, up to and including the Last Trading Day.

The Offer presents Shareholders with an opportunity to realise their investment in the Shares at a premium over the historical trading prices of the Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the thin trading liquidity of the Shares.

7.3 Greater Management Flexibility

The Offeror is making the Offer with a view to exercising its rights of compulsory acquisition and delisting the Company from the SGX-ST. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Group, and pursue and implement the Offeror's business strategies and other options for the Group.

7.4 Costs of Maintaining Listing

In maintaining its listed status, the Company incurs listing, compliance and associated costs. If the Company is delisted and privatised as a consequence of the Offer, the Company will be able to substantially dispense with such costs and instead, focus its resources and attention on its business operations.

7.5 Offeror's Intentions for the Company

The Offeror has no current intention to (a) introduce any major changes to the existing business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of the existing employees of the Group, in each case, other than in the ordinary and usual course of business. However, the Offeror retains the flexibility at any time to further consider any options or opportunities in relation to the Group which may present themselves and which the Offeror may regard to be in the interests of the Company."

⁶ The average daily trading volumes are based on data extracted from Bloomberg L.P. and are calculated by using the total volume of Shares traded divided by the number of market days with respect to the one (1)-month, three (3)-month, six (6)-month and twelve (12)-month periods up to and including the Relevant Trading Day. The calculation of the average daily trading volume does not include married trade transactions within the relevant periods.

6. LISTING STATUS AND COMPULSORY ACQUISITION

The following information relating to the listing status and compulsory acquisition of the Company has been extracted from Section 8 of the Offer Document and reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“8.1 Listing Status

*Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of Shares (excluding Shares held in treasury) is at all times held in public hands (the “**Free Float Requirement**”). Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of Shares owned by the Offeror and parties acting in concert with it to above 90% of the total number of Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public.*

Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding Shares held in treasury), thus causing the percentage of the total number of 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.

Under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not satisfied, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST.

8.2 Compulsory Acquisition

*Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Offer and excluding, for the avoidance of doubt, any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer (**the “Dissenting Shareholders”**) on the same terms as those offered under the Offer.*

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

8.3 Offeror's Intentions

In the event that the Company does not meet the Free Float Requirement, the Offeror does not intend to maintain the listing status of the Company and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted. Furthermore, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the Shares held by the Dissenting Shareholders. The Offeror will then proceed to delist the Company from the SGX-ST."

7. FINANCIAL EVALUATION OF THE OFFER

The full text of the financial aspects of the Offer has been extracted from Section 6 of the Offer Document and reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"The Offer Price for each Offer Share represents the following premia over certain historical traded prices of the Shares as set out below:

(a) Benchmark against the Last Trading Day

| | Benchmark price² | Premium of the Offer Price over the benchmark price³ |
|---|------------------------------------|--|
| <i>Last traded price per Share on the SGX-ST on 29 April 2021 (the "Last Trading Day"), being the last Market Day on which Shares were traded on the SGX-ST prior to the Offer Announcement Date</i> | S\$0.385 | 1.3% |
| <i>Volume weighted average price ("VWAP") of the Shares as transacted on the SGX-ST for the one (1)-month period up to and including the Last Trading Day</i> | S\$0.389 | 0.3% |
| <i>VWAP of the Shares as transacted on the SGX-ST for the three (3)-month period up to and including the Last Trading Day</i> | S\$0.363 | 7.4% |
| <i>VWAP of the Shares as transacted on the SGX-ST for the six (6)-month period up to and including the Last Trading Day</i> | S\$0.354 | 10.2% |
| <i>VWAP of the Shares as transacted on the SGX-ST for the 12-month period up to and including the Last Trading Day</i> | S\$0.331 | 17.8% |

² The VWAPs are based on data extracted from Bloomberg L.P. and the calculation of the VWAP does not include married trade transactions within the relevant periods. The VWAPs are rounded to the nearest three (3) decimal places.

³ Percentages are rounded to the nearest one (1) decimal place.

(b) Benchmark against the Relevant Trading Day

| | Reference price⁴ | Premium of the Offer Price over the reference price⁵ |
|---|------------------------------------|--|
| <i>Last traded price per Share on the SGX-ST on 9 March 2021 (the “Relevant Trading Day”), being the last Market Day prior to an announcement on disclosure of changes in interest dated 10 March 2021 in relation to Mdm Oei’s acquisition of 26,023,193 Shares (representing approximately 8.10% of the total number of Shares (excluding Shares held in treasury)) at S\$0.390 per Share by way of an off-market transaction on 10 March 2021</i> | S\$0.175 | 122.9% |
| <i>VWAP of the Shares as transacted on the SGX-ST for the one (1)-month period up to and including the Relevant Trading Day</i> | S\$0.168 | 132.1% |
| <i>VWAP of the Shares as transacted on the SGX-ST for the three (3)-month period up to and including the Relevant Trading Day</i> | S\$0.158 | 146.8% |
| <i>VWAP of the Shares as transacted on the SGX-ST for the six (6)-month period up to and including the Relevant Trading Day</i> | S\$0.157 | 148.4% |
| <i>VWAP of the Shares as transacted on the SGX-ST for the 12-month period up to and including the Relevant Trading Day</i> | S\$0.161 | 142.2% |

8. CONFIRMATION OF FINANCIAL RESOURCES

The full text of information relating to the confirmation of financial resources by CIMB has been extracted from Section 10 of the Offer Document and reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“10. CONFIRMATION OF FINANCIAL RESOURCES

CIMB confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price, excluding the cash consideration payable to the Undertaking Shareholders for Shares tendered in acceptance of the Offer pursuant to the Irrevocable Undertakings.”

4 The VWAPs are based on data extracted from Bloomberg L.P. and the calculation of the VWAP does not include married trade transactions within the relevant periods. The VWAPs are rounded to the nearest three (3) decimal places.

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

9. DIRECTORS' INTERESTS

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

10. ADVICE AND RECOMMENDATION

10.1 General

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

10.2 Exemptions relating to Directors' Recommendation

The Offeror has furnished the Company with an extract of a letter from SIC dated 23 April 2021 which sets out, *inter alia*, SIC's ruling that Mdm Oei, Mr Maeloa and Ms Mimi Maeloa are exempted from the requirement to make a recommendation to Shareholders in connection with the Offer and that notwithstanding such exemption, Mdm Oei, Mr Maeloa and Ms Mimi Maeloa must still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

Mdm Oei owns 100% of the Offeror and is a director of the Offeror. Mr Maeloa is the son of Mdm Oei and a director of the Offeror. Ms Mimi Maeloa is the daughter of Mdm Oei. Mdm Oei, Mr Maeloa and Ms Mimi Maeloa are hence parties acting in concert with the Offeror.

As at the Latest Practicable Date, each of the remaining Directors, namely, Dr. Lam Lee G, Ms. Jennifer Chang Shyre Gwo and Mr. Yeo Chin Tuan Daniel, consider themselves to be independent for the purposes of making a recommendation to the Shareholders on the Offer.

10.3 Advice of the IFA to the Independent Directors

Stirling Coleman Capital Limited has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether to accept or reject the Offer. The IFA's advice is set out in its letter dated 31 May 2021, which is set out in **Appendix I** to this Circular.

After having regard to the considerations set out in the IFA Letter, an extract of the summary which is set out in italics below, and based on the circumstances of the Company and the information as at the Latest Practicable Date, the IFA has made certain recommendations to the Independent Directors. Shareholders should read the extract below in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"Having carefully considered the information available to us, and the analysis set out in this IFA Letter, and based upon the industry, market, economic and other relevant considerations as at the Latest Practicable Date, and subject to the qualifications and

assumptions made herein, we are of the view that on balance, the financial terms of the Offer is NOT FAIR BUT REASONABLE.

*In determining that the Offer is **NOT FAIR**, we have considered the following pertinent factors from the perspective of the value of the Shares:*

- (i) the P/NAV and the discount of the Offer Price to NAV per Share as at 31 December 2020 are 0.5x and 46.9% respectively;*
- (ii) the P/RNAV and the discount of the Offer Price to RNAV per Share as at 31 December 2020 are 0.3x and 68.4% respectively; and*
- (iii) the P/RNAV of 0.3x as implied by the Offer Price is within the range but below the median of the corresponding ratio of the Comparable Companies and the Precedent Privatisation Transactions.*

*In determining that the Offer is **REASONABLE**, we have considered the following pertinent factors other than from the perspective of the value of the Shares:*

- (i) the Offer Price is at a premium of approximately 122.9%, 133.6%, 146.8%, 148.7% and 142.6% over the last transacted price, 1-month VWAP, 3-month VWAP, 6-month VWAP and 12-month VWAP for the Shares prior to the Relevant Trading Day respectively;*
- (ii) the Offer Price of S\$0.39 is approximately 18.2% higher than the offer price for the 2017 Offer and the P/RNAV multiple of the Group based on the Offer Price is similar to the corresponding P/RNAV multiple as implied by the offer price for the 2017 Offer;*
- (iii) the rationale for the Offer appears to be based on sound commercial grounds;*
- (iv) the declining financial performance of the Group and net losses incurred for FY2020;*
- (v) the trading volume of the Shares had generally been low in the past 12 months prior to the Relevant Trading Day and the Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity;*
- (vi) the Group's performance ratios and debt position were generally within the range of the corresponding ratios of the Comparable Companies;*
- (vii) the Offeror had stated that it intends to privatise the Company and does not intend to preserve the listing status of the Company and when entitled to, will exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer and as at Latest Practicable Date, the Offeror and parties acting in concert with it, own, control or agree to acquire an aggregate of 286,302,043 Shares, representing approximately 89.08% of the total number of issued Shares;*
- (viii) the Company did not pay any dividend for the last 17 financial years, with the last dividend distribution made for the financial year ended 31 December 2003 and the Directors have confirmed that the Company does not have a fixed dividend policy;*

- (ix) *there is no publicly available evidence of any alternative offer for the Shares from any third party; and*
- (x) *the Offeror and parties acting in concert with it has statutory control of the Company and such statutory control allows the Offeror and parties acting in concert with it to significantly influence any corporate actions of the Company.*

Accordingly, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer and for Shareholders who wish to realise their Shares, to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting expenses).

*Independent Directors and Shareholders should note that the trading of the Shares are subject to, inter alia, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice of Stirling Coleman on the Offer **does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date** since these are governed by factors beyond the ambit of Stirling Coleman's review and also, such advice, if given, would not fall within Stirling Coleman's terms of reference in connection with the Offer.*

We further recommend that the Independent Directors should advise the Shareholders that Stirling Coleman's opinion should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his broker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately."

10.4 Recommendations of the Independent Directors

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

The Independent Directors **concur** with the advice of the IFA in respect of the Offer and accordingly recommend that Shareholders **ACCEPT** the Offer.

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

Shareholders are advised to read the IFA Letter set out in Appendix I to this Circular carefully before deciding whether to accept or reject the Offer. Shareholders should note that the advice of the IFA and the recommendation of the Independent Directors should not be relied on by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

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 advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

11. ACTION TO BE TAKEN BY THE SHAREHOLDERS

11.1 Shareholders who wish to accept the Offer

Shareholders who wish to accept the Offer should refer to Appendix V to the Offer Document which sets out the procedures for acceptance of the Offer.

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on the Closing Date.

11.2 Shareholders who do not wish to accept the Offer

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

12. OVERSEAS SHAREHOLDERS

12.1 Availability of the Offer to Overseas Shareholders

Overseas Shareholders should refer to Section 9 of the Offer Document, which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“9. Overseas Shareholders

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

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

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) 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 by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility.

Any Overseas Shareholder may, nonetheless, obtain copies of this Offer Document, the FAAs, the FATs and/or any related documents, during normal business hours and up to the Closing Date, from CDP (if he is a depositor) by contacting CDP via telephone (+65 6535 7511) or email services (asksgx@sgx.com), or the Share Registrar (if he is a scripholder) at its office at 80 Robinson Road, #11-02, Singapore 068898.

Alternatively, an Overseas Shareholder may write to the Offeror through CDP (if he is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or the Share Registrar (if he is a scripholder) at 80 Robinson Road, #11-02, Singapore 068898 to request for this Offer Document, the FAAs, the FATs and/or any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to five (5) Market Days prior to the Closing Date.

Electronic copies of this Offer Document, the FAA and FAT are also available on the website of the SGX-ST at www.sgx.com.

*It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the FAAs, the FATs and/or any related documents; and/or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including CIMB) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including CIMB) may be required to pay. In (i) requesting for this Offer Document, the FAAs, the FATs and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and CIMB 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 any doubt about his position should consult his professional adviser in the relevant jurisdiction.***

The Offeror and CIMB 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 on the website of the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Shareholder) to receive or see such announcement, notice or advertisement."

13. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

As stated in the Offer Document, CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who accept the Offer will receive the payment for their Shares in their respective CPF investment accounts and SRS investment accounts.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 302 Orchard Road, #18-02 Tong Building, Singapore 238862 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2018, FY2019 and FY2020;
- (c) the IFA Letter as set out in **Appendix I** to this Circular; and
- (d) the letter of consent from the IFA as set out in paragraph 11.2 of **Appendix II** to this Circular.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Circular) confirm that they have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed herein (other than those relating to the Offeror, those set out in the IFA Letter and the recommendation of the Independent Directors) are fair and accurate and that no material facts have been omitted from this Circular which would make any statement in this Circular misleading. The Directors jointly and severally accept full responsibility accordingly.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including, without limitation, information extracted from 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 and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

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

The recommendation of the Independent Directors to Shareholders at Section 10.4 of this Circular is the sole responsibility of the Independent Directors.

16. 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
TOP GLOBAL LIMITED

Dr. Lam Lee G
Independent Non-Executive Chairman
31 May 2021

APPENDIX I

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

STIRLING COLEMAN CAPITAL LIMITED

(Company registration no.200105040N)

9 Raffles Place

Distrii Level 6, Republic Plaza

Singapore 048619

31 May 2021

To: The Independent Directors of Top Global Limited
(Deemed to be independent for the purpose of making recommendations to the Shareholders in respect of the Offer (as defined herein)), namely:

Dr. Lam Lee G;
Ms. Jennifer Chang Shyre Gwo; and
Mr. Yeo Chin Tuan Daniel

Dear Sirs

VOLUNTARY CONDITIONAL CASH OFFER BY CIMB BANK BERHAD, SINGAPORE BRANCH (“CIMB”) FOR AND ON BEHALF OF SW INVESTMENT HOLDING PTE. LTD. (THE “OFFEROR”) FOR ALL THE ISSUED ORDINARY SHARES (“SHARES”) IN THE CAPITAL OF TOP GLOBAL LIMITED (“OFFER”)

For the purpose of this IFA Letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 31 May 2021 to the Shareholders (as define herein) of Top Global Limited (the “Circular”).

1. INTRODUCTION

On 30 April 2021, CIMB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the Shares, excluding Shares held in treasury (“**Offer Shares**”) in accordance with Rule 15 of the Code (the “**Offer Announcement**”).

Shareholders should have by now received a copy of the offer document dated 17 May 2021 issued by CIMB (“**Offer Document**”), for and on behalf of the Offeror, to acquire all the Offer Shares, subject to the terms and conditions as set out in the Offer Document. **Independent Directors should advise Shareholders to read the terms and conditions of the Offer set out in the Offer Document carefully.**

Stirling Coleman Capital Limited (“**Stirling Coleman**”) has been appointed as the independent financial adviser (“**IFA**”) to advise the Independent Directors for the purpose of making the recommendation to the Shareholders in respect of the Offer. This IFA Letter (the “**IFA Letter**”) is therefore addressed to the Independent Directors and sets out, *inter alia*, our views and evaluation on the financial terms of the Offer and our opinion thereon. It will form part of the Circular providing, *inter alia*, the details of the Offer and the recommendation of the Independent Directors in respect thereof.

2. TERMS OF REFERENCE

Stirling Coleman has been appointed as the IFA to advise the Independent Directors in respect of their recommendations to the Shareholders in relation to the Offer. Our opinion, by way of this IFA Letter will be limited to the financial terms of the Offer, as of the date of this opinion.

Our terms of reference do not require us to evaluate or comment on the legal and commercial risks and/or merits of the Offer or the future prospects of the Group other than to form an opinion on whether the financial terms of the Offer is fair and reasonable to the Shareholders. Such evaluation or comment, if any, remains the responsibility of the Board of Directors and the management of the Company (the “**Management**”), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares or the assets of the Company. It is not within our terms of reference to compare the relative merits of the Offer vis-à-vis any alternative transactions previously considered by the Board of Directors or transactions that the Board of Directors may consider in the future, and such comparison and consideration shall remain as the responsibility of the Board of Directors. The Directors have confirmed that, as at the latest practicable date being 20 May 2021 (the “**Latest Practicable Date**”), apart from the Offer being made by the Offeror, no alternative offer or proposal has been received from any third party.

In arriving at our opinion, we have not relied upon any financial projections or forecasts in respect of the Group. Our terms of reference do not require us to express and we do not express any view on the future growth prospects, financial position and earnings potential of the Group after the completion of the Offer. We therefore do not make any projection as to the future financial performance of the Group (including without limitation any implications or uncertainties arising from the Covid-19 pandemic) after the completion or expiry of the Offer.

We have also relied upon the responsibility statement that the Circular has been reviewed and approved by the Directors (including those who may have delegated detailed supervision of the Circular) who have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed therein (other than those relating to the Offeror, those set out in this IFA Letter and the recommendation of the Independent Directors) are fair and accurate and that no material facts have been omitted from the Circular which would make any statement in the Circular misleading, and they jointly and severally accept full responsibility accordingly. Where any information in the Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or the parties acting in concert with it, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from those sources or, as the case may be, and/or reproduced in the Circular in its proper form and context.

We have not independently verified such information that we have relied on but have made reasonable enquiries and exercised judgment on the reasonable use of information disclosed in the Circular and Offer Document as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Group. However, the Company had provided us with the independent valuations done for the Group's Singapore development properties as at 31 December 2020 (compiled by the Company originally for the purposes of its year end audit and mortgage reference) and the valuation report of the Group's Indonesian properties as at 31 December 2020 done by AVA Associates Limited ("**AVA**"). As we are not experts in the evaluation or appraisal of assets, we have relied solely on the abovementioned independent valuations obtained for the fair value of the Revalued Assets (defined herein) as at 31 December 2020, which we have drawn reference to in this IFA Letter.

In rendering our services, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise you to recommend that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular. We have had 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, expressed or implied, on the contents of the Circular (other than this IFA Letter). A copy of this IFA Letter will be reproduced in the Circular.

Our recommendation in respect of the Offer, as set out in Section 10.3 of the Circular, should be considered in the context of the entirety of this IFA Letter, the Circular and the Offer Document.

3. THE OFFER

3.1. Terms of the Offer

Based on the information set out in the Offer Document, the Offeror is making the Offer for the Offer Shares subject to the terms and conditions set out in the Offer Document, the FAA and/or the FAT (as the case may be). The principal terms and conditions of the Offer, as extracted from **Section 2** of the Offer Document, are set out below.

3.1.1. Offer Price

*"The consideration for each Offer Share is S\$0.39 in cash (the "**Offer Price**").*

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

3.1.2. No Encumbrances

"The Offer Shares will be acquired:

(a) fully paid;

*(b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the "**Encumbrances**"); and*

- (c) *together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, other distributions and/or return of capital (the “Distributions”), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).”*

3.1.3. Adjustment for Distributions

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

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

- (a) *if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “Books Closure Date”) and the Offeror is registered as the holder of such Offer Shares as at the Books Closure Date, the Offer Price for each Offer Share shall not be reduced, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or*
- (b) *if such settlement date falls after the Books Closure Date, or if such settlement date falls on or before the Books Closure Date but the Offeror is not registered as the holder of such Offer Shares as at the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.”*

3.1.4. Conditional Offer

“The Offer will be conditional upon the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding Shares representing not less than 90% of the voting rights attributable to all the Shares in issue (excluding Shares held in treasury) as at the Closing Date (the “Acceptance Condition”).

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

The Offeror reserves the right to waive the Acceptance Condition or reduce such condition to a level below 90% (but in any event above 50%) of the voting rights attributable to all the Shares in issue (excluding Shares held in treasury). In the event that such revision is made during the course of the Offer, the revised Offer will remain open for another 14 days following the date of posting of the written notification of such revision to Shareholders and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight (8) days of the posting of the written notification of such revision.

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

3.1.5. No Downstream Offer

“Section 2.9 of the Offer Document states that at the Offer Document LPD, the Company holds an aggregate shareholding interest of approximately 72.96% in PTSD, a company listed on the Indonesia Stock Exchange. The Offeror will not be making a takeover offer for PTSD as a result of the Offer.”

3.1.6. Procedures for Acceptance

Information on procedures for Acceptance is set out in **Appendix V** to the Offer Document.

3.2. Further Details of the Offer

Further details of the Offer, including details on (i) warranty; (ii) the duration of the Offer; (iii) the settlement of the consideration for the Offer; (iv) the requirements relating to the announcement of the level of acceptances of the Offer; and (v) the right of withdrawal of acceptances of the Offer are set out in **Appendix IV** to the Offer Document and **Section 2** of the Circular.

4. IRREVOCABLE UNDERTAKINGS

Information on the irrevocable undertakings given by the Undertaking Shareholders is set out in **Section 5** of the Offer Document and **Section 4** of the Circular.

5. INFORMATION ON THE OFFEROR

The Offeror is a private company limited by shares incorporated in Singapore on 22 March 2021. Its principal activity is that of investment holding. As at the Latest Practicable Date, the Offeror has an issued share capital of S\$100 comprising 100 ordinary shares and it is wholly owned by Mdm Oei.

We note that as at Latest Practicable Date, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it is 286,302,043 or approximately 89.08%.

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

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

The full text of the rationale for the Offer and the Offeror's intentions for the Company are set out in **Section 7** of the Offer Document. The rationale for the Offer is reproduced below:

“Low Trading Liquidity

On 10 March 2021, Mdm Oei acquired 26,023,193 Shares by way of an off-market transaction at a significant premium to the prevailing market price of the Shares on that date, and between 11 March 2021 and 29 April 2021 (both dates inclusive), Mdm Oei acquired an aggregate of 4,681,100 Shares by way of market purchases.

Prior to such acquisitions, the trading volume of the Shares has historically been low, with an average daily trading volume of approximately 19,505 Shares, 13,198 Shares, 11,380 Shares and 10,551 Shares during the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including the Relevant Trading Day. These represent less than 0.01% of the total number of Shares (excluding Shares held in treasury).

Opportunity for Shareholders to realise their Investment in the Shares at a Premium over Historical Trading Prices of the Shares without incurring Brokerage and other Costs

The Offer Price represents a premium of approximately 132.1%, 146.8%, 148.4% and 142.2% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including the Relevant Trading Day.

The Offer Price is also at a premium of between 0.3% and 17.8% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, up to and including the Last Trading Day.

The Offer presents Shareholders with an opportunity to realise their investment in the Shares at a premium over the historical trading prices of the Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the thin trading liquidity of the Shares.

Greater Management Flexibility

The Offeror is making the Offer with a view to exercising its rights of compulsory acquisition and delisting the Company from the SGX-ST. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Group, and pursue and implement the Offeror's business strategies and other options for the Group.

Costs of Maintaining Listing

In maintaining its listed status, the Company incurs listing, compliance and associated costs. If the Company is delisted and privatised as a consequence of the Offer, the Company will be able to substantially dispense with such costs and instead, focus its resources and attention on its business operations.”

7. FINANCIAL ASSESSMENT OF THE OFFER

In assessing the financial terms of the Offer, we have deliberated on the following factors which we consider to be pertinent and have a significant bearing on our assessment:

- (i) Financial performance and position of the Group;
- (ii) Historical share price performance and share trading liquidity;
- (iii) The Group's Net Asset Value ("NAV") and Revalued NAV ("RNAV");
- (iv) Relative valuation analysis;
- (v) Precedent privatisation transactions analysis;
- (vi) Comparisons against the previous offer made for Shares in the Company in 2017;
- (vii) Offeror's intention regarding the Company and its listing status;
- (viii) Dividend track record of the Company; and
- (ix) Other relevant considerations.

7.1. Financial Performance and Position of the Group

We set out below a summary of the audited financial information of the Group for the last three financial years ended 31 December 2018, 2019 and 2020 ("FY2018", "FY2019" and "FY2020", respectively, collectively the "Review Period").

Summary of the Group's Financial Performance

| S\$'000 | Audited FY2020 | Audited FY2019 | Audited FY2018 |
|---------------------------------|---------------------------|---------------------------|---------------------------|
| Revenue | 40,683 | 58,393 | 79,812 |
| Gross profit | 18,566 | 30,172 | 33,546 |
| (Loss)/profit before income tax | (15,948) | 4,572 | 5,401 |
| Net (loss)/profit | (16,027) | 5,351 | 1,788 |

Summary of the Group's Financial Position

| S\$'000 | Audited as at 31-Dec-2020 | Audited as at 31-Dec-2019 | Audited as at 31-Dec-2018 |
|--------------------------|--|--|--|
| Current assets | 122,454 | 127,648 | 164,356 |
| Non-current assets | 441,942 | 465,451 | 291,208 |
| Total assets | 564,396 | 593,099 | 455,564 |
| Current liabilities | 44,532 | 50,172 | 47,314 |
| Non-current liabilities | 150,255 | 147,499 | 26,517 |
| Total liabilities | 194,787 | 197,671 | 73,831 |
| Net assets | 369,609 | 395,428 | 381,733 |

| S\$'000 | Audited as at 31-Dec-2020 | Audited as at 31-Dec-2019 | Audited as at 31-Dec-2018 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Share capital | 265,667 | 265,667 | 265,667 |
| Treasury shares | (101) | (101) | (101) |
| Other reserves | (13,414) | (4,516) | (11,174) |
| (Accumulated losses)/retained profits | (16,160) | 612 | 220 |
| Equity and reserves attributable to the owners of the Company | 235,992 | 261,662 | 254,612 |
| Non-controlling interests | 133,617 | 133,766 | 127,121 |
| Total equity | 369,609 | 395,428 | 381,733 |

Summary of the Group's Cash Flows

| S\$'000 | Audited FY2020 | Audited FY2019 | Audited FY2018 |
|---|-----------------------------|--------------------------------|-------------------|
| Net cash from operating activities | 4,019 | 1,440 | 18,575 |
| Net cash from/(used in) investing activities | 1,631 | (149,187) | (15,091) |
| Net cash (used in)/from financing activities | (7,289) | 116,495 | (1,356) |
| Cash and cash equivalents at end of period | 13,644⁽²⁾ | 18,252⁽²⁾⁽³⁾ | 42,547 |

Source: Company's annual reports for FY2018, FY2019 and FY2020 on SGXNET.

Notes:

- Figures above are subject to rounding differences.
- Including restricted deposits of S\$4,000,000.
- Including bank overdrafts of S\$3,175,000.

7.1.1. Analysis of the financial performance of the Group

Revenue

The Group had revenue of S\$58.4 million in FY2019, a decrease of 26.8% from S\$79.8 million in FY2018 mainly attributable to the decrease in sales of Singapore development properties of S\$22.0 million as the Singapore development properties had been fully completed and sold in FY2018. Hospitality revenue also declined by S\$2.3 million due to the lease expiry of one hostel in Singapore in FY2019.

The Group had revenue of S\$40.7 million in FY2020, a decrease of 30.3% from FY2019 mainly attributable to the decrease in sales of development properties by its Indonesia subsidiary, PT Suryamas Dutamakmur Tbk ("PTSD") of S\$16.4 million due to lockdown measures imposed in Jakarta since April 2020 and decline in hospitality revenue of S\$3.3 million due to travel restrictions implemented worldwide arising from the COVID-19 pandemic and lease expiry of two hostels in Singapore in FY2020. The decrease was partially offset by improvement in property management business of S\$1.1 million due to the recognition of full year revenue from investment properties acquired in Q3 FY2019.

Net profit of the Group

The Group had net profit of S\$5.4 million in FY2019 against net profit of S\$1.8 million in FY2018. The increase in FY2019 was mainly due to other gains of S\$7.0 million recognised on the acquisition of the six subsidiary corporations in August 2019 and the write back of S\$1.1 million for the over-accrual of retention monies, partially offset by a decrease in fair value of financial assets of S\$3.5 million and increases in administrative expenses and finance costs.

The Group had net loss of S\$16.0 million in FY2020 against net profit of S\$5.4 million in FY2019. The Group's loss in FY2020 was mainly attributable to the decrease in revenue, the impairment loss recognised on investment properties, right-of-use assets and trademark of S\$6.6 million and the S\$3.0 million decrease in the fair value of financial assets.

We note that the Group's revenue has been declining throughout the Review Period and the Group recorded net loss of S\$16.0 million for the first time in FY2020 compared to net profit positions in FY2019 and FY2018, due to the negative impact of the COVID-19 pandemic on its core real estate development and hospitality businesses.

The unpredictability of infections and the fear of largescale infections have largely discouraged authorities in South-East Asia from opening up the borders of their countries more quickly, unlike other regions in Europe. The Group has been similarly impacted as its core businesses of real estate development and hospitality and leisure have seen a decrease in revenues as a result of lockdowns and other safety measures of varying degree in Singapore, Indonesia and other parts of the world.

7.1.2. Analysis of the financial position of the Group

The Group's total assets of S\$564.4 million as at 31 December 2020 comprised mainly total development properties of S\$272.9 million (48.4%), investment properties of S\$213.8 million (37.9%) and property, plant and equipment of S\$48.2 million (8.5%). The Group's total liabilities of S\$194.8 million as at 31 December 2020 comprised mainly total borrowings of S\$143.0 million (73.4%) and trade and other payables of S\$38.2 million (19.6%).

FY2019 vs FY2018

The Group's total assets increased by S\$137.5 million from S\$455.6 million as at 31 December 2018 to S\$593.1 million as at 31 December 2019, mainly due to the increase in investment properties of S\$170.7 million and total development properties of S\$11.5 million, partially offset by the decrease in cash and cash equivalents of S\$24.3 million and financial assets of S\$17.6 million.

The Group's total liabilities increased by S\$123.8 million from S\$73.8 million as at 31 December 2018 to S\$197.7 million as at 31 December 2019, mainly due to the increase in total borrowings of S\$130.0 million, partially offset by the decrease of total trade and other payables by S\$5.6 million.

FY2020 vs FY2019

The Group's total assets decreased by S\$28.7 million from S\$593.1 million as at 31 December 2019 to S\$564.4 million as at 31 December 2020, mainly due to the decrease in investment properties, property, plant and equipment, cash and cash equivalents, financial assets and total development properties of S\$11.1 million, S\$4.9 million, S\$4.6 million, S\$4.4 million and S\$4.6 million respectively.

The Group's total liabilities decreased by S\$2.9 million from S\$197.7 million as at 31 December 2019 to S\$194.8 million as at 31 December 2020, mainly due to reduction in total borrowings of S\$6.3 million, partially offset by the increase of total trade and other payables by S\$4.0 million.

We note that the Group was in a positive working capital position throughout the Review Period, with a positive working capital of S\$77.9 million as at 31 December 2020.

The Group however, deteriorated from a net cash position of S\$23.3 million as at 31 December 2018 to a net debt position of S\$129.3 million as at 31 December 2020 with cash and cash equivalents decreasing from S\$42.5 million as at 31 December 2018 to S\$13.6 million as at 31 December 2020.

7.1.3. Between 31 December 2020 and the Latest Practicable Date

In respect of the above, the Directors and Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, save for what have been previously disclosed above, in the Circular, the annual reports and its announcements on the SGXNET:

- (i) there are no material events that have or will likely have a material impact on the financial position of the Group since 31 December 2020;
- (ii) save for the revaluation of the investment properties, development properties and property assets under Property, Plant and Equipment as noted in section 7.3.2 below, there are no material differences between the realisable value of the Group's assets and their respective book values as at 31 December 2020 which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;
- (iii) there are no other off-balance sheet and contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;
- (iv) there are no litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group taken as a whole;
- (v) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (vi) there are no material acquisitions and disposals of assets by the Group between 31 December 2020 and the Latest Practicable Date, other than in the ordinary course of business, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material changes in the nature of the Group's business.

7.2. Historical Share Price Performance and Trading Liquidity

7.2.1. Historical Share Price performance

The following presents the historical chart of the closing prices of the Shares and the number of Shares traded on a daily basis during the period commencing 10 March 2020, being the last 12 months period prior to 9 March 2021, being the Relevant Trading Day, being the last Market Day prior to the announcement in relation to Mdm Oei’s acquisition of 26,023,193 Shares at S\$0.390 per Share by way of an off-market transaction on 10 March 2021 and ending on the Latest Practicable Date.

Chart 1: Share Price Performance from 10 March 2020 up to the Latest Practicable Date



Source: Bloomberg L.P., and information/announcement from the SGX-ST

Base on Chart 1, we note the following:

Period from 10 March 2020 up to the Relevant Trading Day

From 10 March 2020 and up to the Relevant Trading Day, the Shares were trading at a range of between S\$0.141 to S\$0.245, which is significantly below the Offer Price.

Period from the Relevant Trading Day up to the Offer Announcement Date

Between the Relevant Trading day to the Offer Announcement Date, the Shares were trading at a range of between S\$0.28 to S\$0.395.

Period from the Offer Announcement Date up to the Latest Practicable Date

Between the Offer Announcement Date to the Latest Practicable Date, the Shares were trading at a range of between S\$0.385 to S\$0.390 and closed at the same price as the Offer Price.

7.2.2. Offer Price comparison to historical Share Price

We have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares commencing from 10 March 2020, being the 12-month period prior to the Relevant Trading Day, and ending on the Latest Practicable Date:

Table 1: Share Price Performance and Trading Liquidity Table

| | VWAP ⁽¹⁾ (S\$) | Premium/ (Discount) of the Offer Price to VWAP Per Share (%) | Lowest Transacted Price (S\$) | Highest Transacted Price (S\$) | Average Daily Trading Volume ⁽²⁾ (Shares) | Average Daily Trading Volume as % of Free-float |
|--|------------------------------|--|--|---|--|--|
| For the period prior to the Relevant Trading Day⁽³⁾ | | | | | | |
| Last 12 months | 0.161 | 142.6% | 0.141 | 0.245 | 10,557 | 0.01% ⁽⁴⁾ |
| Last 6 months | 0.157 | 148.7% | 0.142 | 0.175 | 11,460 | 0.02% ⁽⁴⁾ |
| Last 3 months | 0.158 | 146.8% | 0.142 | 0.175 | 13,454 | 0.02% ⁽⁴⁾ |
| Last 1 month | 0.167 | 133.6% | 0.158 | 0.175 | 22,137 | 0.03% ⁽⁴⁾ |
| Relevant Trading Day ⁽³⁾ | 0.175 | 122.9% | 0.165 | 0.175 | 194,000 | 0.27% ⁽⁴⁾ |
| For the period after the Relevant Trading Day up to the Offer Announcement Date | | | | | | |
| 10 March 2021 to the Offer Announcement Date | 0.372 | 5.0% | 0.180 | 0.420 | 270,938 | 0.65% ⁽⁵⁾ |
| For the period commencing on the Offer Announcement Date up to the Last Practicable Date | | | | | | |
| From the market day on the Offer Announcement Date up to and including the Latest Practicable Date | 0.390 | 0.0% | 0.385 | 0.390 | 554,646 | 1.58% ⁽⁶⁾ |
| Latest Practicable Date | 0.390 | 0.0% | 0.390 | 0.390 | 236,600 | 0.67% ⁽⁶⁾ |

Source: Bloomberg L.P. as at the Latest Practicable Date

Notes:

1. The Volume Weighted Average Price ("VWAP") was calculated by adding up the dollar value for every transaction and then dividing by the total shares traded for the day which were rounded to the nearest three decimal places.
2. The average daily trading volume of the Shares was computed based on the total number of Shares traded during the relevant periods divided by the number of market days which the SGX-ST is open for the trading of securities ("Market Day") for the relevant periods.
3. **The Relevant Trading Day was defined as 9 March 2021 being the last market day prior to an announcement on disclosure of changes in interest dated 10 March 2021 in relation to Mdm Oei's acquisition of 26,023,193 Shares.** The closing price on 9 March 2021 is shown instead of VWAP.
4. Free-float is approximately 72,543,427 Shares of the issued share capital held by the public as at the Relevant Trading Day.
5. Free-float is approximately 41,838,998 Shares of the issued share capital held by the public as at the Offer Announcement Date.
6. Free-float is approximately 35,079,056 Shares of the issued share capital held by the public as at the Latest Practicable Date.

Based on Table 1, we note that the Offer Price is:

- (i) at a premium of approximately 133.6%, 146.8%, 148.7% and 142.6% to the VWAP for the Shares for the periods of 1-month, 3-months, 6-months, and 12-months prior to the Relevant Trading Day respectively;
- (ii) at a premium of approximately 122.9% to the closing price of S\$0.175 for the Shares on the Relevant Trading Day;
- (iii) at a premium of approximately 5.0% to the VWAP for the Shares for the period from the Relevant Trading Day to the Offer Announcement Date; and
- (iv) the same as the VWAP for the Shares for the period on the Offer Announcement Date up to the Latest Practicable Date.

Based on the above, it appears likely that the market price of the Shares have been supported by the Offer subsequent to the Relevant Trading Day and the Offer Announcement Date. Shareholders should note that the Offer will not become or be capable of being declared unconditional until the Acceptance Condition is met or in the event that the Offeror reduces the Acceptance Condition to a level which is more than 90.0%. As such, there is no assurance that the market price and trading volume of the Shares will be maintained at the level prevailing as at the Latest Practicable Date after the close of the Offer. **Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.**

7.2.3. Trading volume and liquidity analysis

Based on the number of Shares traded on a daily basis during the period commencing from 10 March 2020, being the Market Day 12 months prior to the Relevant Trading Day, and ending on the Latest Practicable Date, we note that:

- (i) from 10 March 2020 to the Relevant Trading Day, Shares were traded only on 96 Trading Days out of the total 251 Market Days during the period, with the total number of Shares traded being approximately 2.6 million Shares and an average daily trading volume of approximately 10,557 Shares, which represents 0.003% of the issued Share capital as at the Relevant Trading Day or approximately 0.015% of the as at the Relevant Trading Day;
- (ii) for the period commencing from the Market Day immediately after the Relevant Trading Day to the Offer Announcement Date, the Shares were traded on 34 days out of the 37 Market Days during the period, with the total number of Shares traded being approximately 10.0 million¹ Shares and an average daily trading volume of approximately 270,938 Shares, which represents 0.084% of the issued Share capital as at the Latest Practicable Date or approximately 0.646% of the Free-float as at the Offer Announcement Date; and
- (iii) for the period commencing from the Market Day immediately after the Offer Announcement Date up till and including the Latest Practicable Date, the Shares were traded on 13 days out of the 13 Market Days during the period, with the total number of Shares traded being approximately 7.2 million Shares and an average daily trading volume of approximately 554,646 million Shares, which represents 0.173% of the issued Share capital as at the Latest Practicable Date or approximately 1.581% of the Free-float as at the Latest Practicable Date.

¹ Out of the approximately 10.0 million shares traded during the period, approximately 4.7 million were acquisitions via the market by the Offeror or the parties acting in concert with it. (Source: Company announcements on the SGXNET)

Table 2: Market Liquidity of the Top 10 largest companies in the FTSE ST Fledgling Index

| Company | Market Capitalisation (\$S million) ⁽¹⁾ | Average Daily Trading Volume 12 months prior to Offer Announcement Date (million) | Average Daily Trading Volume as % Free Float Shares | Average Daily Trading Volume 6 months prior to Offer Announcement Date (million) | Average Daily Trading Volume as % Free Float Shares | Average Daily Trading Volume 3 months prior to Offer Announcement Date (million) | Average Daily Trading Volume as % Free Float Shares |
|---|--|---|---|--|---|--|---|
| ARA US Hospitality Trust | 328 | 0.37 | 0.19 | 0.32 | 0.17 | 0.22 | 0.11 |
| Tuan Sing Holdings Ltd | 239 | 0.53 | 0.11 | 0.35 | 0.07 | 0.36 | 0.07 |
| CSE Global Ltd | 232 | 3.11 | 0.85 | 1.73 | 0.47 | 2.15 | 0.59 |
| Singapore Reinsurance Corp Ltd | 212 | 0.07 | 0.01 | 0.04 | 0.01 | 0.05 | 0.01 |
| Raffles Education Corp Ltd | 205 | 1.05 | 0.13 | 1.43 | 0.18 | 0.31 | 0.04 |
| ISDN Holdings Ltd | 191 | 7.38 | 3.12 | 9.57 | 4.04 | 11.63 | 4.92 |
| Stamford Land Corp Ltd | 175 | 0.07 | 0.02 | 0.07 | 0.02 | 0.09 | 0.02 |
| BHG Retail REIT | 174 | 0.59 | 0.59 | 0.24 | 0.24 | 0.01 | 0.01 |
| Banyan Tree Holdings Ltd | 170 | 0.21 | 0.07 | 0.28 | 0.09 | 0.33 | 0.11 |
| Geo Energy Resources Ltd | 169 | 1.26 | 0.22 | 2.05 | 0.36 | 3.04 | 0.53 |
| Max | | | 3.12 | | 4.04 | | 4.92 |
| Min | | | 0.01 | | 0.01 | | 0.01 |
| Median | | | 0.16 | | 0.17 | | 0.09 |
| Simple Average | | | 0.53 | | 0.56 | | 0.64 |
| The Group (implied by the Offer Price) | 125.3 | 0.01 | 0.01 | 0.01 | 0.02 | 0.01 | 0.02 |

Source: Bloomberg L.P. and FTSE ST Fledgling Index factsheet (data as at 30 April 2021)

Note:

1. Based on market capitalization from the FTSE ST Fledgling Index Factsheet as at 30 April 2021. FTSE ST Fledgling Index comprises 200 listed companies on the SGX-ST that are too small for the FTSE ST All-Share Index to capture.

Benchmarking the liquidity of the Shares against SGX-ST listed small capitalisation companies

Share prices transacted in the equity capital market can be affected by relative liquidity and free float at any given point in time. In analysing the liquidity of the Shares, we have given consideration to the liquidity of the Shares as compared with the ten largest companies by market capitalisation of the FTSE ST Fledgling Index for the 12-months, 6-months and 3-months period preceding the Relevant Trading Day.

Based on Table 2, we note that the average daily trading volume of the Shares were approximately 0.01%, 0.02% and 0.02% of its free float for 12-months, 6-months and 3-months respectively. The 12-months average daily trading volume of the Shares of its free float were only higher than 1 of the top 10 constituents of FTSE ST Fledgling Index prior to the Offer Announcement Date. It was approximately 97.3%, 97.2% and 97.1% lower than the simple average daily trading volume of 0.66%, 0.74% and 0.85% for the top 10 constituents in the FTSE ST Fledgling Index for the corresponding 12-months, 6-months and 3-months periods.

We note that the trading volume of the Shares had generally been low in the past 12 months prior to the Relevant Trading Day. The Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity. However, Shareholders should note that the past trading performance for the Shares should not be relied upon as an indication of its future trading performance.

7.3. The Group's NAV, NTA and RNAV

7.3.1. NAV and NTA analysis

The NAV based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and minorities' interests. The NAV based approach is meaningful as it shows the extent to which the value of each share is backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NAV based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (including any intangible assets including but not limited to goodwill, trademarks and brand names) in an orderly manner or over a reasonable period of time and at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, minority interest and obligation of the company or group with the balance to be distributed to its shareholders. However, the NAV approach does not take into account or consideration the hypothetical sale of assets in a non-orderly manner or over a short period of time. The NAV does not illustrate the values at which assets may actually be realised or disposed of.

The NTA based approach is similar to the NAV based approach except that it does not take into account or consideration the presence of any intangible assets including but not limited to land use rights, goodwill, trademarks and brand names in providing an estimate of the value of a company or group assuming the hypothetical sale of all its assets.

| Based on the Group's audited financial statement for the year ended 31 December 2020 | |
|---|--------------|
| NAV attributable to Shareholders as at 31 December 2020 (S\$'000) | 235,992 |
| Less: Intangible Assets (S\$'000) | (1,385) |
| NTA attributable to Shareholders as at 31 December 2020 (S\$'000) | 234,607 |
| Number of ordinary Shares of the Company (excluding treasury Shares) | 321,381,099 |
| NAV per Share (S\$) | 0.734 |
| NTA per Share (S\$) | 0.730 |
| Offer Price (S\$) | 0.390 |
| Offer Price to NAV per Share (x) | 0.531 |
| Discount of Offer Price to NAV per Share (%) | 46.9% |
| Offer Price to NTA per Share (x) | 0.534 |
| Discount of Offer Price to NTA per Share (%) | 46.6% |

For illustrative purposes only, the Offer Price to NAV per Share ("**P/NAV**") and the discount of the Offer Price to NAV per Share as at 31 December 2020 are 0.531x and 46.9% respectively.

The Offer Price to NTA per Share ("**P/NTA**") and the discount of the Offer Price to NTA per Share as at 31 December 2020 are 0.534x and 46.6% respectively.

7.3.2. Revalued NAV of the Group

In our evaluation of the financial terms of the Offer, we have also considered whether there are any assets which may be valued at an amount that is materially different from what was recorded in the balance sheet of the Group as at 31 December 2020.

As mentioned under section 7.1.2 above, the Group's total assets of S\$564.4 million as at 31 December 2020 comprised mainly total development properties of S\$272.9 million (48.4%), investment properties of S\$213.8 million (37.9%) and property, plant and equipment of S\$48.2 million (8.5%). The Group's total liabilities of S\$194.8 million as at 31 December 2020 comprised mainly total borrowings of S\$143.0 million (73.4%) and trade and other payables of S\$38.2 million (19.6%).

Investment properties of the Group comprised commercial building, commercial units and residential units which are located in Singapore and Indonesia. According to the Group's accounting policy, investment properties are stated on the balance sheet at fair value determined annually by management based on independent valuation amount. Independent valuation of the investment properties as at 31 December 2020 were obtained for the FY2020 financial reporting purpose.

Development properties of the Group comprised properties held for sale, properties under development and land for development. According to the Group's accounting policy, properties under development are stated on the balance sheet at the lower of cost plus attributable profit (where appropriate) less progress billings and estimated net realisable value. Completed properties held for sale are stated at the lower of cost and net realisable value.

For the purposes of assessing the market valuation of the investment properties, development properties and property assets under Property, Plant and Equipment (the "**Revalued Assets**"), we had relied on the independent valuations done for the Group's Singapore investment properties as at 31 December 2020 (compiled by the Company originally for the purposes of its year end audit and mortgage reference) and the valuation report of the Group's Indonesia properties as at 31 December 2020 by AVA ("**AVA Valuation Report**").

We note that in the AVA Valuation Report, several risk factors faced by the Group that may affect the value of the Group's Indonesian development properties (which are all held by PTSD). Below are some of the key risk factors highlighted:

- (i) Dependent on the economic conditions in Indonesia, particularly the property market in Jakarta;
- (ii) Difficulty or delay in obtaining the relevant government approvals for the development projects;
- (iii) Reliance on external construction companies which may not be able to adhere to the quality and safety standards of the Group;
- (iv) Labour shortages and/or increase in labour costs;
- (v) Increase in cost of construction materials;
- (vi) Not having adequate capital resources to finance Suryamas's land acquisition or property development activities; and
- (vii) Fluctuation in the the value of the Indonesian Rupiah against the Singapore Dollar.

It is estimated that a total potential tax liability of approximately S\$68.8 million may be incurred if the Revalued Assets were to be sold at the valuation ascribed to them by AVA. These are liabilities associated mainly relating to Indonesian corporate taxes. The Company at this juncture expects the aforesaid tax liabilities to crystallise as and when the Group disposes of its interests in the Revalued Assets.

For illustrative purposes only, we have presented the net book value and the fair valuation amount of the Revalued Assets as at 31 December 2020 in the following table:

Table 3: Revalued Assets

| | NAV as at 31-Dec-20 (S\$'000) | Fair Value (S\$'000) | Potential Tax Liabilities (S\$'000) | Minority Interests ⁽²⁾ (S\$'000) | Fair Value net of tax liabilities and minority interests (S\$'000) | Revaluation Surplus (S\$'000) |
|---|-------------------------------------|-------------------------|---|---|---|-------------------------------------|
| Singapore Investment Properties | | | | | | |
| The Quinn | 27,519 | 31,387 | – | – | 31,387 | 3,868 |
| Thong Teck Building | 168,719 | 170,000 | – | – | 170,000 | 1,281 |
| Lorong Mambong | 12,805 | 17,525 | – | – | 17,525 | 4,720 |
| Indonesian Properties and Fixed Assets⁽³⁾ | | | | | | |
| Development property (current) | 103,598 | 163,284 | (14,922) | (12,104) | 136,258 | 32,660 |
| Development property (non-current) | 169,297 | 331,682 | (40,596) | (32,932) | 258,154 | 88,857 |
| Investment properties | 4,787 | 16,765 | (2,994) | (2,429) | 11,341 | 6,554 |
| Fixed assets | 25,363 | 66,327 | (10,241) | (8,308) | 47,779 | 22,416 |
| Grand Total | 512,087 | 796,969 | (68,753) | (55,773) | 672,443 | 160,357 |
| Group NAV (S\$'000) | | | | 235,992 | | |
| Add: Revaluation Surplus (S\$'000) | | | | 160,357 | | |
| Revalued Group NAV ("RNAV") (S\$'000) | | | | 396,349 | | |
| RNAV per Share (S\$) | | | | 1.233 | | |
| Offer Price to RNAV per Shares (x) | | | | 0.316 | | |
| Discount of Offer Price to RNAV per Share (%) | | | | 68.4% | | |

Notes:

1. Figures and computations above are subject to rounding and exchange rate differences.
2. Based on the Group's 72.96% shareholding interest in PTSD and exchange rate of S\$1 : IDR10,800.
3. Based on PTSD's shareholding interest in the respective properties.

For illustrative purposes only, the Offer Price to RNAV per Share ("**P/RNAV**") and the discount of the Offer Price to RNAV per Share as at 31 December 2020 were 0.32x and 68.4% respectively.

Except for the Revalued Assets identified above, the Directors and the Management of the Company had confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, on aggregate basis, there are no material differences between the estimated fair value of the other assets for which no valuation was obtained and their respective book value. The Independent Directors confirmed that they are aware of and are satisfied with the selection of the Revalued Assets for the revaluation exercise.

As we are not experts in the evaluation or appraisal of assets, we have not made any independent evaluation or appraisal of the Revalued Assets and have relied solely on the independent valuations of the Singapore investment properties compiled and provided to us by the Company and the AVA Valuation Report for the fair value of the Revalued Assets.

7.3.3. Historical Share Prices of the Company against its trailing NAV per Share

We have compared the historical Share prices of the Company and the Offer Price against the trailing NAV per Share of the Group over the 12 months period prior to the Relevant Trading Day, as shown below:

Chart 2: Historical Share Prices of the Company against its trailing NAV per Share⁽¹⁾



Source: Bloomberg L.P. as at the Latest Practicable Date.

Based on Chart 2 above, we note that the closing Share Prices of the Company had been trading below its NAV per Share in the past 12 months prior to and including the Relevant Trading Day, at a discount of between 69.9% and 82.7%, which is higher than the discount of the Offer Price to NAV per Share as at 31 December 2020 of 46.9%.

Shareholders should note that the computation above is solely for illustration purposes as the NAV may not be fully realisable at its book value or revalued value, especially within a short time frame, and the market value of some of these assets may vary depending on, amongst others, the prevailing market and economic conditions and whether a buyer can be found for such assets. Also, we wish to highlight that the NAV of the Group may deteriorate further if the Group incurs losses after 31 December 2020.

7.3.4. Comparison of P/RNAV against comparable companies and precedent privatisation transactions

We have compared the P/RNAV of the Group against the P/NAV of comparable companies to the Group, which is shown in section 7.4 of this IFA Letter. We have also compared the P/RNAV of the Group against the offer price to NAV/NTA multiple of precedent privatisation transactions, which is shown in section 7.5 of this IFA Letter.

7.4. Relative Valuation Analysis

In assessing the reasonableness of the Offer Price, we have also considered the financial performance, financial position and valuation statistics of selected comparable companies listed on the SGX-ST (“**Comparable Companies**”) that may, in our view, be broadly comparable to the real estate development and owners segment. We have selected Comparable Companies in the real estate development and owners segment with market capitalisation of below S\$200 million.

The Independent Directors should note that **there may not be any company listed on the SGX-ST that is directly comparable to the Group in terms of size, diversity of business activities and products/services, branding, geographical spread, track record, prospects, operating and financial leverage, risk profile, quality of earnings and accounting, listing status and such other relevant criteria.** We wish to highlight that it may be difficult to place reliance on the comparison of valuation statistics for the Comparable Companies as the business of these selected companies, their capital structures, growth rates, operating and financial leverage, taxation and accounting policies as well as the liquidity of these shares and the demand/supply conditions for these shares and that of the Group may differ. In addition, we wish to highlight that the list of Comparable Companies is by no means exhaustive. As such, any comparison made herein is necessarily limited and serves only as an illustrative guide and any conclusion draw from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

The Independent Directors should also note that the prices at which shares are traded at include factors other than historical financial performance, and some of these, *inter alia*, include prospects real or perceived of the financial performance, the historical share price performance, the demand/supply conditions of the shares, the relative liquidity of the shares, the relative sentiments of the market for the shares, as well as the market capitalisation.

7.4.1. Selected Comparable Companies in the real estate development and owners segment

| Comparable Companies | Listing Location | Market capitalisation (S\$ million) | Principal activities |
|---|-------------------------|--|---|
| Imperium Crown Ltd (“ Imperium ”) (Catalist:5HT) | Singapore | 9.5 | Imperium Crown Limited is involved in property development and property investment. The company is based in Singapore. |
| OKH Global Ltd (“ OKH ”) (SGX:S3N) | Singapore | 20.3 | OKH Global Ltd. is a property developer in Asia that provides integrated construction capabilities. |
| GYP Properties Ltd (“ GYP ”) (SGX:AWS) | Singapore | 30.5 | GYP Properties Limited operates as a real estate company. The company acquires, develops, and manages commercial, industrial, retail, and residential assets. GYP Properties serves customers in Singapore. |
| KOP Ltd (“ KOP ”) (Catalist:5I1) | Singapore | 46.5 | KOP Limited, through its subsidiaries, develops and invests in real estate. The company also provides real estate agency and management services, operates hotels, and conduct entertainment services. |

| Comparable Companies | Listing Location | Market capitalisation (S\$ million) | Principal activities |
|--|------------------|-------------------------------------|---|
| Goodland Group Ltd (“ Goodland ”) (SGX:5PC) | Singapore | 52.2 | Goodland Group Ltd. develops and sells residential properties in Singapore. |
| Heeton Holdings Ltd (“ Heeton ”) (SGX:5DP) | Singapore | 94.6 | Heeton Holdings Limited develops and sells private residential properties. The company also manages and invests in residential, retail, and commercial properties. |
| Pollux Properties Ltd (“ Pollux ”) (Catalist:5AE) | Singapore | 93.8 | Pollux Properties Ltd. is a property developer. The company focuses on the development of residential and commercial properties. |
| LHN Ltd (“ LHN ”) (Catalist:41O) | Singapore | 120.7 | LHN Limited provides property management services. The company offers industrial, commercial, residential property management services, and other services. LHN also provides logistics services. |
| Sing Holdings Ltd (“ Sing Holdings ”) (SGX:5IC) | Singapore | 152.4 | Sing Holdings Ltd. develops real estate. The company develops residential, commercial, and industrial properties and retains a stake in certain properties. |

Source: Bloomberg L.P. as at Latest Practicable Date

The following tabulates the key financial ratios for comparison of financial performance for the past 12 months period ended 31 December 2020 (“**T12**”) and financial position as at 31 December 2020 for the Comparable Companies and the Group:

Table 4: Financial performance and debt position of the Group and the Comparable Companies

| Comparable Companies | T12 ROE ⁽¹⁾ (%) | T12 Net profit/loss margin ⁽²⁾ (%) | T12 Asset turnover ⁽³⁾ (x) | Total liabilities/shareholders’ equity (x) | Total borrowings/shareholders’ equity (x) | Net Debt/Cash Position ⁽⁴⁾ |
|-----------------------|----------------------------|---|---------------------------------------|--|---|---------------------------------------|
| Imperium | (11.3) | (459.3) | 0.0 | 0.5 | 0.0 | Net Cash |
| OKH | (21.5) | (131.9) | 0.1 | 1.9 | 1.1 | Net Debt |
| GYP | (5.2) | (8.5) | 0.2 | 1.6 | 1.4 | Net Debt |
| KOP | (7.7) | (106.4) | 0.0 | 1.3 | 0.8 | Net Debt |
| Goodland | (0.9) | (14.9) | 0.0 | 0.5 | 0.4 | Net Debt |
| Heeton | (1.5) | (24.7) | 0.0 | 1.4 | 1.2 | Net Debt |
| Pollux | 1.9 | 31.3 | 0.0 | 0.9 | 0.9 | Net Debt |
| LHN | 26.5 | 24.3 | 0.4 | 1.7 | 0.6 | Net Debt |
| Sing Holdings | 5.1 | 9.6 | 0.4 | 0.5 | 0.4 | Net Debt |
| High | 26.5 | 31.3 | 0.4 | 1.9 | 1.4 | |
| Low | (21.5) | (459.3) | 0.0 | 0.5 | 0.0 | |
| Median | (1.5) | (14.9) | 0.0 | 1.3 | 0.8 | |
| Simple Average | (1.6) | (75.6) | 0.1 | 1.1 | 0.7 | |
| The Group | (4.7) | (42.3) | 0.1 | 0.5 | 0.4 | Net Debt |

Source: Bloomberg L.P. as at the Latest Practicable Date, annual reports and the unaudited interim financial statements of the Comparable Companies

Notes:

1. The T12 Return on Equity ("ROE") was calculated based on the ratio of the T12 net profit after tax attributable to the shareholders to the shareholders' equity exclude minority interest as at the end of the latest published financial quarter of the respective companies.
2. T12 net profit/loss margin was calculated based on the ratio of T12 net profits/losses after tax attributable to shareholders to the T12 revenue of the respective companies.
3. T12 asset turnover was calculated based on the ratio of the T12 revenue to the total assets as at the end of the latest published financial quarter of the respective companies.
4. The Net Debt is the sum of all short-term and long-term debt less the total cash and cash equivalents as at the end of the latest published financial quarter. Net cash, in the context of this IFA Letter, represents a positive cash position after deducting total debt from cash and its short-term equivalents.

Based on Table 4, we note the following:

- (i) the Group's T12 ROE and T12 net profit/loss margin was negative and within the range but below the median (less favourable) of the Comparable Companies;
- (ii) the Group's T12 asset turnover of 0.1x was within the range and above the median (more favourable) of the Comparable Companies;
- (iii) the Group's total liabilities to shareholders' equity ratio of 0.5x was at the lower end of the range (more favourable) of the Comparable Companies;
- (iv) the Group's total borrowings to shareholders' equity ratio of 0.4x was within the range and below the median (more favourable) of the Comparable Companies; and
- (v) the Group is in a net debt position, similar to 8 out of the 9 Comparable Companies.

Table 5: Valuation statistics of the Group and the Comparable Companies

| Comparable Companies | Financial Period | Market Capitalisation (S\$ million) | T12 PER ⁽¹⁾ (x) | T12 EV/EBITDA ⁽²⁾ (x) | P/NAV ⁽³⁾ (x) |
|---|------------------|-------------------------------------|----------------------------|----------------------------------|--------------------------|
| Imperium | 31-Dec-20 | 9.5 | N.M. | N.M. | 0.2 |
| OKH | 31-Dec-20 | 20.3 | N.M. | N.M. | 0.2 |
| GYP | 31-Dec-20 | 30.5 | N.M. | 71.6 ⁽⁵⁾ | 0.4 |
| KOP | 31-Dec-20 | 46.5 | N.M. | N.M. | 0.4 |
| Goodland | 30-Sep-20 | 52.2 | N.M. | N.M. | 0.3 |
| Heeton | 31-Dec-20 | 94.6 | N.M. | N.M. | 0.2 |
| Pollux | 30-Sep-20 | 93.8 | 25.0 ⁽⁵⁾ | 38.1 ⁽⁵⁾ | 0.5 |
| LHN | 31-Mar-21 | 120.7 | 3.4 | 2.1 | 0.9 |
| Sing Holdings | 31-Dec-20 | 152.4 | 9.2 | 7.5 | 0.5 |
| High | | | 25.0 | 71.6 | 0.9 |
| Low | | | 3.4 | 2.1 | 0.2 |
| Median | | | 6.3 | 4.8 | 0.4 |
| Simple Average | | | 6.3 | 4.8 | 0.4 |
| The Group (implied by the Offer Price) | 31-Dec-20 | 125.3⁽⁴⁾ | N.M. | N.M. | 0.5 (P/NAV) |
| | | | | | 0.3 (P/RNAV) |

Source: Bloomberg L.P. as at Latest Practicable Date, annual reports and the unaudited interim financial statements of the Comparable Companies.

Notes:

1. T12 PER was calculated based on the ratio of market capitalization as at Latest Practicable Date to T12 net profits after tax of the respective companies.
2. The EV was calculated based on the sum of the companies' market capitalization as Latest Practicable Date, preferred equity, minority interests, short and long term debts less cash and cash equivalents. The T12 EBITDA is computed based on the trailing 12 months period ending on the latest financial quarter for which financial results have been published.
3. The P/NAV was calculated based on the ratio of market capitalization as at the Latest Practicable Date to the NAV attributable to shareholders of the respective companies.
4. Based on offer price of S\$0.39.
5. Excluded from our analysis as it is a statistical outlier.
6. N.M. denotes not meaningful as the company reported negative earnings for the period.

Based on Table 5, we note the following:

- (i) the Group's T12 PER and T12 EV/EBITDA multiples were not meaningful as the Group reported negative earnings for the period;
- (ii) the Group's Offer Price to NAV multiple of 0.5x based on the Group's NAV as at 31 December 2020 was within range and above the median (more favourable) of the Comparable Companies; and
- (iii) the Group's Offer Price to RNAV multiple of 0.3x based on the Group's RNAV as at 31 December 2020 was within the range but below to the median (less favourable) of the Comparable Companies.

7.5. Precedent Privatisation Transactions

In assessing the reasonableness of the Offer Price, we have also compared the valuation statistics implied by the Offer Price with those of selected recent privatisation transactions undertaken by SGX-ST listed companies.

For our analysis, we have compared the financial terms of the Offer against:

- (i) all precedent privatisation transactions carried out either by general takeover offer, either voluntary ("**VGO**") or mandatory ("**MGO**") (including Scheme of Arrangement ("**SOA**") or by way of voluntary delistings ("**VD**") (collectively, the "**Precedent Privatisation Transactions**") since January 2020 and up to the Latest Practicable Date.

Table 6: Valuation statistics of Precedent Privatisation Transactions

| Company | Type | Annc Date | Premium/(discount) over the | | | Offer Price to NTA/NAV (x) |
|---|------------|------------------|--|-------------------------------------|-------------------------------------|----------------------------|
| | | | Last transacted price prior to annc date (%) | 1-month VWAP prior to annc date (%) | 3-month VWAP prior to annc date (%) | |
| BreadTalk Group Limited | VGO | 24-Feb-20 | 19.4 | 30.1 | 24.0 | 6.0 ⁽¹⁾⁽¹⁶⁾ |
| Elec & Eltek International Holdings Limited | VGO | 3-Apr-20 | 93.0 | 61.3 | 43.8 | 1.0 ⁽²⁾ |
| Dynamic Colours Limited | VGO | 1-Jun-20 | 13.6 | 22.8 | 29.1 | 1.0 ⁽³⁾ |
| Perennial Real Estate Holdings Limited | VGO | 12-Jun-20 | 88.1 | 105.2 | 124.2 | 0.6 ⁽⁴⁾ |
| Luzhou Bio-Chem Technology Limited | VGO | 30-Jun-20 | 100.0 | 87.5 | 130.8 | N/A ⁽⁵⁾ |
| Teckwah Industrial Corporation Ltd | VGO | 13-Aug-20 | 17.8 | 23.1 | 25.0 | 0.8 ⁽⁶⁾ |
| China Jishan Holdings Limited | VGO | 20-Aug-20 | 84.2 | 101.3 | 106.4 | 0.8 ⁽⁷⁾ |
| SK Jewellery Group Limited | VGO | 2-Sep-20 | 70.5 | 90.2 | 94.8 | 1.3 ⁽⁸⁾ |
| LCT Holdings Limited | VGO | 16-Sep-20 | 39.5 | 60.8 | 61.7 | 0.9 ⁽⁹⁾ |
| Sunningdale Tech Ltd. | SOA | 9-Nov-20 | 32.0 | 39.1 | 45.0 | 0.8 ⁽¹⁰⁾ |
| Sunvic Chemical Holdings Limited | VGO | 20-Nov-20 | 27.3 | 40.0 | (3.4) | 0.2 ⁽¹¹⁾ |
| Hi-P International Limited | VGO | 18-Dec-20 | 13.6 | 23.2 | 42.3 | 2.6 ⁽¹²⁾ |
| GL Limited | VGO | 15-Jan-21 | 42.9 | 46.6 | 52.4 | 0.7 ⁽¹³⁾ |
| International Press Softcom Limited | VGO | 28-Jan-21 | 12.5 | 25.3 | 32.0 | 1.1 ⁽¹⁴⁾ |
| Neo Group Limited | VGO | 30-Mar-21 | 20.0 | 17.9 | 14.5 | 1.7 ⁽¹⁵⁾ |
| High | | | 100.0 | 105.2 | 130.8 | 6.0 |
| Low | | | 12.5 | 17.9 | (3.4) | 0.2 |
| Median | | | 32.0 | 40.0 | 43.8 | 0.9 |
| Simple Average | | | 45.0 | 51.6 | 54.8 | 1.0 |
| The Group | VGO | 30-Apr-21 | 122.9 | 133.6 | 146.8 | 0.5 (P/NAV) |
| | | | | | | 0.3 (P/RNAV) |

Source: Bloomberg L.P. and circulars of the respective selected transactions

Notes:

1. Based on the adjusted NTA per share of BreadTalk Group Limited as at 31 December 2019;
2. Based on the adjusted revalued NTA per share of Elec & Eltek International Holdings Limited as at 31 December 2019;
3. Based on the adjusted NAV per share of Dynamic Colours Limited as at 31 December 2019;
4. Based on the adjusted revalued NAV per share of Perennial Real Estate Holdings Limited as at 31 December 2019;
5. Luzhou Bio-Chem Technology Limited is at a NTL and revalued NTL position as at 31 December 2019;
6. Based on the revalued NAV per share of Teckwah Industrial Corporation Ltd as at 30 June 2020;
7. Based on the revalued NAV per share of China Jishan Holdings Limited as at 30 June 2020;

8. Based on the NAV of SK Jewellery Group Limited as at 30 June 2020;
9. Based on the adjusted NAV per Share of LCT Holdings Limited as at 30 June 2020;
10. Based on the revalued NTA per share of Sunningdale Tech Ltd. as at 30 September 2020;
11. Based on the NAV per share of Sunvic Chemical Holdings Limited as at 31 December 2019;
12. Based on the NAV per share of Hi-P International Limited as at 30 June 2020;
13. Based on the final offer price and the RNAV per share of GL Limited as at 31 December 2020;
14. Based on the NAV per share of International Press Softcom Limited as at 31 December 2020;
15. Based on the revalued NTA per share of Neo Group Limited as at 30 September 2020; and
16. Excluded as statistical outlier in the mean and median computations.

Based on Table 6, we note that:

- (i) the Offer Price premium of 122.9%, 133.6% and 146.8% for the Group as implied by the Offer Price over the last transacted price, 1-month VWAP and 3-month VWAP for the Shares prior to the Relevant Trading Day, respectively, are above the comparable range (more favourable) of the corresponding ratios of the Precedent Privatisation Transactions;
- (ii) the Group's Offer Price to NAV multiple of 0.5x based on the Group's NAV as at 31 December 2020 is within the range but below the median (less favourable) of the corresponding ratios of the Precedent Privatisation Transactions; and
- (iii) the Group's Offer Price to RNAV multiple of 0.3x based on the Group's RNAV as at 31 December 2020 is within the range but below the median (less favourable) of the corresponding ratios of the Precedent Privatisation Transactions.

We wish to highlight that the circumstances for each of the transactions is unique and as the companies of transactions involved may not be directly comparable to the Group in terms of business activities, size of operations, market capitalization, asset base, risk profile, track record, future prospects, time and other relevant criteria. As such, the analysis is necessarily limited. Furthermore, the list of precedent privatisation transactions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the Offer and the precedent privatisation transactions serves as an illustrative guide only.

7.6. Comparison Against Previous Offer made for Shares in the Company in 2017

On 28 March 2017, Oversea-Chinese Bank Corporation Limited (“**OCBC Bank**”) had announced, for and on behalf of SW International Holding Pte. Ltd (“**SW International**”), that SW International intends to make a voluntary conditional cash offer for all the Shares in the Company (the “**2017 Offer**”). The offer price for the 2017 Offer was S\$0.33 in cash.

Table 7: Comparison against the terms of the 2017 Offer

| Transaction | Announcement Date | Transaction Consideration | Price (S\$) | EV/ EBITDA (x) | PER (x) | P/RNAV (x) |
|------------------|-------------------|---------------------------|-------------|----------------|------------|------------|
| The 2017 Offer | 28-Mar-17 | Cash | 0.33 | N.M | N.M | 0.3 |
| The Offer | 30-Apr-21 | Cash | 0.39 | N.M | N.M | 0.3 |

Source: Announcements and circulars of the Company.

When compared against the financial terms against the 2017 Offer, we note that:

- (i) the Offer Price of S\$0.39 is approximately 18.2% higher than the offer price for the 2017 Offer;
- (ii) the EV/EBITDA and PER multiples were not meaningful as the Group had reported losses in the relevant periods for the 2017 Offer and the Offer; and
- (iii) the P/RNAV multiple of the Group based on the Offer Price is similar to the corresponding P/RNAV multiple as implied by the offer price for the 2017 Offer.

We wish to highlight that the rationale, circumstances and terms for the transaction, the Group's financial situation and the economic conditions during the 2017 Offer are different from those prevailing during the Offer. As such, any comparison between the financial terms of the Offer against the 2017 Offer is necessarily limited and serves as an illustrative guide only.

7.7. Offeror's Intention with regards to the Company and its Listing Status

Offeror's Intentions for the Company

We note that the Offeror has no current intention to (a) introduce any major changes to the existing business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of the existing employees of the Group, in each case, other than in the ordinary and usual course of business. However, the Offeror retains the flexibility at any time to further consider any options or opportunities in relation to the Group which may present themselves and which the Offeror may regard to be in the interests of the Company.

Listing Status

Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of Shares (excluding Shares held in treasury) is at all times held in public hands (the "**Free Float Requirement**"). Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of Shares owned by the Offeror and parties acting in concert with it to above 90% of the total number of Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public.

Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding Shares held in treasury), thus causing the percentage of the total number of 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.

Under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not satisfied, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST.

Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Offer and excluding, for the avoidance of doubt, any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.

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

Offeror’s Intentions with regards to Listing Status

We note that in the event that the Company does not meet the Free Float Requirement, the Offeror does not intend to maintain the listing status of the Company and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted. **Furthermore, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act. The Offeror will then proceed to delist the Company from the SGX-ST.**

We note that as at Latest Practicable Date, the Offeror and parties acting in concert with it own, control or agree to acquire an aggregate of 286,302,043 Shares, representing approximately 89.08% of the total number of issued Shares.

7.8. Dividend Track Record of the Company

We note that the Company has not declared any dividends for the last 17 financial years, with the last dividend distribution made for the financial year ended 31 December 2003.

The Directors have confirmed that the Company does not have a fixed dividend policy and that they will recommend future dividends after taking into consideration the Group’s cash and financial position, financial performance of the Group, working capital requirements, projected capital expenditure and other investment plans.

The Directors have also confirmed that the Company currently does not have any plan to distribute its cash to its shareholders by way of a special dividend or otherwise. Hence there is no certainty that Shareholders will receive any dividend distribution in the near future.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Group’s future dividend policy.

7.9. Other Relevant Considerations

7.9.1. No revision in Offer Price

Pursuant to **Section 2.1** of the Offer Document, we note that **the Offer Price is final and the Offeror does not intend to revise the Offer Price.**

7.9.2. No competing offer received

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, there is no competing offer or proposal received from any third party. We also note that as at the Latest Practicable Date, certain concert parties of the Offeror owning an aggregate interest of 88.6% in the Shares of the Company have irrevocably undertaken to accept the Offer. It is therefore highly unlikely that there will be any competing offer from a third party. Further, there is no publicly available evidence of any alternative offer for the Shares from any third party.

7.9.3. Control over the Company by the Offeror and parties acting in concert with it

As at Latest Practicable Date, the Offeror and parties acting in concert has statutory control of the Company. Such statutory control allows the Offeror and parties acting in concert with it to significantly influence any corporate actions such as mergers and takeover attempts in a manner which may not be in line with the interests of the Shareholders. The Offeror and parties acting in concert with it will also have veto power in relation to any Shareholder's action or approval requiring a majority vote except in situations where the Offeror and parties acting in concert with it is required by any rules or authorities to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of the Company which may not benefit the Shareholders.

7.9.4. Transaction costs in connection with the disposal of the Shares

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

8. SUMMARY OF ANALYSIS

In arriving at our opinion in respect of the financial terms of the Offer, we have deliberated on various factors which we consider to be pertinent and have a significant bearing on our assessment including, *inter alia*, the following:

(a) Rationale for the Offer

We have considered the rationale for the Offer and they appear to be based on sound commercial grounds.

(b) Financial performance and position of the Group

Declining financial performance of the Group, with net losses incurred for FY2020

We note that the Group's revenue has been declining throughout the Review Period and the Group recorded net loss of S\$16.0 million for the first time in FY2020 compared to net profit positions in FY2019 and FY2018, due to the negative impact of the COVID-19 pandemic on its core real estate development and hospitality businesses.

The unpredictability of infections and the fear of largescale infections have largely discouraged authorities in South-East Asia from opening up the borders of their countries more quickly, unlike other regions in Europe. The Group has been similarly impacted as its core businesses of real estate development and hospitality and leisure have seen a decrease in revenues as a result of lockdowns and other safety measures of varying degree in Singapore, Indonesia and other parts of the world.

Positive working capital position but net debt position with deteriorating cash balances

We note that the Group was in a positive working capital position throughout the Review Period, with a positive working capital of S\$77.9 million as at 31 December 2020. However, the Group has deteriorated from a net cash position of S\$23.3 million as at 31 December 2018 to a net debt position of S\$129.3 million as at 31 December 2020 with cash and cash equivalents decreasing from S\$42.5 million as at 31 December 2018 to S\$13.6 million as at 31 December 2020.

(c) Historical Share Price performance and trading liquidity

Significant premium of Offer Price to historical Share Price

The Offer Price is at a premium of approximately 133.6%, 146.8%, 148.7% and 142.6% to the VWAP for the Shares for the periods of 1-month, 3-months, 6-months, and 12-months prior to the Relevant Trading Day respectively.

Relatively low trading volume for the Shares

We note that the trading volume of the Shares on the SGX-ST had generally been low in the past 12 months prior to the Relevant Trading Day. The Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity.

(d) The Group's NAV and RNAV

Offer Price to NAV and RNAV

The Group's P/NAV and P/RNAV are approximately 0.5x and 0.3x respectively.

Historical Share price had consistently been trading at a discount to NAV per Share

We note that the closing Share Prices of the Company had been trading below its NAV per Share in the past 12 months prior to and including the Last Trading Day, at a discount of between 69.9% and 82.7%.

Comparison of the Offer Price to NAV and RNAV per Share against Comparable Companies and Precedent Privatisation Transactions

The Group's Offer Price to NAV multiple of 0.5x is within the range and above the median (more favourable) of the Comparable Companies.

The Group's Offer Price to RNAV multiple of 0.3x is within the range but below the median (less favourable) of the Comparable Companies.

The Group's Offer Price to NAV and RNAV multiples of 0.5x and 0.3x respectively are within the range but below the median (less favourable) of the corresponding ratios of the Precedent Privatisation Transactions.

Book value may not be fully realisable and may deteriorate further

Shareholders should note that the computation is solely for illustration purposes as the NAV may not be fully realisable at its book value or revalued value, especially within a short time frame, and the market value of some of these assets may vary depending on, amongst others, the prevailing market and economic conditions and whether a

buyer can be found for such assets. In addition, we wish to highlight that the NAV of the Group may deteriorate further if the Group incurs losses after 31 December 2020.

(e) Relative valuation analysis

The Group's financial performance ratios and debt position were generally within range of the Comparable Companies

We note the following in our comparison:

- The Group's T12 ROE and T12 net profit/loss margin was negative and within the range but below the median (less favourable) of the Comparable Companies;
- The Group's T12 asset turnover of 0.1x was within the range and above the median (more favourable) of the Comparable Companies;
- The Group's total liabilities to shareholders' equity ratio of 0.5x was at the lower end of the range (more favourable) of the Comparable Companies
- The Group's total borrowings to shareholders' equity ratio of 0.4x was within the range and below the median (more favourable) of the Comparable Companies;
- The Group is in a net debt position, similar to 8 out of the 9 Comparable Companies; and
- The Group's T12 PER and T12 EV/EBITDA multiples were not meaningful as the Group reported a loss for the period.

(f) Comparison against Precedent Privatisation Transactions

The Offer Price premium is above the range of corresponding ratios for Precedent Privatisation Transactions

The Offer Price premium of 122.9%, 133.6% and 146.8% for the Group as implied by the Offer Price over the last transacted price, 1-month VWAP and 3-month VWAP for the Shares prior to the Relevant trading Day, respectively, are above the comparable range (more favourable) of the corresponding ratios of the Precedent Privatisation Transactions.

(g) Comparison against the 2017 Offer

The terms of the Offer is relatively more attractive as compared than those as implied by the offer price for the 2017 Offer

The Offer Price of S\$0.39 is approximately 18.2% higher than the offer price for the 2017 Offer and the P/RNAV multiple of the Group based on the Offer Price is similar to the corresponding P/RNAV multiple as implied by the offer price for the 2017 Offer.

(h) Offeror's intention with regards to the Company and its Listing Status

Offeror currently intends to delist and privatise the Company

In the event that the Company does not meet the Free Float Requirement, the Offeror does not intend to maintain the listing status of the Company and does not intend to

take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted.

Furthermore, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act. The Offeror will then proceed to delist the Company from the SGX-ST. We note that as at Latest Practicable Date, the Offeror and parties acting in concert with it, own, control or agree to acquire an aggregate of 286,302,043 Shares, representing approximately 89.08% of the total number of issued Shares.

(i) Dividend track record of the Company

The Company has not declared any dividends

We note that the Company has not declared any dividends for the last 17 financial years, with the last dividend distribution made for the financial year ended 31 December 2003. The Directors have confirmed that the Company does not have a fixed dividend policy and that they will recommend future dividends after taking into consideration the Group's cash and financial position, financial performance of the Group, working capital requirements, projected capital expenditure and other investment plans. The Directors have also confirmed that the Group currently does not have any plan to distribute its cash to Shareholders by way of a special dividend or otherwise. As such, there is no certainty that Shareholders will receive any dividend distribution in the near future.

(j) Other relevant considerations

No competing offer received

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

Statutory control over the Company by the Offeror and parties acting in concert with it

As at the Latest Practicable Date, the Offeror and parties acting in concert with it has statutory control of the Company. Such statutory control allows the Offeror and parties acting in concert with it to significantly influence any corporate actions such as mergers and takeover attempts in a manner which may not be in line with the interests of the Shareholders. The Offeror and parties acting in concert with it will also have veto power in relation to any Shareholder's action or approval requiring a majority vote except in situations where the Offeror and parties acting in concert with it is required by any rules or authorities to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of the Company which may not benefit the Shareholders.

Transaction costs in connection with the disposal of the Shares

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

9. RECOMMENDATION AND CONCLUSION

Having carefully considered the information available to us, and the analysis set out in this IFA Letter, and based upon the industry, market, economic and other relevant considerations as at the Latest Practicable Date, and subject to the qualifications and assumptions made herein, we are of the view that on balance, the financial terms of the Offer is **NOT FAIR BUT REASONABLE**.

In determining that the Offer is **NOT FAIR**, we have considered the following pertinent factors from the perspective of the value of the Shares:

- (i) the P/NAV and the discount of the Offer Price to NAV per Share as at 31 December 2020 are 0.5x and 46.9% respectively;
- (ii) the P/RNAV and the discount of the Offer Price to RNAV per Share as at 31 December 2020 are 0.3x and 68.4% respectively; and
- (iii) the P/RNAV of 0.3x as implied by the Offer Price is within the range but below the median of the corresponding ratios of the Comparable Companies and the Precedent Privatisation Transactions.

In determining that the Offer is **REASONABLE**, we have considered the following pertinent factors other than from the perspective of the value of the Shares:

- (i) the Offer Price is at a premium of approximately 122.9%, 133.6%, 146.8%, 148.7% and 142.6% over the last transacted price, 1-month VWAP, 3-month VWAP, 6-month VWAP and 12-month VWAP for the Shares prior to the Relevant Trading Day respectively, which is above the range (more favourable) of the corresponding ratios of the Precedent Privatisation Transactions;
- (ii) the Offer Price of S\$0.39 is approximately 18.2% higher than the offer price for the 2017 Offer, while the P/RNAV multiple of the Group based on the Offer Price is similar to the corresponding P/RNAV multiple as implied by the offer price for the 2017 Offer;
- (iii) the rationale for the Offer appears to be based on sound commercial grounds;
- (iv) the declining financial performance of the Group and net losses incurred for FY2020;
- (v) the trading volume of the Shares had generally been low in the past 12 months prior to the Relevant Trading Day and the Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity;
- (vi) the Group's performance ratios and debt position were generally within the range of the corresponding ratios of the Comparable Companies;
- (vii) the Offeror had stated that it intends to privatise the Company and does not intend to preserve the listing status of the Company and when entitled to, will exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer and as at Latest Practicable Date, the Offeror and parties acting in concert with it, own, control or agree to acquire an aggregate of 286,302,043 Shares, representing approximately 89.08% of the total number of issued Shares;

- (viii) the Company did not pay any dividend for the last 17 financial years, with the last dividend distribution made for the financial year ended 31 December 2003 and the Directors have confirmed that the Company does not have a fixed dividend policy;
- (ix) there is no publicly available evidence of any alternative offer for the Shares from any third party; and
- (x) the Offeror and parties acting in concert with it has statutory control of the Company and such statutory control allows the Offeror and parties acting in concert with it to significantly influence any corporate actions of the Company.

Accordingly, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer and for Shareholders who wish to realise their Shares, to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting expenses).

Independent Directors and Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice of Stirling Coleman on the Offer **does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date** since these are governed by factors beyond the ambit of Stirling Coleman's review and also, such advice, if given, would not fall within Stirling Coleman's terms of reference in connection with the Offer.

We further recommend that the Independent Directors should advise the Shareholders that Stirling Coleman's opinion should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his broker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

This IFA Letter (for inclusion in the Circular) is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Offer, but any recommendation made by the Independent Directors in respect of the Offer to the Shareholders remains the responsibility of the Independent Directors.

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

Yours faithfully
For and on behalf of
STIRLING COLEMAN CAPITAL LIMITED

YAP YEONG KEEN
MANAGING DIRECTOR

APPENDIX II

ADDITIONAL GENERAL INFORMATION ON THE GROUP

1. DIRECTORS

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

| Name | Address | Designation in the Company |
|---|---|--|
| Dr. Lam Lee G | 44 Recreation Road Singapore 546533 | Independent Non-Executive Chairman |
| Mdm. Oei Siu Hoa @ Sukmawati Widjaja | c/o 302 Orchard Road #18-02 Tong Building Singapore 238862 | Executive Director |
| Mr. Hano Maeloa | c/o 302 Orchard Road #18-02 Tong Building Singapore 238862 | Chief Executive Officer and Executive Director |
| Ms. Jennifer Chang Shyre Gwo | c/o 302 Orchard Road #18-02 Tong Building Singapore 238862 | Chief Operating Officer and Executive Director |
| Mr. Yeo Chin Tuan Daniel | 59 Meyer Road #16-13 The Seafront on Meyer Singapore 437880 | Non-Executive Independent Director |
| Ms. Mimi Yuliana Maeloa | c/o 302 Orchard Road #18-02 Tong Building Singapore 238862 | Non-Executive Director |

2. GENERAL INFORMATION

The Company was incorporated in Singapore on 9 October 1980. The Company was listed on the SESDAQ (now known as Catalist) of the SGX-ST on 21 June 2001 and such listing was transferred to the Mainboard of the SGX-ST on 24 December 2012.

3. REGISTERED OFFICE

The registered office of the Company is at 302 Orchard Road, #18-02 Tong Building, Singapore 238862.

4. PRINCIPAL ACTIVITY OF THE COMPANY

The Company has a diverse real estate business portfolio, ranging from real estate developments, commercial properties, residential properties and hospitality properties to hospitality management and smart solutions in Singapore and Indonesia. The Company is also engaged in the provision of original design manufacturing services in the area of Artificial Intelligence, Internet of Things and embedded systems.

5. SHARE CAPITAL

5.1 Issued share capital of the Company

The Company has only one (1) class of shares, being ordinary shares.

As at the Latest Practicable Date, based on the results of the electronic instant information search on the Company obtained from ACRA, the Company has an issued and paid-up share capital of S\$286,909,089.78 comprising 321,381,099 Shares (excluding 514,200 Shares held in treasury).

The issued Shares are listed and quoted on the Mainboard of the SGX-ST.

5.2 Rights of Shareholders in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Company's Constitution. For ease of reference, selected texts of the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced in **Appendix III** to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

5.3 Number of Shares issued since the end of the last financial year

As at the Latest Practicable Date, there has been no issue of new Shares by the Company since 31 December 2020, being the end of the last financial year.

5.4 Options and Convertible Instruments

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

6. DISCLOSURE OF INTERESTS

6.1 Interests of the Group in the Offeror Securities

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

6.2 Dealings by the Group in the Offeror Securities

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

6.3 Interests of the Directors in the Offeror Securities

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

As at the Latest Practicable Date, the Offeror has an issued share capital of S\$100 divided into 100 ordinary shares and it is wholly-owned by Mdm Oei.

As at the Latest Practicable Date, the directors of the Offeror are Mdm Oei and Mr Maeloa. The Company notes further that Ms Mimi Maeloa is the daughter of Mdm Oei.

6.4 Dealings by the Directors in the Offeror Securities

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

6.5 Interests of the Directors in the Company Securities

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

| | Direct Interest | | Deemed Interest | | Total Interest | |
|------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|----------------|---------------------------------|
| | No. of Shares | Shareholding (%) ⁽¹⁾ | No. of Shares | Shareholding (%) ⁽¹⁾ | No. of Shares | Shareholding (%) ⁽¹⁾ |
| Directors | | | | | | |
| Mdm Oei ⁽²⁾ | 284,113,003 | 88.40 | 2,189,000 | 0.68 | 285,995,069 | 89.08 |
| Mr Maeloa | 600,000 | 0.19 | - | - | 600,000 | 0.19 |
| Ms. Jennifer Chang Shyre Gwo | 78,000 | 0.02 | - | - | 78,000 | 0.02 |

Note:

- (1) Based on 321,381,099 Shares (excluding 514,200 Shares held in treasury) as at the Latest Practicable Date. For the purposes of the table above, all percentage figures are rounded to the nearest two (2) decimal places.
- (2) Mdm Oei has a deemed interest in 600,000 Shares held by her son, Mr Maeloa, as well as 1,589,000 Shares held by the Offeror as at the Latest Practicable Date.

6.6 Dealings in the Company Securities by the Directors

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

| Name | Transaction Date | Transaction Type | No. of Shares | Transaction price per Share (S\$) |
|---------|------------------|------------------|---------------|-----------------------------------|
| Mdm Oei | 10 March 2021 | Buy | 26,023,193 | 0.3900 |
| Mdm Oei | 11 March 2021 | Buy | 168,300 | 0.3500 |
| Mdm Oei | 11 March 2021 | Buy | 456,000 | 0.3550 |
| Mdm Oei | 15 March 2021 | Buy | 24,300 | 0.3350 |
| Mdm Oei | 15 March 2021 | Buy | 175,700 | 0.3400 |
| Mdm Oei | 19 March 2021 | Buy | 42,300 | 0.3400 |
| Mdm Oei | 19 March 2021 | Buy | 110,000 | 0.3450 |
| Mdm Oei | 19 March 2021 | Buy | 212,700 | 0.3500 |
| Mdm Oei | 22 March 2021 | Buy | 21,000 | 0.3550 |
| Mdm Oei | 22 March 2021 | Buy | 102,300 | 0.3600 |
| Mdm Oei | 23 March 2021 | Buy | 21,600 | 0.3600 |
| Mdm Oei | 23 March 2021 | Buy | 54,000 | 0.3700 |
| Mdm Oei | 23 March 2021 | Buy | 50,000 | 0.3750 |
| Mdm Oei | 23 March 2021 | Buy | 458,100 | 0.3800 |

| Name | Transaction Date | Transaction Type | No. of Shares | Transaction price per Share (S\$) |
|----------------------------|------------------|------------------|---------------|-----------------------------------|
| Mdm Oei | 24 March 2021 | Buy | 100,000 | 0.3800 |
| Mdm Oei | 25 March 2021 | Buy | 100 | 0.3850 |
| Mdm Oei | 25 March 2021 | Buy | 100,000 | 0.3900 |
| Mdm Oei | 7 April 2021 | Buy | 22,200 | 0.3850 |
| Mdm Oei | 7 April 2021 | Buy | 2,450,500 | 0.3900 |
| Mdm Oei | 9 April 2021 | Buy | 5,000 | 0.3850 |
| Mdm Oei | 9 April 2021 | Buy | 107,000 | 0.3900 |
| Mdm Oei | 3 May 2021 | Buy | 1,174,100 | 0.3900 |
| Mdm Oei | 4 May 2021 | Buy | 521,700 | 0.3900 |
| Mdm Oei | 6 May 2021 | Buy | 580,800 | 0.3900 |
| Mdm Oei | 7 May 2021 | Buy | 107,400 | 0.3900 |
| Mdm Oei | 10 May 2021 | Buy | 443,600 | 0.3900 |
| Mdm Oei | 12 May 2021 | Buy | 1,652,900 | 0.3900 |
| Mdm Oei | 14 May 2021 | Buy | 577,000 | 0.3900 |
| Mdm Oei | 17 May 2021 | Buy | 191,400 | 0.3900 |
| The Offeror ⁽¹⁾ | 18 May 2021 | Buy | 234,800 | 0.3900 |
| The Offeror ⁽¹⁾ | 19 May 2021 | Buy | 1,117,600 | 0.3900 |
| The Offeror ⁽¹⁾ | 20 May 2021 | Buy | 236,600 | 0.3900 |

Note:

(1) Mdm Oei is the sole shareholder of the Offeror.

6.7 Interests of the IFA in the Company Securities

As at the Latest Practicable Date, the IFA and funds whose investments are managed by it on a discretionary basis do not own or control any of the Company Securities.

6.8 Dealings in the Company Securities by the IFA

The IFA and funds whose investments are managed by it on a discretionary basis have not dealt for value in any of the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

6.9 Directors' Intentions in relation to the Offer

As at the Latest Practicable Date, the Directors who hold or have a deemed interest in the Shares have indicated their intention in relation to accepting or rejecting the Offer in respect of such Shares as follows:

- (a) As set out in the Offer Document, pursuant to the Irrevocable Undertakings, each of Mdm Oei and Mr Maeloa have undertaken, *inter alia*, to:
 - (i) accept or procure the acceptance of the Offer in respect of all of her/his Shares; and
 - (ii) waive her/his rights under Rule 30 of the Code to receive all consideration payable to her/him for Shares tendered in acceptance of the Offer.

- (b) Ms. Jennifer Chang Shyre Gwo has informed the Company that she intends to accept the Offer in respect of all the Shares held by her and that as at the Latest Practicable Date, she has tendered her acceptance of the Offer in respect of all the Shares held by her.

Save as disclosed above, none of the Directors has any other direct or deemed interest in the Company Securities.

7. OTHER DISCLOSURES

7.1 Directors' service contracts

As at the Latest Practicable Date:

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

7.2 Arrangements affecting Directors

As at the Latest Practicable Date, save as disclosed in this Circular and the Offer Document:

- (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 agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has any material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

8. MATERIAL CONTRACTS WITH INTERESTED PERSONS

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

9. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in any information on the Group which is publicly available (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET):

- (a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole; and
- (b) the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

10. SUMMARY OF FINANCIAL INFORMATION

10.1 Consolidated statement of comprehensive income

A summary of the audited consolidated statement of comprehensive income of the Group for FY2018, FY2019 and FY2020 is set out below.

The following summary should be read together with the annual reports, the audited consolidated financial statements of the Group for the relevant periods and the related notes thereto, which are available on the website of the SGX-ST at www.sgx.com.

| | Audited FY2018 | Audited FY2019 | Audited FY2020 |
|--|---------------------------|---------------------------|---------------------------|
| Income Statement (S\$'000) | | | |
| Revenue | 79,812 | 58,393 | 40,683 |
| Cost of sales | (46,266) | (28,221) | (22,117) |
| Gross profit | 33,546 | 30,172 | 18,566 |
| Other income | | | |
| – Interest | 1,273 | 1,171 | 492 |
| – Others | 885 | 890 | 5,826 |
| Other gains/losses | | | |
| – impairment loss on trade and other receivables | (98) | (186) | (20) |
| – Others | 4,729 | 11,710 | (6,174) |
| Expenses | | | |
| – Distribution and marketing | (5,607) | (4,677) | (3,327) |
| – Administrative | (27,159) | (30,746) | (26,664) |
| – Finance | (2,149) | (3,762) | (4,647) |
| Share of loss of joint ventures | (19) | – | – |
| Profit before income tax | 5,401 | 4,572 | (15,948) |
| Income tax credit/(expense) | (3,613) | 779 | (79) |
| Net (loss)/profit | 1,788 | 5,351 | (16,027) |

| | Audited FY2018 | Audited FY2019 | Audited FY2020 |
|---|-------------------|-------------------|-------------------|
| Other comprehensive income/(loss) | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Currency translation difference arising from consolidation | | | |
| – Gains/(losses) | (8,239) | 5,390 | (4,431) |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | |
| Financial assets, at fair value through other comprehensive income | | | |
| – Fair value gains – equity investment | 239 | 1,268 | (4,407) |
| Remeasurement of post-employment benefits | 50 | (211) | 584 |
| Currency translation difference arising from consolidation | | | |
| – (Losses)/gains | (2,736) | 1,788 | (1,483) |
| Other comprehensive income/(loss), net of tax | (10,686) | 8,235 | (9,737) |
| Total comprehensive income/(loss) | (8,898) | 13,586 | (25,764) |
| Profit/(loss) attributable to: | | | |
| Equity holders of the Company | (3,359) | 551 | (17,190) |
| Non-controlling interests | 4,147 | 4,800 | 1,163 |
| | 1,788 | 5,351 | (16,027) |
| Total comprehensive income/(loss) attributable to: | | | |
| Equity holders of the Company | (11,323) | 7,059 | (25,610) |
| Non-controlling interests | 2,425 | 6,527 | (154) |
| | (8,898) | 13,586 | (25,764) |
| (Loss)/earnings per share for (loss)/ profit attributable to equity holders of the Company (cents per Share) | | | |
| Basic (loss)/earnings per Share | (1.05) | 0.17 | (5.35) |
| Diluted (loss)/earnings per Share | (1.05) | 0.17 | (5.35) |

10.2 Consolidated statement of financial position

A summary of the audited consolidated statement of financial position of the Group as at 31 December 2020 is set out below.

The following summary should be read together with the annual report for FY2020, the audited consolidated financial statements of the Group for FY2020, and the related notes thereto, which are available on the website of the SGX-ST at www.sgx.com.

| | 31 December 2020 (Audited) |
|--|---|
| Statement of Financial Position (S\$'000) | |
| ASSETS | |
| Current assets | |
| Cash and bank balances | 13,644 |
| Financial assets at fair value through profit or loss (“FVPL”) | 21 |
| Trade and other receivables | 4,951 |
| Inventories | 240 |
| Development properties | 103,598 |
| | <hr/> 122,454 <hr/> |
| Non-current assets | |
| Financial assets, at FVPL | 8,650 |
| Financial assets, at fair value through other comprehensive income (“FVOCI”) | 80 |
| Development properties | 169,297 |
| Investments in joint ventures | * |
| Investments in subsidiary corporations | – |
| Investment properties | 213,829 |
| Property, plant and equipment | 48,181 |
| Deferred income tax assets | 520 |
| Intangible assets | 1,385 |
| | <hr/> 441,942 <hr/> |
| Total assets | <hr/> 564,396 <hr/> |

31 December 2020
(Audited)

LIABILITIES

Current liabilities

| | |
|--------------------------------|---------------|
| Trade and other payables | 38,208 |
| Current income tax liabilities | 622 |
| Borrowings | 5,661 |
| Provisions | 41 |
| | 44,532 |

Non-current liabilities

| | |
|---------------------------------|----------------|
| Trade and other payables | 1,195 |
| Borrowings | 137,317 |
| Deferred income tax liabilities | 5,309 |
| Post-employment benefits | 5,752 |
| Provisions | 682 |
| | 150,255 |

| | |
|--------------------------|----------------|
| Total liabilities | 194,787 |
|--------------------------|----------------|

| | |
|-------------------|----------------|
| NET ASSETS | 369,609 |
|-------------------|----------------|

EQUITY

Capital and reserves attributable to equity holders of the Company

| | |
|---------------------------------------|----------------|
| Share capital | 265,667 |
| Treasury shares | (101) |
| Other reserves | (13,414) |
| (Accumulated losses)/retained profits | (16,160) |
| | 235,992 |

| | |
|---------------------------|---------|
| Non-controlling interests | 133,617 |
|---------------------------|---------|

| | |
|---------------------|----------------|
| Total equity | 369,609 |
|---------------------|----------------|

* Less than S\$1,000

10.3 Significant accounting policies

The audited consolidated financial statements of the Group for FY2020 have been prepared in accordance with the provisions of the Companies Act and the Singapore Financial Reporting Standards (International). The significant accounting policies of the Group are disclosed in note 2 of the audited consolidated financial statements of the Group for FY2020. Copies of the annual report of the Company for FY2020 are available on the SGX-ST website at www.sgx.com and available for inspection at the registered office of the Company at 302 Orchard Road, #18-02 Tong Building, Singapore 238862 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed in this Circular and/or publicly available information on the Group (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), there were no significant accounting policies or any points from the notes to the financial statements of the Company which are of major relevance for the interpretation of the accounts.

10.4 Changes in accounting policies

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), there has been no change in the accounting policies of the Company which will cause the figures in the financial statements of the Company as set out in this Circular to be not comparable to a material extent.

10.5 Material changes in financial position

Save as disclosed in this Circular and/or in publicly available information on the Group (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), as at the Latest Practicable Date, there are no known material changes in the financial position of the Company since 31 December 2020, being the date to which the last published audited financial statements of the Company were made up.

11. GENERAL INFORMATION

11.1 Costs and expenses

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

11.2 Consent

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

APPENDIX III

SELECTED TEXTS FROM THE COMPANY'S CONSTITUTION

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

All capitalised terms used in the extracts below shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered office of the Company at 302 Orchard Road, #18-02 Tong Building, Singapore 238862 during normal business hours for the period during which the Offer remains open for acceptance.

(A) RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

ISSUE OF SHARES

7. (A) *Subject to the Statute and to these Regulations, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act or except as permitted under the listing rules of the Designated Stock Exchange, but subject thereto and the terms of such approval, and subject to Regulation 9, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and whether or not subject to the payment of any part of the amount (if any) thereof in cash or otherwise, as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manners of redemption being determined by the Directors in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange's listing rules.*
- (B) *Subject to the terms and conditions of any application for shares and any applicable rules of the Designated Stock Exchange, 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 Designated Stock 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 of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*
- (C) *Except so far as otherwise provided by the conditions of issue or by these Regulations, all new shares shall be issued subject to the provisions of the Statutes and of these Regulations with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.*
- (D) *The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.*
- (E) *The Company may issue shares for which no consideration is payable to the Company.*
8. *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.*

9. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this Regulation 9(A).*
- (B) *Notwithstanding Regulation 9(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–*
- (a) (i) *issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or*
- (ii) *make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
- (b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while the Ordinary Resolution was in force:–*

Provided that:–

- (i) *the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;*
- (ii) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these Regulations; and*
- (iii) *(unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).*

- (C) *The Company may, notwithstanding Regulations 9(A) and 9(B) above, authorise the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.*
10. *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. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.*
11. *Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of such share capital (except treasury shares) as is for the time being paid up for the period and charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.*
12. (A) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any Designated Stock Exchange. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six (6) months in arrears.*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

VARIATION OF RIGHTS

13. (A) *Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two (2) or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one (1) vote for every share of the class held by him, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two (2) months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.*

- (B) *The provisions in Regulation 13(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.*
- (C) *The special rights attached to any class of shares having preferential or other rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

ALTERATION OF SHARE CAPITAL

14. *Subject to and in accordance with the Statutes, this Constitution and the listing rules of the Designated Stock Exchange, the Company may by Ordinary Resolution:–*
- (a) *consolidate and divide all or any of its share capital;*
 - (b) *cancel the number of any shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled;*
 - (c) *sub-divide its shares, or any of them, Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived;*
 - (d) *convert or exchange any class of shares into or for any other class of shares; and/or*
 - (e) *convert its share capital or any class of shares from one currency to another currency.*
15. (A) *The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorised, and consent or confirmation required, by law.*
- (B) *The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange (hereafter, the “**Relevant Laws**”), on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Regulations and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*

TRANSFER OF SHARES

36. (A) *Subject to these Regulations, all transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. Any transfer of shares registered in the name of the Depository may be effected by book entry in the Depository Register in accordance with the Statutes.*
- (B) *The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, Provided Always that an instrument of transfer in respect of which the transferee is the CDP shall be effective although not signed or witnessed by or on behalf of the CDP. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.*
- (C) *No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.*
37. *The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty (30) days in any year in the aggregate, and that the Company shall give prior notice of each such closure, as may be required, to the Designated Stock Exchange, stating the period and purpose or purposes for which such closure is made.*
38. (A) *There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register the transfer of any shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve (to the extent permitted by the listing rules of the Designated Stock Exchange), Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten (10) market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.*
- (B) *The Directors may decline to register any instrument of transfer, unless:*
- (a) *such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;*
- (b) *the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;*
- (c) *the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of the person to so do; and*
- (d) *the instrument of transfer is in respect of only one (1) class of shares.*

39. *All instruments of transfer which are registered may be retained by the Company.*
40. *Subject to any legal requirements to the contrary. the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all Dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:–*
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;*
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Regulation; and*
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.*
41. *Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.*

STOCK

48. *The Company may, from time to time, by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any such stock into paid-up shares of any denomination.*
49. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Regulations as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*

50. *The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividend, return of capital, voting and other matters, as if they held shares from which the stock arose, but no such privileges or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

140. (A) *The Directors may with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Regulation 9(B)):*

- (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:*

- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*

- (ii) *(in the case of an Ordinary Resolution passed pursuant to Regulation 9(B)) such other date as may be determined by the Directors,*

in proportion to their then holdings of shares; and/or

- (b) *capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:*

- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*

- (ii) *(in the case of an Ordinary Resolution passed pursuant to Regulation 9(B)) such other date as may be determined by the Directors,*

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

- (B) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Regulation 140, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

- (C) *In addition and without prejudice to the powers provided for by this Regulation the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any Dividend on any shares entitled to cumulative or non-cumulative preference Dividends, (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in General Meeting and on such terms as the Directors shall think fit.*
- (D) *The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.*

(B) RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

RESERVES

127. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one (1) fund any special funds or any parts of any special funds into which the reserve may have been divided, The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.*

DIVIDENDS

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

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

131. (A) *No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one (1) year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such moneys unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such Dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such Dividend or the date on which such other moneys are first payable.*
- (B) *A payment by the Company to CDP of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.*
132. *No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.*
133. (A) *The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.*
- (C) *A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.*
- (D) *The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith, or any other account which the Company is required by law to withhold or deduct.*
134. *The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
135. *Subject to the provisions of the Statutes, the Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*

136. *Any Dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two (2) or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one (1) of such persons) or to such person and such address as such Member or person or persons may be writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.*
137. *If two (2) or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any of them may give effectual receipts for any Dividend or other moneys payable or property distributable on or in respect of the share.*
138. *Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.*
139. (A) *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 shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit.*

In such case, the following provisions shall apply:

- (a) *the basis of any such allotment shall be determined by the Directors;*
- (b) *the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation;*

- (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 any provision of the Regulations to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise 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.*
- (B) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Regulation shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
- (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (A) of this Regulation, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Regulations, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down), or whereby the benefit of fractional entitlements accrues to the Company rather than the Members and to authorize any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

- (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Regulation, determine that the 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 this Regulation shall be read and construed subject to such determination.*
- (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Regulation, further determine that no allotment of ordinary shares or rights of election for ordinary shares under that paragraph shall be made available or made to Members whose registered addresses entered the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
- (E) *Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Regulation 134 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 as they deem fit in the interest of the Company, cancel the proposed application of paragraph (A) of this Regulation.*

(C) RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

GENERAL MEETINGS

51. *Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen (15) months after the holding of the last preceding Annual General Meeting) and place in Singapore as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four (4) months or such other period as may be prescribed by the Act and listing rules of the Designated Stock Exchange from time to time.*
52. *The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.*

NOTICE OF GENERAL MEETINGS

53. Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary 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 General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than such as are not under the provisions of these Regulations entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:—

- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (b) in case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five (95) per cent. of the total voting rights of all the Members having a right to vote at thereat;

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

54. (A) Every notice calling a General Meeting shall specify the place in Singapore, the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a Member of the Company.

(B) In the case of an Annual General Meeting the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business ("**special business**") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

55. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

- (a) declaring Dividends;
- (b) receiving and adopting the financial statements, the Directors' statement and Auditors' reports and other documents required to be attached or annexed to the financial statements;

- (c) *appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
 - (d) *appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
 - (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
 - (f) *fixing Directors' fees.*
56. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

PROCEEDINGS AT GENERAL MEETINGS

57. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as Chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within five (5) minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one (1) of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one (1) of their number) to be Chairman of the General Meeting. If required by the listing rules of the Designated Stock Exchange, all general meetings shall be held in Singapore, unless prohibited by relevant laws and regulations of the jurisdiction of the Company's incorporation, or unless such requirement is waived by the Designated Stock Exchange.*
58. *No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two (2) Members, present in person or by proxy, provided that (i) a proxy representing more than one (1) Member shall only count as one (1) Member for purpose of determining if the quorum aforesaid is present; and (ii) where a Member is represented by more than one (1) proxy, such proxies of such Member shall only count as one (1) Member for purposes of determining if the quorum aforesaid is present. In addition, for the purposes of a quorum, joint holders of any share shall be treated as one Member.*
59. *If within thirty (30) minutes from the time appointed for a General Meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may determine by no less than ten (10) days' notice appoint, and if at such adjourned meeting a quorum is not present within thirty (30) minutes from the time appointed for holding the meeting, the meeting shall be dissolved.*
60. *The Chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When*

a General Meeting is adjourned for thirty (30) days or more or sine die, not less than seven (7) days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

61. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.*
62. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the General Meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
63. (A) *If required by the listing rules of the Designated Stock Exchange, a resolution put to the vote at any General Meeting shall be decided by a poll (unless such requirement is waived by the Designated Stock Exchange).*
- (B) *Subject to Regulation 63(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) *the Chairman of the meeting; or*
 - (b) *not less than two (2) Members present in person or by proxy and entitled to vote; or*
 - (c) *any Member or Members present in person or by proxy, or where such a Member has appointed two (2) proxies any one (1) of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than five per cent. (5%) of the total voting rights of all the Members having the right to vote at the General Meeting; or*
 - (d) *any Member present in person or by proxy, or where such a Member has appointed two (2) proxies any one (1) of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid up equal to not less than five per cent. (5%) of the total sum paid on all the shares conferring that right.*
- A demand for a poll may be withdrawn only with the approval of the meeting.*
- (C) *If any votes are 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 is pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.*
64. *Unless a poll is required, a declaration by the Chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the Chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was*

demanded. The Chairman of the General Meeting may (and if required by the listing rules of the Designated Stock Exchange or if so directed by the General Meeting shall) appoint scrutineers (if and where required by the listing rules of the Designated Stock Exchange, (i) at least one scrutineer shall be appointed for each General Meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process; and (ii) the appointed scrutineer(s) shall (a) ensure that satisfactory procedures of the voting process are in place before the general meeting; and (b) direct and supervise the count of the votes cast through proxy and in person) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

65. *In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member or as proxy of a Member.*
66. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty (30) days from the date of the Meeting) and place as the Chairman of the General Meeting may direct. No notice need be given of a poll not taken immediately. The demand of a poll shall not prevent the continuance of the General Meeting for the transaction of any business other than the question for which a poll has been demanded.*

VOTES OF MEMBERS

67. (A) *Subject to any special rights or restrictions as to voting attached by or in accordance with these Regulations to any class of shares, and to Regulation 8, each Member entitled to vote may vote in person or by proxy.*
- (B) *On a show of hands, every Member who is present in person or by proxy shall have one (1) vote, provided that (a) in the case of a Member who is not a relevant intermediary and who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by the Member or, failing such determination, by the Chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and (b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.*
- (C) *On a poll every Member who is present in person or by proxy shall have one (1) vote for every share which he holds or represents.*
- (D) *For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant General Meeting as certified by CDP to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.*
68. *In the case of joint holders of a share, any one of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy as if he were solely entitled thereto, but if more than one of such persons is present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the name which stands first in the Register of Members or, as the case may*

be, the name which appears first in the Depository Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.

69. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require being deposited at the Office not less than seventy-two (72) hours before the time appointed for holding the General Meeting, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by Membership in relation to General Meetings.*
70. (A) *Subject to the provisions of this Constitution, every Member who is the holder of ordinary shares shall be entitled, either personally or by attorney or proxy and in the case of a corporation by a representative, to be present and to vote at any General Meeting and to be reckoned in the quorum thereat in respect of ordinary shares fully paid and in respect of partly paid ordinary shares where calls are not due and unpaid.*
- (B) *No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.*
71. *No objection shall be raised as to the admissibility of any vote except at the General Meeting or adjourned General Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the General Meeting whose decision shall be final and conclusive.*
72. *On a poll, votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and unless required by the Act, and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he used in the same way.*
73. (A) *Save as otherwise provided in the Act:*
- (a) *a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's 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; and*
- (b) *a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.*

(B) *In any case where a 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 seventy-two (72) hours before the time of the relevant General Meeting as certified by CDP to the Company; and*

(b) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at seventy-two (72) hours before the time of the relevant General Meeting as certified by CDP to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and*

the Company shall be entitled and bound, 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. The Company is entitled to disregard any votes cast by a proxy that is not in accordance with the instructions or notes (if any).

(C) *In any case where a form of proxy appoints more than one (1) proxy, the proportion of the shareholding (expressed as a percentage of the whole) or the number of shares and the class of shares concerned to be represented by each such proxy shall be specified in the form of proxy, failing which the appointment shall be invalid.*

(D) *A proxy need not be a Member of the Company and shall be entitled to vote on any matter at any General Meeting.*

(E) *A member who has deposited an instrument appointing any number of proxies to vote on his behalf at a general meeting shall not be precluded from attending and voting in person at that general meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant general meeting.*

74. (A) *An instrument appointed a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may approve and;*

(a) *in the case of an individual Member:*

(i) *signed by the appointer or his attorney if the instrument of proxy is delivered personally or sent by post; or*

(ii) *authorised by the individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and*

(b) *in the case of a Member which is a corporation:*

(i) *either given under its common seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post; or*

- (ii) *authorised by the corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.*

The Directors may, for the purposes of this Regulation, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

- (B) *The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a Member by an attorney (which shall, for purposes of this paragraph include a Depositor), the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Regulation, failing which the instrument of proxy may be treated as invalid.*

- (C) *The Directors may, in their absolute discretion:*

- (a) *approve the method and manner for an instrument appointing a proxy to be authorised; and*

- (b) *designate the procedure for authenticating an instrument appointment a proxy,*

as contemplated in Regulation 74(A)(a)(ii) and 74(A)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 74(A)(a)(i) and/or (as the case may be) Regulation 74(A)(b)(i) shall apply.

- 75. (A) *An instrument appointing a proxy or the power of attorney or other authority, if any:*

- (a) *if sent personally or by post, must be left at the Office or such other place (if any) as may be specified for that purpose in the notice convening the General Meeting;*

- (b) *if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,*

and in either case not less than seventy-two (72) hours before the time appointed for the holding of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the General Meeting or adjourned General Meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid.

- (B) *The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 75(A)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 75(A)(a) shall apply.*

- (C) *An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one (1) General Meeting (including any adjournment thereof) having once been so delivered for the purposes of any General Meeting shall not require again to be delivered for the purposes of any subsequent General Meeting to which it relates.*

76. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting. Unless otherwise instructed, a proxy shall vote as he thinks fit.*
77. *A vote cast by proxy in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or the authority under which the appointment was made or the transfer of share in respect of which the proxy is given provided that no notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) at least one (1) hour before the commencement of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*
78. *Subject to these Regulations and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.*

CORPORATIONS ACTING BY REPRESENTATIVES

79. *Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting or of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Regulations (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation.*

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