

CIRCULAR DATED 14 SEPTEMBER 2023

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

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

If you have sold or transferred all your Shares (as defined herein) and/or Warrants (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or the transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares and/or Warrants which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



DATAPULSE
TECHNOLOGY

DATAPULSE TECHNOLOGY LIMITED

(Company Registration No. 198002677D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SECURITYHOLDERS

in relation to the

MANDATORY CONDITIONAL CASH OFFER

by

SAC CAPITAL PRIVATE LIMITED

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

for and on behalf of

MR. ANG KONG MENG

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

Independent Financial Adviser to the Independent Directors of the Company



ZICO CAPITAL PTE. LTD.

(Company Registration No. 201613589E)
(Incorporated in the Republic of Singapore)

SECURITYHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES MUST BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 3 OCTOBER 2023 (“CLOSING DATE”). THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND THE CLOSING DATE OR REVISE THE TERMS OF THE OFFER.

THE OFFEROR HAS FURTHER GIVEN NOTICE THAT THE OFFER WILL CLOSE AT 5.30 P.M. ON 3 OCTOBER 2023 AND WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. ON 3 OCTOBER 2023, SAVE THAT SUCH NOTICE SHALL NOT BE CAPABLE OF BEING ENFORCED IN A COMPETITIVE SITUATION.

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DEFINITIONS

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

“1H2023”	:	Half year period ended 31 January 2023
“Acquisition”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Business Day”	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Securityholders dated 14 September 2023 issued by the Company to the Securityholders in relation to the Offer for Securities
“Closing Date”	:	5.30 p.m. (Singapore time) on 3 October 2023
“CNP”	:	CNPLaw LLP
“Code”	:	The Singapore Code on Take-overs and Mergers
“Colliers”	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
“Companies Act”	:	The Companies Act 1967 of Singapore
“Company”	:	Datapulse Technology Limited
“Company Securities”	:	Shares, securities which carry voting rights in the Company, or convertible securities, warrants, options or derivatives in respect of such Shares or securities
“Constitution”	:	The articles of association of the Company, as amended from time to time up to the Latest Practicable Date
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF account contributions pursuant to the CPFIS
“CPFIS Warrants Investors”	:	Investors who have purchased Warrants using their CPF account contributions pursuant to the CPFIS
“Date of Receipt”	:	The date of receipt of the Relevant Acceptance Forms by CDP or the Registrar on behalf of the Offeror
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“FAA”	:	Forms of Acceptance and Authorisation for Offer Shares in respect of the Offer, which form part of the Offer Document and which are issued to Shareholders whose Offer Shares are deposited with CDP
“FAT”	:	Forms of Acceptance and Transfer for Offer Shares in respect of the Offer, which form part of the Offer Document and which are issued to Shareholders whose Offer Shares are registered in their own name in the Registrar and are not deposited with CDP

DEFINITIONS

“FY”	:	Financial year ended or ending on, as the case may be, 31 July
“FY2022 Results”	:	The audited consolidated financial statements of the Group for FY2022, as set out in the annual report of the Company published on the SGXNET on 14 November 2022 and reproduced in Appendix III to this Circular
“Group”	:	The Company and its subsidiaries
“IFA” or “ZICO Capital”	:	ZICO Capital Pte. Ltd., the independent financial adviser to the Independent Directors in connection with the Offer for Securities
“IFA Letter”	:	The letter dated 14 September 2023 from the IFA to the Independent Directors containing its advice in relation to the Offer for Securities, as set out in Appendix I to this Circular
“Independent Directors”	:	The Directors who are considered to be independent for the purposes of the Offer for Securities, namely, Mr. Hor Siew Fu, Ms. Yap Ming Choo, and Mr. Yuen Pei Lur, Perry
“Interested Person”	:	As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: <ul style="list-style-type: none">(a) a director, chief executive officer, or Substantial Shareholder of the company;(b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company;(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary;(d) any company in which a director, the chief executive officer or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;(e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or(f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
“Latest Practicable Date”	:	4 September 2023, being the latest practicable date prior to the dissemination of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading of securities

DEFINITIONS

“Mazars”	:	Mazars LLP, being the independent auditors in relation to the audit of the Group’s consolidated financial statements for the financial year ended 31 July 2022
“Offer”	:	The mandatory conditional cash offer made by SAC Capital, for and on behalf of the Offeror, on the Offer Announcement Date, to the Shareholders to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as may be amended, extended or revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement relating to the Offer for Securities issued by SAC Capital, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	:	11 August 2023, being the date of the Offer Announcement
“Offer Document”	:	The offer document dated 31 August 2023, and any other document(s) which may be issued by SAC Capital, for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time, including the Relevant Acceptance Forms, as the case may be
“Offer for Securities”	:	The Offer and/or the Warrants Proposal (as the case may be)
“Offer Price”	:	S\$0.09 in cash for each Offer Share
“Offer Shares”	:	All Shares other than treasury shares and those Shares already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer, including all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Offer
“Offeror”	:	Mr. Ang Kong Meng
“Overseas Shareholders”	:	Shareholders and Depositors whose addresses are outside Singapore, as shown in the Register or the Depository Register, as the case may be
“Overseas Warrantholders”	:	Warrantholders whose addresses are outside Singapore, as shown in the register of holder of Warrants or the Depository Register, as the case may be
“Property”	:	A modern 11-storey building consisting of 129 rooms located at 22 Sejong-daero, 16-gil, Jung-gu, Seoul, Republic of Korea and known as “Travelodge Myeongdong City-Hall”
“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Registrar”	:	B.A.C.S. Private Limited
“Relevant Acceptance Forms”	:	The FAA, the FAT, the Warrants FAA and/or the Warrants FAT (as the case may be)
“Relevant Period”	:	The period commencing on 11 February 2023, being six (6) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date

DEFINITIONS

“SAC Capital”	:	SAC Capital Private Limited
“Securityholders”	:	Shareholders and/or Warrantheolders (as the case may be)
“Seller”	:	Mr. Aw Cheek Huat
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“SGXNET”	:	The Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	Supplementary Retirement Scheme
“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“SRS Warrants Investors”	:	Investors who have purchased Warrants pursuant to the SRS
“Substantial Shareholder”	:	A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“Valuation Certificate”	:	Has the meaning ascribed to it in Section 16 of this Circular
“Valuation Summary Letter”	:	Has the meaning ascribed to it in Section 16 of this Circular
“Warrant Agent”	:	B.A.C.S. Private Limited
“Warrantheolders”	:	Persons who are registered as holders of Warrants in the Register of Warrantheolders and Depositors who have Warrants entered against their names in the Depository Register
“Warrants”	:	The outstanding warrants issued by the Company each carrying the right to subscribe for one new Share at an exercise price of S\$0.09 for each new Share
“Warrants FAA”	:	Form of Acceptance and Authorisation in respect of the Warrants Proposal and which is issued to Warrantheolders whose Warrants are deposited with CDP
“Warrants FAT”	:	Form of Acceptance and Transfer in respect of the Warrants Proposal and which is issued to Warrantheolders whose Warrants are not deposited with CDP
“Warrants Proposal”	:	A proposal made by the Offeror to the holders of the Warrants (other than the Offeror) in accordance with Rule 19 of the Code

DEFINITIONS

“Warrants Proposal Letter”	:	The letter to Warrantholders dated 31 August 2023 issued by SAC Capital for and on behalf of the Offeror containing the terms and conditions of the Warrants Proposal
“Warrants Proposal Price”	:	S\$0.01 in cash for each Warrant
“%” or “per cent.”	:	Per centum or percentage

Unless otherwise defined, the terms “**acting in concert**”, “**associates**” and “**associated company**” shall have the meanings ascribed to them in the Code.

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

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

Capitalised terms in the extracts. Capitalised terms used in the extracts of the Offer Document, the Warrants Proposal Letter, the IFA Letter, the FY2022 Results and the Constitution shall bear the same meanings as attributed to them in the Offer Document, the Warrants Proposal Letter, the IFA Letter, the FY2022 Results and the Constitution respectively, unless otherwise specified.

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

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

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

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

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

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

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

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

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

DEFINITIONS

Total number of Shares and Percentage as at the Latest Practicable Date. In this Circular, unless the context otherwise requires, (a) any reference to the total number of Shares is a reference to a total number of 239,627,912 Shares (excluding 829,600 treasury shares) in issue as at the Latest Practicable Date, and (b) any reference to a percentage shareholding in the capital of the Company is calculated based on 239,627,912 Shares (excluding 829,600 treasury shares) in issue as at the Latest Practicable Date.

Total number of Warrants as at the Latest Practicable Date. In this Circular, unless the context otherwise requires, any reference to the total number of Warrants is a reference to a total number of 88,984,354 Warrants as at the Latest Practicable Date.

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

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

INDICATIVE TIMELINE

Date of dissemination of the Offer Document : 31 August 2023

Date of dissemination of this Circular : 14 September 2023

Closing Date : 5.30 p.m. (Singapore time) on 3 October 2023⁽¹⁾

Please refer to Paragraph 1 of Appendix 1 to the Offer Document for further information.

Settlement of consideration for valid acceptances of the Offer for Securities : Offer

- (i) 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 unconditional in all respects in accordance with its terms, within seven (7) Business Days of such date; or
- (ii) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared unconditional in all respects in accordance with its terms, but before the Closing Date, within seven (7) Business Days of such receipt.

Warrants Proposal

- (i) in respect of acceptances of the Warrant Proposal which are complete and valid in all respects and are received on or before the date on which the Offer, and consequently the Warrants Proposal, becomes or is declared unconditional in all respects in accordance with its terms, within seven (7) Business Days of such date; or
- (ii) in respect of acceptances of the Warrant Proposal which are complete and valid in all respects and are received after the Offer, and consequently the Warrants Proposal, becomes or is declared unconditional in all respects in accordance with its terms, within seven (7) Business Days of such receipt.

Please refer to Paragraph 2 of Appendix 1 to the Offer Document and Section 8.3 of the Warrants Proposal Letter for further information.

Note:

- (1) The Offeror has given notice pursuant to Rule 22.6 of the Code that the Offer and the Warrants Proposal will not be extended or open for acceptance beyond 5.30 p.m. on 3 October 2023, save that such notice shall not be capable of being enforced in a competitive situation. This means that, save in a competitive situation, if the Offer, and consequently the Warrants Proposal, becomes unconditional as to acceptances before the Closing Date or even if the Offer, and consequently the Warrants Proposal, becomes unconditional as to acceptances on the Closing Date itself, there will NOT be any extension of the Closing Date and Shareholders and Warrant holders (as the case may be) who do not accept the Offer and/or the Warrants Proposal (as the case may be) by the Closing Date will not be able to do so after the Closing Date. Acceptances of the Offer and the Warrants Proposal (as the case may be) received after 5.30 p.m. (Singapore time) on the Closing Date will be rejected.

LETTER TO SECURITYHOLDERS

DATAPULSE TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198002677D)

Board of Directors:

MR. ANG KONG MENG
(*Non-Independent Non-Executive Chairman*)
MR. HOR SIEW FU
(*Independent Director*)
MS. YAP MING CHOO
(*Independent Director*)
MR. YUEN PEI LUR, PERRY
(*Independent Director*)

Registered Office:

10 Anson Road
#13-10, International Plaza
Singapore 079903

14 September 2023

To: The Securityholders of the Company

Dear Sir/Madam

MANDATORY CONDITIONAL CASH OFFER AND WARRANTS PROPOSAL BY SAC CAPITAL, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES AND THE WARRANTS

1. INTRODUCTION

1.1 Offer Announcement

In an announcement dated 11 August 2023 ("**Offer Announcement**"), SAC Capital, for and on behalf of the Offeror, announced, *inter alia*, that:

- (a) the Offeror had on 10 August 2023 acquired 41,921,533 ordinary shares ("**Sale Shares**") in the share capital of the Company from the Seller via a married deal between the Offeror as purchaser and the Seller as vendor ("**Acquisition**"), for a consideration of S\$3,437,565.71 ("**Consideration**"), which translates to approximately S\$0.082 for each Sale Share;
- (b) the total Sale Shares represent approximately 17.49% of the total number of 239,627,912 issued and paid-up ordinary shares (excluding 829,600 treasury shares) in the share capital of the Company as at the Offer Announcement Date;
- (c) the Consideration for the Acquisition is satisfied in cash;
- (d) prior to the Acquisition, the Offeror owned 61,574,805 Shares, representing approximately 25.70% of the total number of Shares (excluding treasury shares);
- (e) upon the completion of the Acquisition, the Offeror owns 103,496,338 Shares, representing approximately 43.19% of the total number of Shares (excluding treasury shares);
- (f) as a consequence of the Acquisition, the Offeror is required to make the Offer in accordance with Section 139 of the SFA and Rule 14 of the Code; and
- (g) in accordance with Rule 19 of the Code, the Offeror also intends to make the Warrants Proposal.

The Offer Announcement is available on the SGXNET at www.sgx.com.

LETTER TO SECURITYHOLDERS

1.2 Offer Document and Warrants Proposal Letter

Shareholders should by now have received an electronic copy of the Offer Document, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Sections 2 and 4 of 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 SGX-ST at www.sgx.com.

Warrantholders should also have received an electronic copy of the Warrants Proposal Letter, setting out, *inter alia*, the terms and conditions of the Warrants Proposal. **Warrantholders are advised to read the terms and conditions of the Warrants Proposal contained in the Warrants Proposal Letter carefully.**

A copy of the Warrants Proposal Letter is available on the website of SGX-ST at www.sgx.com.

1.3 Independent Financial Adviser

The Company has appointed ZICO Capital as the independent financial adviser to advise the Independent Directors in respect of the Offer for Securities. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.4 Purpose of this Circular

The purpose of this Circular is to provide Securityholders with relevant information pertaining to the Company and the Offer for Securities, and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the Offer for Securities.

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

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

2. THE OFFER FOR SECURITIES

2.1 Terms of the Offer

The Offer is made by SAC Capital, for and on behalf of the Offeror, on the principal terms set out in Sections 2 and 4 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“2. TERMS OF THE OFFER

2.1 Offer Price

The Offeror hereby makes the Offer to all the Offer Shares in accordance with Section 139 of the SFA and Rule 14 of the Code on the following basis:

*For each Offer Share: **S\$0.09 in cash** (the “Offer Price”).*

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

LETTER TO SECURITYHOLDERS

2.2 Offer Shares

The Offer is extended, on the same terms and conditions, to all Offer Shares. For the avoidance of doubt, the Offer is also extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Offer. For the purposes of the Offer, the expression “Offer Shares” will include all such Shares.

2.3 No Encumbrances

The Offer Shares will be acquired:

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

Accordingly, if any Distribution is or has been announced, declared, made or paid by the Company on or after the Offer Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution.

2.4 Minimum Acceptance Condition

Pursuant to Rule 14.2 of the Code, the Offer is conditional upon the Offeror having received, by 5.30 p.m. (Singapore time) on the Closing Date, valid acceptances in respect of such number of Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and his Concert Parties, will result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50.0% of the voting rights attributable to the issued Shares as at the close of the Offer (including any voting rights attributable to new Shares issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Offer) (the “Minimum Acceptance Condition”).

As at the Latest Practicable Date, the Offeror holds 50,000,053 Warrants, and the Offeror does not intend to exercise any of the Warrants held by the Offeror during the period commencing from the Offer Announcement Date until the Closing Date. Accordingly, in the event that the remaining Warrants (i.e. the total outstanding Warrants less the Warrants held by the Offeror as at the Latest Practicable Date) are exercised and new Shares are issued pursuant to the valid exercise of such Warrants prior to the close of the Offer, the “maximum potential share capital in the Company” shall be 278,612,213 Shares and 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 in respect of such number of Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and his Concert Parties, will result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50.0% of the voting rights attributable to the maximum potential share capital in the Company.

LETTER TO SECURITYHOLDERS

4. **WARRANTY**

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

2.2 **Terms of the Warrants Proposal**

In accordance with Rule 19 of the Code, the Offeror also intends to make the Warrants Proposal to Warrantheolders. The Warrants Proposal is set out in Section 3 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“3. THE WARRANTS PROPOSAL

3.1 Warrants

Based on the latest publicly available information as at 26 July 2023, the Company has 88,984,354 Warrants listed and quoted on the Mainboard of the SGX-ST. The outstanding Warrants held by the Warrantheolders (other than the 50,000,053 Warrants held by the Offeror as at the Latest Practicable Date) amount to 38,984,301, representing approximately 13.99% of the maximum potential share capital of the Company. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants expires at 5:00 p.m. (Singapore time) on 28 November 2027.

3.2 Warrants Proposal

For the avoidance of doubt, the Offer is extended, on the same terms and conditions, to all new Shares unconditionally issued pursuant to the valid exercise of any Warrants prior to the Closing Date. In addition, in accordance with Rule 19 of the Code, SAC Capital, for and on behalf of the Offeror, hereby makes an offer to the Warrantheolders to acquire the Warrants, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with the terms and subject to the conditions set out in the Warrants Proposal Letter.

3.3 Warrants Price

*The offer price for the Warrants (“**Warrants Price**”) will be as follows:*

*For each Warrant: **S\$0.01 in cash.***

The Warrants Price is calculated based on the highest price paid by the Offeror and his Concert Parties in the Reference Period.

3.4 Condition

The Warrants Proposal is subject to: (a) the Minimum Acceptance Condition being met and the Offer becoming or being declared unconditional in all respects; and (b) the relevant Warrants continuing to be exercisable into new Shares. If the Offer lapses or is withdrawn or if the relevant Warrants cease to be exercisable into new Shares, the Warrants Proposal will lapse accordingly.

LETTER TO SECURITYHOLDERS

3.5 No Encumbrances

The Warrants will be acquired:

- (a) validly issued and fully paid;*
- (b) free from all Encumbrances; and*
- (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all Distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.*

Accordingly, if any Distribution is or has been announced, declared, made or paid by the Company on or after the Offer Announcement Date for the benefit of a Warrantheader who validly accepts or has validly accepted the Warrants Proposal, depending on the settlement date in respect of the Warrants tendered in acceptance of the Warrants Proposal, the Offeror reserves the right to reduce the Warrants Price by an amount equivalent to such Distribution (if any).

3.6 Offer and Warrants Proposal Mutually Exclusive

For the avoidance of doubt, whilst the Warrants Proposal is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Warrants Proposal. The Offer and the Warrants Proposal are separate and are mutually exclusive. The Warrants Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if a Warrantheader exercises his Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, it may not accept the Warrants Proposal in respect of such exercised Warrants. Conversely, if a Warrantheader wishes to accept the Warrants Proposal in respect of his Warrants, it may not exercise those Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

3.7 Despatch Date

*Details of the Warrants Proposal are set out in a letter dated 31 August 2023 issued by SAC Capital, for and on behalf of the Offeror, to the Warrantheaders (the "**Warrants Proposal Letter**"), which has been electronically despatched to the Warrantheaders on the Despatch Date."*

2.3 Duration of the Offer

The duration of the Offer is set out in Section 5 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

"5. DURATION OF THE OFFER

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

The Offer will close at 5.30 p.m. (Singapore time) on 3 October 2023 (the "Closing Date").

LETTER TO SECURITYHOLDERS

Notice is hereby given pursuant to Rule 22.6 of the Code that the Offer will not be extended, revised or be open for acceptance beyond 5.30 p.m. on 3 October 2023, save that such notice shall not be capable of being enforced in a competitive situation. This means that, save in a competitive situation, if the Offer becomes unconditional as to acceptances before the Closing Date or even if the Offer becomes unconditional as to acceptances on the Closing Date itself, there will NOT be any extension of the Closing Date and Shareholders who do not accept the Offer by the Closing Date will not be able to do so after the Closing Date. Acceptances of the Offer received after 5.30 p.m. (Singapore time) on the Closing Date will be rejected.

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

2.4 Details of the Offer

The further details of the Offer relating to (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcements of level of acceptances of the Offer; and (d) the right of the withdrawal of acceptances of the Offer are set out in Section 6 and Appendix 1 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“6. FURTHER DETAILS OF THE OFFER

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

- (a) the duration of the Offer;
- (b) the settlement of the consideration for the Offer;
- (c) the requirements relating to the announcements of level of acceptances of the Offer; and
- (d) the right of withdrawal of acceptances of the Offer.

...

APPENDIX 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 Closing Date

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

The Offer will close at 5.30 p.m. (Singapore time) on 3 October 2023. The Offeror does not intend to extend the Offer beyond the Closing Date or to revise the terms of the Offer.

LETTER TO SECURITYHOLDERS

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

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

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

The SIC would normally regard a “competitive situation” to have arisen if a competing offer for the Company has been announced. If a declaration that the Offer is unconditional is confirmed in accordance with Rule 28.1 of the Code, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

Notice is hereby given pursuant to Rule 22.6 of the Code that the Offer will not be extended or be open for acceptance beyond 5.30 p.m. on 3 October 2023, save that such notice shall not be capable of being enforced in a competitive situation.

1.3 Final Day Rule

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

- (a) becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or
- (b) being kept open after the expiry of such 60-day period unless the Offer has previously become or been declared unconditional as to acceptances, provided that the Offeror may extend the Offer beyond such 60-day period with the permission of the SIC (the “**Final Day Rule**”). The SIC will consider granting such permission in circumstances, including but not limited to, where a competing offer has been announced.

1.4 Revision

Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who have previously accepted the Offer. **The Offeror does not intend to revise the Offer Price or any other terms of the Offer.**

LETTER TO SECURITYHOLDERS

2. SETTLEMENT

Subject to the Offer becoming or being declared unconditional in all respects and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the Acceptance Forms, and in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Depositor in acceptance of the Offer are standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time, pursuant to Rule 30 of the Code, remittances for the appropriate amounts will be despatched to the accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by the following means: (a) in the case of a Depositor, CDP will send each accepting Shareholder a notification letter stating the number of Offer Shares debited from the Depositor's Securities Account together with payment of the Offer Price in respect of such Offer Shares which will be credited directly into the Depositor's designated bank account for Singapore Dollars via CDP's DCS; or (b) in the case of an accepting Shareholder holding share certificate(s) which is/are not deposited with CDP, payment will be sent to him or his designated agent (if any) or, in the case of joint accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be, by ordinary post and at the risk of the accepting Shareholders, by way of a Singapore Dollar cheque drawn on a bank in Singapore for the appropriate amount, as soon as practicable and in any event:

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

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

3. ANNOUNCEMENTS

3.1 Timing and Contents

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

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

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

LETTER TO SECURITYHOLDERS

3.2 Suspension

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

3.3 Valid Acceptances

Under Rule 28.1 of the Code and subject to Section 20.4 of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares represented by acceptances, the Offeror will at the time of making an announcement take into account acceptances which are valid in all respects.

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

3.4 Announcements

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

4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFERS

4.1 Acceptances Irrevocable

Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

4.2 Right of Withdrawal of Shareholders

A Shareholder who has accepted the Offer may:

- (a) withdraw his acceptance immediately if the Offer has become or been declared unconditional as to acceptances but the Offeror fails to comply with any of the requirements described in paragraph 3.1 of this **Appendix 1** by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to the Final Day Rule referred to in paragraph 1.3 of this **Appendix 1**, the Offeror may terminate this right of withdrawal not less than eight days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements described in paragraph 3.1 of this **Appendix 1**. For the purposes of paragraph 1.2 of this **Appendix 1**, the period of 14 days referred to therein will run from the date of such confirmation (if given) or the date on which the Offer would otherwise have expired, whichever is later;*
- (b) withdraw his acceptance immediately if a competing offer for the Shares becomes or is declared unconditional as to acceptances. This right of withdrawal also applies in the converse situation, i.e., if the Offer becomes unconditional or is declared unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such competing offer immediately."*

LETTER TO SECURITYHOLDERS

2.5 Details of the Warrants Proposal

The further details of the Warrants Proposal are set out in Sections 3, 4, 5, 6 and 8 of the Warrants Proposal Letter, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Warrants Proposal Letter.

“3. THE WARRANTS PROPOSAL

3.1 Warrants. *Based on the latest publicly available information as at 26 July 2023, the Company has 88,984,354 Warrants listed and quoted on the Mainboard of the SGX-ST. The outstanding Warrants held by the Warrantholders (other than the 50,000,053 Warrants held by the Offeror as at the Latest Practicable Date) amount to 38,984,301, representing approximately 13.99% of the maximum potential share capital of the Company. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants expires at 5:00 p.m. (Singapore time) on 28 November 2027.*

3.2 Warrants Proposal. *For the avoidance of doubt, the Offer is extended, on the same terms and conditions, to all new Shares unconditionally issued pursuant to the valid exercise of any Warrants prior to the Closing Date. In addition, in accordance with Rule 19 of the Code, SAC Capital, for and on behalf of the Offeror, hereby makes an offer to the Warrantholders to acquire the Warrants, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with the terms and subject to the conditions set out in this Warrants Proposal Letter.*

3.3 Warrants Price. *The offer price for the Warrants (“Warrants Price”) will be as follows:*

*For each Warrant: **S\$0.01 in cash.***

The Warrants Price is calculated based on the highest price paid by the Offeror and his Concert Parties in the six months prior to the Offer Announcement Date.

3.4 Condition. *The Warrants Proposal is subject to: (a) the Minimum Acceptance Condition being met and the Offer becoming or being declared unconditional in all respects; and (b) the relevant Warrants continuing to be exercisable into new Shares. If the Offer lapses or is withdrawn or if the relevant Warrants cease to be exercisable into new Shares, the Warrants Proposal will lapse accordingly.*

3.5 No Encumbrances. *The Warrants will be acquired:*

(a) validly issued and fully paid;

(b) free from all Encumbrances; and

(c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all Distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.

Accordingly, if any Distribution is or has been announced, declared, made or paid by the Company on or after the Offer Announcement Date for the benefit of a Warrantholder who validly accepts or has validly accepted the Warrants Proposal, depending on the settlement date in respect of the Warrants tendered in acceptance of the Warrants Proposal, the Offeror reserves the right to reduce the Warrants Price by an amount equivalent to such Distribution (if any).

LETTER TO SECURITYHOLDERS

3.6 Offer and Warrants Proposal Mutually Exclusive. For the avoidance of doubt, whilst the Warrants Proposal is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Warrants Proposal. The Offer and the Warrants Proposal are separate and are mutually exclusive. The Warrants Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if a Warrantholder exercises his Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, it may not accept the Warrants Proposal in respect of such exercised Warrants. Conversely, if a Warrantholder wishes to accept the Warrants Proposal in respect of his Warrants, it may not exercise those Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

4. WARRANTY

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

5. DURATION OF THE WARRANTS PROPOSAL

The Warrants Proposal shall remain open for acceptance until 5.30 p.m. (Singapore time) on the Closing Date.

Notice is hereby given pursuant to Rule 22.6 of the Code that the Offer and the Warrants Proposal will not be extended or be open for acceptance beyond 5.30 p.m. on 3 October 2023, save that such notice shall not be capable of being enforced in a competitive situation. This means that, save in a competitive situation, if the Offer, and consequently the Warrants Proposal, becomes unconditional as to acceptances before the Closing Date or even if the Offer, and consequently the Warrants Proposal, becomes unconditional as to acceptances on the Closing Date itself, there will NOT be any extension of the Closing Date and Shareholders and Warrantholders (as the case may be) who do not accept the Offer and/or the Warrants Proposal (as the case may be) by the Closing Date will not be able to do so after the Closing Date. Acceptances of the Offer and the Warrants Proposal (as the case may be) received after 5.30 p.m. (Singapore time) on the Closing Date will be rejected.

6. CHOICES

A Warrantholder can, in relation to all or part of his Warrants, either:

- (a) exercise such Warrants and participate in the Offer in respect of the new Shares to be issued pursuant to such exercise prior to the close of the Offer (an “**Exercising Warrantholder**”);
- (b) accept the Warrants Proposal in respect of such Warrants (an “**Accepting Warrantholder**”); or
- (c) take no action and let the Warrants Proposal lapse in respect of his Warrants.

...

LETTER TO SECURITYHOLDERS

8. ACCEPTING WARRANTHOLDER

8.1 Procedure for Accepting Warrantholder. *The Warrants Acceptance Forms are enclosed with the Warrants Notification. **Appendix 1** in this Warrants Proposal Letter sets out the procedures for acceptance of the Warrants Proposal.*

8.2 Closing Date. *The Warrants Proposal shall remain open for acceptance until 5.30 p.m. (Singapore time) on the Closing Date. Notice is hereby given that the Warrants Proposal will not be extended or open for acceptance beyond 5.30 p.m. (Singapore time) on the Closing Date, save as required by the Code.*

8.3 Settlement. *Subject to: (a) the Minimum Acceptance Condition being met and the Offer, and consequently the Warrants Proposal, becoming or being declared unconditional in all respects; (b) the relevant Warrants continuing to be exercisable into new Shares; and (c) receipt by the Offeror from Accepting Warrantholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with such requirements as may be stated in this Warrants Proposal Letter and the relevant Warrants Acceptance Forms, and in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Warrants tendered by the accepting Depositor in acceptance of the Warrants Proposal standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time, pursuant to Rule 30 of the Code, remittances for the appropriate amounts will be despatched to the Accepting Warrantholders (or, in the case of Warrantholders holding warrant certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by the following means: (i) in the case of a Depositor, CDP will send each Accepting Warrantholder a notification letter stating the number of Warrants debited from the Depositor's Securities Account together with payment of the Warrants Price in respect of such Warrants which will be credited directly into the Depositor's designated bank account for Singapore Dollars via CDP's Direct Crediting Service ("**DCS**"); or (ii) in the case of an Accepting Warrantholder holding warrant certificate(s) which is/are not deposited with CDP, payment will be sent to him or his designated agent (if any) or, in the case of joint accepting Warrantholders who have not designated any agent, to the one first-named in the register of holders of Warrants ("**Warrants Register**"), as the case may be, by ordinary post and at the risk of the Accepting Warrantholders, by way of a Singapore Dollar cheque drawn on a bank in Singapore for the appropriate amount, as soon as practicable and in any event:*

(A) *in respect of acceptances of the Warrants Proposal which are complete and valid in all respects and are received on or before the date on which the Offer, and consequently the Warrants Proposal, becomes or is declared unconditional in all respects in accordance with its terms, within seven Business Days of such date; or*

(B) *in respect of acceptances of the Warrants Proposal which are complete and valid in all respects and are received after the Offer, and consequently the Warrants Proposal, becomes or is declared unconditional in all respects in accordance with its terms, within seven Business Days of such receipt.*

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

*"**Business Day**" for the purposes of this Warrants Proposal Letter means a day (other than a Saturday, Sunday or gazetted public holidays) on which commercial banks are open for business in Singapore."*

LETTER TO SECURITYHOLDERS

2.6 Procedures for Acceptance of the Offer

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

2.7 Procedures for Acceptance of the Warrants Proposal

The procedures for acceptance of the Warrants Proposal are set out in Appendix 1 to the Warrants Proposal Letter and in the accompanying Warrants FAA and/or Warrants FAT (as applicable).

2.8 Closing Date

The Offer and Warrants Proposal will close at 5.30 p.m. (Singapore time) on 3 October 2023, being the Closing Date. The Offeror does not intend to extend the Offer and Warrants Proposal beyond the Closing Date or revise the terms of the Offer and Warrants Proposal.

3. INFORMATION ON THE OFFEROR

Section 8 of the Offer Document sets out certain information on the Offeror, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“8. INFORMATION ON THE OFFEROR

The Offeror is a controlling shareholder of the Company and was appointed to the Board as a Non-Independent Non-Executive Director of the Company on 27 March 2023. As at the Latest Practicable Date, he is the Chairman of the Board and a Non-Independent Non-Executive Director of the Company.”

4. NO IRREVOCABLE UNDERTAKING

Section 14.3 of the Offer Document sets out certain information in relation to any irrevocable commitment from any party in relation to acceptance of the Offer for Securities, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“14.3 Irrevocable Undertaking and Other Arrangements

As at the Latest Practicable Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

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

LETTER TO SECURITYHOLDERS

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

Sections 10 and 11 of the Offer Document sets out certain information on the rationale for the Offer and the Offeror's intentions for the Company, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document. Securityholders are advised to read the extract below carefully.

“10. RATIONALE FOR THE OFFER

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

11. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

It is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST and carry on the existing businesses of the Company, and the Offeror presently has no intention to: (a) introduce any major changes to the existing business of the Company; (b) redeploy the fixed assets of the Group; or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to further consider any options or opportunities which may present themselves and which the Offeror regards to be in the best interests of the Offeror and/or the Company.”

6. LISTING STATUS AND COMPULSORY ACQUISITION

Section 12 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and its rights of compulsory acquisition in respect of the Company, the full text of which have been extracted from the Offer Document and set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document. Securityholders are advised to read the extract below carefully.

“12. LISTING STATUS AND COMPULSORY ACQUISITION

12.1 Listing Status

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

Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90.0% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10.0%, the SGX-ST will suspend trading of the Shares at the close of the Offer.

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

LETTER TO SECURITYHOLDERS

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

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

12.2 Compulsory Acquisition

*Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer and/or acquires such number of Offer Shares at the close of the Offer in respect of not less than 90.0% of the total number of issued Shares (excluding treasury shares and other than those already held by the Offeror, his related corporations or their respective nominees as at the date of the Offer), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.*

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

As stated above, it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST. Accordingly, the Offeror presently has no intention of exercising his right of compulsory acquisition under Section 215(1) of the Companies Act, should such right be available to him. However, as set out in Section 12.1 of the Letter to Shareholders in this Offer Document above, the Offeror reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.”

LETTER TO SECURITYHOLDERS

7. FINANCIAL EVALUATION OF THE OFFER

Section 13 of the Offer Document sets out certain information on the financial evaluation of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“13. FINANCIAL EVALUATION OF THE OFFER

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

Description	Benchmark Price (S\$)⁽¹⁾	(Discount) to the Benchmark Price (%)⁽²⁾
Last transacted price per Share on the SGX-ST on the Last Trading Date	0.092 ⁽³⁾	(2.17)
VWAP per Share for the 1-month period up to and including the Last Trading Date	0.09	–
VWAP per Share for the 3-month period up to and including the Last Trading Date	0.093 ⁽⁴⁾	(3.23)
VWAP per Share for the 6-month period up to and including the Last Trading Date	0.094 ⁽⁴⁾	(4.26)
VWAP per Share for the 12-month period up to and including the Last Trading Date	0.095 ⁽⁴⁾⁽⁵⁾	(5.26)

Notes:

- (1) Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest three decimal places.
- (2) Percentage figures have been rounded to the nearest two decimal places.
- (3) Based on the last transacted price on 4 August 2023 as there were no Shares transacted on the Last Trading Date.
- (4) These statistics include the off-market purchase(s) of an aggregate of 19,609,633 Shares conducted on 4 July 2023.
- (5) These statistics include the off-market purchase(s) of an aggregate of 411,900 Shares conducted on 29 December 2022.”

LETTER TO SECURITYHOLDERS

8. DISCLOSURES OF INTERESTS

Section 14 of the Offer Document, Section 1 of Appendix 4 to the Offer Document and Appendix 2 to the Warrants Proposal Letter set out certain information relating to disclosures of interests, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document or the Warrants Proposal Letter, as the case may be.

Offer Document

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

14.1 Holdings in Relevant Securities

*As at the Latest Practicable Date, based on the latest information available to the Offeror and save as disclosed in this Offer Document (including in **Appendix 4** in this Offer Document), none of the Offeror, his Concert Parties and SAC Capital (as the financial adviser to the Offeror in connection with the Offer and the Warrants Proposal) (the “**Relevant Persons**”) owns, controls or has agreed to acquire any:*

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

*(collectively, the “**Relevant Securities**”).*

14.2 Dealings

*As at the Latest Practicable Date, based on the latest information available to the Offeror and save as disclosed in this Offer Document (including in **Appendix 4** in this Offer Document), none of the Relevant Persons has dealt for value in any Relevant Securities during the Reference Period.*

...

APPENDIX 4 – GENERAL INFORMATION

1. DISCLOSURES OF INTERESTS

1.1 Holdings in Relevant Securities

As at the Latest Practicable Date, based on the latest information available to the Offeror, the holdings of Shares by the Relevant Persons are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾
<i>The Offeror</i>	103,496,338	43.19	–	–	103,496,338	43.19

Note:

- (1) Based on 239,627,912 Shares (excluding 829,600 treasury shares) in issue as at the Latest Practicable Date.*

LETTER TO SECURITYHOLDERS

As at the Latest Practicable Date, based on the latest information available to the Offeror, the holdings of Warrants by the Relevant Persons are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Warrants	% ⁽¹⁾	No. of Warrants	% ⁽¹⁾	No. of Warrants	% ⁽¹⁾
The Offeror	50,000,053	56.19	–	–	50,000,053	56.19

Note:

(1) Based on 88,984,354 outstanding Warrants as at 26 July 2023, as ascertained from publicly available information.

1.2 Dealings in Relevant Securities by the Relevant Persons

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

Name	Date	No. of Shares/ Warrants Acquired	No. of Shares/ Warrants Disposed	Transaction Price per Share/ Warrant (S\$)
The Offeror	24 May 2023	41,631,705 Shares ⁽¹⁾	–	Nominal consideration
The Offeror	24 May 2023	20,815,853 Warrants ⁽¹⁾	–	Nominal consideration
The Offeror	14 June 2023	–	4,000,000 Warrants	0.010
The Offeror	27 June 2023	8,982,000 Shares	–	0.089
The Offeror	30 June 2023	–	10,500,000 Warrants	0.009
The Offeror	30 June 2023	650,800 Shares	–	0.087
The Offeror	11 July 2023	31,361,000 Warrants	–	0.010
The Offeror	13 July 2023	–	2,256,700 Warrants	0.010
The Offeror	10 August 2023	41,921,533 Shares ⁽²⁾	–	0.082

Notes:

(1) Being the Shares and Warrants which were transferred by Anone Holdings Pte. Ltd., a company controlled by the Offeror, to the Offeror as its sole shareholder on 24 May 2023, for nominal consideration.

(2) Being the Sale Shares which the Offeror acquired pursuant to the Acquisition.

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

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

1.4 Transfer of Offer Shares

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

LETTER TO SECURITYHOLDERS

1.5 No Payment or Benefit to Directors of the Company

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

1.6 No Agreement Conditional upon Outcome of Offer

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

1.7 No Indemnity and other Arrangements

To the best knowledge of the Offeror, as at the Latest Practicable Date, none of the Offeror or his Concert Parties has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Relevant Securities which may be an inducement to deal or refrain from dealing in the Relevant Securities.

1.8 Transfer Restrictions

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

Warrants Proposal Letter

“APPENDIX 2 GENERAL INFORMATION

...

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

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

1.4 Transfer of Warrants

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

1.5 No Payment or Benefit to Directors of the Company

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

LETTER TO SECURITYHOLDERS

1.6 No Agreement Conditional upon Outcome of the Warrants Proposal

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

1.7 Transfer Restrictions

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

9. CONFIRMATION OF FINANCIAL RESOURCES

Section 15 of the Offer Document sets out certain information on the confirmation of financial resources, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“15. CONFIRMATION OF FINANCIAL RESOURCES

SAC Capital, as the financial adviser to the Offeror in connection with the Offer and the Warrants Proposal, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of: (a) the Offer (including any acceptances in respect of new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants) on the basis of the Offer Price; and (b) the Warrants Proposal by the Warrantheolders on the basis of the Warrants Price.”

10. DIRECTORS' INTERESTS

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

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER FOR SECURITIES

11.1 General

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

11.2 Key factors taken into consideration by the IFA

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

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

LETTER TO SECURITYHOLDERS

11.3 Advice of the IFA to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Offer for Securities is set out in Appendix I to this Circular. Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has given its advice to the Independent Directors as set out in paragraph 9 of the IFA Letter, an extract of which is reproduced below.

Securityholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

“9. OUR OPINION

In arriving at our opinion in relation to the Offer and the Warrants Proposal, we have considered the views and representations made by the Directors and Management, and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the financial terms of the Offer and the Warrants Proposal. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

In determining the fairness of the Offer and the Warrants Proposal, we have considered, inter alia, the following factors:

- (i) *The Offer Price represents discounts of approximately 5.3% and 1.1% to the respective VWAPs of the Shares for the 12-month and 6-month periods prior to the Last Trading Date respectively, and represents a discount of approximately 2.2% to the closing price of the Shares as of 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement Date.*

The Offer Price represents discount of approximately 1.1% to the VWAPs of the Shares for the period from 14 August 2023, being the first traded day after the Offer Announcement up to the Latest Practicable Date and represents a premium of approximately 1.1% over the closing price of the Shares on the Latest Practicable Date;

- (ii) *The Offer Price represents a discount of 63.1% and 55.4% to the NAV per Share and Assumed Fully Diluted NAV per Share respectively as at 31 January 2023. The Offer Price represents a discount of 62.5% and 55.0% to the Adjusted RNAV per Share and the Assumed Fully Diluted Adjusted RNAV per Share respectively as at 31 January 2023;*
- (iii) *The respective P/Adjusted RNAV of 0.37 time and P/Assumed Fully Diluted Adjusted RNAV of 0.45 time, as implied by the Offer Price, is within the range of the P/NAV ratios of the Comparable Companies, but lower than the average and median P/NAV ratios of the Comparable Companies;*
- (iv) *The discount of 2.2% to the last transacted price of the Shares on 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement Date, is within range and is more favourable than the average, but less favourable than the median for the Precedent Non-Privatisation Transactions. The respective discounts of 1.1% and 5.3% implied by the Offer Price to the VWAPs over the 6-month and 12-month periods prior to the Last Trading Date are within the range, but less favorable than the average and median premium or discount for the Precedent Non-Privatisation Transactions;*

LETTER TO SECURITYHOLDERS

- (v) *The respective P/Adjusted RNAV of 0.37 time and P/Assumed Fully Diluted Adjusted RNAV of 0.45 time as implied by the Offer Price are within the range, but below the average and median P/NAV or P/RNAV ratios for the Precedent Non-Privatisation Transactions;*
- (vi) *The Offer Price is below the estimated range of values of the Shares as set out in Section 8.6 of this IFA Letter;*
- (vii) *The Offer Price represents premiums of approximately 1.1%, 3.4% and 9.8% to the price paid for previous acquisitions of Shares by the Offeror on 27 June 2023, 30 June 2023 and 10 August 2023 respectively; and*
- (viii) *The Warrants Proposal Price represents a discount of S\$0.057 or 85.1% to the theoretical value of the Warrants as at the Latest Practicable Date.*

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

- (i) *The Shares mainly traded above the Offer Price in the Reference Period;*
- (ii) *Trading liquidity on the Shares was low with the average daily trading volume on the Shares being less than 0.2% of the Free Float for each of the aforementioned periods in the Reference Period;*
- (iii) *The Group reported losses across the Period Under Review;*
- (iv) *The challenging outlook of the Group as disclosed in the Company's announcement on the unaudited interim financial results for 1H2023 on 8 March 2023;*
- (v) *The Offer Price of S\$0.09 per Share is final and will not be revised; and*
- (vi) *The Offeror's intentions for the Company.*

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the financial terms of both the Offer and the Warrants Proposal are on balance, not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders and Warranholders to **REJECT** the Offer and the Warrants Proposal.

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder and Warranholder. As different Shareholders and Warranholders would have different investment profiles and objectives, we recommend that any Shareholder and Warranholder who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

We wish to emphasise that the Directors have not provided us with any financial projections or forecasts in respect of the Company or the Group and we have, inter alia, relied on the relevant statements contained in the Offer Document, the Warrants Proposal Letter, the Circular, confirmations, advice and representations by the Directors, the Management and/or their professional advisers (where applicable), and the Company's announcements in relation to the Offer and the Warrants Proposal. In addition, Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

LETTER TO SECURITYHOLDERS

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Offer and the Warrants Proposal, which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of the Offer and the Warrants Proposal vis-à-vis any alternative transactions previously considered by the Company or transactions that the Company may consider in the future.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer and the Warrants Proposal, but any recommendations made by the Independent Directors in respect of the Offer and the Warrants Proposal shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for the purposes (other than for the consideration of the Offer and the Warrants Proposal) at any time and in any manner without the prior written consent of ZICO Capital.

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

12. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

12.1 Independent Directors

The SIC, after considering, *inter alia*, the Offeror's submission that he faces an irreconcilable conflict of interest given his position as a controlling shareholder of the Company, the chairman of the Board and a non-independent non-executive Director and his role in the Offer, which would render it inappropriate for him to join the remaining Directors in making a recommendation on the Offer, has ruled that he may be exempted from making any recommendations on the Offer to the Shareholders.

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

As at the Latest Practicable Date, each of Mr. Hor Siew Fu, Ms. Yap Ming Choo and Mr. Yuen Pei Lur, Perry considers himself/herself to be independent for the purposes of making a recommendation to the Shareholders and Warrantholders in relation to the Offer and Warrants Proposal.

12.2 Independent Directors' Recommendation

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

(a) Offer

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

(b) Warrants Proposal

The Independent Directors CONCUR with the IFA's assessment of the Warrants Proposal and its recommendation thereon. **Accordingly, the Independent Directors recommend that Warrantholders REJECT the Warrants Proposal.**

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Notwithstanding the above recommendation, the Independent Directors note that Securityholders who hold odd lots can take this opportunity to dispose of their odd lots by accepting the Offer for Securities in respect of their odd lots holdings without having to bear brokerage costs which may be disproportionate to the value of the odd lots.

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

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

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

13. OVERSEAS SHAREHOLDERS AND OVERSEAS WARRANTHOLDERS

Section 16 of the Offer Document sets out information pertinent to Overseas Shareholders, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

"16. OVERSEAS SHAREHOLDERS

16.1 Overseas Jurisdictions

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

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

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

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The Offer (unless otherwise determined by the Offeror or SAC Capital, for and on behalf of 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 any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

16.2 Overseas Shareholders

*The availability of the Offer to Overseas Shareholders may be affected by laws and regulations of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable legal requirements in the relevant overseas jurisdictions. Overseas Shareholders should also exercise caution in relation to the Offer, as this Offer Document, the Notification, the Acceptance Forms and/or any related documents have not been reviewed by any regulatory authority in any overseas jurisdiction. Where there are potential restrictions on sending this Offer Document, the Notification, the Acceptance Forms and/or any related documents to any overseas jurisdiction, each of the Offeror, SAC Capital, CDP and the Registrar reserves the right not to send these documents or any part thereof to any overseas jurisdiction. **For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom this Offer Document, the Notification, the Acceptance Forms and/or any related documents have not been or may not be, mailed or otherwise forwarded, distributed or sent.***

It is the responsibility of any Overseas Shareholder who wishes to: (a) request for this Offer Document, the Notification, the Acceptance Forms and/or any related documents; 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 his behalf (including SAC Capital, CDP and the Registrar) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on his behalf (including SAC Capital, CDP and the Registrar) may be required to pay and the Offeror shall be entitled to set-off any such amounts against any sum payable to such Overseas Shareholder pursuant to the Offer. In: (i) requesting for this Offer Document, the Notification, the Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror, SAC Capital, CDP and the Registrar 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 SAC Capital each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement, notice or advertisement.

LETTER TO SECURITYHOLDERS

16.3 Copies of the Notification and the Acceptance Forms

Subject to compliance with applicable laws, Overseas Shareholders may, nonetheless, obtain copies of the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and related documents), the Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from CDP (if he holds Shares deposited with CDP) by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com) for instructions on how to obtain a copy of such documents or the office of the Registrar, B.A.C.S. Private Limited (if he holds Shares not deposited with CDP) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

Electronic copies of this Offer Document, the Notification and the Acceptance Forms are available on the website of the SGX-ST at www.sgx.com.”

Section 8.5 of the Warrants Proposal Letter sets out information pertinent to Overseas Warrantholders, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Warrants Proposal Letter.

“8.5 Overseas Warrantholders. *The availability of the Warrants Proposal to Warrantholders whose addresses are outside Singapore, as shown on the Warrants Register or, as the case may be, in the records of CDP (“**Overseas Warrantholders**”, and each, an “**Overseas Warrantholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Warrantholders should inform themselves of, and observe, any applicable legal requirements in the relevant overseas jurisdictions. Overseas Warrantholders should also exercise caution in relation to this Warrants Proposal Letter, the Warrants Notification, the Warrants Acceptance Forms and/or any related documents have not been reviewed by any regulatory authority in any overseas jurisdiction. Where there are potential restrictions on sending this Warrants Proposal Letter, the Warrants Notification, the Warrants Acceptance Forms and/or any related documents to any overseas jurisdictions, each of the Offeror, SAC Capital, CDP and the Warrant Agent reserves the right not to send these documents or any part thereof to any overseas jurisdictions. **For the avoidance of doubt, the Warrants Proposal is open to all Warrantholders holding Warrants, including those to whom this Warrants Proposal Letter, the Warrants Notification, the Warrants Acceptance Forms and/or any related documents have not been, or may not be, mailed or otherwise forwarded, distributed or sent.***

It is the responsibility of any Overseas Warrantholder who wishes to: (a) request for this Warrants Proposal Letter, the Warrants Notification, the relevant Warrants Acceptance Forms and/or any related documents; or (b) accept the Warrants Proposal, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or 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 Warrantholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and/or any person acting on his behalf (including SAC Capital, CDP and the Warrant Agent) shall be fully indemnified and held harmless by such Overseas Warrantholder for any such taxes, imposts, duties or other requisite payments as the Offeror and any person acting on his behalf (including SAC Capital, CDP and the Warrant Agent) may be required to pay and the Offeror shall be entitled to set-off any such amounts against any sum payable to such Overseas Warrantholder pursuant to the Warrants Proposal. In: (i) requesting for this Warrants Proposal Letter, the Warrants Notification, the Warrants Acceptance Forms and/or any related documents; and/or (ii) accepting the Warrants Proposal, each Overseas Warrantholder represents and warrants to the Offeror, SAC Capital, CDP and the Warrant Agent 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.

LETTER TO SECURITYHOLDERS

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

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

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

14. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Section 17 of the Offer Document sets out information relating to CPFIS Investors and SRS Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

“17. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be) directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may be) 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 (as the case may be) by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts (as the case may be).”

Section 8.8 of the Warrants Proposal Letter sets out information relating to CPFIS Warrants Investors and SRS Warrants Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Warrants Proposal Letter.

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

Investors who have purchased Warrants using their Central Provident Fund (“CPF”) account contributions pursuant to the CPF Investment Scheme (“CPFIS”) (“CPFIS Warrants Investors”), and investors who have purchased Warrants pursuant to the Supplementary Retirement Scheme (“SRS”) (“SRS Warrants Investors”) should receive further information on how to accept the Warrants Proposal from their respective agent banks included under the CPFIS (“CPF Agent Banks”) and agent banks included under the SRS (“SRS Agent Banks”) (as the case may be) directly. CPFIS Warrants Investors and SRS Warrants Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may be) should they require further information, and if they are in any doubt as to the action they should take, CPFIS Warrants Investors and SRS Warrants Investors should seek independent professional advice.”

LETTER TO SECURITYHOLDERS

15. ACTION TO BE TAKEN BY SECURITYHOLDERS

Securityholders who **wish to accept the Offer and Warrants Proposal** must do so not later than **5.30 p.m. (Singapore time) on the Closing Date**, abiding by the procedures for the acceptance of the Offer for Securities as set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (in the case of the Offer), or in Appendix 1 of the Warrants Proposal Letter and the accompanying Warrants FAA and/or Warrants FAT (in the case of the Warrants Proposal).

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

16. CONSENT

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

Mazars, named as the independent auditor of the Company, has given and has not withdrawn its written consent to the inclusion of its name, and the independent auditor's report in relation to the audited financial statements of the Group for FY2022 as set out in Appendix III to this Circular, and all references thereto, in the form and context in which they appear in this Circular.

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

Colliers, the independent valuer commissioned by the Company to issue a valuation certificate dated 31 July 2023 ("**Valuation Certificate**") on the Property, has given and has not withdrawn its written consent to the inclusion of its name, an extract of the Valuation Certificate ("**Valuation Summary Letter**") as set out in Appendix V to this Circular, and all references thereto, in the form and context in which they appear in this Circular, and the making available of the Valuation Report for inspection in accordance with Section 18 below.

17. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

LETTER TO SECURITYHOLDERS

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

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company's registered office at 10 Anson Road, #13-10, International Plaza, Singapore 079903 during normal business hours, from the date of this Circular up to and including the Closing Date:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2020, FY2021 and FY2022;
- (c) the 1H2023 financial statements of the Company;
- (d) the IFA Letter as set out in Appendix I to this Circular;
- (e) the audited consolidated financial statements of the Group for FY2022, as set out in Appendix III to this Circular;
- (f) the letters of consent referred to in Section 16 of this Circular; and
- (g) the Valuation Certificate.

19. ADDITIONAL INFORMATION

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

Yours faithfully

For and on behalf of the Board of Directors of
DATAPULSE TECHNOLOGY LIMITED

Mr. Hor Siew Fu
Independent Director
14 September 2023

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



14 September 2023

Datapulse Technology Limited
10 Anson Road
#13-10 International Plaza
Singapore 079903

To: The Independent Directors of Datapulse Technology Limited (the “**Company**”)

Dear Sirs,

MANDATORY CONDITIONAL CASH OFFER AND WARRANTS PROPOSAL BY SAC CAPITAL PRIVATE LIMITED, FOR AND ON BEHALF OF MR. ANG KONG MENG (THE “OFFEROR”), FOR (I) ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY (EXCLUDING ANY SHARES HELD BY THE COMPANY IN TREASURY AND THOSE SHARES ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR) AND (II) OUTSTANDING WARRANTS ISSUED BY THE COMPANY (EXCLUDING THOSE WARRANTS ALREADY OWNED, CONTROLLED, OR AGREED TO BE ACQUIRED BY THE OFFEROR)

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders (the “**Shareholders**”) and warrant holders (the “**Warrantholders**”) of the Company dated 14 September 2023 (the “**Circular**”).*

1. INTRODUCTION

On 11 August 2023 (the “**Offer Announcement Date**”), SAC Capital Private Limited (“**SAC Capital**”) announced, for and on behalf of the Offeror, that the Offeror had on 10 August 2023 acquired 41,921,533 ordinary shares (the “**Sale Shares**”) in the share capital of the Company for a consideration of S\$3,437,565.71, being approximately S\$0.082 for each Sale Share, from Mr. Aw Cheok Huat (the “**Seller**”) via a married deal between the Offeror as purchaser and the Seller as vendor (the “**Acquisition**”). Prior to the Acquisition, the Offeror owned 61,574,805 Shares, representing approximately 25.7% of the total number of 239,627,912 issued and paid-up ordinary shares (the “**Shares**”) (excluding treasury shares). Upon the completion of the Acquisition, the Offeror owns 103,496,338 Shares, representing approximately 43.2% of the total number of Shares (excluding treasury shares).

As a consequence of the Acquisition, the Offeror is making a mandatory conditional cash offer (the “**Offer**”) for all the Shares, excluding treasury shares and those already owned, controlled and agreed to be acquired by the Offeror, including all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Offer (the “**Offer Shares**”), in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”), on the terms and subject to the conditions set out in the offer document dated 31 August 2023 (the “**Offer Document**”) issued by SAC Capital, for and on behalf of the Offeror.

In accordance with Rule 19 of the Code, the Offeror, is making a proposal (the “**Warrants Proposal**”) to the holders, other than the Offeror, of outstanding warrants issued by the Company (the “**Warrants**”) which are listed and quoted on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), on the terms and subject to the conditions set out in

ZICO Capital Pte. Ltd.
(UEN: 201613589E)

77 Robinson Road, #06-03, Robinson 77, Singapore 068896

www.zicoholdings.com

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



the warrants proposal letter dated 31 August 2023 (the “**Warrants Proposal Letter**”) issued by SAC Capital, for and on behalf of the Offeror.

The Offeror holds 50,000,053 Warrants of the total number of 88,984,354 Warrants issued by the Company as at the Latest Practicable Date.

In connection with thereof, the Company has appointed ZICO Capital Pte. Ltd. (“**ZICO Capital**”) as the independent financial adviser (the “**IFA**”) to the Independent Directors for the purpose of making a recommendation to the Shareholders and the Warrantholders in respect of the Offer and the Warrants Proposal.

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

2. TERMS OF REFERENCE

ZICO Capital has been appointed as IFA to opine on whether the financial terms of the Offer and the Warrants Proposal are fair and reasonable.

We were not involved in or responsible for, any aspect of the negotiations pertaining to the Offer and the Warrants Proposal, nor were we involved in the deliberations leading up to the Offer and the Warrants Proposal. We were not required, instructed or authorised, to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Offer and the Warrants Proposal. It is also not within our terms of reference to compare the relative merits of the Offer and the Warrants Proposal *vis-à-vis* any alternative transactions previously considered by the Directors or transactions that the Directors may consider in the future. Such comparison and consideration shall remain the responsibility of the Directors. We do not, by this IFA Letter, warrant the merits of the Offer and the Warrants Proposal other than to express an opinion on whether the financial terms of the Offer and the Warrants Proposal are fair and reasonable, and to provide our recommendations thereon.

We have confined our evaluation and analysis of the Offer and the Warrants Proposal strictly and solely to the financial terms of the Offer and the Warrants Proposal. Our terms of reference do not require us to evaluate or comment on the rationale for, as well as the legal, strategic, commercial and financial risks and/or merits (if any) of the Offer and the Warrants Proposal, or on the future financial performance or prospects of the Company and its subsidiaries (the “**Group**”). Accordingly, we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the 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 and recommendation as set out in this IFA Letter.

It is also not within the scope of our appointment to express any view herein as to the prices at which the Shares or the Warrants may trade or on the future performance of the Company and/or the Group upon the completion or expiry of the Offer and the Warrants Proposal. We have not relied upon any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, any views on the growth prospects, earnings potential, future financial performance, or future financial position of the Company or the Group arising from the Offer and the Warrants Proposal or otherwise. No financial or profit forecasts, business plans or management accounts of the Company and/or the Group have been specifically prepared for the purpose of evaluating the Offer and the Warrants Proposal.

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



In the course of our evaluation of the financial terms of the Offer and the Warrants Proposal, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us as well as information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or their professional advisers (where applicable). Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any warranty or representation, expressed or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Offer and the Warrants Proposal have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are true, complete and accurate in all material aspects. The Directors and Management have confirmed to us that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Offer and the Warrants Proposal and the Group, and the Directors and the Management are not aware of any facts, the omission of which would cause any statement in the Circular in respect of the Group, and the Offer and the Warrants Proposal to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the property, plant and equipment) of the Group. The Company has commissioned an independent valuer to value its freehold land, freehold building, and related renovations, and we have been furnished with an independent valuation summary letter by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the “**Independent Valuer**”) (the “**Valuation Summary Letter**”) as at 31 July 2023 which was commissioned for financial reporting purposes. The Valuation Summary Letter is set out in Appendix V of the Circular.

We are not experts in the evaluation and appraisal of assets and have placed sole reliance thereon for the valuation and/or information contained in the Valuation Summary Letter. We are not involved and assume no responsibility for the Valuation Summary Letter. In particular, we do not assume any responsibility to enquire about the basis of the valuation and appraisal as contained in the Valuation Summary Letter or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements. We have also not made any independent verification of the matters or bases set out in the Valuation Summary Letter.

Our opinion and recommendation set out in this IFA Letter are based on market, economic, industry, monetary and other conditions (if applicable) prevailing, as well as information and representations provided to us as at the Latest Practicable Date. Such conditions and information

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



may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion and recommendation in light of any subsequent developments after the Latest Practicable Date that may affect our opinion and/or our recommendation contained herein. Shareholders and Warranholders should take note of any announcements relevant to their consideration of the Offer and the Warrants Proposal, which may be released after the Latest Practicable Date.

In rendering our advice and providing our opinion and recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or Warranholder or any specific group of Shareholders or Warranholders. As different Shareholders and Warranholders would have different investment profiles and objectives, we would advise the Independent Directors to recommend that any individual Shareholder or Warranholder or group of Shareholders or Warranholders who may require specific advice in the context of his or their investment objective(s) or portfolio(s) consult his or their legal, financial, tax or other professional advisers immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). 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, whether expressed or implied, on the contents of the Circular (except for this IFA Letter and the extract of our opinion and recommendation in the Circular).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer and the Warrants Proposal, but any recommendations made by the Independent Directors in respect of the Offer and the Warrants Proposal shall remain their sole responsibility.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes other than for the consideration of the Offer and the Warrants Proposal at any time and in any manner without the prior written consent of ZICO Capital in each specific case.

Our opinion and recommendation in relation to the Offer and the Warrants Proposal should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE OFFER

The Offer is a mandatory conditional cash offer in accordance with Section 139 of the SFA and Rule 14 of the Code.

The principal terms of the Offer are set out in Sections 2 and 4 of the Letter to Shareholders in the Offer Document. We recommend that Shareholders read the terms and conditions of the Offer contained therein carefully.

The key terms of the Offer are set out below for your reference.

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



3.1 Offer Price

The consideration for each Offer Share is as follows:

For each Offer Share: S\$0.09 in cash (the “Offer Price”)
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The Offer Price is final and the Offeror does not intend to revise the Offer Price.

3.2 Offer Shares

The Offer is extended, on the same terms and conditions, to all Offer Shares. For the avoidance of doubt, the Offer is also extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Offer.

3.3 No Encumbrances

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

Accordingly, if any Distribution is or has been announced, declared, made or paid by the Company on or after the Offer Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution.

3.4 Minimum Acceptance Condition

Pursuant to Rule 14.2 of the Code, the Offer is conditional upon the Offeror having received, by 5.30 p.m. (Singapore time) on 3 October 2023 (the “**Closing Date**”), valid acceptances in respect of such number of Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and parties acting or deemed to be acting in concert with the Offeror (the “**Concert Parties**”), will result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50.0% of the voting rights attributable to the issued Shares as at the close of the Offer (including any voting rights attributable to new Shares issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Offer) (the “**Minimum Acceptance Condition**”).

As at the Latest Practicable Date, the Offeror holds 50,000,053 Warrants, and the Offeror **does not intend** to exercise any of the Warrants held by the Offeror during the period commencing from the Offer Announcement Date until the Closing Date. Accordingly, in the event that the remaining Warrants (i.e. the total outstanding Warrants less the Warrants held by the Offeror as at the Latest Practicable Date) are exercised and new Shares are issued pursuant to the valid exercise of such Warrants prior to the close of the Offer, the “**maximum potential share capital in the Company**” shall be 278,612,213 Shares and 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 in respect of such number of Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and his Concert Parties,

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



will result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50.0% of the voting rights attributable to the maximum potential share capital in the Company.

3.5 Further Details of the Offer

Further details of the Offer are set out in Section 6 and Appendix 1 to the Offer Document.

4. THE WARRANTS PROPOSAL

The Warrants Proposal is made in accordance with Rule 19 of the Code. There were 88,984,354 outstanding Warrants as at the Latest Practicable Date. Each Warrant carries the right to subscribe for one new Share at the exercise price of S\$0.09 for each new Share. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants expires at 5.00 p.m. (Singapore time) on 28 November 2027. The detailed terms of the Warrants Proposal are set out in Section 3 of the Warrants Proposal Letter. We recommend that Warrantholders read the terms and conditions of the Warrants Proposal contained therein carefully.

The key terms of the Warrants Proposal are set out below for your reference.

4.1 Warrants Proposal Price

The offer price for each Warrant is as follows:

For each Warrant: S\$0.01 in cash (the “ Warrants Proposal Price ”)

Based on the Offer Document, the Warrants Proposal Price is calculated based on the highest price paid by the Offeror and his Concert Parties in the six months prior to the Offer Announcement Date, and ending on 23 August 2023, being the latest practicable date prior to the issue of the Offer Document.

4.2 No Encumbrances

The Warrants will be acquired (i) validly issued and fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all Distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.

Accordingly, if any Distribution is or has been announced, declared, made or paid by the Company on or after the Offer Announcement Date for the benefit of a Warrantholder who validly accepts or has validly accepted the Warrants Proposal, depending on the settlement date in respect of the Warrants tendered in acceptance of the Warrants Proposal, the Offeror reserves the right to reduce the Warrants Price by an amount equivalent to such Distribution (if any).

4.3 Condition

The Warrants Proposal is subject to: (i) the Minimum Acceptance Condition being met and the Offer becoming or being declared unconditional in all respects; and (ii) the relevant Warrants continuing to be exercisable into new Shares. If the Offer lapses or is withdrawn or if the relevant Warrants cease to be exercisable into new Shares, the Warrants Proposal will lapse accordingly.

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



4.4 Offer and Warrants Proposal Mutually Exclusive

For the avoidance of doubt, whilst the Warrants Proposal is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Warrants Proposal. The Offer and the Warrants Proposal are separate and are mutually exclusive. The Warrants Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if a Warrantholder exercises its Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, it may not accept the Warrants Proposal in respect of such exercised Warrants. Conversely, if a Warrantholder wishes to accept the Warrants Proposal in respect of its Warrants, it may not exercise those Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

4.5 Further Details of the Warrants Proposal

Further details of the Warrants Proposal are set out in the Warrants Proposal Letter.

5. NO IRREVOCABLE UNDERTAKING

As at 23 August 2023, being the latest practicable date prior to the issue of the Offer Document, and based on the latest information available to the Offeror, none of the Offeror, his Concert Parties and SAC Capital (as financial adviser to the Offeror in connection with the Offer and the Warrants Proposal) has (i) received any irrevocable commitment from any party to accept or reject the Offer and/or the Warrants Proposal; (ii) entered into an arrangement (whether by way of option, indemnity or otherwise) in relation to any (a) shares; (b) securities which carry voting rights in the Company; or (c) convertible securities, warrants, options, or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the “**Relevant Securities**”) which might be material to the Offer or the Warrants Proposal; (iii) granted any security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise; (iv) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); and (v) lent any Relevant Securities to another person.

6. INFORMATION ON THE OFFEROR

The Offeror is a controlling shareholder of the Company and was appointed to the board of directors (“**Board**”) as a Non-Independent Non-Executive Director of the Company on 27 March 2023. As at the Latest Practicable Date, he is the Non-Independent Non-Executive Chairman of the Company.

7. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 28 July 1980. The Shares are listed on the Mainboard of the SGX-ST. The Company has been placed on the watch-list of the SGX-ST since 6 June 2023. Please refer to the announcement made by the Company on the SGXNET on 5 June 2023.

The Group is principally engaged in the hotel operations, asset management, and investment business.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$34,867,766.44, comprising 239,627,912 Shares (excluding 829,600 treasury shares).

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As at the Latest Practicable Date, the Company has 88,984,354 Warrants in issue and does not have any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Company, save for the Warrants.

As at the Latest Practicable Date, the Board comprises the Offeror (Non-Independent Non-Executive Chairman), Mr Hor Siew Fu (Independent Director), Ms Yap Ming Choo (Independent Director) and Mr Yuen Pei Lur, Perry (Independent Director).

8. EVALUATION OF THE FINANCIAL TERMS OF THE OFFER AND THE WARRANTS PROPOSAL

In our evaluation of the financial terms of the Offer and the Warrants Proposal, we have given due consideration to, *inter alia*, the following key factors:

- (i) Historical Share price performance and trading liquidity of the Shares;
- (ii) Historical financial performance and position of the Group;
- (iii) The Group's Net Asset Value ("**NAV**") and adjusted revalued NAV ("**Adjusted RNAV**");
- (iv) Comparison of valuation statistics with the Comparable Companies;
- (v) Comparison with selected non-privatisation mandatory general offer transactions of companies listed on the SGX-ST;
- (vi) Estimated range of values of the Shares;
- (vii) Valuation of the Warrants; and
- (viii) Other relevant considerations.

8.1 Historical Share Price Performance and Trading Liquidity of the Shares

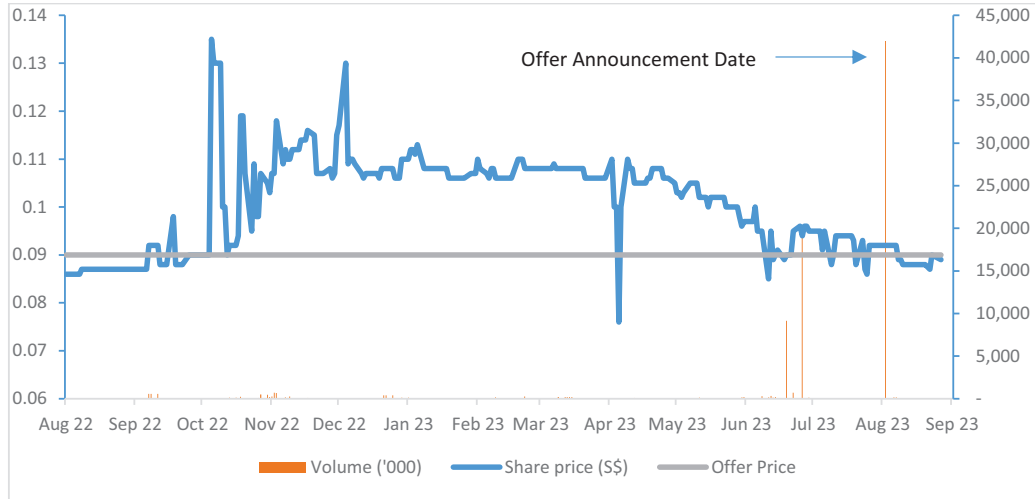
Trading in the Shares was halted by the Company during trading hours on 10 August 2023, prior to the Offer Announcement being made on 11 August 2023. The last full market day for trading prior to the trading halt was 8 August 2023 (the "**Last Trading Date**"). There were, however, no Shares traded on the Last Trading Date, and the Shares were last transacted on 4 August 2023 prior to the release of the Offer Announcement. Trading halt was lifted before trading hours on 14 August 2023.

For the purpose of our analysis of the trading performance of the Shares in respect of the Offer, we have compared the Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares for the 12-month period prior to the Last Trading Date, and up to the Latest Practicable Date (the "**Reference Period**").

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Daily closing prices and trading volume of the Shares for the Reference Period



Source: Bloomberg L.P.

From the chart above, we note the following:

- (i) Share price closed at S\$0.092 on 4 August 2023;
- (ii) From 9 August 2022 to the Last Trading Date, the daily closing prices of the Shares were in a range of S\$0.076 to S\$0.135. The Offer Price represents a premium of 18.4% to the lowest closing price of S\$0.076 and a discount of 33.3% to the highest closing price of S\$0.135;
- (iii) The Shares mainly traded above the Offer Price in the Reference Period; and
- (iv) From 14 August 2023 (the first trading day after the Offer Announcement Date) to the Latest Practicable Date, the daily closing prices of the Shares were in a range of S\$0.087 to S\$0.092.

In addition, we have set out below additional information on the volume-weighted average price (“VWAP”), trading liquidity, and other trading statistics of the Shares for the Reference Period:

Reference Period	Highest Traded Price (S\$)	Lowest Traded Price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price over/(to) VWAP (%)	No. of traded days ⁽²⁾	Average daily trading volume ⁽³⁾	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
Prior to the Last Trading Date							
Last 12 months	0.144	0.076	0.095	(5.3)	170	75,646	0.1
Last 6 months	0.110	0.076	0.091	(1.1)	88	107,443	0.1
Last 3 months	0.105	0.085	0.090	-	51	190,144	0.2
Last 1 month	0.095	0.086	0.090	-	16	7,482	0.0 ⁽⁶⁾
As of 4 August 2023	0.092	0.086	0.092 ⁽⁵⁾	(2.2)	1	1,100	0.0 ⁽⁶⁾

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Reference Period	Highest Traded Price (S\$)	Lowest Traded Price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price over/(to) VWAP (%)	No. of traded days ⁽²⁾	Average daily trading volume ⁽³⁾	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
<u>After the Offer Announcement Date and up to the Latest Practicable Date</u>							
From 14 August 2023, being the first traded day after the Offer Announcement Date up to the Latest Practicable Date	0.093	0.086	0.091	(1.1)	10	16,033	0.0 ⁽⁶⁾
Latest Practicable Date	0.089	0.086	0.089 ⁽⁵⁾	1.1	1	11,500	0.0 ⁽⁶⁾

Source: Bloomberg L.P.

Notes:

- (1) The VWAP for the respective periods are calculated based on the VWAP turnover divided by the VWAP volume, as extracted from Bloomberg L.P.. VWAP turnover is computed based on the aggregate daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods. The VWAP excluded the off-market transactions of 411,900 Shares and 19,609,633 Shares on 29 December 2022 and 4 July 2023 respectively.
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the relevant periods.
- (3) The average daily trading volume of the Shares was computed based on the total volume of the Shares traded on SGX-ST (excluding off-market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading during the relevant periods.
- (4) Free float refers to the Shares other than those held by the Directors, Chief Executive Officer, Substantial Shareholders or controlling shareholders of the Company or its subsidiaries, and their respective associates (as defined in the Listing Manual). For the purpose of computing the average daily trading volume as a percentage of free float, we have used a free float of 102,143,343 Shares or 42.6% of the issued Shares of the Company as at the Latest Practicable Date ("**Free Float**").
- (5) This represents the (i) closing price instead of VWAP for the Shares on 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement Date or (ii) the closing price instead of VWAP for the Shares on the Latest Practicable Date.
- (6) Average daily trading volume as a percentage of free float amounted to (i) 0.007%; (ii) 0.001%; (iii) 0.016%; and (iv) 0.011% as of (i) the 1-month period prior to the Last Trading Date; (ii) 4 August 2023; (iii) the period from 14 August 2023 to the Latest Practicable Date; and (iv) the Latest Practicable Date, respectively.

From the table above, we note the following:

- (i) the Offer Price represents discounts of approximately 5.3% and 1.1% to the respective VWAPs of the Shares for the 12-month and 6-month periods prior to the Last Trading Date respectively, and represents a discount of approximately 2.2% to the closing price of the Shares as of 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement Date;
- (ii) the Offer Price represents discount of approximately 1.1% to the VWAPs of the Shares for the period from 14 August 2023, being the first traded day after the Offer Announcement up to the Latest Practicable Date, and represents a premium of

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approximately 1.1% over the closing price of the Shares on the Latest Practicable Date;
and

- (iii) trading liquidity on the Shares was low with the average daily trading volume of the Shares being less than 0.2% of the Free Float for each of the aforementioned periods in the Reference Period.

We wish to highlight that the above analysis on the historical trading performance of the Shares serves only as an illustrative guide. **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 or lapse of the Offer, as the case may be.** 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.

8.2 Historical Financial Performance and Position of the Group

A summary of the consolidated statements of profit or loss and other comprehensive income, consolidated statements of financial position and consolidated statements of cash flows of the Group for the financial years ended 31 July 2020 (“FY2020”), 31 July 2021 (“FY2021”) and 31 July 2022 (“FY2022”), and the six-month periods ended 31 January 2022 (“1H2022”) and 31 January 2023 (“1H2023”) (collectively, the “Period Under Review”) is set out below. The following summary financial information should be read in conjunction with the Company’s annual reports for FY2020, FY2021 and FY2022, and the Company’s financial results announcements for 1H2023, including the notes and commentaries thereto.

8.2.1 Historical Financial Performance of the Group

We set out below a summary of the key financial performance of the Group for the Period Under Review:

S\$’000 (unless otherwise stated)	FY2020 Audited	FY2021 ⁽¹⁾⁽²⁾ Audited	FY2022 Audited	1H2022 Unaudited	1H2023 Unaudited
Revenue	2,714	1,040	1,921	744	1,655
Loss before taxation	(6,482)	(3,552)	(3,342)	(2,169)	(693)
Loss for the financial period/year attributable to owners of the Company	(5,752)	(3,665)	(3,306)	(2,172)	(693)

Source: The Company’s annual reports for FY2020, FY2021, FY2022 and the Company’s financial results announcement for 1H2023 released on SGXNET.

Notes:

- (1) There were reclassification of hotel operating expenses and other operating expenses for FY2021 for better comparability with FY2022.
- (2) Please note that year-on-year analysis below on the historical financial performance of the Group for FY2020 and FY2021 are based on pre-reclassified figures while the year-on-year analysis on the historical financial performance of the Group for FY2021 and FY2022 are based on reclassified figures.

FY2021 vs FY2020

Revenue decreased by approximately S\$1.7 million or 61.7% in FY2021, mainly due to decrease in (i) revenue in hotel operations of S\$1.2 million as the COVID-19 cases in Seoul, South Korea, remained high in FY2021 with minimal inbound tourism, and (ii) asset management fees of S\$0.3 million due to apportionment of income earned for FY2020 and FY2021.

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The Group recorded a decrease in loss attributable to owners of the Company of approximately S\$2.1 million or 36.3%, mainly due to (i) absence of impairment of freehold property which comprised the land and building of Travelodge Myeongdong City-Hall in Seoul, South Korea (the “TLMC”) and amounted to S\$1.9 million in FY2020; decrease in (ii) hotel operating expenses of S\$1.0 million as TLMC was temporarily closed since May 2020 and converted into the residential style accommodation which incurred significantly lower operating costs; (iii) other operating expenses of S\$0.6 million primarily due to cost saving from professional fees incurred by the Group as there were no new hotel acquisitions in FY2021 and significant scaling down of operations due to COVID-19; (iv) staff costs of S\$0.5 million primarily due to reduction in hotel head counts and reduced compensation for management at the corporate office and absence of (v) fair value loss on short-term investments of S\$0.8 million; and (vi) loss on disposal of investments of S\$0.1 million, in FY2020, and partially offset by (i) decrease in revenue of S\$1.7 million; increase in (ii) depreciation of property, plant and equipment and right-of-use assets of S\$0.4 million; and (iii) tax expenses of S\$0.8 million mainly due to recognition of tax liabilities for certain subsidiaries in the Group.

As a result of the foregoing, the Group reported a lower loss attributable to owners of the Company of S\$3.7 million in FY2021.

FY2022 vs FY2021

Revenue increased by approximately S\$0.9 million or 84.7% in FY2022 due to increase in revenue from hotel operations of S\$0.9 million, as (a) TLMC was offering residential style accommodation for long stay guests, prior to its conversion to operate as a treatment center for COVID-19 patients from end of December 2021 to beginning of May 2022, and (b) TLMC only operated for approximately eight months in FY2021 with minimal inbound tourism due to the temporarily closure of the hotel amid the COVID-19 situation.

The Group recorded a decrease in loss attributable to owners of the Company of approximately S\$0.4 million or 9.8%, mainly due to (i) increase in revenue of S\$0.9 million; and decrease in (ii) depreciation of property, plant and equipment and right-of-use assets of S\$0.3 million primarily due to appreciation of Singapore dollar against the South Korean won, and non-renewal of lease for office space and motor vehicle which ended in FY2022; and (iii) finance costs of S\$0.3 million primarily due to repayment of Korean won term loan during FY2022, and partially offset by decrease in (i) other income of S\$0.5 million primarily due to decrease in government grant income, other sundry income and fair value gain on short term investments; and increase in (ii) hotel operating expenses of S\$0.2 million primarily due to TLMC operated for full year in FY2022 whilst it was partially closed in FY2021; (iii) other operating expenses of S\$0.2 million primarily due to professional fees and other expenses incurred in connection with a corporate action announced in December 2021, increase in short term operating leases, office reinstatement costs and other miscellaneous expenses incurred by the Group; and (iv) fair value loss on short-term investments at fair value through profit or loss of S\$0.3 million.

As a result of the foregoing, the Group reported a lower loss attributable to owners of the Company of S\$3.3 million in FY2022.

1H2023 vs 1H2022

Revenue increased by approximately S\$0.9 million or 122.4% in 1H2023 due to increase in revenue from hotel operations of S\$0.9 million primarily due to (i) reduction in travel restrictions contributing to better occupancy and higher average room rates and (ii) resumption to full hotel operations in June 2022.

The Group recorded a decrease in loss attributable to owners of the Company of approximately S\$1.5 million or 68.1%, mainly due to (i) increase in revenue of S\$0.9 million; and decrease in (ii) finance costs of S\$0.4 million primarily due to full repayment of the Korean won term loan in

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1H2022; and (iii) other operating expenses of S\$0.4 million primarily due to decrease in professional fees, short term operating leases, office reinstatement costs and other miscellaneous expenses, and partially offset by increase in hotel operating expenses of S\$0.4 million primarily due to increased hotel operating activities during 1H2023, which was in line with the increase in revenue from hotel operations.

As a result of the foregoing, the Group reported a lower loss attributable to owners of the Company of S\$0.7 million in 1H2023.

8.2.2 Historical Financial Position of the Group

We set out below a summary of the financial position of the Group as at 31 July 2022 and 31 January 2023:

S\$'000 (unless otherwise stated)	31 July 2022 Audited	31 January 2023 Unaudited
Current assets	11,822	12,093
Non-current assets	49,500	49,314
Total assets	61,322	61,407
Current liabilities	1,750	1,673
Non-current liabilities	1,548	1,280
Total liabilities	3,298	2,953
Net assets	58,024	58,454
Equity attributable to owners of the Company	58,024	58,454
Total equity	58,024	58,454
NAV attributable to owners of the Company	58,024	58,454
Number of issued Shares ⁽¹⁾ (excluding treasury shares)	239,627,912	239,627,912
NAV per Share (in S\$)	0.242	0.244

Source: The Company's financial results announcement for 1H2023 released on SGXNET.

Note:

(1) Based on total number of 239,627,912 Shares of the Company as at the Latest Practicable Date.

As at 31 January 2023, the Group recorded total assets of S\$61.4 million comprising (i) current assets amounting to S\$12.1 million, representing approximately 19.7% of total assets; and (ii) non-current assets amounting to S\$49.3 million, representing approximately 80.3% of total assets.

Current assets as at 31 January 2023 consist of mainly cash and bank balances of S\$11.2 million, representing approximately 18.2% of total assets.

Non-current assets as at 31 January 2023 comprised mainly (i) property, plant and equipment of S\$40.2 million, representing approximately 65.5% of total assets; (ii) investment securities of S\$2.7 million, representing approximately 4.4% of total assets; and (iii) long-term receivables of S\$6.3 million, representing approximately 10.3% of total assets. Long-term receivables relate to shareholder loans which was provided to two investee companies in which the Group has a 15% interest and 5% interest respectively.

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As at 31 January 2023, the Group's total liabilities amounted to S\$3.0 million, comprising (i) current liabilities amounting to S\$1.7 million, representing approximately 56.7% of total liabilities; and (ii) non-current liabilities amounting to S\$1.3 million, representing approximately 43.3% of total liabilities.

Current liabilities as at 31 January 2023 comprised mainly (i) trade and other payables of S\$0.6 million, representing approximately 20.0% of total liabilities; (ii) current tax payable of S\$0.6 million, representing approximately 20.0% of total liabilities; and (iii) loan and borrowing of S\$0.5 million, representing approximately 16.7% of total liabilities.

Non-current liabilities as at 31 January 2023 comprised mainly loan and borrowing of S\$1.3 million, representing approximately 43.3% of total liabilities.

8.3 The Group's NAV and Adjusted RNAV

The NAV based approach in 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 non-controlling interests. The NAV based approach 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 such as goodwill, trademarks and brand names) in an orderly manner over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, non-controlling interests and other obligations of the company or group with the balance to be distributed to its shareholders. However, the NAV based approach does not consider the hypothetical sale of assets in a non-orderly manner or over a short period of time. It also does not illustrate the values of which assets may actually be realised or disposed of.

8.3.1 NAV of the Group

Based on the latest published unaudited financial statements of the Group for 1H2023, the NAV attributable to owners of the Company was S\$58.5 million as at 31 January 2023. The NAV per Share attributable to owners of the Company as at 31 January 2023 was therefore approximately S\$0.244, based on the issued share capital of 239,627,912 Shares as at the Latest Practicable Date. The NAV per Share attributable to owners of the Company as at 31 January 2023 would be S\$0.202 based on the issued share capital of 328,612,266 Shares as at the Latest Practicable Date assuming all 88,984,354 outstanding Warrants are fully exercised ("**Assumed Fully Diluted NAV per Share**").

The Offer Price represents a discount of 63.1% to the NAV per Share and 55.4% to the Assumed Fully Diluted NAV per Share, as at 31 January 2023.

8.3.2 Adjusted RNAV of the Group

In our evaluation of the financial terms of the Offer, we have considered the carrying values of the assets of the Group as at 31 January 2023 to assess if any material assets should be revalued or adjusted for the purpose of our assessment of the Offer Price as compared to the NAV of the Group or whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that may have a material impact on the NAV of the Group as at 31 January 2023. We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the property, plant and equipment) of the Group. We are not experts in the evaluation and appraisal of assets and have placed sole reliance thereon for the valuation and/or information contained in the Valuation Summary Letter. We are not involved and assume no responsibility for the Valuation Summary Letter. In particular, we do not assume

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any responsibility to enquire about the basis of the valuation and appraisal as contained in the Valuation Summary Letter or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements. We have also not made any independent verification of the matters or bases set out in the Valuation Summary Letter.

We set out below material adjustments to the carrying values of certain assets of the Group as at 31 January 2023 following our discussion with the Management:

(i) **TLMC freehold property (comprising land, building and related renovations) (the “TLMC Property”)**

Based on information provided by the Management, we note that the TLMC Property amounted to S\$39.9 million, representing approximately 65.0% of the total assets of the Group as at 31 January 2023.

For purposes of assessing impairment of the TLMC Property for financial reporting, the Company has commissioned the Independent Valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, to conduct an independent desktop valuation of the market value of the TLMC Property as at 31 July 2023.

Market Value is defined as “*the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion*”, as advocated by the International Valuation Standards Council, and where applicable, local valuation standards.

The Independent Valuer had ascribed the market value of KRW36.7 billion or S\$37.9 million¹ as at 31 July 2023, based on the income approach (and cross-checked against the market approach).

The Management represented that it expected a downward adjustment to the carrying value of the TLMC Property as at 31 January 2023 of approximately S\$2.4 million, which comprised mainly impairment loss of S\$1.0 million (arising from the independent valuation of the TLMC Property) and effect of movement in exchange rates of S\$1.3 million.

The Directors and the Management confirmed that there will be no potential tax liability due to the aforementioned revaluation deficit of S\$2.4 million. The Group also has no intention to sell the TLMC Property as of the Latest Practicable Date.

(ii) **Unquoted investment securities**

The Group holds unquoted equity investments in

- (a) 15% interest in (1) Korea Investment Private Placement Business Hotel REIT No. AI861, a property trust which wholly holds Travelodge Myeongdong Euljiro, a 224-room midscale hotel located in Seoul, South Korea and (2) the operating company of the aforementioned hotel, Pinetree Hotel Management LLC; and
- (b) 5% interest in Pam Holdings II (BVI) Ltd which wholly holds Travelodge Harbourfront Singapore. Such unquoted equity investment securities amounted to S\$2.7 million, which represented 4.5% of total assets as at 31 January 2023.

¹ Based on the exchange rate of S\$1:KRW969 as at 31 July 2023, as provided by the Management.

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Such unquoted investment securities are fair valued through other comprehensive income due to the Group's intention to hold these instruments for long-term capital appreciation.

For the purposes of financial reporting, the Management has confirmed a fair value surplus of approximately S\$1.5 million for its unquoted investment securities as at 31 January 2023.

Taking into consideration the above, the estimated Adjusted RNAV of the Group as at 31 January 2023 is computed as follows:

	S\$' million (unless otherwise stated)
Unaudited NAV of the Group as at 31 January 2023	58.5
Add:	
Fair value surplus of unquoted investment securities	1.5
Less:	
Revaluation deficit mainly arising from the independent valuation of the TLMC Property, and effect of movement of exchange rates	2.4
Estimated Adjusted RNAV of the Group as at 31 January 2023	57.6
Estimated Adjusted RNAV per Share (S\$)	0.240⁽¹⁾
Estimated Adjusted RNAV per Share (assuming all outstanding Warrants are exercised) (S\$)	0.200⁽²⁾

Notes:

- (1) Based on 239,627,912 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Based on 328,612,266 issued Shares (excluding treasury shares) as at the Latest Practicable Date assuming all outstanding 88,984,354 Warrants are exercised.

The Offer Price represents a discount of 62.5% to the Adjusted RNAV per Share of S\$0.240 and 55.0% to the Adjusted RNAV per Share of S\$0.200 (assuming all outstanding Warrants are exercised) ("**Assumed Fully Diluted Adjusted RNAV per Share**") as at 31 January 2023.

We wish to highlight that the Warrants are out-of-the-money as at the Latest Practicable Date.

Save for the above and as disclosed in the unaudited financial statements of the Group as at 31 January 2023 and the Circular, the Directors and Management have confirmed to us that, to the best of their knowledge and belief, as at the Latest Practicable Date:

- (i) there are no material events that have or will likely to have a material impact to the financial position of the Group since 31 January 2023;
- (ii) there are no material differences between the realisable value of the Group's assets and their respective book values as at 31 January 2023 which would have a material impact on the unaudited NAV of the Group;
- (iii) there are no other 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;

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- (iv) there is no litigation, claim or proceeding pending or threatened against the Company and 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 as at 31 January 2023;
- (v) there are no intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) 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 as at 31 January 2023;
- (vi) there are no material acquisitions or disposals of assets by the Group between 31 January 2023 and the Latest Practicable Date, and the Group does not have any plans for 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; and
- (vii) there are no material changes to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 31 January 2023.

Shareholders should note that the analysis above is solely for illustration purposes and the asset-based analysis of the Group only provides an estimate of the value of the Group based on a hypothetical scenario, wherein such scenario does not take into consideration factors including, but not limited to, liquidation costs, taxes, time value of money, prevailing market conditions, legal and professional fees, regulatory requirements, contractual limitations and obligations, and the availability of buyers, which may affect the value that can be realised by the Group.

8.4 Comparison of Valuation Statistics with Comparable Companies

The Group is principally engaged in (i) hotel operations; (ii) provision of asset management services to the Group's hospitality assets; and (iii) trading in short-term investments and holding of long-term investments.

For the purpose of assessing the financial terms of the Offer, we have compared the valuation statistics of the Company implied by the Offer Price with those of selected companies listed on the SGX-ST, which have businesses that can be considered as broadly comparable with the principal businesses of the Group ("**Comparable Companies**"). For a more meaningful comparison, we have only considered Comparable Companies with market capitalisation not exceeding S\$100 million as at the Latest Practicable Date.

We have held discussions with the Management about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

We wish to highlight that the list of selected Comparable Companies is not exhaustive and it should be noted that there may not be any listed company that is directly comparable with the Group in terms of, *inter alia*, business activities, customer base, size of operations, asset base, geographical markets of activities, track record, financial performance and position, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. Hence, any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

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A brief description of the selected Comparable Companies, as extracted from their respective company websites and/or annual reports and/ or Bloomberg is set out below:

Name of Comparable Company	Stock Exchange	Business Activities/Description
HL Global Enterprises Limited (“ HLG ”)	Singapore	HLG and its subsidiaries are principally engaged in (i) development of properties for sale, rental, property, and project management; and (ii) operating and management of hotels and restaurants.
KOP Limited (“ KOP ”)	Singapore	KOP and its subsidiaries are principally engaged in (i) management and operation of hotel and resort, including restaurants and spas; (ii) real estate origination and management services; and (iii) real estate development and investment activities.
AF Global Limited (“ AFG ”)	Singapore	AFG and its subsidiaries are principally engaged in (i) ownership and operation of hotels and serviced residences; (ii) project and property management, real estate consultancy services, investment in properties and development of properties for sale activities; and (iii) investment holding activities.
ICP Ltd. (“ ICP ”)	Singapore	ICP and its subsidiaries are principally engaged in (i) hotel management, franchise and investment activities; (ii) chartering of vessels (oil tankers); and (iii) investment and management activities.

Source: Comparable Companies’ websites, annual reports and Bloomberg L.P.

We have used the following valuation measures in our analysis:

Valuation Measure	Description
Price-to-earnings Ratio (“ PER ”)	<p>This ratio is computed by dividing the market capitalisation of a company by the trailing 12-month consolidated net profits attributable to owners of a company.</p> <p>The PER is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.</p>
Price-to-NAV (“ P/NAV ”)	<p>This ratio illustrates the market price of a company’s shares relative to the NAV per share as recorded in its financial statements.</p> <p>The NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests.</p> <p>The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value and repayment of its liabilities and obligations, with the balance available for distribution to its shareholders.</p>

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<u>Valuation Measure</u>	<u>Description</u>
Enterprise value-to-earnings before interest, tax, depreciation and amortisation expenses (" EV/EBITDA ")	<p>It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.</p> <p>Comparisons of companies using NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p> <p>EV or enterprise value is the sum of the company's market capitalisation, preferred equity, perpetual bonds, minority interests, short and long term debt (inclusive of finance leases) less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, tax, depreciation and amortisation, inclusive of the share of associates' and joint ventures' income.</p> <p>EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting policy decisions. The historical EV/EBITDA ratio illustrates the market value of a company's business relative to its historical consolidated pre-tax operating cash flow performance, and provides an indication of current market valuation relative to operating performance. Unlike the PER, the EV/EBITDA ratio does not take into account the capital structure of a company, its interest, taxation, depreciation and amortisation expenses.</p>

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The following table sets out the valuation ratios of the Comparable Companies in comparison with the valuation ratios of the Group implied by the Offer Price:

Comparable Company	Last Financial Year / Period End	Market Capitalisation ¹ (S\$ million)	PER ² (times)	P/NAV ³ (times)	EV/EBITDA ⁴ (times)
HLG	30 June 2023	24.1	20.62	0.32	n.m. ⁵
KOP	30 June 2023	44.3	n.m. ⁵	0.58	10.03
AFG	30 June 2023	82.3	48.24	0.40	19.09
ICP	30 June 2023	26.7	25.25	0.98	11.43
Maximum			48.24	0.98	19.09
Average			31.37	0.57	13.52
Median			25.25	0.49	11.43
Minimum			20.62	0.32	10.03
Company (as implied by the Offer Price)	31 January 2023	21.6	n.m.⁵	0.37 (based on Adjusted RNAV per Share as at 31 January 2023)	n.m.⁵
		29.6 (assuming all outstanding Warrants are exercised)		0.45 (based on Assumed Fully Diluted Adjusted RNAV per Share as at 31 January 2023)	

Source: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies as at the Latest Practicable Date.

Notes:

- (1) Market capitalisation for the Comparable Companies is extracted from Bloomberg L.P.. Market capitalisation for the Company is based on the Offer Price and the total issued Shares as at the Latest Practicable Date.
- (2) The historical PERs of the Comparable Companies are computed based on their respective latest published full year earnings or trailing 12-month earnings attributable to shareholders of the respective companies, where applicable, as at the Latest Practicable Date.
- (3) The P/NAV ratios of the Comparable Companies were computed based on their respective NAV attributable to shareholders of the respective companies as set out in their latest published financial results available as at the Latest Practicable Date. The P/Adjusted RNAV and P/Assumed Fully Diluted Adjusted RNAV ratios of the Company are computed based on Adjusted RNAV per Share and Assumed Fully Diluted Adjusted RNAV per Share respectively as at 31 January 2023.
- (4) For the Comparable Companies, EV is computed based on the latest available consolidated financial results and market capitalisation as at the Latest Practicable Date. EBITDA is computed based on a trailing 12-month basis from the latest available consolidated financial results as at the Latest Practicable Date. EV of the Company is based on the market capitalisation implied by the Offer Price, and the Group's latest unaudited consolidated financial results as at 31 January 2023. EBITDA of the Group is computed on a trailing 12-month basis based on the Group's audited and unaudited consolidated financial results for FY2022 and the 1H2023 respectively.

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(5) Not meaningful as the companies were in a net loss for their respective trailing 12-month period, and/or negative EV position based on their latest announced annual reports or financial results announcements.

For our evaluation of the Offer, we have made a comparison between the Group and the Comparable Companies using the P/NAV ratio, as the PER and EV/EBITDA of the Group, as implied by the Offer Price, were not meaningful due to net loss and negative EBITDA position in its trailing 12-month period based on its latest annual report and financial results announcement.

Based on the above, we note that the P/Adjusted RNAV and P/Assumed Fully Diluted Adjusted RNAV ratios of the Group of 0.37 time and 0.45 time respectively, as implied by the Offer Price, are within the range of the P/NAV ratios of the Comparable Companies, but lower than the average and median P/NAV ratios of the Comparable Companies.

8.5 Comparison with Selected Non-Privatisation Mandatory General Offer Transactions for Companies listed on the SGX-ST

In assessing the fairness and reasonableness of the Offer Price, we have compared the financial terms of the Offer with those of selected recently completed mandatory general offers for companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST, that were announced and completed, since 1 January 2020 and up to the Latest Practicable Date and wherein offerors had indicated their intention to preserve the listing status of the target companies (the “**Precedent Non-Privatisation Transactions**”).

This analysis serves as a general indication of the premium or discount of the respective offers without having regard to their specific transaction rationale, offeror’s intention, industry characteristics or other considerations.

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

The following is a brief description of the Precedent Non-Privatisation Transactions:

Company Name	Announcement date ⁽¹⁾	Premium / (Discount) of offer price over/(to) ⁽¹⁾ :					P/NAV P/RNAV ⁽²⁾ (times)	or
		Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)		
Tee Land Limited (now known as Amcorp Global Limited)	13 Jan 20	8.0	12.1	19.6	20.4	14.7	0.63	
Darco Water Technologies Limited	5 May 20	30.8	33.3	30.6	(15.9)	(20.5)	0.44	
Axington Inc	1 Jun 20	43.4	40.1	41.3	78.6	205.2	1.27	
TEE International Limited	7 Jul 20	12.7	12.7	25.2	(11.1)	(33.7)	0.95	

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Company Name	Announcement date ⁽¹⁾	Premium / (Discount) of offer price over/(to) ⁽¹⁾ :					P/NAV P/RNAV ⁽²⁾ (times)	or
		Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)		
Blumont Group Ltd. (currently known as Southern Archipelago Ltd.)	16 Nov 20	(80.0)	(79.4)	(80.6)	(80.0)	(82.1)	1.13	
Lum Chang Holdings Limited	17 Nov 20	8.6	8.6	8.7	8.8	10.3	0.52	
Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (currently known as Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited)	20 Dec 20	(5.3)	(0.7)	5.4	1.8	9.9	0.78	
Transit-Mixed Concrete Ltd (currently known as Abundante Limited)	20 Feb 21	75.0	85.9	88.9	75.0	77.7	0.93	
JEP Holdings Ltd.	21 Apr 21	-	0.7	1.3	1.7	0.7	0.94	
Lian Beng Group Ltd	14 Jun 21	6.4	7.1	1.6	6.6	11.4	0.33	
Sembcorp Marine Ltd	22 Sep 21	(5.9)	(8.0)	(29.8)	(47.0)	n.a. ⁽³⁾	0.47 ⁽⁴⁾	
Viking Offshore and Marine Limited (currently known as 9R Limited)	18 Nov 21	(88.9)	(87.6)	(91.1)	n.a. ⁽³⁾	n.a. ⁽³⁾	2.08	
Keong Hong Holdings Limited	21 Jan 22	3.8	7.9	11.1	11.0	12.7	0.50	
Procurri Corporation Limited	20 May 22	-	3.3	9.4	17.3	20.5	2.19	
Halcyon Agri Corporation Limited	16 Nov 22	42.4	64.2	68.7	71.0	69.8	1.12	
Revez Corporation Ltd.	7 Dec 22	(66.0)	(65.6)	(67.0)	(69.7)	(79.5)	0.83	
ICP Ltd	11 Jul 23	(12.5)	(24.7)	(29.3)	(28.6)	(28.6)	0.90	

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Company Name	Announcement date ⁽¹⁾	Premium / (Discount) of offer price over/(to) ⁽¹⁾ :				P/NAV or P/RNAV ⁽²⁾ (times)	
		Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)		12-month VWAP (%)
Sunrise Shares Holdings Ltd	19 Jul 23	(37.7)	(36.3)	(40.1)	(41.1)	(46.2)	1.20
Maximum		75.0	85.9	88.9	78.6	205.2	2.19
Average		(3.6)	(1.5)	(1.5)	(0.1)	8.9	0.96
Median		1.9	5.2	7.1	1.8	10.1	0.92
Minimum		(88.9)	(87.6)	(91.1)	(80.0)	(82.1)	0.33
The Company – Implied by the Offer Price	11 Aug 23	(2.2)	-	-	(1.1)	(5.3)	0.37 (based on Adjusted RNAV per Share as at 31 January 2023) 0.45 (based on Assumed Fully Diluted Adjusted RNAV per Share as at 31 January 2023)

Source: SGX-ST announcements, offer documents and circulars to shareholders in relation to the Precedent Non-Privatisation Transactions.

Notes:

- (1) Date of announcement and premium/(discount) of offer price over/ (to) the last transacted price and VWAPs refer to the date of the first announcement, including holding announcement, of offers and are extracted from the independent financial adviser's letter set out in the respective circulars and/or offer documents of the companies.
- (2) Based on the NAV per share or RNAV per share, where available, as published in the independent financial adviser's letter set out in the respective circulars of the companies.
- (3) Information not available in the relevant offer announcements, offer documents and/or circulars of the companies.
- (4) The independent financial adviser to Sembcorp Marine Ltd had arrived at a range of estimated revalued NAV of Sembcorp Marine Ltd as at 31 December 2021 of between S\$0.1697 and S\$0.2043 per share, and the offer price-to- revalued NAV per share (as implied by its offer price) would be between 0.39 times and 0.47 time.

Based on the above, we note the following:

- (i) the discounts of 2.2% to the last transacted price of the Shares on 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement Date, is within range and is more favourable than the average, but less favorable than the median for the Precedent Non-Privatisation Transactions. The respective discounts of 1.1% and 5.3% implied by the Offer Price to the VWAPs over the 6-month and 12-month periods prior to the Last Trading Date are within the range, but less favourable than the average and median premium or discount for the Precedent Non-Privatisation Transactions; and

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- (ii) the respective P/Adjusted RNAV of 0.37 time and P/Assumed Fully Diluted Adjusted RNAV of 0.45 time as implied by the Offer Price are within the range, but below the average and median P/NAV or P/RNAV ratios for the Precedent Non-Privatisation Transactions.

8.6 Estimated range of values of the Shares

As mentioned in the foregoing sections, we have evaluated various factors and considered, *inter alia*, the historical market prices of the Shares, the financial performance and financial position of the Group, as well as the valuation ratios of the Comparable Companies.

In view of the low trading liquidity of the Shares and the wide range of closing prices and VWAPs of the Shares, during the Reference Period, we have not considered the historical market prices of the Shares for the purpose of estimating a value range for the Shares.

Since the Group reported a trailing twelve months of net loss and negative EBITDA, we have also not considered earnings-based statistics (such as the PER and the EV/EBITDA ratios) for the purpose of estimating a value range for the Shares.

Considering that the Group, being in hotel management and hospitality investment business, is asset-heavy, we have therefore focused on asset-based statistics (namely the P/NAV or P/Adjusted RNAV) for the purpose of estimating a value range for the Shares. As set out in Section 8.3.2 of this IFA Letter, the Adjusted RNAV per Share as at 31 January 2023 was S\$0.240. As set out in Section 8.4 of this IFA Letter, the average and median P/NAV ratios of the Comparable Companies were 0.57 time and 0.49 time respectively.

We have estimated the range of value of the Shares to be between **S\$0.179** and **S\$0.189** per Share, based on the average of the implied values as follows. For illustration purpose, we have also set out the estimated range of value of the Shares, assuming all outstanding Warrants are exercised:

	Estimated range of values of the Shares (assuming none of the outstanding Warrants are exercised) (S\$)		Estimated range of values of the Shares (assuming all outstanding Warrants are exercised) (S\$)	
	Low	High	Low	High
Adjusted RNAV per Share	0.240	0.240	-	-
Assumed Fully Diluted Adjusted RNAV per Share	-	-	0.200	0.200
As implied by valuation statistics of Comparable Companies	0.118 ⁽¹⁾	0.137 ⁽²⁾	0.098 ⁽³⁾	0.114 ⁽⁴⁾
Average	0.179	0.189	0.149	0.157

Notes:

- (1) Computed based on applying the median P/NAV of the Comparable Companies to the Adjusted RNAV per Share as at 31 January 2023.
- (2) Computed based on applying the average P/NAV of the Comparable Companies to the Adjusted RNAV per Share as at 31 January 2023.

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- (3) Computed based on applying the median P/NAV of the Comparable Companies to the Assumed Fully Diluted Adjusted RNAV per Share as at 31 January 2023.
- (4) Computed based on applying the average P/NAV of the Comparable Companies to the Assumed Fully Diluted Adjusted RNAV per share as at 31 January 2023.

Based on the Adjusted RNAV per Share, the Offer price represents a discount of approximately 49.7% to 52.4% to the estimated range of values of the Shares of between S\$0.179 and S\$0.189 per Share.

For illustration purposes only, based on the Assumed Fully Diluted Adjusted RNAV per Share, the Offer price represents a discount of approximately 39.6% to 42.7% from the estimated range of values of the Shares between S\$0.149 and S\$0.157 per Share. We wish to highlight that the Warrants are out-of-the-money as at the Latest Practicable Date.

We wish to highlight that such asset-based analysis of the Group only provides an estimate of the value of the Group based on a hypothetical liquidation scenario, and has not taken into consideration other factors that may affect the value that can ultimately be realised by the Group. These include, but are not limited to, liquidation costs, taxes, time value of money, prevailing market conditions, legal and professional fees, regulatory requirements, contractual limitations and obligations, and the availability of buyers.

8.7 Valuation of the Warrants

The Warrants are listed and quoted on the Mainboard of the SGX-ST on 28 November 2022. We note that the Warrants traded on 32 out of 191 market days and traded in the range of S\$0.005 to S\$0.036 since listing of the Warrants to the Latest Practicable Date. Further, the average daily trading volume was 106,947², representing 0.1% of the total number of issued Warrants as at the Latest Practicable Date.

We note that the exercise price of the Warrant (the “**Exercise Price**”) of S\$0.09 represents a discount of approximately 2.2% to the last transacted price of S\$0.092 per Share as at 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement Date. Accordingly, the Warrants were in-the-money as at the Offer Announcement Date, and the intrinsic value of the Warrants was S\$0.002. However, the Exercise Price of S\$0.09 represents a premium of approximately 1.1% to the last closing price of S\$0.089 of the Shares on the Latest Practicable Date. Accordingly, the Warrants were out-of-the-money as at the Latest Practicable Date, and there was no intrinsic value of the Warrants.

In view of the above, and given that the Warrants are exercisable over a 5-year period commencing on the date of issue of the Warrants and expiring on the date immediately preceding 60 months from the date of the issue of the Warrants (i.e. 28 November 2027), there is time value to the Warrants. In this regard, we have considered the theoretical value of Warrants based on the Black-Scholes model, which is a common methodology used in the calculation of call warrants. The theoretical value of the Warrants is a function of, *inter alia*, the exercise price vis-à-vis the current price of the underlying Shares, the exercise period of the Warrants, the nature of the call option being an American call option (which can be exercised at any time prior to the expiry date of the Warrants), the risk-free interest rate, the dividend yield of the Shares and the price volatility of the underlying Shares. Accordingly, the theoretical value of the Warrants computed based on the Black-Scholes model may fluctuate significantly depending on the input to the above factors, and the actual market value of the Warrants may deviate significantly from the theoretical value of the Warrants.

² Based on total trading volume of the Warrants (excluding off-market transactions) and divided by the total number of days when the SGX-ST was open for trading, from the listing date of the Warrants to the Latest Practicable Date.

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Based on the Black-Scholes model as computed by Bloomberg L.P., the theoretical value of the Warrants is S\$0.067 as at the Latest Practicable Date. It should be noted that the theoretical value of the Warrants using the Black-Scholes model may not reflect the actual value of the Warrants to be transacted on the SGX-ST, and there can be no assurance that an active trading of the Warrants will ensue or that the Warrants will trade at or close to the theoretical value as suggested by the Black-Scholes model.

The Warrants Proposal Price thus represents a discount of approximately S\$0.057 or 85.1% to the theoretical value of the Warrants as at the Latest Practicable Date.

8.8 Other Relevant Considerations

8.8.1 Previous acquisitions of Shares and Warrants by the Offeror

We set out below the previous acquisitions of Shares and Warrants by the Offeror during the relevant period as set out in Section 5.1(f) of Appendix II of the Circular.

Date	No. of Acquired	Shares	No. of Warrants Acquired	Transaction Price per Share / Warrant (S\$)
24 May 2023	41,631,705 ⁽¹⁾		20,815,853 ⁽¹⁾	Nominal Consideration
27 June 2023	8,982,000		-	0.089
30 June 2023	650,800		-	0.087
11 July 2023	-		31,361,000	0.010
10 August 2023	41,921,533 ⁽²⁾		-	0.082

Notes:

- (1) Being the Shares and Warrants, which were transferred by Anone Holdings Pte. Ltd., a company controlled by the Offeror, to the Offeror as its sole shareholder on 24 May 2023, for nominal consideration.
- (2) Being the Sale Shares which the Offeror acquired pursuant to the Acquisition.

We note that the Offer Price represents premiums of approximately 1.1%, 3.4% and 9.8% to the price paid for previous acquisition of Shares by the Offeror on 27 June 2023, 30 June 2023 and 10 August 2023 respectively. The price paid for previous acquisition of Warrants by the Offeror on 11 July 2023 is equivalent to the Warrants Proposal Price.

Shareholders and Warrantheolders should note that the determination of the transaction prices relating to the previous acquisitions of the Shares and Warrants is dependent on the circumstances and market sentiment prevailing at the time of the acquisitions. Consequently, the above comparison merely serves as a general guide.

Securityholders who hold odd lots can take this opportunity to dispose of their odd lots by accepting the Offer or the Warrants Proposal in respect of their odd lots holdings without having to bear brokerage costs which may be disproportionate to the value of the odd lots.

8.8.2 Outlook of the Group

We note that the following statement on the significant trends and competitive conditions of the industry in which the Group operates, and any known factors or events that may affect the Group, for the next 12 months as disclosed in the Company's announcement on the unaudited interim financial results for 1H2023 on 8 March 2023:

"The easing of COVID-19-related international travel restrictions by most of the countries around the world is an encouraging sign of the road to recovery for the international hospitality and tourism industry. China was the largest contributor to South Korea's tourists figures before the pandemic. While South Korea has resumed issuing short-term visas for Chinese travellers and removed the requirement for on-arrival PCR tests for Chinese travellers, pre-departure tests are

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currently still a requirement and South Korea is not among the 20 countries for which China travel agencies can organise outbound group travel. Together with the limited flight frequency between China and South Korea and the resulting high airfare rates, an uplift of tourists' arrivals from China to pre-pandemic levels has yet to take place.

The on-going geopolitical instability in Europe and aftermath of COVID-19 are driving up energy prices and has caused price increases of most goods and services. The Group expects to continue to face higher operating costs which could weigh down the performance of the Group. The Group will continue to explore and execute strategies to overcome these challenges."

Shareholders and Warrantholders should take note of any update announcements on the business outlook of the Group which may be released or published after the Latest Practicable Date, which may be relevant to their consideration of the Offer and the Warrants Proposal.

8.8.3 Final Offer Price and no intention to revise the Offer Price

As set out in Section 2.1 of the Offer Document, Shareholders should note that the Offer Price of S\$0.09 per Share is final and the Offeror does not intend to revise the Offer Price.

8.8.4 The Offer and the Warrants Proposal are subject to Minimum Acceptance Condition

As set out in Section 2.4 of the Offer Document, the Offer is conditional upon the Offeror having received, by 5.30 p.m. (Singapore time) on the Closing Date, valid acceptances in respect of such number of Offer Shares which, when taken together with the number of Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and his Concert Parties, will result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50.0% of the voting rights attributable to the issued Shares as at the close of the Offer (including any voting rights attributable to new Shares issued or to be issued pursuant to the valid exercise of any Warrants prior to the close of the Offer).

As set out in Section 3.4 of the Warrants Proposal Letter, the Warrants Proposal is subject to: (a) the Minimum Acceptance Condition being met and the Offer becoming or being declared unconditional in all respects; and (b) the relevant Warrants continuing to be exercisable into new Shares. If the Offer lapses or is withdrawn or if the relevant Warrants cease to be exercisable into new Shares, the Warrants Proposal will lapse accordingly.

8.8.5 The Offer and the Warrants Proposal are mutually exclusive

As set out in Section 3.6 of the Warrants Proposal Letter, whilst the Warrants Proposal is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Warrants Proposal. The Offer and the Warrants Proposal are separate and are mutually exclusive. The Warrants Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if a Warrantholder exercises its Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, it may not accept the Warrants Proposal in respect of such exercised Warrants. Conversely, if a Warrantholder wishes to accept the Warrants Proposal in respect of its Warrants, it may not exercise those Warrants in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

8.8.6 The Offeror's intentions for the Company

As set out in Section 11 of the Offer Document, it is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST and carry on the existing businesses of the Company, and the Offeror presently has no intention to: (a) introduce any major changes to the existing business of the Company; (b) re-deploy the fixed assets of the Group; or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to further consider any options or opportunities which may present themselves and which the Offeror regards to be in the best interests of the Offeror and/or the Company.

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

As set out in Section 12.1 of the Offer Document, it is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares (excluding treasury shares) held in public hands falls below 10.0% and the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1105 of the Listing Manual, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted. However, the Offeror also reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the percentage of Shares (excluding treasury shares) held in public hands falls below 10.0%.

The Offeror presently has also no intention of exercising his right of compulsory acquisition under Section 215(1) of the Companies Act, should such right be available to him. However, as set out in Section 12.1 of the Offer Document, the Offeror reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

9. OUR OPINION

In arriving at our opinion in relation to the Offer and the Warrants Proposal, we have considered the views and representations made by the Directors and Management, and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the financial terms of the Offer and the Warrants Proposal. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

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

- (i) The Offer Price represents discounts of approximately 5.3% and 1.1% to the respective VWAPs of the Shares for the 12-month and 6-month periods prior to the Last Trading Date respectively, and represents a discount of approximately 2.2% to the closing price of the Shares as of 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement Date.

The Offer Price represents discount of approximately 1.1% to the VWAPs of the Shares for the period from 14 August 2023, being the first traded day after the Offer Announcement up to the Latest Practicable Date and represents a premium of approximately 1.1% over the closing price of the Shares on the Latest Practicable Date;

- (ii) The Offer Price represents a discount of 63.1% and 55.4% to the NAV per Share and Assumed Fully Diluted NAV per Share respectively as at 31 January 2023. The Offer Price represents a discount of 62.5% and 55.0% to the Adjusted RNAV per Share and the Assumed Fully Diluted Adjusted RNAV per Share respectively as at 31 January 2023;
- (iii) The respective P/Adjusted RNAV of 0.37 time and P/Assumed Fully Diluted Adjusted RNAV of 0.45 time, as implied by the Offer Price, is within the range of the P/NAV ratios of the Comparable Companies, but lower than the average and median P/NAV ratios of the Comparable Companies;
- (iv) The discount of 2.2% to the last transacted price of the Shares on 4 August 2023, being the last market day on which the Shares were traded prior to the Offer Announcement

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Date, is within range and is more favourable than the average, but less favourable than the median for the Precedent Non-Privatisation Transactions. The respective discounts of 1.1% and 5.3% implied by the Offer Price to the VWAPs over the 6-month and 12-month periods prior to the Last Trading Date are within the range, but less favorable than the average and median premium or discount for the Precedent Non-Privatisation Transactions;

- (v) The respective P/Adjusted RNAV of 0.37 time and P/Assumed Fully Diluted Adjusted RNAV of 0.45 time as implied by the Offer Price are within the range, but below the average and median P/NAV or P/RNAV ratios for the Precedent Non-Privatisation Transactions;
- (vi) The Offer Price is below the estimated range of values of the Shares as set out in Section 8.6 of this IFA Letter;
- (vii) The Offer Price represents premiums of approximately 1.1%, 3.4% and 9.8% to the price paid for previous acquisitions of Shares by the Offeror on 27 June 2023, 30 June 2023 and 10 August 2023 respectively; and
- (viii) The Warrants Proposal Price represents a discount of S\$0.057 or 85.1% to the theoretical value of the Warrants as at the Latest Practicable Date.

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

- (i) The Shares mainly traded above the Offer Price in the Reference Period;
- (ii) Trading liquidity on the Shares was low with the average daily trading volume on the Shares being less than 0.2% of the Free Float for each of the aforementioned periods in the Reference Period;
- (iii) The Group reported losses across the Period Under Review;
- (iv) The challenging outlook of the Group as disclosed in the Company's announcement on the unaudited interim financial results for 1H2023 on 8 March 2023;
- (v) The Offer Price of S\$0.09 per Share is final and will not be revised; and
- (vi) The Offeror's intentions for the Company.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the financial terms of both the Offer and the Warrants Proposal are on balance, not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders and Warranholders to **REJECT** the Offer and the Warrants Proposal.

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder and Warranholder. As different Shareholders and Warranholders would have different investment profiles and objectives, we recommend that any Shareholder and Warranholder who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

We wish to emphasise that the Directors have not provided us with any financial projections or forecasts in respect of the Company or the Group and we have, *inter alia*, relied on the relevant statements contained in the Offer Document, the Warrants Proposal Letter, the Circular,

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



confirmations, advice and representations by the Directors, the Management and/or their professional advisers (where applicable), and the Company's announcements in relation to the Offer and the Warrants Proposal. In addition, Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Offer and the Warrants Proposal, which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of the Offer and the Warrants Proposal *vis-à-vis* any alternative transactions previously considered by the Company or transactions that the Company may consider in the future.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer and the Warrants Proposal, but any recommendations made by the Independent Directors in respect of the Offer and the Warrants Proposal shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for the purposes (other than for the consideration of the Offer and the Warrants Proposal) at any time and in any manner without the prior written consent of ZICO Capital.

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

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh
Managing Director

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

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

Name	Address	Designation
Mr. Ang Kong Meng	c/o 10 Anson Road, #13-10, International Plaza, Singapore 079903	Non-Independent Non-Executive Chairman
Mr. Hor Siew Fu	c/o 10 Anson Road, #13-10, International Plaza, Singapore 079903	Independent Director
Ms. Yap Ming Choo	c/o 10 Anson Road, #13-10, International Plaza, Singapore 079903	Independent Director
Mr. Yuen Pei Lur, Perry	c/o 10 Anson Road, #13-10, International Plaza, Singapore 079903	Independent Director

2. REGISTERED OFFICE

The registered office of the Company is 10 Anson Road, #13-10, International Plaza, Singapore 079903.

3. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 28 July 1980. On 17 February 1994, the Company was listed on The Stock Exchange of Singapore Dealing and Automated Quotation System (now known as Catalist of the SGX-ST). On 23 November 2000, it was transferred to the Mainboard of the SGX-ST. The Group is principally engaged in the hotel operations, asset management and investment segments.

4. SHARE CAPITAL

4.1 Issued Share Capital

The Company has one (1) class of shares, being ordinary shares. As at the Latest Practicable Date and based on search conducted at the ACRA, the Company has an issued and paid-up share capital of S\$34,867,766.44 comprising 239,627,912 ordinary shares (excluding 829,600 treasury shares). The issued Shares are listed and quoted on the Mainboard of the SGX-ST.

As announced by the Company on the SGXNET on 5 June 2023 (“**Watch-List Announcement**”), the SGX-ST has notified the Company that it will be placed on the watch-list with effect from 6 June 2023. Please refer to the Watch-List Announcement for more details.

4.2 Capital, Dividends and Voting

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

4.3 New Issues

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 July 2023, being the end of the last financial year.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

4.4 Outstanding Convertible Securities

As at the Latest Practicable Date, the Company has 88,984,354 Warrants in issue. Each Warrant carries the right to subscribe for one new Share at an exercise price of S\$0.09 for each new Share. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants expires at 5.00 p.m. (Singapore time) on 28 November 2027.

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

5. DISCLOSURE OF INTERESTS AND DEALINGS

5.1 Shareholdings and Dealings

(a) **Interests of the Company in Offeror**

Not applicable as the Offeror is a natural person.

(b) **Dealings in Offeror by the Company**

Not applicable as the Offeror is a natural person.

(c) **Interests of the Directors in Offeror**

Not applicable as the Offeror is a natural person.

(d) **Dealings of the Directors in Offeror**

Not applicable as the Offeror is a natural person.

(e) **Interests of the Directors in Company Securities**

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

Director	Direct Interest		Indirect/Deemed Interest		Total Interest	
	Number of Shares/Warrants	%	Number of Shares/Warrants	%	Number of Shares/Warrants	%
Ang Kong Meng						
- Shares	103,496,338	43.19 ⁽¹⁾	–	–	103,496,338	43.19 ⁽¹⁾
- Warrants	50,000,053	56.19 ⁽²⁾	–	–	50,000,053	56.19 ⁽²⁾

Notes:

(1) Based on an issued share capital of 239,627,912 Shares excluding 829,600 treasury shares as at the Latest Practicable Date.

(2) Based on 88,984,354 outstanding Warrants, as at the Latest Practicable Date.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

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

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

Date	No. of Shares/ Warrants Acquired	No. of Shares/ Warrants Disposed	Price per Share/ Warrant (S\$)
24 May 2023	41,631,705 Shares ⁽¹⁾	–	Nominal Consideration
24 May 2023	20,815,853 Warrants ⁽¹⁾	–	Nominal Consideration
14 June 2023	–	4,000,000 Warrants	0.010
27 June 2023	8,982,000 Shares	–	0.089
30 June 2023	–	10,500,000 Warrants	0.009
30 June 2023	650,800 Shares	–	0.087
11 July 2023	31,361,000 Warrants	–	0.010
13 July 2023	–	2,256,700 Warrants	0.010
10 August 2023	41,921,533 Shares ⁽²⁾	–	0.082

Notes:

(1) Being Shares and Warrants which were transferred by Anone Holdings Pte. Ltd., a company controlled by Mr. Ang Kong Meng, to Mr. Ang Kong Meng as its sole shareholder on 24 May 2023, for nominal consideration.

(2) Please refer to Section 1.1(a) of the Circular for details of the Acquisition.

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

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

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

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

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

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

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

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

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

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

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

8. MATERIAL CONTRACTS WITH INTERESTED PERSONS

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

9. MATERIAL LITIGATION

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

10. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for FY2020, FY2021, FY2022 (based on the audited consolidated financial statements for each of FY2020, FY2021 and FY2022) and 1H2023 (based on the unaudited consolidated financial statements for 1H2023) is set out below.

The summary of the financial information of the Group as set out in this Paragraph 10 is extracted from, and should be read together with, the annual reports and relevant financial statements, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 10 Anson Road, #13-10, International Plaza, Singapore 079903 during normal business hours, during which the Offer remains open for acceptance.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

The audited consolidated financial statements of the Group for FY2022 are set out in Appendix III to this Circular.

10.1 Consolidated Statement of Profit or Loss and Comprehensive Income

	FY2020 S\$'000 (Audited)	FY2021 S\$'000 (Audited)	FY2022 S\$'000 (Audited)	1H2023 S\$'000 (Unaudited)
Revenue	2,714	1,040	1,921	1,655
Other income	668	684	206	143
	3,382	1,724	2,127	1,798
Fair value loss on short-term investments at fair value through profit or loss ("FVPL")	(808)	–	(307)	–
Loss on disposal of investments	(130)	–	–	(39)
Staff costs	(1,854)	(1,348)	(1,395)	(737)
Depreciation of property, plant and equipment and right-of-use assets	(845)	(1,251)	(998)	(473)
Finance costs	(935)	(892)	(617)	(27)
Hotel operating expenses	(1,272)	(653)	(867)	(778)
Impairment of freehold property	(1,940)	–	–	–
Other operating expenses	(2,080)	(1,132)	(1,285)	(437)
Loss before taxation	(6,482)	(3,552)	(3,342)	(693)
Taxation	730	(113)	36	–
Loss for the year/period	(5,752)	(3,665)	(3,306)	(693)
Other comprehensive loss:				
<i>Components of other comprehensive loss that will not be reclassified to profit or loss, net of taxation</i>				
Net loss on equity instruments designated at fair value through other comprehensive income	(560)	(1,597)	(350)	–
<i>Components of other comprehensive (loss)/income that will be reclassified to profit or loss, net of taxation</i>				
Foreign currency translation differences relating to foreign subsidiaries	(149)	579	(3,930)	192
Total other comprehensive (loss)/income for the year/period	(709)	(1,018)	(4,280)	192
Total comprehensive loss for the year/period	(6,461)	(4,683)	(7,586)	(501)
Loss attributable to:				
Owners of the Company	(5,752)	(3,665)	(3,306)	(693)
Total comprehensive loss attributable to:				
Owners of the Company	(6,461)	(4,683)	(7,586)	(501)
Loss per share attributable to owners of the Company:				
Basic loss per share (cents)	(2.63)	(1.67)	(1.51)	(0.32)
Diluted loss per share (cents)	(2.63)	(1.67)	(1.51)	(0.21)
Dividend per share (cents)	0.50	–	–	–

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

10.2 Consolidated Statement of Financial Position

	FY2022 S\$'000 (Audited)
ASSETS	
Non-current assets	
Property, plant and equipment	40,482
Right-of-use assets	103
Investment securities	2,748
Long-term receivables	6,167
Total non-current assets	49,500
Current assets	
Trade and other receivables	172
Prepayment	48
Investment securities	3,328
Cash and bank balances	8,274
Total current assets	11,822
TOTAL ASSETS	61,322
EQUITY AND LIABILITIES	
Equity attributable to owners of the Company	
Share capital	32,992
Reserves	25,032
Total equity	58,024
Non-current liabilities	
Loan and borrowing	1,500
Lease liabilities	48
Total non-current liabilities	1,548
Current liabilities	
Trade and other payables	635
Current tax payable	555
Loan and borrowing	500
Lease liabilities	60
Total current liabilities	1,750
Total liabilities	3,298
Net current assets	10,072
Net assets	58,024
TOTAL LIABILITIES AND EQUITY	61,322

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

10.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in Note 2 to the audited consolidated financial statements of the Group for FY2022, which is reproduced in Appendix III to this Circular.

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2022, the FY2022 Results, and the announcements released by the Company on the SGXNET), there are no significant accounting policies or any matters from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

10.4 Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2022, the FY2022 Results, and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

10.5 Material Changes in Financial Position

Save as disclosed in publicly available information on the Company and in this Circular (including but not limited to that contained in the annual report of the Company for FY2022, the FY2022 Results, and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 31 July 2022, being the date to which the Company's last published audited accounts were made up.

10.6 Material Changes in Information

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

11. VALUATION OF PROPERTY

The Group had commissioned Colliers to conduct a desktop valuation to determine the market value of the Property for financial reporting purposes. The Valuation Summary Letter is set out as Appendix V to this Circular.

Colliers had ascribed the market value of KRW36.7 billion or S\$37.9 million¹ as at 31 July 2023, based on the income approach (and cross-checked against the market approach).

The management of the Company represented that it expected a downward adjustment to the carrying value of the Property as at 31 January 2023 of approximately S\$2.4 million, which comprised mainly impairment loss of S\$1.0 million (arising from the independent valuation of the Property) and effect of movement in exchange rates of S\$1.3 million.

The Directors and the management of the Company confirmed that there will be no potential tax liability due to the aforementioned revaluation deficit of S\$2.4 million. The Group also has no intention to sell the Property as of the Latest Practicable Date.

12. COST AND EXPENSES

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

¹ Based on the exchange rate of S\$1:KRW969 as at 31 July 2023, as provided by the management of the Company.

APPENDIX III – AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2022

The audited consolidated financial statements of the Group for FY2022 which are set out below have been reproduced from the Company's annual report for FY2022, and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in the notes to the audited consolidated financial statements of the Group for FY2022 set out below shall have the same meanings given to them in the annual report of the Company for FY2022.

A copy of the annual report of the Company for FY2022 is available for inspection at the registered office of the Company at 10 Anson Road, #13-10, International Plaza, Singapore 079903 during normal business hours from the date of this Circular and for the period during which the Offer for Securities remains open for acceptance.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Datapulse Technology Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 July 2022.

1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Aw Cheok Huat
 Yee Chia Hsing (Appointed on 1 August 2022)
 Teo Choon Kow @ William Teo
 Choong Chee Peng Bert
 Lau Yan Wai

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>At beginning of financial year</u>	<u>At end of financial year</u>	<u>At beginning of financial year</u>	<u>At end of financial year</u>
<u>The Company</u>				
<u>Ordinary shares</u>				
Aw Cheok Huat	10,000	10,000	21,900,000	21,900,000

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures *(Continued)*

By virtue of Section 7 of the Act, Aw Cheok Huat is deemed to have an interest in all wholly owned subsidiaries of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 August 2022.

5. Share options

There were no options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under options granted by the Company as at the end of the financial year.

6. Audit committee

At the date of this statement, the Audit Committee ("AC") comprises of three members, of whom all, including the Chairman, are independent non-executive directors and have recent and relevant accounting and/or related financial management expertise or experience. The members are as follows:

Teo Choon Kow @ William Teo	Chairman, Independent Non-Executive Director
Choong Chee Peng Bert	Member, Independent Non-Executive Director
Lau Yan Wai	Member, Independent Non-Executive Director

The AC performs the functions specified by Section 201B(5) of the Singapore Companies Act, 1967, the SGX Listing Manual and the Code, and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The AC has held 3 meetings during the last financial year. The AC also oversees the overall policy setting and administration of the Company's whistle blowing policy and procedures, which serves to provide the employees of the Company a formal channel to raise concerns in confidence about possible improprieties in matters of financial reporting and other matters directly to the AC. All concerns can be reported by email or by letter to the AC Chairman's office which will then be forwarded to the AC Chairman of the Company. They will assess whether action or review is required.

In performing its functions, the AC meets periodically with the Company's external and internal auditors and with management to review accounting, auditing and financial reporting matters, as well as the Group's risk management and internal control systems covering financial, operational, compliance and information technology controls. In addition, the AC will meet with the Company's external and internal auditors without the presence of management at least once a year to discuss matters concerning the Group.

DIRECTORS' STATEMENT

6. Audit committee *(Continued)*

The duties of the AC, amongst others, include reviewing the following:

- internal and external auditors' audit plans and the scopes of examination;
- results of the audits and their effectiveness;
- independence and objectivity of the external auditors, taking into account the nature and extent of non-audit services performed by the external auditors;
- adequacy and effectiveness of the Group's risk management and internal control systems, including reporting to the Board at least annually the results of its review;
- making recommendation to the Board on proposals to shareholders on the terms of engagement, appointment, re-appointment, remuneration, and removal of external auditors;
- hiring, re-hiring, removal, evaluation and compensation of out-sourced internal auditors;
- periodic results announcements prior to their submission to the Board for approval;
- audited financial statements of the Group and the Company prior to their submission to the Board for approval;
- significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- all cases of whistle blowing, in particular, the adequacy and independence of investigation and resolution for those significant cases.

The AC has full access to management and senior executives, and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or senior executive to attend its meetings.

The AC may also examine, within its terms of reference, any matters pertaining to the Group's affairs and monitor the Group's compliance with legal, regulatory and contractual obligations.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

- The AC has reviewed and concurred with external auditors on the key audit matters identified. For more information on the key audit matters, please refer to page 69 to 72.

DIRECTORS' STATEMENT

6. Audit committee *(Continued)*

For the financial year under review, there are no non-audit services provided by the external auditors. The AC has met with the external and internal auditors without the presence of management. The aggregate amount of audit fees paid and payable by the Group to the external auditors for financial year ended 31 July 2022 was \$143,000. In appointing the audit firm, Mazars LLP, for the audit of financial year ended 31 July 2022, the AC is satisfied that the Company has complied with the requirements of Rules 712, 715 and 716 of the SGX Listing Manual. AC meetings are held regularly before the official announcement of results.

Having reviewed Mazars LLP's performance, the AC has recommended to the Board that Mazars LLP be nominated for re-appointment as auditors for the financial year ending 31 July 2023 at the forthcoming AGM of the Company.

7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Aw Cheok Huat
Director

Singapore

28 October 2022

Yee Chia Hsing
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Datapulse Technology Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 July 2022, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2022 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of Audit

For the audit of the current financial year's financial statements, we identified 6 significant components which required either full scope audit or specific audit of their financial information, either because of their size or/and their risk characteristics.

INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Scope of Audit *(Continued)*

These significant components were audited by other Mazars offices as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group’s financial statements as a whole.

Area of Focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates made by directors.

Key Audit Matters

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

Key audit matter 1	Our audit response
<p>Valuation of investment in unquoted equity investments (refer to Note 3.2, 11 and 21(d) to the financial statements)</p> <p>As at 31 July 2022, the Group has long-term investments in unquoted equity securities amounting to \$2.7 million which are carried at fair value through other comprehensive income in accordance with SFRS(I) 9 <i>Financial Instruments</i>. These investments pertain to a 15% interest and a 5% interest in entities holding hospitality assets, Travelodge Myeongdong Euljiro and Travelodge Harbourfront Singapore located in Seoul and Singapore, respectively.</p> <p>Management has performed the assessment in determining the fair value of these unquoted equity investments.</p>	<p>Our audit procedures included, and were not limited to the following:</p> <p>We obtained our understanding of the process and key controls over the Group’s valuation process.</p> <p>We obtained and reviewed management’s valuation of the unquoted equity investments by performing the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the valuation methodology in accordance with the requirements of SFRS(I) 13 <i>Fair Value Measurement</i>; • Evaluated the objectivity and competency of the independent valuer and read the terms of engagement to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the independent valuer;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

Key audit matter 1 (Continued)	Our audit response
<p>Valuation of investment in unquoted equity investments [refer to Note 3.2, 11 and 21(d) to the financial statements]</p> <p>In addition, as disclosed and explained in more detail in Note 3.2 <i>Key sources of estimation uncertainty</i>, there was an increase in the level of estimation uncertainty in determining the fair value of the unquoted equity investments as at 31 July 2022 arising from changes in market and economic conditions brought on by macro-economic factors.</p> <p>We have identified the valuation of unquoted equity investments as a key audit matter because of the significance of the carrying amounts and the use of significant management judgment and a range of estimates in determining the fair value of these unquoted equity investments.</p>	<p>We obtained and reviewed management's valuation of the unquoted equity investments by performing the following: (Continued)</p> <ul style="list-style-type: none"> • Read the valuation report, inquired with the management and the independent valuer, obtained explanations to support the selection of valuation methodology, valuation adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the cash flows and capitalisation rates; • Involved our internal valuation resources in assessing the appropriateness of the valuation methodology and the reasonableness of the valuation assumptions and inputs used by management as disclosed in Note 21(d) to the financial statements and performed sensitivity analysis on the fair value by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty in market and economic conditions brought on by macro-economic factors; and • Reviewed the adequacy of the disclosures in the financial statements relating to key sources of estimation uncertainty, unquoted equity investments, fair value of assets or liabilities, and level 3 fair value measurements, which are fundamental to users' understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the fair value, including information that the fair value of the unquoted equity investments recorded in the Group's balance sheet as at 31 July 2022 was estimated based on conditions prevailing on that date.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters (Continued)

Key audit matter 2	Our audit response
<p>Impairment assessment of freehold property classified under property, plant and equipment (refer to Note 3.2 and 9 to the financial statements)</p> <p>As at 31 July 2022, the Group's freehold property which comprise the land and building of Travelodge Myeongdong City Hall ("TLMC") in Seoul, South Korea, amounted to \$40.2 million.</p> <p>Management has engaged independent valuer to assist the Group in determining the recoverable amount of the freehold property.</p> <p>In addition, as disclosed and explained in more detail in Note 3.2 <i>Key sources of estimation uncertainty</i>, there was an increase in the level of estimation uncertainty in determining the recoverable amount of the freehold property as at 31 July 2022 arising from changes in market and economic conditions brought on by macro-economic factors.</p> <p>We have identified the impairment assessment of freehold property as a key audit matter due to the significance of the carrying amount of the property and the use of management judgment and a range of estimates in determining the recoverable amount of the freehold property.</p>	<p>Our audit procedures included, and were not limited to the following:</p> <p>We obtained and reviewed management's assessment of impairment indicators for the Group's freehold property.</p> <p>We obtained and reviewed management's assessment of the recoverable amount of the Group's freehold property by performing the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the methodology used by the independent valuer to estimate the value in use; • Evaluated the objectivity and competency of the independent valuer and read the terms of engagement to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the independent valuer; • Read the valuation report, inquired with the management and the independent valuer, obtained explanations to support the selection of methodology, adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the cash flows and capitalisation rates;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

Key audit matter 2 (Continued)	Our audit response
<p>Impairment assessment of freehold property classified under property, plant and equipment (refer to Note 3.2 and 9 to the financial statements)</p>	<p>We obtained and reviewed management's assessment of the recoverable amount of the Group's freehold property by performing the following: (Continued)</p> <ul style="list-style-type: none"> • Involved our internal valuation resources in assessing the appropriateness of the methodology and the reasonableness of the assumptions and inputs used by management as disclosed in Note 9 to the financial statements and performed sensitivity analysis on the recoverable amount by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty in market and economic conditions brought on by macro-economic factors; and • Reviewed the adequacy of the Group's disclosures in the financial statements relating to key sources of estimation uncertainty, and property, plant and equipment, which are fundamental to users' understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the recoverable amount, including information that the impairment recorded in the Group's financial statements as at 31 July 2022 was estimated based on conditions prevailing on that date.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

DATAPULSE TECHNOLOGY LIMITED • ANNUAL REPORT 2022

Report on the Audit of Financial Statements *(Continued)*

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

Report on the Audit of Financial Statements *(Continued)*

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Quek Siew Eng.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore

28 October 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Note	Group	
		2022 \$'000	2021 \$'000 (Reclassified)
Revenue	4	1,921	1,040
Other income	5	206	684
		<u>2,127</u>	<u>1,724</u>
Fair value loss on short-term investments at fair value through profit or loss ("FVPL")		(307)	–
Staff costs		(1,395)	(1,348)
Depreciation of property, plant and equipment and right-of-use assets		(998)	(1,251)
Finance costs	6	(617)	(892)
Hotel operating expenses		(867)	(653)
Other operating expenses		(1,285)	(1,132)
Loss before taxation	7	(3,342)	(3,552)
Taxation	8	36	(113)
Loss for the year		(3,306)	(3,665)
Other comprehensive loss:			
Components of other comprehensive loss that will not be reclassified to profit or loss, net of taxation			
Net loss on equity instruments designated at fair value through other comprehensive income		(350)	(1,597)
Components of other comprehensive loss that will be reclassified to profit or loss, net of taxation			
Foreign currency translation differences relating to foreign subsidiaries		(3,930)	579
Total other comprehensive loss, net of taxation		(4,280)	(1,018)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(7,586)	(4,683)
Loss attributable to:			
Owners of the Company		(3,306)	(3,665)
Total comprehensive loss attributable to:			
Owners of the Company		(7,586)	(4,683)
Loss per share attributable to owners of the Company			
Basic and diluted loss per share (cents)	19	(1.51)	(1.67)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	40,482	46,080	22	37
Right-of-use assets	10	103	59	103	59
Investment securities	11	2,748	3,098	-	-
Long-term receivables	13	6,167	5,629	-	-
Subsidiaries	12	-	-	54,810	35,795
Total non-current assets		49,500	54,866	54,935	35,891
Current assets					
Trade and other receivables	13	172	1,700	50	395
Prepayment		48	63	33	48
Investment securities	11	3,328	4,173	3,328	4,173
Cash and bank balances	14	8,274	29,346	7,137	27,500
Total current assets		11,822	35,282	10,548	32,116
TOTAL ASSETS		61,322	90,148	65,483	68,007
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	32,992	32,992	32,992	32,992
Reserves	15	25,032	32,618	29,659	32,180
Total equity		58,024	65,610	62,651	65,172
Non-current liabilities					
Loans and borrowings	17	1,500	1,958	1,500	1,958
Lease liabilities	10	48	6	48	6
Total non-current liabilities		1,548	1,964	1,548	1,964
Current liabilities					
Trade and other payables	18	635	749	204	215
Current tax payable		555	597	520	560
Loans and borrowings	17	500	21,174	500	42
Lease liabilities	10	60	54	60	54
Total current liabilities		1,750	22,574	1,284	871
Total liabilities		3,298	24,538	2,832	2,835
Net current assets		10,072	12,708	9,264	31,245
Net assets		58,024	65,610	62,651	65,172
TOTAL EQUITY AND LIABILITIES		61,322	90,148	65,483	68,007

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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Group	Attributable to owners of the Company					Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value adjustment reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	
Balance at 1 August 2021	32,992	(187)	(2,157)	(844)	35,806	65,610
Total comprehensive loss for the financial year						
Loss for the year	-	-	-	-	(3,306)	(3,306)
Other comprehensive loss						
Net loss on equity instruments designated at fair value through other comprehensive income	-	-	(350)	-	-	(350)
Foreign currency translation differences relating to foreign subsidiaries	-	-	-	(3,930)	-	(3,930)
Total other comprehensive loss	-	-	(350)	(3,930)	-	(4,280)
Total comprehensive loss for the financial year	-	-	(350)	(3,930)	(3,306)	(7,586)
Balance at 31 July 2022	32,992	(187)	(2,507)	(4,774)	32,500	58,024
Balance at 1 August 2020	32,992	(187)	(560)	(1,423)	39,471	70,293
Total comprehensive loss for the financial year						
Loss for the year	-	-	-	-	(3,665)	(3,665)
Other comprehensive loss						
Net loss on equity instruments designated at fair value through other comprehensive income	-	-	(1,597)	-	-	(1,597)
Foreign currency translation differences relating to foreign subsidiaries	-	-	-	579	-	579
Total other comprehensive loss	-	-	(1,597)	579	-	(1,018)
Total comprehensive loss for the financial year	-	-	(1,597)	579	(3,665)	(4,683)
Balance at 31 July 2021	32,992	(187)	(2,157)	(844)	35,806	65,610

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Note	Group	
		2022 \$'000	2021 \$'000 (Reclassified)
Operating activities			
Loss before taxation		(3,342)	(3,552)
Adjustments for:			
– Depreciation of property, plant and equipment and right-of-use assets	9, 10	998	1,251
– Finance costs	6	617	892
– Loss on disposal of property, plant and equipment		8	2
– Fair value loss/(gain) on short-term investment securities		307	(55)
– Interest income	5	(102)	(125)
Operating cash flows before movements in working capital		(1,514)	(1,587)
Changes in working capital:			
– Trade and other receivables		1,465	(85)
– Prepayment		15	50
– Short-term investment securities		538	687
– Trade and other payables		(95)	(464)
Cash generated from/(used in) operations		409	(1,399)
Tax paid		(6)	(153)
Net cash flows generated from/(used in) operating activities		403	(1,552)
Investing activities			
Shareholder loans to investee companies		(538)	(462)
Interest received		102	125
Proceeds from sale of property, plant and equipment		3	–
Purchase of property, plant and equipment	9	(33)	(1,901)
Net cash flows used in investing activities		(466)	(2,238)
Financing activities			
Interest paid		(615)	(881)
Proceeds from borrowings		–	2,000
Repayment of borrowings		(20,254)	(1,700)
Repayment of lease liabilities		(70)	(204)
Net cash flow used in financing activities		(20,939)	(785)
Net decrease in cash and cash equivalents		(21,002)	(4,575)
Cash and cash equivalents at beginning of financial year		29,346	33,886
Effect of exchange rate changes on balances held in foreign currency		(70)	35
Cash and cash equivalents at end of financial year	14	8,274	29,346

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

DATAPULSE TECHNOLOGY LIMITED • ANNUAL REPORT 2022

Reconciliation of asset/liabilities arising from financing activities

	1 August 2021 \$'000	Financing cash outflows \$'000	Non-cash movements			31 July 2022 \$'000
			Additions \$'000	Interest expenses \$'000	Foreign exchange movement \$'000	
Liabilities						
Bank borrowings	23,132	(20,869)	-	615	(878)	2,000
Lease liabilities	60	(70)	116	2	-	108
	1 August 2020 \$'000	Financing cash outflows \$'000	Non-cash movements			31 July 2021 \$'000
			Remeasurement adjustments \$'000	Interest expenses \$'000	Foreign exchange movement \$'000	
Liabilities						
Bank borrowings	22,328	(581)	-	881	504	23,132
Lease liabilities	311	(204)	(58)	11	-	60

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

1. GENERAL

Datapulse Technology Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 10 Anson Road, #13-10 International Plaza, Singapore 079903.

The principal activities of the Company are investment holding and investment trading. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 July 2022 were authorised for issue by the directors on the date of Directors' Statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including the related interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on a historical cost basis except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S\$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S\$'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 August 2021. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

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

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

SFRS(I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 3	Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

The Group does not intend to early adopt any of aforementioned SFRS(I). While they are still determining and finalising the impact, as of the date of preparation of this report, management does not expect a material impact from the adoption of the aforementioned accounting standards on the financial statements of the Group in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency transactions and translation

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

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

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

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

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

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

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (Continued)

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold property*	50 years
Office equipment	3 to 10 years
Furniture and fittings	5 to 10 years
Renovation	5 to 8 years

* Freehold land and building are collectively classified as "Freehold property".

No depreciation is charged on work-in-progress as they are not yet in use as at the end of the financial year.

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2.5 Impairment of non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.5 Impairment of non-financial assets *(Continued)*

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

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

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

2.6 Financial Instruments

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

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.12.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial Instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost

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

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

Effective interest method

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

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

Financial assets held at FVOCI

Investments in quoted corporate bonds are debt instruments and are subsequently measured at FVOCI as these are held within a business model whose objective is achieved by both collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and selling the financial assets. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss. Upon derecognition, the cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3, as subsequently measured at FVOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis. The Group has elected to designate investments in unquoted equity instruments at FVOCI. Upon derecognition, the cumulative fair value changes are transferred to accumulated profits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial Instruments (Continued)

Financial assets (Continued)

Financial assets held at FVOCI (Continued)

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Financial assets held at FVPL

A financial asset is subsequently measured at FVPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVOCI, or is irrevocably elected at initial recognition to be designated FVPL if, by designating the financial asset as FVPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial Instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.6 Financial Instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities

Initial recognition and measurement

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

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

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

Other financial liabilities

Trade and other payables

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

Borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.9). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial Instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantee to bank for banking facilities granted by the bank to certain investee and this guarantee qualify as financial guarantee because the Company is required to reimburse the bank if the investee breaches any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.

Derecognition of financial liabilities

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

2.7 Provisions

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

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

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

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

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Borrowing costs

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

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

2.10 Leases

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

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

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

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

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

Office space	2 years
Office equipment	5 years
Motor vehicles	2 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Leases (Continued)

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

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

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

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

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

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

2.11 Income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.11 Income tax *(Continued)*

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

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Revenue recognition

Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

(a) **Hotel operations revenue**

Revenue derived from hotel operations include rental of rooms and food and beverage sales.

(i) *Rental of rooms*

Revenue is recognised over time for the occupancy of rooms.

(ii) *Sales of food and beverages*

Revenue is recognised at the point of sales of food and beverages.

(b) **Dividend income**

Dividend income is recognised in profit or loss at a point in time when the Group's right to receive payment is established.

(c) **Interest income**

Interest income is recognised over time using the effective interest method.

(d) **Asset management revenue**

Revenue arising from the provision of asset management services are recognised when services are rendered over time.

(e) **Gains on disposal of investment securities at FVPL**

Profits from sale of investment securities at FVPL are recognised at a point in time upon conclusion of the contract for sale.

2.13 Government grants

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

2.14 Retirement benefit costs

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

The Group participates in the national pension schemes as defined by the respective laws and jurisdictions of the country. Subsidiaries incorporated in their respective countries are required to provide staff pension benefits to their employees under existing countries' legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

2.15 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.16 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.17 Contingencies

A contingent liability is:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Segment reporting

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

In the process of applying the Group's accounting policies, management has made the following judgments which has the most significant effect on the amounts recognised in the financial statements:

Classification of equity instruments as FVOCI

The Group intends to hold its unquoted equity instruments for an indefinite period and may sell the investment in response to liquidity needs or in response to changes in the market conditions. Therefore, management has concluded that these equity instruments are not held for trading and has elected to classify and measure these equity instruments at FVOCI.

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences its revenue streams and the economic environment. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate.

Taxation

The Group has exposure to income and other taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 31 July 2022 was \$555,000 (2021: \$597,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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

3.2 Key sources of estimation uncertainty

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

Impairment assessment for freehold property

The Group carries its freehold property at cost less accumulated depreciation and any accumulated impairment losses. Management reviews the carrying value of the freehold property and assesses if there is any indication of impairment in its freehold property by considering the related hotel asset's operating performance and evaluating if the hotel's performance is in line with the assumptions applied in the most recent hotel valuation.

In addition, management assesses, on an annual basis, whether there are triggering events, such as adverse changes in expected occupancy rates, discount rates, revenue growth rates and the competitive landscape in local markets, indicating potential impairment. Management engages an independent valuer in Singapore to determine the recoverable value of the freehold property. Management reviews the valuation carried out by the external valuer and adopts the valuation as recoverable value.

The determination of the recoverable value of the freehold property involves the use of a range of estimates (amongst others, capitalisation rates and discount rates) made by management and the independent valuer. The recoverable amount of the freehold property was based on its value-in-use and the pre-tax discount rate used was 7.25% (2021: 7.25%) per annum.

The carrying amount of the Group's freehold property at the end of the financial year is disclosed in Note 9 to the financial statements.

Impairment assessment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where applicable, the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 July 2022 was \$54,810,000 (2021: \$35,795,000) (Note 12).

Valuation of investments in unquoted equity instruments

The Group carries its investment in unquoted equity instruments at fair value, with changes in fair value being recognised in other comprehensive income.

The determination of the fair value of the unquoted equity instrument involves the use of a range of estimates (amongst others, capitalisation rates and discount rates) made by management and the external valuer. There was a level of estimation uncertainty in determining the valuation of the unquoted equity instrument as at 31 July 2022 arising from the changes in market and economic conditions brought on by macro-economic factors.

The carrying amount and key assumptions used to determine the fair value of the Group's unquoted equity instruments at the end of the financial year are disclosed in Note 21(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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4. REVENUE

	Note	Group	
		2022 \$'000	2021 \$'000
Revenue from contracts with customers	(a)	1,698	830
Gain on disposal of investment securities at FVPL		90	74
Dividend income from equity investments at FVPL		115	118
Interest income on bond investments at FVPL		18	18
		1,921	1,040

(a) Disaggregation of revenue:

Segments	Hotel operations		Asset management		Total revenue from contracts with customers	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Primary geographical markets						
Singapore	-	-	201	201	201	201
Korea	1,497	629	-	-	1,497	629
Total revenue from contracts with customers	1,497	629	201	201	1,698	830
Major revenue streams						
Hotel operations revenue						
- Room	1,450	535	-	-	1,450	535
- Food and beverage	6	49	-	-	6	49
- Others	41	45	-	-	41	45
Asset management fees	-	-	201	201	201	201
Total revenue from contracts with customers	1,497	629	201	201	1,698	830

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

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5. OTHER INCOME

	Group	
	2022 \$'000	2021 \$'000
Fair value gain on short-term investments at FVPL	–	55
Interest income	102	125
Other income	3	19
Government grants	101	485
	206	684

The Group has been awarded certain government grants for which the grant income was recognised in other income. The grant income relating to Jobs Support Scheme amounted to \$37,000 (2021: \$371,000), and the corresponding expenses were recognised in staff costs. Grant receivables of \$Nil (2021: \$302,000) were recognised in trade and other receivables (Note 13).

6. FINANCE COSTS

	Group	
	2022 \$'000	2021 \$'000
Interest expenses on leases liabilities (Note 10(c))	2	11
Interest expenses on bank borrowings	615	881
	617	892

7. LOSS BEFORE TAXATION

Loss before taxation for the year has been arrived at after charging the following items:

	Group	
	2022 \$'000	2021 \$'000
Audit fees	143	122
Professional fees	374	289
Annual repost and annual/extraordinary general meeting expenses	15	16
Central Depository and Singapore Exchange Listing expenses	89	52
Management fee expenses	156	166
Office reinstatement cost	24	–
Rebranding fees	–	53
Expenses relating to leases of low-value assets (Note 10(c))	52	12
Foreign exchange loss – net	25	1
Directors' fees	188	200
Directors' remuneration other than fees:		
– Directors of the Company	118	135
– Post-employment benefits – CPF contribution	6	5
Staff costs (excluding directors' remuneration)	1,083	1,008
Contributions to defined contribution plans, included in staff costs	68	83

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

8. TAXATION

	Group	
	2022 \$'000	2021 \$'000
Current tax expense		
Current financial year	-	8
Withholding tax arising from interest income from subsidiaries	46	172
Overprovision in respect of prior financial years	(82)	(415)
	(36)	(235)
Deferred tax expense		
Origination and reversal of temporary differences (Note 16)	-	348
Income tax (credit)/expenses	(36)	113

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2021: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year compared to the previous year.

Reconciliation of effective tax rate is as follows:

	Group	
	2022 \$'000	2021 \$'000
Loss before taxation	(3,342)	(3,552)
Tax at the domestic rates applicable to profits in the respective countries	(568)	(604)
Tax effects of:		
- Effect of different tax rates in other countries	(151)	(246)
- Income not subject to tax	(31)	(93)
- Non-deductible expenses	95	62
- Effect of partial tax exemptions and tax relief	-	(53)
- Tax losses for which no deferred tax assets are recognised	651	874
- Withholding tax arising from interest income from subsidiaries	46	172
- Overprovision in respect of prior financial years	(82)	(415)
- Write down of deferred tax assets	-	348
- Others	4	68
Total income tax (credit)/expense for the financial year	(36)	113

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FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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9. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land \$'000	Freehold building \$'000	Office equipment \$'000	Furniture and fittings \$'000	Work in progress \$'000	Renovation \$'000	Total \$'000
Cost							
At 1 August 2020	29,052	14,271	218	316	542	2,627	47,026
Additions	-	-	4	195	1,702	-	1,901
Disposals	-	-	-	(47)	-	-	(47)
Effect of movement in exchange rates	631	308	-	6	12	57	1,014
Reclassification	-	-	-	-	(2,256)	2,256	-
At 31 July 2021	29,683	14,579	222	470	-	4,940	49,894
Additions	-	-	8	25	-	-	33
Disposals	-	-	(80)	(13)	-	-	(93)
Effect of movement in exchange rates	(2,928)	(1,436)	(11)	(42)	-	(488)	(4,905)
At 31 July 2022	26,755	13,143	139	440	-	4,452	44,929
Accumulated depreciation							
At 1 August 2020	-	384	125	115	-	234	858
Depreciation charge for the year	-	297	10	99	-	655	1,061
Disposals	-	-	-	(45)	-	-	(45)
At 31 July 2021	-	681	135	169	-	889	1,874
Depreciation charge for the year	-	278	18	41	-	589	926
Disposals	-	-	(80)	(2)	-	-	(82)
Effect of movement in exchange rates	-	(73)	(3)	(18)	-	(117)	(211)
At 31 July 2022	-	886	70	190	-	1,361	2,507
Accumulated impairment loss							
At 1 August 2020, 31 July 2021 and 31 July 2022	-	1,940	-	-	-	-	1,940
Carrying amounts							
At 31 July 2021	29,683	11,958	87	301	-	4,051	46,080
At 31 July 2022	26,755	10,317	69	250	-	3,091	40,482

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 July 2021, the Group's freehold property with carrying amount of \$45,692,000 were pledged as security for a subsidiary's bank facility (Note 17). The pledge has been released during the year after the settlement of the bank loan in March 2022.

<u>Company</u>	<u>Office equipment \$'000</u>	<u>Furniture and fittings \$'000</u>	<u>Total \$'000</u>
Cost			
At 1 August 2020	130	21	151
Additions	4	–	4
At 31 July 2021	134	21	155
Additions	–	1	1
Disposals	(81)	(9)	(90)
At 31 July 2022	53	13	66
Accumulated depreciation			
At 1 August 2020	103	3	106
Depreciation charge for the year	10	2	12
At 30 July 2021	113	5	118
Depreciation charge for the year	7	1	8
Disposals	(80)	(2)	(82)
At 31 July 2022	40	4	44
Net carrying amount			
At 30 July 2021	21	16	37
At 30 July 2022	13	9	22

10. THE GROUP AS A LESSEE

The Group has commercial lease contracts for office space and a photocopier. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The leases generally have lease terms between two and five years. The Group is restricted from assigning and subleasing the leased assets to third parties.

Extension option

The Group has several lease contracts with extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management has exercised judgement in determining that these extension options are not reasonably certain to be exercised.

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10. THE GROUP AS A LESSEE (CONTINUED)

(a) Carrying amounts of right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Group and Company			Total \$'000
	Office space \$'000	Office equipment \$'000	Motor vehicles \$'000	
At 1 August 2020	254	11	42	307
Depreciation expense	(145)	(3)	(42)	(190)
Remeasurement adjustment	(58)	–	–	(58)
At 31 July 2021	51	8	–	59
Additions	116	–	–	116
Depreciation expense	(70)	(2)	–	(72)
At 31 July 2022	97	6	–	103

The total cash outflow for leases during the financial year ended 31 July 2022 is \$70,000 (2021: \$204,000).

(b) Lease liabilities

	Group and Company	
	2022 \$'000	2021 \$'000
Lease liabilities – current	60	54
Lease liabilities – non-current	48	6
	108	60

The maturity analysis of lease liabilities is disclosed in Note 23.

(c) Amount recognised in profit and loss

	Group and Company	
	2022 \$'000	2021 \$'000
Interest expenses on lease liabilities (Note 6)	2	11
Expenses relating to leases of low-value assets (Note 7)	52	12

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FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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12. SUBSIDIARIES

	Company	
	2022 \$'000	2021 \$'000
Shares, at cost	2	2
Amounts due from subsidiaries	67,412	47,147
Impairment loss	(12,604)	(11,354)
	54,810	35,795

The amounts due from subsidiaries were non-trade in nature, unsecured and interest-free. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future. These amounts were in substance part of the entity's net investment in the subsidiaries.

The movement in the impairment loss in respect of investment in subsidiaries during the year was as follows:

	Company	
	2022 \$'000	2021 \$'000
Beginning of financial year	11,354	6,100
Impairment losses recognised	1,250	5,254
End of financial year	12,604	11,354

During the year, an impairment loss amounting to \$1,250,000 (2021: \$5,254,000) was made in respect of the Company's amount due from subsidiaries after taking into account the current financial position of the subsidiaries. The Company's exposure to credit risks related to amount due from subsidiaries is disclosed in Note 23.

As at 31 July 2022, other than Datapulse Investment Pte. Ltd., the Group's other direct and indirect subsidiaries had net current liabilities.

The Company provided a letter of undertaking not to recall the amounts due from these subsidiaries until their respective cash flows permit, and to continue to provide financial support to enable these subsidiaries to meet their liabilities as and when they fall due, for at least twelve months from the issuance date of the financial statements for the year ended 31 July 2022.

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FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

12. SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of Subsidiary	Principal Activity	Country of incorporation	Effective equity held by the Company	
			2022 %	2021 %
Held directly by the Company				
Datapulse Investment Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Capiti Investments Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Capiti Asset Management Pte. Ltd. ⁽¹⁾	Provision of management services	Singapore	100	100
Held through Subsidiaries				
Capikor Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Datapulse Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
KPH Top Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
KPH Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
KPH 2 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
SPH Top Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
SPH 1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
RK One Hotel Management LLC ⁽²⁾	Hotel operations	Republic of Korea	100	100
IGIS Private Placement Real Estate Investment Trust No. 247 ⁽²⁾	Investment holding	Republic of Korea	100	100

(1) Audited by Mazars LLP, Singapore

(2) Audited by overseas member firm of Mazars LLP

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables				
– Third parties	33	–	–	–
Other receivables				
– Deposits	34	1,250	32	72
– Interest receivables	95	63	16	15
– GST/VAT receivables	7	57	2	6
– Grant receivables	–	302	–	302
– Others	3	28	–	–
Trade and other receivables (current):	172	1,700	50	395
Other receivables (non-current):				
Long-term receivables	6,167	5,629	–	–
Total trade and other receivables	6,339	7,329	50	395

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The trade receivables are unsecured, interest-free and has a credit term of 30 days (2021: 30 days).

The Group and the Company's exposure to credit risks related to trade and other receivables are disclosed in Note 23.

As at 31 July 2021, the deposits consisted of a term loan deposit of \$1,176,000 pledged to a bank for a term loan facility (Note 17). The term loan deposit was released by the bank upon the settlement of the term loan during the current financial year.

Long-term receivables relate to shareholder loans provided to two companies in which the Group has a 15% interest and 5% interest respectively. The long-term receivables are interest free, except for the amount of \$1,282,500 (2021: \$949,500) which bears an interest of 3.85% (2021: 3.85%) per annum.

14. CASH AND BANK BALANCES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Fixed deposits	6,494	25,652	6,494	25,652
Cash at bank and on hand	1,780	3,694	643	1,848
Cash and cash equivalents	8,274	29,346	7,137	27,500

The weighted average effective interest rate per annum relating to fixed deposits for the Group and Company is 0.65% (2021: 0.26%). Interest rates reprice upon maturity or rollover of the fixed deposits, at intervals of one to three months.

15. SHARE CAPITAL AND RESERVES

	2022	2021	2022	2021
Company	Number of ordinary shares with no par value		\$'000	\$'000
Issued and fully paid:				
At beginning and end of financial year	219,904,444	219,904,444	32,992	32,992

All shares (excluding treasury shares) rank equally with regards to the Company's residual assets. All issued shares are fully paid, with no par value.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

15. SHARE CAPITAL AND RESERVES (CONTINUED)

Use of proceeds from private placement

On 11 June 2015, through a private placement exercise, the Company allotted and issued 65,000,000 new ordinary shares to Lian Beng Group Ltd at an issue price of \$0.11235 per share. The placement took place prior to the Company's share consolidation of every three existing issued ordinary shares in the capital of the Company into one ordinary share on 1 December 2015. Total proceeds of \$7,302,750 were raised, of which \$57,596 was utilised for expenses incurred for the issue of the new ordinary shares. The net proceeds of \$7,245,154 are intended to be used for property related businesses, of which an aggregate amount of \$4,939,570 (2021: \$4,939,570) had been utilised for capital expenditure incurred for TLMC as at 31 July 2022 and 2021.

Reserves

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Foreign currency translation reserve	(4,774)	(844)	-	-
Treasury shares	(187)	(187)	(187)	(187)
Fair value adjustment reserve	(2,507)	(2,157)	-	-
Retained earnings	32,500	35,806	29,846	32,367
	25,032	32,618	29,659	32,180

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Treasury shares

The reserve for the Company's own shares comprises the cost of the Company's shares acquired and held by the Group. As at 31 July 2022, the Group held 829,600 (2021: 829,600) of the Company's shares.

Fair value adjustment reserve

The fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity instruments at FVOCI until they are disposed.

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16. DEFERRED TAX

Deferred tax are attributable to the following:

	Group and Company	
	2022	2021
	\$'000	\$'000
Beginning of financial year	-	348
Charged to profit or loss	-	(348)
End of financial year	-	-

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets relate to the same tax authority.

The following deductible temporary difference has not been recognised:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Tax losses	11,048	8,173	3,282	2,573

The tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which the Company and certain subsidiaries operate. At 31 July 2022, deferred tax assets have not been recognised in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group and the Company can utilise the tax losses.

Included in unrecognised tax losses are losses of \$112,000, \$2,311,000, \$2,668,000, \$2,329,000 that will expire in August 2029, August 2035, August 2036, August 2037 respectively. Other losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

17. LOANS AND BORROWINGS

		Group		Company	
	Maturity	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Current					
Korean won ("KRW") loan at financial					
	2022	-	21,132	-	-
	2026	500	42	500	42
		500	21,174	500	42
Non-current					
	2026	1,500	1,958	1,500	1,958
Total loans and borrowings		2,000	23,132	2,000	2,000

* FD (AAA) is the average rate of such FD (AAA) published by Korea Financial Investment Association for 10 consecutive Banking days immediately preceding the loan drawdown date.

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17. LOANS AND BORROWINGS (CONTINUED)

The 2.75% p.a. fixed rate SGD bank loan is repayable over 60 monthly instalments and repayment commences in August 2021.

As at 31 July 2021, the KRW loan was secured by a fixed charge over certain freehold land and building of a subsidiary with a carrying amount of \$45,692,000 (Note 9) and a corporate guarantee from the Company. The pledge has been released during the year after the settlement of the bank loan in March 2022.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables	71	48	-	-
Accrued operating expenses	434	468	132	139
Amounts due to subsidiaries (non-trade)	-	-	27	27
Interest payables	3	93	3	-
Other payables	127	140	42	49
	635	749	204	215

The Group and the Company's exposure to liquidity risks related to trade and other payables are disclosed in Note 23.

The trade payables are unsecured, interest-free and has a credit term of 30 days (2021: 30 days).

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

19. LOSS PER SHARE

The calculation of basic and dilutive loss per share at 31 July was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Loss attributable to ordinary shareholders

	Group	
	2022 \$'000	2021 \$'000
Loss attributable to ordinary shareholders	(3,306)	(3,665)

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19. LOSS PER SHARE (CONTINUED)

Weighted average number of ordinary shares

	Group	
	Number of shares	
	2022	2021
Issued shares at 31 July	219,904,444	219,904,444
Effect of own shares held	(829,600)	(829,600)
Weighted average number of ordinary shares in issue during the financial year	<u>219,074,844</u>	<u>219,074,844</u>

20. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of services, with each reportable operating segment representing strategic business units that offers different services and serves different markets. The reportable operating segments are as follows:

- i. The "Investments Holding" segment relates to the holding of long-term investments.
- ii. The "Investments" segment relates to the trading in short-term investments.
- iii. The "Asset Management" segment relates to the provision of asset management services to the Group's hospitality assets.
- iv. The "Hotel" segment relates to hotel operations.

These are managed separately because they require different operating and marketing strategies, given that they operate in and serve customers in different geographical areas. For each of these, the Group's Executive Director (the chief operating decision-maker) reviews internal management reports on a monthly basis.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

20. SEGMENT INFORMATION (CONTINUED)

Segment results, assets and liabilities include items directly attributable to a segment.

Information about reportable segments

	Investment Holding \$'000	Investment \$'000	Asset Management \$'000	Hotel \$'000	Adjustment/ Elimination \$'000	Note	Total \$'000
31 July 2022							
Revenue:							
External customers	-	223	201	1,497	-		1,921
Inter-segment revenue	351	-	-	1,257	(1,608)	A	-
Total revenue for reporting segments	<u>351</u>	<u>223</u>	<u>201</u>	<u>2,754</u>	<u>(1,608)</u>		<u>1,921</u>
Results:							
Fair value loss on short-term investments at FVPL	-	(307)	-	-	-		(307)
Interest income	30	60	-	12	-		102
Government grants	37	-	-	64	-		101
Finance costs	(57)	-	-	(560)	-		(617)
Depreciation of property, plant and equipment and right-of-use assets	(81)	-	-	(917)	-		(998)
Reportable segment loss before income tax	(1,454)	(24)	(141)	(1,723)	-		(3,342)
Tax credit	22	-	14	-	-		36
Additions to non-current assets	117	-	-	32	-	B	149
Reportable segment assets	<u>16,494</u>	<u>3,328</u>	<u>92</u>	<u>41,408</u>	<u>-</u>		<u>61,322</u>
Reportable segment liabilities	<u>2,886</u>	<u>-</u>	<u>6</u>	<u>406</u>	<u>-</u>		<u>3,298</u>
31 July 2021							
Revenue:							
External customers	-	210	201	629	-		1,040
Inter-segment revenue	381	-	-	1,784	(2,165)	A	-
Total revenue for reporting segments	<u>381</u>	<u>210</u>	<u>201</u>	<u>2,413</u>	<u>(2,165)</u>		<u>1,040</u>
Results:							
Fair value gain on short-term investments at FVPL	-	55	-	-	-		55
Interest income	29	87	-	9	-		125
Government grants	374	-	-	111	-		485
Finance costs	(18)	-	-	(874)	-		(892)
Depreciation of property, plant and equipment and right-of-use assets	(202)	-	-	(1,049)	-		(1,251)
Reportable segment (loss)/ profit before income tax	(1,085)	352	(204)	(2,615)	-		(3,552)
Tax expenses	(113)	-	-	-	-		(113)
Additions to non-current assets	4	-	-	1,897	-	B	1,901
Reportable segment assets	<u>36,972</u>	<u>4,173</u>	<u>82</u>	<u>48,921</u>	<u>-</u>		<u>90,148</u>
Reportable segment liabilities	<u>2,886</u>	<u>-</u>	<u>6</u>	<u>21,646</u>	<u>-</u>		<u>24,538</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

20. SEGMENT INFORMATION (CONTINUED)

Information about reportable segments (Continued)

Notes:

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of additions to property, plant and equipment and right-of-use assets.

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of assets.

	Group	
	2022 \$'000	2021 \$'000
Revenue		
Singapore	424	411
Korea	1,497	629
	1,921	1,040
Non-current assets		
Singapore	9,040	8,823
Korea	40,460	46,043
	49,500	54,866

21. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the financial year:

	Quoted prices in active markets for identical assets (Level 1) \$'000	Group		Total \$'000
		Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
2022				
Assets measured at fair value				
Financial assets				
Investment securities at FVPL (Note 11)				
- Quoted equity investments	138	-	-	138
- Quoted debt investments	3,190	-	-	3,190
Total quoted securities	3,328	-	-	3,328
Investment securities at FVOCI (Note 11)				
- Unquoted equity investments	-	-	2,748	2,748
Financial assets as at 31 July 2022	3,328	-	2,748	6,076
2021				
Assets measured at fair value				
Financial assets				
Investment securities at FVPL (Note 11)				
- Quoted equity investments	681	-	-	681
- Quoted debt investments	3,492	-	-	3,492
Total quoted securities	4,173	-	-	4,173
Investment securities at FVOCI (Note 11)				
- Unquoted equity investments	-	-	3,098	3,098
Financial assets as at 31 July 2021	4,173	-	3,098	7,271

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21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets measured at fair value (Continued)

	Quoted prices in active markets for identical assets (Level 1) \$'000	Company		Total \$'000
		Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
2022				
Assets measured at fair value				
Financial assets				
Investment securities at FVPL (Note 11)				
- Quoted equity investments	138	-	-	138
- Quoted debt investments	3,190	-	-	3,190
Financial assets as at 31 July 2022	3,328	-	-	3,328
2021				
Assets measured at fair value				
Financial assets				
Investment securities at FVPL (Note 11)				
- Quoted equity investments	681	-	-	681
- Quoted debt investments	3,492	-	-	3,492
Financial assets as at 31 July 2021	4,173	-	-	4,173

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years ended 31 July 2022 and 2021.

(c) Level 1 fair value measurements

The fair value of quoted investment securities (Note 11) are determined directly by reference to their published market bid price at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs [Level 3]:

Description	Fair Value at 31 July 2022	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
<i>Financial assets at fair value through other comprehensive income</i>				
Unquoted equity investment (Travelodge Myeongdong Euljiro)	2,732	Adjusted Net Asset Value ⁽¹⁾ and Income Capitalisation Approach	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - Long term Average Daily Rate (ADR) growth rate⁽³⁾ - Discount rate⁽²⁾ 	Not applicable - 5.25% - 75% to 86% - 2.8% - 7.25%
Unquoted equity investment (Travelodge Harbourfront Singapore)	16	Adjusted Net Asset Value ⁽¹⁾ and Income Capitalisation Approach	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - Long term ADR growth rate⁽³⁾ - Discount rate⁽²⁾ 	Not applicable - 3.75% - 75% to 87% - 2% - 5.75%
Description	Fair Value at 31 July 2021	Valuation techniques	Key unobservable inputs	Range
Recurring fair value measurements				
<i>Financial assets at fair value through other comprehensive income</i>				
Unquoted equity investment (Travelodge Myeongdong Euljiro)	3,082	Adjusted Net Asset Value ⁽¹⁾ and Income Capitalisation Approach	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - Long term Average Daily Rate (ADR) growth rate⁽³⁾ - Discount rate⁽²⁾ 	Not applicable - 5.25% - 70% to 85% - 2% - 7.25%
Unquoted equity investment (Travelodge Harbourfront Singapore)	16	Adjusted Net Asset Value ⁽¹⁾ and Average of direct capitalisation method and direct comparison method	<ul style="list-style-type: none"> - Capitalisation rate⁽²⁾ - Occupancy rate⁽³⁾ - Long term ADR growth rate⁽³⁾ - Discount rate⁽²⁾ - Comparable price⁽⁴⁾ 	Not applicable - 3.5% - 70% to 88% - 2% - 7.00% - \$259,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (Continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (Continued)

- (1) The fair values of unquoted equity investments are determined by reference to the underlying assets value of the investee company. As at 31 July 2022, the underlying assets value of the investee company mainly comprises the land and building, which is valued using the income capitalisation approach (2021: income capitalisation approach, average of direct capitalisation method and direct comparison method) for the respective unquoted investments.
- (2) An increase/(decrease) in the capitalisation rate and/or discount rate would result in a (decrease)/increase in the fair value of the unquoted equity investments.
- (3) An increase/(decrease) in the occupancy rate and/or long-term ADR growth rate would result in an increase/(decrease) in the fair value of the unquoted equity investments. In view of the Coronavirus (COVID-19) pandemic and other macro-economic factors, management has forecasted a return to stabilised occupancy and long-term ADR in the financial year ended 31 July 2024.
- (4) An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the unquoted equity investments.

A 1% increase/decrease in the property valuation based on management's assumptions would result in a \$87,000 and \$132,000 (2021: \$94,000 and \$131,000) higher/lower fair value measurement of the unquoted equity investments in TLME and TLHS respectively.

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

Group	Financial assets at FVOCI (Unquoted equity investments)	
	2022 \$'000	2021 \$'000
Beginning of financial year	3,098	4,695
Total gains or losses for the financial year		
– Fair value loss recognised in other comprehensive income	(350)	(1,597)
End of financial year	2,748	3,098

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 3 fair value measurements (Continued)

(iii) Valuation policies and procedures

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations in light of the prevailing conditions at 31 July 2022 and 2021.

The analysis and results of the external valuations are then reported to the Those Charged with Governance for approval.

During the financial year, there is no change in the applicable valuation techniques except for those disclosed above.

COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally had impacted the Group's business due to the travel restrictions implemented. In view of the current situation arising from the pandemic, it is not possible to estimate the impact of the post near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses.

Market conditions are changing daily at present. The values of the unquoted equity investments recorded in the consolidated statements of financial position determined by reference to fair values at 31 July 2022 and 2021 were estimated based upon conditions prevailing on that date.

(e) **Asset and liabilities not carried at fair value and whose carrying amount are a reasonable approximation of fair value**

The carrying amounts of the current financial assets and liabilities, including trade and other receivables, cash and bank balances, and trade and other payables approximate their respective fair values.

The carrying amounts of long-term receivables, lease liabilities and loans and borrowings approximate their fair values because they are repriced to or approximate the market interest rates near the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

22. SIGNIFICANT RELATED PARTIES TRANSACTIONS

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

22. SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONTINUED)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group and Company	
	2022	2021
	\$'000	\$'000
Remuneration of key management personnel		
Short-term employee benefits	298	340
Post-employment benefits	30	35
Directors' fees	188	200
	516	575

Key management personnel are the Directors and key personnel having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Risk management framework

The Group's activities expose it to credit risk, market risks (including foreign currency risk and equity price risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Risk management policy

Credit risk is the potential financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's respective maximum exposure to credit risk. The Group and the Company do not hold any collateral in respect of their financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

Risk management policy (Continued)

The Group has established credit limits for customers and monitors their balances. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments that are past due 90 days, based on the Group's historical estimate.

To assess whether there is a significant increase in credit risk, the Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Actual or expected significant changes in the operating results of the counterparty

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- There is a disappearance of an active market for that financial asset because of financial difficulty.

(a) Trade receivables

The Group applied the simplified approach and recognised lifetime expected credit losses for all trade receivables based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on similar loss pattern. The expected credit losses also incorporated forward looking information such as forecast of economic conditions.

The Group has assessed the expected credit losses recognised for the financial years ended 31 July 2022 and 2021 to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

Risk management policy (Continued)

(b) Other receivables and long-term receivables

As of 31 July 2022, the Group recorded other receivables and long-term receivables amounted to \$132,000 (2021: \$1,341,000) and \$6,167,000 (2021: \$5,629,000), respectively. The Group assessed those debtors' credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group used the general approach and estimated the 12-months expected credit losses and determined that ECL was insignificant.

(c) Amounts due from subsidiaries

As of 31 July 2022, the Company recorded an amount due from subsidiaries of \$67,412,000 (2021: \$47,147,000) consequent to an extension of loans to the subsidiaries. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 July 2022. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis and consequent to their assessment, concluded that these receivables were of low credit risk other than the credit impaired amount of \$12,604,000 (2021: \$11,354,000).

With reference to Note 25, the Company provides financial guarantee to certain bank in respect of bank facility granted to certain investee. The date when the Company becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facility, the Company considered the change in the risk that the specified debtor (i.e. the applicable subsidiary) will default on the contract. The Company assessed that the credit risk relating to the financial guarantee is insignificant to the Company.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk on an ongoing basis and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group	Effective interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
2022					
Financial assets:					
Investment securities	-	3,328	2,748	-	6,076
Long term receivables	3.85%	-	198	6,286	6,484
Trade and other receivables*	-	165	-	-	165
Cash and bank balances	-	8,274	-	-	8,274
Total undiscounted financial assets		<u>11,767</u>	<u>2,946</u>	<u>6,286</u>	<u>20,999</u>
Financial liabilities:					
Trade and other payables#	-	(635)	-	-	(635)
Loans and borrowings	2.75%	(549)	(1,564)	-	(2,113)
Lease liabilities	3.00%	(60)	(48)	-	(108)
Total undiscounted financial liabilities		<u>(1,244)</u>	<u>(1,612)</u>	<u>-</u>	<u>(2,856)</u>
Total net undiscounted financial assets		<u>10,523</u>	<u>1,334</u>	<u>6,286</u>	<u>18,143</u>
2021					
Financial assets:					
Investment securities	-	4,173	3,098	-	7,271
Long term receivables	3.85%	36	146	5,717	5,899
Trade and other receivables*	-	1,341	-	-	1,341
Cash and bank balances	-	29,346	-	-	29,346
Total undiscounted financial assets		<u>34,896</u>	<u>3,244</u>	<u>5,717</u>	<u>43,857</u>
Financial liabilities:					
Trade and other payables#	-	(749)	-	-	(749)
Loans and borrowings	2.75%-3.83%	(21,776)	(2,070)	-	(23,846)
Lease liabilities	3.00%	(54)	(6)	-	(60)
Total undiscounted financial liabilities		<u>(22,579)</u>	<u>(2,076)</u>	<u>-</u>	<u>(24,655)</u>
Total net undiscounted financial assets		<u>12,317</u>	<u>1,168</u>	<u>5,717</u>	<u>19,202</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

Exposure to liquidity risk (Continued)

Company	Effective interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	Total \$'000
2022				
Financial assets:				
Amount due from subsidiaries	-	54,808	-	54,808
Trade and other receivables*	-	48	-	48
Cash and bank balances	-	7,137	-	7,137
Total undiscounted financial assets		61,993	-	61,993
Financial liabilities:				
Trade and other payables#	-	(204)	-	(204)
Loans and borrowings	2.75%	(549)	(1,564)	(2,113)
Lease liabilities	3.00%	(60)	(48)	(108)
Total undiscounted financial liabilities		(813)	(1,612)	(2,425)
Total net undiscounted financial assets/ (liabilities)		61,180	(1,612)	59,568
2021				
Financial assets:				
Amount due from subsidiaries	-	35,793	-	35,793
Trade and other receivables*	-	87	-	87
Cash and bank balances	-	27,500	-	27,500
Total undiscounted financial assets		63,380	-	63,380
Financial liabilities:				
Trade and other payables#	-	(215)	-	(215)
Loans and borrowings	2.75%	(97)	(2,070)	(2,167)
Lease liabilities	3.00%	(54)	(6)	(60)
Total undiscounted financial liabilities		(366)	(2,076)	(2,442)
Total net undiscounted financial assets/ (liabilities)		63,014	(2,076)	60,938

Excluding deposits received

* Excluding grant receivables and GST/VAT receivables

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Note	Group	
		2022 \$'000	2021 \$'000
<i>Financial assets at fair value through profit or loss</i>			
Quoted equity investments	11	138	681
Quoted debt investments	11	3,190	3,492
		3,328	4,173
<i>Financial assets at amortised cost</i>			
Long-term receivables	13	6,167	5,629
Trade and other receivables	13	165	1,341
Cash and bank balances	14	8,274	29,346
		14,606	36,316
<i>Financial assets at fair value through other comprehensive income</i>			
Unquoted equity investments	11	2,748	3,098
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	18	635	749
Loans and borrowings	17	2,000	23,132
Lease liabilities	10	108	60
		2,743	23,941
		Company	
	Note	2022 \$'000	2021 \$'000
<i>Financial assets at fair value through profit or loss</i>			
Quoted equity investments	11	138	681
Quoted debt investments	11	3,190	3,492
		3,328	4,173
<i>Financial assets at amortised cost</i>			
Amount due from subsidiaries	12	54,808	35,793
Trade and other receivables	13	48	87
Cash and bank balances	14	7,137	27,500
		61,993	63,380
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	18	204	215
Loans and borrowings	17	2,000	2,000
Lease liabilities	10	108	60
		2,312	2,275

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

Equity and debt price risk

The Group is exposed to equity and debt price risk arising from its investment in quoted investment securities. These investment securities are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore and are classified as held for trading financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Sensitivity analysis for equity and debt price risk

At the end of the financial year, if the price of the shares held had been 2% (2021: 2%) higher/lower with all other variables held constant, the Group's loss before tax would have been \$67,000 (2021: \$83,000) lower/higher, arising as a result of lower/higher fair value losses on quoted investment securities.

Currency risk

Risk management policy

The Group is exposed to currency risk on sales, purchases and cash holdings that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Korean won ("KRW").

There is no formal hedging policy with respect to foreign exchange exposures. Exposures to currency risk are monitored on an ongoing basis and the Group endeavours to keep the net exposures at an acceptable level, by buying or selling foreign currencies at forward rates when necessary to address short-term imbalances.

The Group's and Company's monetary assets and monetary liabilities exposures to currency risk arise primarily from its bank balances and exposures are insignificant.

24. CAPITAL MANAGEMENT

In managing the capital of the Group, the Board aims to maintain a capital structure which balances the need to maximise the rate of return on capital and at the same time safeguard the Group's ability to continue as a going concern in the long term, maintain investors, creditors and market confidence, and sustain future development of the business.

The Group defines capital as share capital and reserves.

The Group manages the level of capital in proportion to risk and future business development requirements while balancing the need to maximise the return on capital. The Group does not stipulate the desired level of capital. It monitors and manages its capital structure on an ongoing basis and makes adjustments to it in light of changes in economic conditions, risk characteristics of the underlying assets and performance of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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24. CAPITAL MANAGEMENT (CONTINUED)

As part of the capital management process, the Group may adjust its level of dividends, issue new shares and/or return capital to shareholders, where appropriate. The Board takes into consideration the cash position and business and capital requirements of the Group when determining the level of dividends to pay shareholders. From time to time, the Company may also purchase its own shares from the market or off-market; the timing of these purchases depends on market conditions and prices.

There was no change to the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to any externally imposed capital requirement.

25. CONTINGENT LIABILITIES

Guarantee

The Company has guaranteed its subsidiary's share of contingent liabilities, amounting to \$5,724,000 (KRW4,867,500,000 equivalent), which had been incurred jointly with other investors by the trustee of Korea Investment Private Placement Business Hotel REIT No. AI861. The contingent liabilities pertain to a bank loan undertaken to finance the acquisition of Travelodge Myeongdong Euljiro (Note 11).

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to the prior year's financial statements to enhance comparability with the current year's financial statements.

	Group	
	As previously reported 31.7.2021 \$'000	As reclassified 31.7.2021 \$'000
<i>Consolidated statement of profit or loss and other comprehensive income</i>		
Hotel operating expenses	(303)	(653)
Other operating expenses	(1,482)	(1,132)
<i>Consolidated statement of cash flows</i>		
<i>Operating activities</i>		
<u>Changes in working capital:</u>		
Trade and other receivables	(547)	(85)
<i>Investing activities</i>		
Shareholder loans to investee companies	-	(462)
<i>Financing activities</i>		
Interest paid	-	(881)
Proceeds from borrowings	-	2,000
Repayment of borrowings	(581)	(1,700)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

27. DEVELOPMENT OF COVID-19 OUTBREAK AND ITS CORRESPONDING IMPACT ON THE GROUP

As the COVID-19 situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

28. SUBSEQUENT EVENT

Subsequent to the financial year ended 31 July 2022, the Company announced on 29 September 2022 that it is proposing to undertake a renounceable non-underwritten rights issue of up to 109,537,422 warrants ("**Rights Warrants**") at an issue price of \$0.01 for each Rights Warrant, on the basis of one (1) Rights Warrant for every two (2) existing ordinary shares ("**Shares**") held by the shareholders of the Company. Each Rights Warrant carries the right to subscribe for one (1) new Share at an exercise price of \$0.09. The estimated net proceeds arising from the issuance of the Rights Warrants are expected to range between \$107,000 and \$885,000. The estimated net proceeds arising from the exercise of the Rights Warrants by the shareholders are expected to range between \$2,859,000 and \$9,858,000.

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the Company’s registered address at 10 Anson Road, #13-10, International Plaza, Singapore 079903 during normal business hours from the date of this Circular and for the period during which the Offer for Securities remains open for acceptance.

1. Rights in respect of capital

ISSUE OF SHARES

8. Subject to the Act and these Regulations, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Regulation 49, 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 shares or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit and subject to applicable laws and such limitations thereof as may be prescribed by the Exchange, as applicable, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:
- (i) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same;
 - (ii) (subject to any direction to the contrary which may be given by the Company in General Meeting or except as permitted under the Listing Manual), any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and provisions of the second sentence of Regulation 49(1) with such adaptations as are necessary shall apply; and
 - (iii) any other issue of shares, the aggregate of which would exceed the limits referred to in Regulation 49(2), shall be subject to the approval of the Company in General Meeting.
9. (1) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Exchange or any stock exchange upon which shares of the Company may be listed. In such an event, the total number of preference shares shall not exceed the total number of issued ordinary shares at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and financial statements and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.
- Rights attached to certain shares

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.
10. 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.

VARIATION OF RIGHTS

11. (1) If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act and applicable laws and the rules of the Listing Manual and such other limitations as may be prescribed by the Exchange (as applicable), whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holder of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of these Regulations relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting.
- (2) The repayment of preference capital other than redeemable preference or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the Meeting, shall be as valid and effectual as a special resolution carried at the Meeting.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Regulations as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith.
13. (1) The Company may pay such commissions or brokerage as may be lawful on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission 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.

Variation of rights

Rights of Preference Shareholders

Creation or issue of further shares with special rights

Power to pay commission and brokerage

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (2) Any expenses (including commissions or brokerage) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company’s share capital. Such payment shall not be taken as reducing the amount of share capital in the Company.
14. If any shares of the Company 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, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. Power to charge interest on capital
15. (1) Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Nothing contained in these Regulations concerning or relating to the Depository or the Depository Agents or Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or in response to a notice pursuant to the Act or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or the Depository Agents or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust. Exclusion of equities
- (2) Shares may be registered in the name of an incorporated company or other corporate body. Who may be members
16. (1) The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or administrators of the estate of a deceased Member. Joint Holders
- (2) If two or more persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.
- (3) Only the person whose name stands first in the Register of Members or, (as the case may be) in the Depository Register, as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such persons shall be deemed notice to all the joint holders.

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 17. | No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share. | Fractional part of a share |
| 18. | If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. | Payment of instalments |

SHARE CERTIFICATES

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| 19. | The certificate of title to shares or debentures in the capital of the Company shall be issued under the Seal or signed in the manner set out in the Act and shall be issued in accordance with the requirements of the Act. | Share certificates |
| 20. | Shares must be allotted within 10 Market Days of the final closing date for an issue of shares. Certificates registered in the name of CDP or its nominee must be despatched within 5 Market Days of the date of allotment. CDP must dispatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within 10 Market Days after lodgement of any transfer. Every Member shall be entitled to receive share certificates in reasonable denomination for his holding and where a charge is made for certificates, such charge shall not exceed two dollars. Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu and the Member shall pay a fee not exceeding S\$2 for each such new certificate as the Directors may determine. Provided that where the Member is a Depositor, the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement. | Entitlement to certificate |
| 21. | (1) Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss. | New certificates may be issued |

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (2) When any shares under the powers in these Regulations herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.
- New certificate in place of one not surrendered

TRANSFER OF SHARES

22. Subject to these Regulations, any person entered in the Register of Members as the registered holder of shares may transfer all or any of his shares but every transfer must be in writing and in the form for the time being approved by the Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the Exchange.
- Form of transfer of shares
23. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is CDP shall not be ineffective by reason of it not being signed or witnessed for by or on behalf of CDP. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members.
- Execution
24. No share shall in any circumstances be transferred to any infant, bankrupt or person who is incapable of managing himself or his affairs.
- Person under disability
25. (1) 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 Exchange but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give notice to both the transferor, the transferee and the lodging broker written notice of their refusal to register the transfer and the precise reasons therefor within 10 Market Days after the date when the transfer was lodged with the Company.
- Directors' power to decline to register
- (2) The Directors may decline to register any instrument of transfer unless:–
- (i) such fee not exceeding S\$2 as the Directors may from time to time require, is paid to the Company in respect thereof;
 - (ii) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (iii) the instrument of transfer is in respect of only one class of shares.

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

26. (1) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same. Retention of transfers
- (2) The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six 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 years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall be conclusively presumed in the 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 documents so destroyed was duly and properly made and every instrument of transfer so destroyed and was a valid instrument 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 that:–
- (i) the Company shall adequately record for future reference the information required to be contained in any company records;
 - (ii) 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;
 - (iii) 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 circumstances which would not attach to the Company in the absence of this Regulation; and
 - (iv) references herein to the destruction of any document include references to the disposal thereof in any manner.
27. The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, provided always that such Register shall not be closed for more than thirty days in any year. Provided always that the Company shall give prior notice of such closure as may be required to the Exchange, stating the period and purpose or purposes for which the closure is made. Closing of Register
28. (1) Nothing in these Regulations shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person. Renunciation of allotment

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (2) 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.
- (3) The provisions in these Regulations relating to the transfer, transmission or certification of shares shall not apply to the transfer of book-entry securities.

Indemnity against wrongful transfer

Book entry securities

TRANSMISSION OF SHARES

29. (1) In case of the death of a Member whose name is entered in the Register of Members, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him.
- (2) In the case of the death of a Member who is a Depositor, the survivor, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the share; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
30. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Regulations relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.

Transmission on death

Person becoming entitled on death or bankruptcy of Member may be registered

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| 31. | Save as otherwise provided by or in accordance with these Regulations, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share. The Directors may at the time give notice requiring any such person to elect whether to be registered himself as a member in the Register of Members or, (where the person entered in the Register of Members as the registered holder of a share is the Depository), entered in the Depository Register or to transfer the share and if the notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with. | Rights of unregistered executors and trustees |
| 32. | There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share, such fee not exceeding S\$2 as the Directors may from time to time require or prescribe. | Fee for registration of probate, etc. |

CALL ON SHARES

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| 33. | The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days’ notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. | Calls on shares |
| 34. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. | Time when made |
| 35. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding twelve per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. | Interest on calls |
| 36. | Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for the purposes of these Regulations be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | Sum due to allotment |
| 37. | The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments. | Power to differentiate |

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

38. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls’ then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in General Meeting eight percent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.
- Payment in advance of calls

FORFEITURE AND LIEN

39. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expense which may have accrued.
- Notice requiring payment of calls
40. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
- Notice to state time and place
41. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
- Forfeiture on non-compliance with notice
42. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorize some person to transfer a forfeited or surrendered share to any such person as aforesaid.
- Sale of shares forfeited
43. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at twelve per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.
- Rights and liabilities of Members whose shares have been forfeited or surrendered

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

44. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all unpaid calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. Company’s lien
45. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. Sale of shares subject to lien
46. The net proceeds of sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the unpaid and accrued interest and expenses and the residue (if any) paid to the Member entitled to the share at the time of sale or his executors, administrators or assigns, as he may direct. Application of proceeds of such sale
47. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under Seal or signed in the manner set out in the Act for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share, or (where the person entered in the Register of Members as the registered holder of a share is the Depository) in the Depository Register in respect of the share, and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share. Title to shares forfeited or surrendered or sold to satisfy a lien

ALTERATION OF CAPITAL

48. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of these Regulations and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise. Rights and privileges of new shares

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49. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting, or except as permitted under the listing rules of the Exchange, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances 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) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.
- Issue of new shares to Members
- (2) Notwithstanding Regulation 49(1), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolutions, to:
- (a) (i) issue 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:
- (aa) 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) does not exceed 50 per cent, (or such other limit as may be prescribed by the Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (bb) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed 20 per cent, (or such other limit as may be prescribed by the Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (bb) below);

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- (bb) (subject to such manner calculation as may be prescribed by the Exchange) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (aa) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time the Ordinary Resolution is passed, after adjusting for:
- (i) new shares arising upon the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time the Ordinary Resolution is passed; and
 - (ii) any subsequent consolidation or subdivision of shares;
- (cc) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these presents; and
- (dd) (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 and the listing rules of the Exchange (whichever is the earliest).
- (3) Notwithstanding Regulation 49(1) above but subject to the Act, the Directors shall not be required to offer any 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 in such manner as they think most beneficial to the Company.
50. Except so far as otherwise provided by the conditions of issue or by the Regulations, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of these Regulations with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
51. Subject to applicable laws and the rules of the Listing Manual and such other limitations as may be prescribed by the Exchange (as applicable), the Company may by Ordinary Resolution:–
- (i) consolidate and divide all or any of its shares;
 - (ii) subdivide its shares or any of them (subject, nevertheless, to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (iii) subject to the provisions of the Act, convert its share capital or any class of shares from one currency to another currency.

New shares otherwise subject to provisions of Regulations

Power to consolidate, cancel and subdivide shares

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| 52. | (1) Subject to applicable laws and the rules of the Listing Manual and such other limitations as may be prescribed by the Exchange (as applicable), the Company may by Special Resolution:–

(i) reduce its share capital, or any other undistributable reserve in any manner; and

(ii) convert any class of shares into any other class of shares.

(2) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. Any share that is so purchased or acquired by the Company shall be dealt with in accordance with the provisions of the Act and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time | Power to reduce capital |
| 53. | The Company may by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares. | Power to convert into stock |
| 54. | 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 previously 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. | Transfer of stock |
| 55. | The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of the stock units which would not if existing in shares have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. | Rights of stockholders |
| 56. | All provisions of these Regulations applicable to paid up shares shall apply to stock and the words “share” and “shareholder” or similar expression herein shall include “stock” or “stockholder”. | Interpretation |

BONUS ISSUE AND CAPITALISATION OF PROFITS AND RESERVES

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| 144. | (1) The Directors may, with the sanction of the Company by way of an Ordinary Resolution, including any Ordinary Resolution passed pursuant to Regulation 8:–

(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 | Power to capitalize profits |
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- (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 8) such other date as may be determined by the Directors.

in proportion to their then holdings of shares; and

- (b) capitalise any sum for the time being standing to the credit of any of the Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of the 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) 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 8) such other date as may be determined by the Directors,

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

- (2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Regulation 144(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter, on behalf of all the Members interested, into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (3) In addition and without prejudice to the powers provided for by Regulations 144(1) and 144(2), the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

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WINDING UP

164. (1) If the Company is wound up (whether the liquidation is voluntary, under supervision or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit, and the liquidation of the Company may be closed and the Company dissolved, but no Member shall be compelled to accept any shares or other securities in respect of which there is a liability. Distribution of assets in specie
- (2) If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, at the commencement of the winding up, on the shares in respect which they are Members respectively. If in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid-up on the shares in respect which they are Members respectively. This Regulation is to be without prejudice to the rights of the holders or Depositors of shares issued upon special terms and conditions. Distribution of assets in winding up

2. Rights in respect of dividends

DIVIDENDS AND RESERVES

127. The Directors may, with the sanction of the Company, by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company. Payment of dividends
128. Subject to the rights of holders of shares with special rights as to dividend (if any) and except as otherwise permitted under the Act, 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 shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid up shares. For the purpose of this Regulation only, no amount paid or credited as paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly. Apportionment of dividends

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| 129. | If, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit. | Payment of preference and interim dividends |
| 130. | No dividend or other moneys payable on or in respect of a share shall bear interest against the Company. | Dividends not to bear interest |
| 131. | 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. | Deduction of debts due to Company |
| 132. | The Directors may retain any dividend or other moneys 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. | Retention of dividends on shares subject to lien |
| 133. | The Directors may retain the dividends payable on shares in respect of which any person is under these shares Regulations, as to the transmission of shares, entitled to become a Member, or which any person under these Regulations is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same. | Retention of dividends on shares pending transmission |
| 134. | 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 unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but 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 years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable. | Unclaimed dividends |
| 135. | 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, and 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 and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. | Payment of dividend in specie |

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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 of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct provided that where the Member is a Depositor, the payment by the Company to CDP of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. 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 if purporting to be endorsed or the receipt of any such person 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.
- Dividends payable by cheque

SCRIP DIVIDEND SCHEME

137. Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors subject to compliance with the Listing Manual 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 137;
 - (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

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- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect of which the 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 available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.
138. (a) The ordinary shares allotted pursuant to the provisions of Regulation 137 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 Regulation 137, with full power to make such provisions as they may 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 authorise any person to enter on behalf of all the Members interested into an agreement(s) 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.
139. The Directors may, on any occasion when they resolve as provided in Regulation 137, determine 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, Regulations 137 to 141 shall be read and construed subject to such determination.

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140. The Directors may, on any occasion when they resolve as provided in Regulation 137, further determine that no allotment of shares or rights of election for ordinary shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members (or as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
141. Notwithstanding the foregoing Regulations 137 to 141, if at any time after the Directors’ resolution to apply the provisions of Regulation 137 in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefore, as they deem fit, cancel the proposed application of Regulation 137.
142. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer. Effect of transfer

RESERVES

143. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund, any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it not prudent to divide Power to carry profit to reserve

3. Rights in respect of voting

GENERAL MEETINGS

57. (1) The Company shall hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting at such time and place in Singapore subject to and in accordance with the provisions of the Act. Annual General Meeting
- (2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. Extraordinary General Meetings

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58. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.
- Calling of Extraordinary General Meetings

NOTICE OF GENERAL MEETING

59. (1) Any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company, shall be called by twenty-one days’ (or by such other period as may be prescribed by the Act or the Exchange) notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days (or by such other period as may be prescribed by the Act or the Exchange) notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen days’ notice of such Meeting shall be given by advertisement in the daily press and in writing to the Exchange. Provided that a General Meeting, notwithstanding that it has been called by shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:–
- (i) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (ii) in the case of an Extraordinary General Meeting by that number or majority in number of the Members having a right to attend and vote thereat as is required by the Act.
- (2) The accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.
60. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.
- (2) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.
- (3) In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.
- Contents of notice
- Notice of Annual General Meeting
- Nature of special business to be specified

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61. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:– Routine business
- (i) declaring dividends;
 - (ii) reading, considering and adopting the financial statements, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the financial statements;
 - (iii) appointing Auditors and fixing the remuneration of Auditors or determining the manner in which such remuneration is to be fixed; and
 - (iv) electing Directors in place of those retiring by rotation or otherwise and fixing the remuneration of the Directors.

All other business to be transacted at any General Meeting of the Company shall be deemed to be special business.

62. Any notice of a 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. Special business

PROCEEDINGS AT GENERAL MEETINGS

63. No business shall be transacted at any General Meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two Members present in person shall form a quorum. For the purpose of this Regulation, “Member” includes a person attending by proxy or by attorney or as representing a corporation which is a Member but shall, as required by the Act, exclude the Company where it is a Member by reason of its holding of Treasury Shares. Provided That (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum. Quorum
64. If within half an hour from the time appointed for the Meeting 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 at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within half an hour from the time appointed for holding the Meeting, the Meeting shall be dissolved. Adjournment if quorum not present
65. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members. Resolutions in writing
66. The Chairman of the Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or Deputy Chairman or if at any Meeting he is not present within fifteen minutes after the time appointed for holding the Meeting or is unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting or; if no Director is present or if all the Directors present decline to take the Chair, one of their number present to be Chairman. Chairman

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

67. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. Adjournment
68. If required by the Listing Manual, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Exchange). Mandatory Polling
69. Subject to Regulation 68, at any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:–. Method of voting where mandatory polling not required
- (i) by the Chairman (being a person entitled to vote thereat); or
 - (ii) by at least five Members present in person or by proxy or in the case of a corporation by a representative and entitled to vote thereat or any combination of at least five such Members or proxies; or
 - (iii) by any Member or Members present in person by proxy, or where such a Member has appointed two proxies, any one of such proxies, or in the case of a corporation by a representative, or any number or combination of such Members or proxies, holding or representing (as the case may be) not less than five per cent. of the total voting rights of all the Members having the right to vote at the Meeting; or
 - (iv) by a Member or Members present in person or by proxy, or where such a Member has appointed two proxies, any one of such proxies or in the case of a corporation by a representative or any number or combination of such Members or proxies, holding or representing not less than five per cent. of the total number of paid-up shares in the Company (excluding Treasury Shares) conferring a right to vote at the Meeting,
- Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution has been carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.
70. If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers who shall be independent of the persons undertaking the polling process and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll
71. 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 Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. Votes counted in error

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

72. Save as provided below, in the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as a proxy of a Member. Chairman’s casting vote
73. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Timing for taking a poll
74. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded. Continuance of business after demand for a poll

VOTES OF MEMBERS

75. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares in accordance with these Regulations and for the time being forming part of the capital of the Company and to Regulation 10 each Member entitled to vote may vote in person or by proxy or attorney or in the case of a corporation by a representative. Every member who is present in person or in proxy shall:
- (a) on a poll, have one vote for every share which he holds or represents; and
 - (b) on a show of hands, have one vote, Provided Always That:–
 - (i) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands;
 - (ii) 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.
76. Where there are joint registered holders of any share any one of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or (as the case may be) the Depository Register, in respect of such share shall alone be entitled to vote in respect thereof. 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. Voting rights of joint holders
77. A Member of who becomes incapable of managing himself or his affairs or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy-two hours before the time appointed for holding the Meeting. Voting rights of Members of unsound mind

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

78. Subject to the provisions of these Regulations, every Member either personally or by attorney or in the case of a corporation by a representative and every proxy shall be entitled to be present and to vote at any General Meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid provided that where a Member is a Depositor, the Depositor shall only be entitled to attend any general meeting and to speak and vote thereat if his name is shown in the Depository Register maintained by CDP at a time not earlier than seventy-two hours prior to the time of the relevant general meeting (the “cut off time”) as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled then to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at the cut-off time, according to the records of CDP as supplied by CDP to the Company, or where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares specified by the Depositor in the instrument of proxy, or where the balance standing to a Depositor’s Securities Account has been apportioned between two proxies the aggregate number of shares specified by the Depositor in the instruments of proxy, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

Right to vote

A Member who has deposited an instrument appointment 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.

79. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive.
80. 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 a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Objections

Votes on a poll

PROXIES

81. (1) 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 appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy; and

Appointment of proxies

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (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 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 instrument of proxy.
- (2) 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, have regard to the instructions (if any) given and the notes (if any) set out in the instrument of proxy.
82. A proxy need not be a Member of the Company, and shall be entitled to vote on a show of hands on any matter at any General Meeting. Proxy need not be a Member
83. (1) An instrument appointing a proxy for any Member shall be in writing in any usual form or any other form which the Directors may approve and:– Instrument appointing a proxy
- (i) in the case of an individual Member, shall be (A) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or (B) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
- (ii) in the case of a Member which is a corporation, shall be either (A) given under its common seal or signed in the manner set out in the Act or signed on its behalf by an attorney or duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or (B) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.
- (2) The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the Member or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy: Delivery of instrument of proxy to Company
- (i) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting;
- (ii) 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 meeting,

in either case not less than seventy-two hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used failing which the instrument may be treated as invalid.

APPENDIX IV – RELEVANT EXTRACTS FROM THE COMPANY’S CONSTITUTION

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| (3) | The signature of such instrument need not be witnessed. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor. | Signature need not be witnessed |
| (4) | The Directors may, for the purposes of Regulations 83(1)(i)(B) and 83(1)(ii)(B), approve the method and manner for an instrument appointing to be authorised and designate procedures for authenticating any such instrument, for application to such Members or class of Members as they may determine and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company. Where the Directors do not so approve and designate in relation to a Member (whether a class of otherwise), Regulation 83(1)(i)(A) and/or (as the case may be) 83(1)(ii)(A) shall apply. | Directors' discretion to authorise and authenticate |
| (5) | The Director 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 83(1)(ii). Where the Directors do not so specify in relation to a Member (whether of a class of otherwise), Regulation 83(1)(i) shall apply. | Directors' discretion in specifying means of electronic delivery |
| 84. | An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with Regulation 83 for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Unless otherwise instructed, the proxy will vote as he thinks fit. | Form of proxies |
| 85. | A vote given in accordance with the terms of an instrument of proxy (which for the purposes of these Regulations shall also include a power of attorney) shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, 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) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. | Intervening death or insanity of principal not to revoke proxy |
| 86. | 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 Meeting of the Company or of any class of Members of the Company and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purpose of these Regulations and 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 or signed in the manner set out in the Act as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation. | Corporations acting by representatives |

APPENDIX V – VALUATION SUMMARY LETTER

Colliers International Consultancy &
Valuation (Singapore) Pte Ltd
RCB No: 198105965E

MAIN 65 6223 2323
EMAIL govinda.singh@colliers.com

12 Marina View
#19-02 Asia Square Tower 2
Singapore 018961



VALUATION SUMMARY

- Property** : Travelodge Myeongdong City-Hall
22 Sejong-daero, 16-gil, Jung-gu,
Seoul, Republic of Korea
- Client** : Datapulse Technology Limited
- Purpose** : Financial reporting purposes
- Brief Description** : Completed in 2013 and rebranded to the "Travelodge" brand in 2020, the subject property is a modern 11-storey building and consists of 129 rooms. The property is positioned at the mid-market hotel level, traditionally mainly attracting leisure guests and groups. Facilities within the property include a cafe, spa and sauna, meeting rooms and a coin laundromat.

The hotel is located in the Central Business District ("CBD") of Seoul, approximately 500 metres south of Seoul City Hall. More specifically, the Property is along Sejong-daero 14-gil, within the neighbourhood known as Bukchang-dong. Bukchang-dong is well known by locals and tourists as Bukchang-dong Eatery Alley, and as the central business district of Seoul, the area has been historically famous for pubs and restaurants. The immediate neighbourhood comprises a mixture of low-rise retail, hotels, and prime office buildings. The nearby landmarks include the Bank of Korea, the Korea Chamber of Commerce, Seoul Station, The Korea Post, and the Lotte and Shinsegae department stores. Seoul's number-one tourist district, Myeongdong is located within 300 metres, together with a number of tourist attractions including Namdaemun, Namdaemun Market, City Hall, and Deoksooguk Palace.

The Property offers modern facilities and amenities which includes 129 rooms consisting of the following mix:

- 79 Superior Queen rooms (23 sqm)
- 30 Friends and Family rooms (25 sqm)
- 10 Deluxe Queen rooms (25 sqm)
- 9 Deluxe Twin rooms (25 sqm)
- 1 Disabled room (25 sqm)

Common facilities:

- Lobby
- Restaurant (1F)
- Lounge (B1F)
- Meeting rooms (Basement)
- Business Centre
- Gym
- Sauna & spa (which may be re-purposed for other use)
- Coin Laundry
- Housekeeping services
- Complimentary Wi-Fi

- Registered Owner** : KB Kookmin Bank (as Trustee of IGIS Qualified Investors Private Placement Real Estate Investment Trust No. 247)

- Legal Encumbrances and Zoning** : Freehold title owned by KB Kookmin Bank (as Trustee of IGIS Qualified Investors Private Placement Real Estate Investment Trust No. 247)

Land zoned General Commercial Area.

- Tenure** : Three plots of freehold land and building

- Land Area** : 741.5 sq m (Approx.)

APPENDIX V – VALUATION SUMMARY LETTER

Colliers International Consultancy &
Valuation (Singapore) Pte Ltd
RCB No: 198105965E

MAIN 65 6223 2323
EMAIL govinda.singh@colliers.com

12 Marina View
#19-02 Asia Square Tower 2
Singapore 018961



Gross Floor Area	: 5,758.45 sq m (Approx.)
Basis of Valuation	: Market Value
Valuation Approach	: Income Approach (DCF) cross checked with Market approach
Discount Factor	: 7.50%
Terminal rate	: 5.50%
Date of Valuation	: 31 July 2023
Valuation	: Market Value:

KRW 36,700,000,000

(THIRTY-SIX BILLION SEVEN-HUNDRED MILLION KOREAN WON ONLY)

This equates to circa KRW 284,000,000 per room.

Assumptions, Disclaimers, Limitations & Qualifications

In arriving at our estimates, we have taken into consideration the substantial impact the COVID-19 pandemic has had on the travel and hospitality sector across South Korea and globally; and the current conditions as the industry undergoes a prolonged period of stability and recovery in an environment with high community vaccination rates and greater international travel permissions.

Notwithstanding, real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. Colliers' valuation professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted. As such, given the unknown future impact that geo-political events or economic policies might have on the hotel real estate market, we recommend that you keep the valuation of the property under frequent review.

This Valuation Summary and opinion report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report, and in our engagement proposal dated May 2023, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion.

We confirm we have not carried out a site visit or inspection of the properties for this report. We have assumed that the properties are in good condition on the valuation date as informed by the Owner for the purposes of this report.