

CIRCULAR DATED 16 APRIL 2025

THIS CIRCULAR IS ISSUED BY SIN HENG HEAVY MACHINERY LIMITED (“COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND A COPY OF THE ADVICE PREPARED BY CAPSTONE INVESTMENT CORPORATE FINANCE PTE. LTD. (AS THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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



## **SIN HENG HEAVY MACHINERY LIMITED**

(Company Registration No.: 198101305R)  
(Incorporated in the Republic of Singapore)

### **CIRCULAR TO SHAREHOLDERS**

in relation to the

### **VOLUNTARY UNCONDITIONAL CASH OFFER**

by



### **MAYBANK SECURITIES PTE. LTD.**

(Company Registration No.: 197201256N)  
(Incorporated in the Republic of Singapore)

for and on behalf of

### **TAL UNITED PTE. LTD.**

(Company Registration No.: 202433422M)  
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company

*Independent Financial Adviser to the Independent Directors of the Company*



Capstone Investment Corporate Finance Pte Ltd

### **CAPSTONE INVESTMENT CORPORATE FINANCE PTE. LTD.**

(Company Registration No.: 201631484Z)  
(Incorporated in Republic of Singapore)

**SHAREHOLDERS SHOULD NOTE THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5:30 P.M. (SINGAPORE TIME) ON 30 APRIL 2025. THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5:30 P.M. (SINGAPORE TIME) ON 30 APRIL 2025 OR TO REVISE THE OFFER PRICE.**



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## DEFINITIONS

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

<b>“Accepting Shareholder”</b>	:	Shall have the meaning ascribed to it in Section 2.1.4 of the Offer Document, reproduced in Section 2 of this Circular
<b>“Act” or “Companies Act”</b>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<b>“Assets”</b>	:	The assets of the Group, comprising cranes and aerial lifts that are classified as property, plant and equipment in the audited consolidated financial statements of the Group for FY2024
<b>“Board”</b>	:	The board of Directors of the Company
<b>“Business Day”</b>	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders in relation to the Offer, setting out, <i>inter alia</i> , the recommendation of the Independent Directors and the advice of the IFA provided to the Independent Directors
<b>“Closing Date”</b>	:	5.30 p.m. (Singapore time) on 30 April 2025, being the last day of the lodgement of acceptances of the Offer
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Sin Heng Heavy Machinery Limited
<b>“Company Securities”</b>	:	(a) Shares; (b) other securities which carry voting rights in the Company; or (c) convertible securities, warrants, options, awards or derivatives in respect of any Shares and/or other securities which carry voting rights in the Company
<b>“Consideration”</b>	:	Shall have the meaning ascribed to it in Section 6.1 of the Offer Document, reproduced in Section 4 of this Circular
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“CPF”</b>	:	Central Provident Fund of Singapore
<b>“CPF Agent Banks”</b>	:	The banks approved by CPF to be its agent banks

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## DEFINITIONS

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<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS Investors”</b>	:	Investors who purchase Shares using their CPF contributions pursuant to the CPFIS
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date, and each a <b>“Director”</b>
<b>“Distributions”</b>	:	Any dividends, rights, other distributions and/or return of capital, whether in cash or in kind
<b>“Encumbrances”</b>	:	Any claims, charge, mortgage, assignment of receivables, debenture, pledge, right to acquire, security, lien, option, equity, power of sale, declaration of trust, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind and any encumbrance or condition whatsoever
<b>“FAA”</b>	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of the Offer Document
<b>“FAT”</b>	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
<b>“Free Float Requirement”</b>	:	Shall have the meaning ascribed to it in Section 9.1 of the Offer Document, reproduced in Section 7 of this Circular
<b>“FY”</b>	:	Financial year ended or ending (as the case may be) 31 December of a particular year as stated
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“IFA” or “CICF”</b>	:	Capstone Investment Corporate Finance Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
<b>“IFA Letter”</b>	:	The letter from the IFA to the Independent Directors dated 16 April 2025 containing the advice of the IFA to the Independent Directors in respect of the Offer, a copy of which is set out in <b>Annex B</b> to this Circular

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## DEFINITIONS

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<b>“Independent Directors”</b>	:	The Directors of the Company who are independent of the Offer and who are deemed to be independent for the purpose of making a recommendation to Shareholders in respect of the Offer, namely Leong Wing Kong, Lim Keng Hoe, and Rai Satish <sup>1</sup>
<b>“Interested Directors”</b>	:	Shall have the meaning ascribed to it in Section 11.3 of this Circular
<b>“Irrevocable Undertakings”</b>	:	Shall have the meaning ascribed to it in Section 6.1 of the Offer Document, reproduced in Section 4 of this Circular
<b>“Last Trading Day”</b>	:	Shall have the meaning ascribed to it in Section 7.1 of the Offer Document, reproduced in Section 5 of this Circular
<b>“Latest Practicable Date”</b>	:	6 April 2025, being the latest practicable date prior to the issuance of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Malaysia Property”</b>	:	The property/building situated at PTB 1472, Jalan Industri B7, Kawasan Perindustrian Bandar Penawar, 81930 Bandar Penawar, Johor Darul Takzim
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading of securities
<b>“Maybank”</b>	:	Maybank Securities Pte. Ltd.
<b>“Non-Accepting Shareholders”</b>	:	Shall have the meaning ascribed to it in Section 9.2 of the Offer Document, reproduced in Section 7 of this Circular
<b>“Non-cash Irrevocable Undertakings”</b>	:	Shall have the meaning ascribed to it in Section 6.1 of the Offer Document, reproduced in Section 4 of this Circular
<b>“Non-cash Undertaking Shareholders”</b>	:	Shall have the meaning ascribed to it in Section 6.1 of the Offer Document, reproduced in Section 4 of this Circular
<b>“Offer”</b>	:	The voluntary unconditional cash offer made by Maybank, for and on behalf of the Offeror, to acquire all the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
<b>“Offer Announcement”</b>	:	The announcement in connection with the Offer released by Maybank, for and on behalf of the Offeror, on the Offer Announcement Date

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<sup>1</sup> Leong Wing Kong, Lim Keng Hoe and Rai Satish are also Independent Directors on the Board of the Company.

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## DEFINITIONS

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<b>“Offer Announcement Date”</b>	:	14 March 2025, being the date of the Offer Announcement
<b>“Offer Document”</b>	:	The offer document dated 2 April 2025, including the FAA and FAT, and any other document(s) which may be issued by the Offeror to amend, revise, supplement or update the document(s) from time to time
<b>“Offer Financing Arrangements”</b>	:	Shall have the meaning ascribed to it in Section 12.2 of the Offer Document, reproduced in Section 10 of this Circular
<b>“Offer Price”</b>	:	S\$0.58 for each Offer Share
<b>“Offer Shares”</b>	:	All the Shares, including any Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror in relation to the Offer and each, an <b>“Offer Share”</b>
<b>“Offeror”</b>	:	TAL United Pte. Ltd.
<b>“Overseas Shareholders”</b>	:	Shareholders whose addresses are outside Singapore, as shown on the Register or in the records of CDP (as the case may be)
<b>“Promissory Notes”</b>	:	Shall have the meaning ascribed to it in Section 6.1 of the Offer Document, reproduced in Section 4 of this Circular
<b>“Record Date”</b>	:	In relation to any Distributions, the date on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such Distributions
<b>“Reference Period”</b>	:	The period commencing three (3) months prior to the Offer Announcement Date, and ending on 24 March 2025
<b>“Register”</b>	:	The register of holders of the Shares, as maintained by the Registrar
<b>“Registrar” or “Receiving Agent”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<b>“Relevant Acceptance Forms”</b>	:	The FAA and/or the FAT, as the case may be
<b>“RM”</b>	:	Ringgit Malaysia
<b>“Restricted Jurisdiction”</b>	:	Shall have the meaning ascribed to it in Section 13.1 of the Offer Document, reproduced in Section 12 of this Circular

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## DEFINITIONS

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<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<b>“Securities and Futures Act”</b>	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holders of Shares as indicated on the Register, except where the registered holder is CDP, in which case the term <b>“Shareholders”</b> shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
<b>“Shares”</b>	:	Issued ordinary shares in the capital of the Company
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Singapore Property”</b>	:	The property/building situated at 26 Gul Road, Singapore 629346
<b>“SRS”</b>	:	The Supplementary Retirement Scheme
<b>“SRS Agent Banks”</b>	:	Agent banks included under SRS
<b>“SRS Investors”</b>	:	Investors who purchase Shares pursuant to SRS
<b>“Subject Properties”</b>	:	The properties of the Group, being the Singapore Property and Malaysia Property, which are the subject properties of the Valuation Certificate (CKS) and Valuation Certificate (Azmi) respectively
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively
<b>“TALHPL”</b>	:	TAL Holdings Pte. Ltd.
<b>“UHPL”</b>	:	United Hope Pte. Ltd.
<b>“Undertaking Shareholders”</b>	:	Shall have the meaning ascribed to it in Section 6.1 of the Offer Document, reproduced in Section 4 of this Circular
<b>“Valuation Certificate (Azmi)”</b>	:	The Valuation Certificate issued by Azmi & Co (Johor) Sdn. Bhd. in respect of the Malaysia Property, in connection with the Offer, set out as <b>Annex C</b> to this Circular
<b>“Valuation Certificate (CKS)”</b>	:	The Valuation Certificate issued by CKS Property Consultants Pte. Ltd. in respect of the Singapore Property, in connection with the Offer, set out as <b>Annex C</b> to this Circular



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## DEFINITIONS

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<b>“Valuation Certificate (RK)”</b>	:	The Valuation Certificate issued by Robert Khan & Co Pte. Ltd. in respect of the Assets, in connection with the Offer, set out as <b>Annex C</b> to this Circular
<b>“Valuation Certificates”</b>	:	The valuation certificates issued by each of the Valuers, namely the Valuation Certificate (Azmi), Valuation Certificate (CKS), and Valuation Certificate (RK)
<b>“Valuation Reports”</b>	:	<p>The full valuation reports issued by:</p> <ul style="list-style-type: none"><li>(a) CKS Property Consultants Pte. Ltd., in respect of the Singapore Property, in connection with the Offer;</li><li>(b) Azmi &amp; Co (Johor) Sdn. Bhd., in respect of the Malaysia Property, in connection with the Offer; and</li><li>(c) Robert Khan &amp; Co Pte. Ltd., in respect of the Assets, in connection with the Offer,</li></ul> <p>as the case may be</p>
<b>“Valuers”</b>	:	The independent valuers commissioned by the Company to issue the Valuation Certificates and Valuation Reports, being CKS Property Consultants Pte. Ltd., Azmi & Co (Johor) Sdn. Bhd., and Robert Khan & Co Pte. Ltd., each a <b>“Valuer”</b>
<b>“VWAP”</b>	:	Volume weighted average price
<b>“%” or “per cent.”</b>	:	Per centum or percentage

The expression **“acting in concert”** shall have the meaning ascribed to it in the Code.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in the Offer Document and the terms **“subsidiary”** and **“substantial shareholder”** shall have the meanings ascribed to them in Sections 5 and 81 of the Act respectively.

The term **“related corporation”** shall have the meaning ascribed to it in Section 6 of the Act.

References to **“you”**, **“your”** and **“yours”** in this Circular are to Shareholders.

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

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

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## DEFINITIONS

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

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

References in this Circular to the total number of Shares in issue are based on 108,750,500 Shares (excluding 6,138,480 Shares held in treasury) as at the Latest Practicable Date, unless otherwise stated.

**Any capitalised terms used and not defined herein shall have the same meanings given to them in the Offer Document. Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics. Capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.**

RHTLaw Asia LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the Offer.

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## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

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All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “project”, “seek”, “strategy”, and similar expressions or future or conditional verbs such as “could”, “may”, “might”, “should”, “will” and “would”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

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## SUMMARY TIMETABLE

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Date of despatch of the Offer Document	:	2 April 2025
Date of despatch of this Circular	:	16 April 2025
Closing Date <sup>(1)(2)</sup>	:	5.30 p.m. (Singapore time) on 30 April 2025
Date of settlement of consideration for valid acceptances of the Offer	:	In respect of acceptances of the Offer which are complete and valid in all respects and in accordance with the instructions stated in, <i>inter alia</i> , the Offer Document, within seven (7) Business Days of the date of such receipt.

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

**Notes:**

- (1) The Offer must initially be open for 28 days from the date of despatch of the Offer Document. The Offer Document states that there will be no extension of the Closing Date beyond 5.30 p.m. (Singapore time) on 30 April 2025.
- (2) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or depository agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and/or depository agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and depository agents in order to accept the Offer.

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## LETTER TO SHAREHOLDERS

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### SIN HENG HEAVY MACHINERY LIMITED

(Company Registration No. 198101305R)  
(Incorporated in the Republic of Singapore)

#### Board of Directors:

Mr. Leong Wing Kong (Independent Chairman)  
Mr. Tan Ah Lye (Executive Director and Chief Executive Officer)  
Mr. Tan Cheng Kwong (Executive Director and Deputy Chief Executive Officer)  
Mr. Tan Cheng Guan (Executive Director)  
Mr. Lim Keng Hoe (Independent Director)  
Mr. Rai Satish (Independent Director)

#### Registered Office:

26 Gul Road,  
Singapore 629346

16 April 2025

To: The Shareholders of Sin Heng Heavy Machinery Limited

Dear Sir/Madam

### **VOLUNTARY UNCONDITIONAL CASH OFFER BY MAYBANK, FOR AND ON BEHALF OF THE OFFEROR, TO ACQUIRE ALL OF THE OFFER SHARES**

#### **1. INTRODUCTION**

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

On 14 March 2025, Maybank announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer to acquire all of the Offer Shares at the Offer Price of S\$0.58 in cash for each Offer Share, in accordance with Section 139 of the Securities and Futures Act and Rule 15 of the Singapore Code on Take-overs and Mergers.

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

##### **1.2 Offer Document**

Shareholders should by now have received a 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 Section 2 of the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

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

##### **1.3 Independent Financial Adviser**

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

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## LETTER TO SHAREHOLDERS

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### 1.4 Purpose of Circular

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

**Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept the Offer.**

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

## 2. THE OFFER

### 2.1 Terms of the Offer

The Offer is made by Maybank, for and on behalf of the Offeror on the principal terms set out in Section 2 of the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully:**

#### ***“2. THE OFFER***

##### ***2.1 Terms of the Offer***

***2.1.1 Maybank, for and on behalf of the Offeror, hereby makes the Offer to acquire all of the Offer Shares, in accordance with Section 139 of the Securities and Futures Act and Rule 15 of the Code on the following basis:***

***For each Offer Share: S\$0.58 in cash (the “Offer Price”)***

***The Offer Price is final and the Offeror does not intend to increase the Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if a competitive situation arises.***

***2.1.2 The Offer is extended, on the same terms and conditions to all the Shares (excluding any Shares held in treasury), including any Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror in relation to the Offer (the “Offer Shares”).***

***2.1.3 The Offer Shares will be acquired:***

***(a) fully paid;***

***(b) free from any Encumbrances; and***

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## LETTER TO SHAREHOLDERS

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- (c) *together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made thereon by the Company in respect of the Offer Shares on or after the Offer Announcement Date.*

- 2.1.4 *Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date (including the first and final one-tier tax exempt dividend of S\$0.01 and the special one-tier tax exempt dividend of S\$0.04 per Share for the financial year ended 31 December 2024 proposed by the directors of the Company (the “FY2024 Dividends”). **In the event that any Distribution has been paid or made by the Company to a Shareholder who accepts the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution paid or made by the Company to such accepting Shareholder.***

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

- (a) *if such settlement date in respect of the Offer Shares accepted pursuant to the Offer falls on or before the record date for the determination of entitlements to the Distribution (the “**Record Date**”) and the Offeror is registered as the holder of such Offer Shares as at the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S\$0.58 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of those Offer Shares from the Company; and*
- (b) *if such settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the Record Date, or if such settlement date falls on or before the Record Date but the Offeror is not registered as the holder of such Offer Shares as at the Record Date, the amount of the Distribution in respect of such Offer Shares will be deducted from the Offer Price of S\$0.58 in cash for each Offer Share payable for such Offer Shares, as the Offeror will not receive the Distribution in respect of those Offer Shares from the Company.*

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## LETTER TO SHAREHOLDERS

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### **2.2 Unconditional Offer**

***The Offer is unconditional in all respects.***

### **2.3 No convertible securities**

*As at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding instruments convertible into, rights to subscribe for, and options or derivatives in respect of, the Shares or securities which carry voting rights in the Company.*

### **2.4 Warranty**

A Shareholder who tenders its/his/her Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that it/he/she sells such Offer Shares as or on behalf of the beneficial owner(s) thereof:

- (a) *fully paid;*
- (b) *free from any Encumbrances; and*
- (c) *together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made thereon by the Company in respect of the Offer Shares, the Record Date for which falls on or after the Offer Announcement Date."*

### **2.2 Closing Date**

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

**Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 30 April 2025. The Offer Document states that the Offeror will not extend the Offer beyond 5.30 p.m. (Singapore time) on the Closing Date and the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on the Closing Date, save that such notice shall not be capable of being enforced in a competitive situation.**

### **2.3 Further details of the Offer**

Further details of the Offer are set out in Appendix 1 to the Offer Document, including details on (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer.

### **2.4 Procedures for Accepting the Offer**

Further details of the procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.



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## LETTER TO SHAREHOLDERS

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### 3. INFORMATION ON THE OFFEROR AND ITS SHAREHOLDERS

The following has been extracted from Section 4 of the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully:**

#### **“4. INFORMATION ON THE OFFEROR AND ITS SHAREHOLDERS**

##### **4.1 Information on the Offeror**

*The Offeror is a private company limited by shares incorporated in Singapore on 15 August 2024. Its principal activity is that of investment holding. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.*

*As at the Latest Practicable Date, the Offeror has a total issued and paid-up capital of S\$1,000 comprising 1,000 issued and paid-up ordinary shares and is a consortium formed between:*

- (a) TAL Holdings Pte. Ltd. (“**TALHPL**”) with a shareholding interest of 760 ordinary shares in the Offeror constituting 76.0% of the total issued and paid-up ordinary shares in the Offeror; and*
- (b) United Hope Pte. Ltd. (“**UHPL**”) with a shareholding interest of 240 ordinary shares in the Offeror constituting 24.0% of the total issued and paid-up ordinary shares in the Offeror.*

*As at the Latest Practicable Date, the Offeror does not hold any Shares in the capital of the Company.*

*The directors of the Offeror are Mr. Tan Ah Lye, Mr. Tan Cheng Kwong and Mr. Teo Yi-dar. Mr. Tan Ah Lye is an Executive Director and the Chief Executive Officer of the Company and a director of TALHPL. Mr. Tan Cheng Kwong is an Executive Director and the Deputy Chief Executive Officer of the Company and a director of TALHPL. Mr. Teo Yi-dar is the sole shareholder and director of UHPL.*

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

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## LETTER TO SHAREHOLDERS

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### 4.2 Information on TALHPL

*TALHPL is a company incorporated in Singapore on 8 July 2008 and is a controlling Shareholder of the Company. Its principal activity is that of investment holding. Its shareholders are as follows:*

<b>Name of shareholder</b>	<b>% of shareholding in TALHPL</b>
<i>Tan Ah Lye</i>	<i>28.94</i>
<i>Tan Cheng Kwong (son of Tan Ah Lye)</i>	<i>16.92</i>
<i>Tan Cheng Soon, Don (son of Tan Ah Lye)</i>	<i>16.92</i>
<i>Tan Cheng Guan (son of Tan Ah Lye)</i>	<i>16.92</i>
<i>Tan Hwee Keow (wife of Tan Ah Lye)</i>	<i>8.12</i>
<i>Tan Bee Choo (daughter of Tan Ah Lye)</i>	<i>6.09</i>
<i>Tan Seng Chong<sup>(1)</sup></i>	<i>2.03</i>
<i>Tan Seng Kiat<sup>(1)</sup></i>	<i>2.03</i>
<i>Tan Ah Huat<sup>(1)</sup></i>	<i>2.03</i>

**Note:**

*(1) Mr. Tan Seng Chong, Mr. Tan Seng Kiat and Mr. Tan Ah Huat are not relatives of Mr. Tan Ah Lye.*

*The directors of TALHPL are Mr. Tan Ah Lye, Mr. Tan Cheng Kwong, Mr. Tan Cheng Soon, Don and Mr. Tan Cheng Guan.*

*As at the Latest Practicable Date, TALHPL holds 32,273,200 Shares directly, representing approximately 29.68% of the total number of Shares.*

*Additional information on TALHPL is set out in **Appendix 4** to this Offer Document.*

### 4.3 Information on UHPL

*UHPL is a company incorporated in Singapore on 26 March 2020 and is a controlling Shareholder of the Company. Its principal activity is that of investment holding. Its sole shareholder and director is Mr. Teo Yi-dar.*

*As at the Latest Practicable Date, UHPL holds directly 30,950,000 Shares, representing approximately 28.46% of the total number of Shares."*

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## LETTER TO SHAREHOLDERS

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### 4. IRREVOCABLE UNDERTAKINGS

The information on Irrevocable Undertakings obtained by the Offeror set out in italics below has been extracted from Section 6 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully:**

#### **“6. IRREVOCABLE UNDERTAKINGS**

##### **6.1 Irrevocable Undertakings**

*The Offeror has received irrevocable undertakings dated 14 March 2025 (the “**Irrevocable Undertakings**”) from the following Shareholders (the “**Undertaking Shareholders**”):*

- (a) TALHPL in respect of its direct interest in 32,273,200 Shares, representing approximately 29.68% of the total number of Shares;*
- (b) Mr. Tan Ah Lye in respect of his (i) direct interest in 304,000 Shares (representing approximately 0.28% of the total number of Shares); and (ii) deemed interest in 32,273,200 Shares held by TALHPL (representing approximately 29.68% of the total number of Shares), collectively representing approximately 29.96% of the total number of Shares;*
- (c) UHPL in respect of its direct interest in 30,950,000 Shares, representing approximately 28.46% of the total number of Shares;*
- (d) Mr. Teo Yi-dar in respect of his (i) direct interest in 1,600 Shares (representing approximately 0.0015% of the total number of Shares); and (ii) deemed interest in 30,950,000 Shares held by UHPL (representing approximately 28.46% of the total number of Shares), collectively representing 28.46% of the total number of Shares; and*
- (e) Mr. Yuuki Ikeda in respect of his direct interest in 100,000 Shares, representing approximately 0.09% of the total number of Shares,*

*pursuant to which each Undertaking Shareholder has, among other things, unconditionally and irrevocably undertaken to the Offeror to tender, or procure the tender of all (and not some only) of its/his respective Shares and any Shares which it/he may acquire on or after the date of the Irrevocable Undertakings, in full acceptance of the Offer.*

*Further, under the Irrevocable Undertakings for TALHPL, Mr. Tan Ah Lye, UHPL and Mr. Teo Yi-dar (together, the “**Non-cash Undertaking Shareholders**”) (the “**Non-cash Irrevocable Undertakings**”), each Non-cash Undertaking Shareholder:*

- (i) will waive its/his right under Rule 30 of the Code to receive payment for all of its/his Shares to be tendered in full acceptance of the Offer in cash within the time period prescribed under Rule 30 of the Code (the “**Consideration**”); and*

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## LETTER TO SHAREHOLDERS

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- (ii) *agree that the payment for such Consideration shall be satisfied in full by the issue by the Offeror to each of the Non-cash Undertaking Shareholders of an interest-free promissory note (the “**Promissory Notes**”) with the value of the relevant Consideration due for all of its/his Shares tendered in full acceptance of the Offer, after the close of the Offer.*

*Under the terms of the Irrevocable Undertaking for Mr. Yuuki Ikeda, he agrees that the payment which he is to receive for all of his Shares to be tendered in full acceptance of the Offer shall be satisfied in cash, such payment to be in accordance with Rule 30 of the Code.*

### **6.2 Aggregate holdings of Undertaking Shareholders**

*Pursuant to the Irrevocable Undertakings, the aggregate number of Shares held by the Undertaking Shareholders amounts to 63,628,800 Shares, representing approximately 58.51% of the total number of Shares as at the Latest Practicable Date.*

### **6.3 Termination of Irrevocable Undertakings**

*Each of the Irrevocable Undertakings shall terminate upon the Offer being withdrawn, lapsing or closing for any reason other than a breach of the obligations under each Irrevocable Undertaking.*

### **6.4 No other undertakings**

*Save for the Irrevocable Undertakings, as at the Latest Practicable Date, the Offeror has not received undertakings from any other party to accept or reject the Offer.*

### **6.5 Confirmation from the SIC**

*Pursuant to an application made by the Offeror to the SIC to seek certain rulings and confirmations in relation to the Offer, the SIC has confirmed that the Promissory Notes to be issued to the Non-cash Undertaking Shareholders as contemplated under the Non-cash Irrevocable Undertakings is not a special deal for the purposes of Rule 10 of the Code.”*

## LETTER TO SHAREHOLDERS

### 5. RATIONALE FOR THE OFFER

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

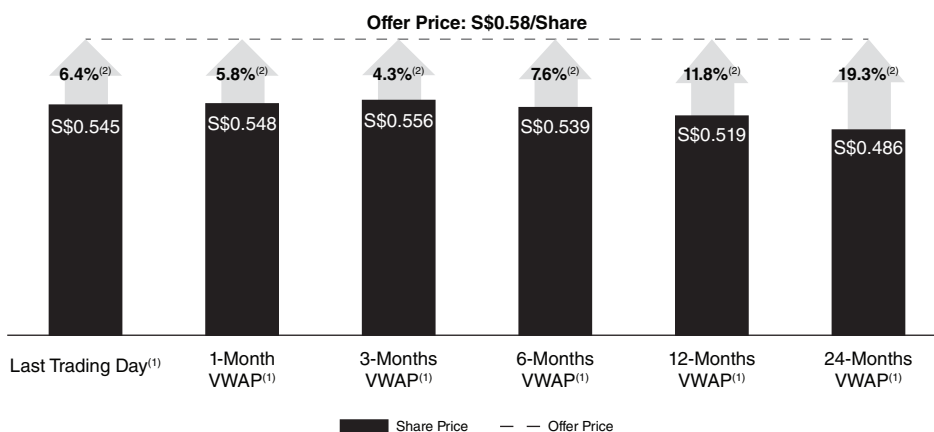
#### **“7. RATIONALE FOR THE OFFER**

##### **7.1 Opportunity for Shareholders to realise their investment in the Shares at a premium over historical trading prices of the Shares without incurring brokerage costs**

*The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in the Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the low trading liquidity of the Shares.*

*The Offer Price represents a premium of approximately:*

- (a) 6.4% over the last transacted price per Share of S\$0.545 on 13 March 2025 (being the last full market day on which the Shares were traded, prior to the release of the Offer Announcement (the “**Last Trading Day**”)); and
- (b) 5.8%, 4.3%, 7.6%, 11.8% and 19.3% over the volume weighted average price (“**VWAP**”) per Share for the one (1)-month, three (3)-month, six (6)-month, 12-month and 24-month periods, respectively, up to and including the Last Trading Day.



Source: Bloomberg, L.P.

#### **Notes:**

- (1) The figures representing the last traded price on the Last Trading Day and the VWAP per Share are rounded to the nearest three (3) decimal places and computed based on data sourced from Bloomberg, L.P. up to and including the Last Trading Day. The VWAP of the Shares is calculated by using the total value over the total volume of Shares traded in the relevant period up to and including the Last Trading Day.
- (2) The respective premiums are rounded to the nearest one (1) decimal place.

## LETTER TO SHAREHOLDERS

*The Offer Price is higher than the closing share price of the Shares in the past five (5)-year period up to and including the Last Trading Day, except for 17 January 2025.*



### 7.2 Low trading liquidity

*The trading volume of the Shares has historically been low, with an average daily trading volume of approximately 40,540 Shares, 41,925 Shares, 33,269 Shares, 38,302 Shares and 48,240 Shares for the one (1)-month, three (3)-month, six (6)-month, 12-month and 24-month periods, respectively, up to and including the Last Trading Day. These represent only 0.037%, 0.039%, 0.031%, 0.035% and 0.044% of the total number of Shares as at the Latest Practicable Date, respectively.*

	<b>Average daily trading volume<sup>(1)</sup></b>	<b>Average daily trading volume as a percentage of total issued Shares (%)<sup>(2)(3)</sup></b>
<i>One (1)-month period up to and including the Last Trading Day</i>	40,540	0.037
<i>Three (3)-month period up to and including the Last Trading Day</i>	41,925	0.039
<i>Six (6)-month period up to and including the Last Trading Day</i>	33,269	0.031
<i>12-month period up to and including the Last Trading Day</i>	38,302	0.035
<i>24-month period up to and including the Last Trading Day</i>	48,240	0.044

#### Notes:

- (1) The average daily trading volumes are based on data extracted from Bloomberg, L.P. on the Last Trading Day. The average daily trading volumes are calculated using the total volume of Shares traded divided by the number of market days on which shares were traded on SGX-ST, with respect to the relevant period.
- (2) The average daily trading volume as a percentage of total issued Shares are calculated using the average daily trading volume of Shares for the relevant period divided by the total number of Shares in issue as at the Latest Practicable Date, expressed as a percentage.

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## LETTER TO SHAREHOLDERS

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(3) *The average daily trading volume as a percentage of the total issued Shares in this column are rounded to the nearest three (3) decimal places.*

### **7.3 Greater management flexibility**

*The Offeror is making the Offer with a view to delist and privatise the Company. The Offeror believes that privatising the Company will provide the Offeror and the Company with greater control and management flexibility to manage the business of the Group, respond to changing market conditions and optimise the use of the Company's management and resources.*

### **7.4 Costs of maintaining listing**

*In maintaining its listed status, the Company has incurred and continues to incur considerable listing and associated costs, including but not limited to compliance costs and time dedicated to regulatory and reporting obligations. If the Company is delisted and privatised as a consequence of the Offer, the Company will be able to substantially dispense with such burdens and instead, focus its resources and attention on its businesses, investments and operations."*

## **6. OFFEROR'S INTENTIONS RELATING TO THE COMPANY**

The full text of the Offeror's intentions for the Company has been extracted from Section 8 of the Offer Document and is set out in italics below. **Shareholders are advised to read the extract below carefully and note the Offeror's future plans for the Company:**

### **"8. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY**

*The Offeror intends for the Company to continue its existing business activities and there are currently no plans to (a) introduce any major changes to the existing business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of the existing employees of the Group, in each case, other than in the ordinary and usual course of business and/or in response to changing market conditions. The Offeror retains and reserves the right and flexibility at any time and from time to time to further consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Offeror and/or the Company."*



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## LETTER TO SHAREHOLDERS

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### 7. LISTING STATUS AND COMPULSORY ACQUISITION

The full text of the intentions of the Offeror relating to the compulsory acquisition and listing status of the Company has been extracted from Section 9 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully:**

#### **“9. LISTING STATUS AND COMPULSORY ACQUISITION**

##### **9.1 Listing status**

*Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of Shares (excluding any Shares held in treasury) is at all times held by the public (the “Free Float Requirement”).*

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

*Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting or presumed to be acting in concert with it to above 90% of the total number of Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

##### **9.2 Compulsory acquisition**

*Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer, or otherwise acquires Shares during the period when the Offer is open for acceptance, in respect of not less than 90% of the total number of Shares (other than those already held, or treated as held, by the Offeror as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the “Non-Accepting Shareholders”), at a price equal to the Offer Price.*

*In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer of, or otherwise acquires during the period when the Offer is open for acceptance, such number of Shares which, together with the Shares held in treasury and Shares held, or treated as held, by it, comprise 90%*



## LETTER TO SHAREHOLDERS

or more of the total number of Shares, the Non-Accepting Shareholders who have not accepted the Offer will have a right to require the Offeror to acquire their Shares at the Offer Price. **Such Non-Accepting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.**

### 9.3 Offeror's intentions

**The Offeror intends to privatise the Company and delist the Company, should the option be available to the Offeror. Accordingly, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.** In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual, subject to the requirements thereunder.

However, in the event that the percentage of the total number of Shares (excluding Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, and the Offeror is unable to (a) seek a voluntary delisting of the Company; or (b) exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, **it is the current intention of the Offeror to undertake and/or support any action as may be necessary for any trading suspension by the SGX-ST to be lifted.**"

## 8. FINANCIAL ASPECTS OF THE OFFER

The following has been extracted from Section 10 of the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully:**

### "10. FINANCIAL ASPECTS OF THE OFFER

*The Offer Price of S\$0.58 represents the following premiums over certain historical traded prices of the Shares as set out below:*

	<b>Description</b>	<b>Benchmark price (S\$)<sup>(1)</sup></b>	<b>Premium of the Offer Price over benchmark price (%)<sup>(2)</sup></b>
(a)	<i>Last traded price of the Shares on the SGX-ST on 13 March 2025, being the Last Trading Day</i>	0.545	6.4
(b)	<i>VWAP of the Shares as transacted on the SGX-ST for the one (1)-month period up to and including the Last Trading Day</i>	0.548	5.8
(c)	<i>VWAP of the Shares as transacted on the SGX-ST for the three (3)-month period up to and including the Last Trading Day</i>	0.556	4.3

## LETTER TO SHAREHOLDERS

	<b>Description</b>	<b>Benchmark price (S\$)<sup>(1)</sup></b>	<b>Premium of the Offer Price over benchmark price (%)<sup>(2)</sup></b>
(d)	<i>VWAP of the Shares as transacted on the SGX-ST for the six (6)-month period up to and including the Last Trading Day</i>	0.539	7.6
(e)	<i>VWAP of the Shares as transacted on the SGX-ST for the 12-month period up to and including the Last Trading Day</i>	0.519	11.8
(f)	<i>VWAP of the Shares as transacted on the SGX-ST for the 24-month period up to and including the Last Trading Day</i>	0.486	19.3

**Notes:**

- (1) *The benchmark prices are based on data extracted from Bloomberg L.P. on the Last Trading Day rounded to the nearest three (3) decimal places.*
- (2) *The premiums over the benchmark prices set out in this column are rounded to the nearest one (1) decimal place.*

### 9. CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources by Maybank as set out in Section 11 of the Offer Document has been extracted from the Offer Document and is set out in italics below. **Shareholders are advised to read the extract below carefully:**

***“11. CONFIRMATION OF FINANCIAL RESOURCES***

*Maybank, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer on the basis of the Offer Price, excluding the Consideration pursuant to the Non-cash Irrevocable Undertakings, for which payment will be satisfied by the issue of the Promissory Notes.”*

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## LETTER TO SHAREHOLDERS

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### 10. DISCLOSURES OF SHAREHOLDERS AND DEALINGS

Section 12 of the Offer Document, together with Appendix 6 to the Offer Document set out certain information relating to disclosure of interests, certain extracts are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

#### ***“12. DISCLOSURES OF SHAREHOLDINGS AND DEALINGS***

##### ***12.1 Shareholdings and dealings in Company 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 **Appendix 6** to this Offer Document), none of the Offeror and any parties acting or presumed to be acting in concert with the Offeror:*

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

##### ***12.2 Other arrangements in respect of Company Securities***

*Pursuant to the Offeror’s financing arrangements for the Offer (the “**Offer Financing Arrangements**”), (a) all the Shares acquired by the Offeror pursuant to the Offer or otherwise during the period of the Offer; and (b) all the shares in the capital of the Offeror, will be charged in favour of the Offeror’s financing bank as security for the Offeror’s obligations under such financing arrangements.*

*As at the Latest Practicable Date, based on the latest information available to the Offeror, and save as disclosed in this Offer Document (including **Appendix 6** to this Offer Document), none of the Offeror and any parties acting or presumed to be acting in concert with the Offeror has:*

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares in the capital of the Offeror and/or any Company Securities which might be material to the Offer, other than the Irrevocable Undertakings;*
- (b) received any irrevocable commitment from any party to accept or reject the Offer, other than the Irrevocable Undertakings; or*
- (c) in relation to the Company Securities, granted a security interest to another person, whether through a charge, pledge or otherwise, borrowed from another person (excluding borrowed securities which have been on-lent or sold) or lent to another person.”*

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## LETTER TO SHAREHOLDERS

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### 11. ADVICE AND RECOMMENDATION

#### 11.1 Appointment of IFA

CICF has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer. **Shareholders should read and consider carefully the IFA Letter and the recommendation of the Independent Directors in its entirety before deciding whether or not to accept the Offer.**

#### 11.2 Advice of the IFA to the Independent Directors on the Offer

The advice of the IFA to the Independent Directors in respect of the Offer is set out in the IFA Letter annexed as **Annex B** to this Circular.

The recommendation of the IFA in respect of the Offer has been extracted from the IFA Letter and is reproduced in italics below. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

#### ***“10 RECOMMENDATION***

*In arriving at our recommendation in relation to the Offer, we have taken into account the factors which we consider to have a significant bearing on our assessment which includes our analyses as outlined within paragraphs 8 and 9:*

*In evaluating and assessing the financial terms of the Offer, we have given due consideration to the following:*

*(a) An assessment of the financial performance and position of the Company:*

- (i) the Company reported profits of S\$6.27 million, S\$8.00 million and S\$3.65 million for FY2024, FY2023 and FY2022 respectively;*
- (ii) the Company's net asset value of S\$107.54 million, S\$106.20 million and S\$104.74 million for FY2024, FY2023 and FY2022 respectively; and*
- (iii) the Company's working capital increased from S\$50.10 million as at FY2022 to a working capital of S\$56.21 million in FY2024.*

*(b) An assessment of the historical market price and trading activities of the Shares:*

- (i) the Offer Price is higher than the closing prices for the Shares for 244 trading days out of the total of 250 trading days within the last 12-month period prior to the Last Traded Day;*
- (ii) the Offer Price represents a premium of 11.75%, 7.61%, 4.32% and 5.84% to the VWAP for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Traded Day respectively;*
- (iii) the Offer Price represents a premium of 6.42% to the Last Transacted Price;*
- (iv) the Offer Price represents a premium of 0.87% to the closing price on the Market Day immediately after the Offer Announcement Date;*

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## LETTER TO SHAREHOLDERS

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- (v) *the Offer Price is at a premium of 0.03% to the VWAP for the period between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date and a premium of 0.87% to the last transacted price as at the Latest Practicable Date;*
  - (vi) *the average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior and up to the Last Traded Day represents approximately 0.08%, 0.07%, 0.09% and 0.09% of the Free Float respectively;*
  - (vii) *the average daily traded volume of the Shares on the Last Traded Day represents 0.18% of the Free Float;*
  - (viii) *the average daily traded volume of the Shares on the Market Day immediately after the Offer Announcement Date represents 2.28% of the Free Float;*
  - (ix) *the average daily traded volume of the Shares for the period between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date represents 0.37% of the Free Float; and*
  - (x) *the daily traded volume of the Shares on the Latest Practicable Date represents 0.30% of the Free Float.*
- (c) *An assessment of the historical Share price performance relative to the FSSTI showed that (i) for the 12-month period prior to the Last Traded Day, the Shares had generally underperformed the FSSTI; and (ii) the closing price of the Shares had increased by approximately 5.50% while the FSSTI had decreased by 0.30% between the Last Traded Day and the Latest Practicable Date.*
- (d) *An assessment of the NAV and RNAV of the Company as follows:*
- (i) *the Offer Price represents a discount of approximately 41.35% to the audited NAV per Share;*
  - (ii) *the Offer Price represents a discount of approximately 49.69% to the RNAV per Share;*
  - (iii) *the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 74.50% to the Ex-Cash NAV per Share; and*
  - (iv) *the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 80.36% to the Ex-Cash RNAV per Share.*
- (e) *An assessment of the NTA and RNTA of the Company as follows:*
- (i) *the Offer Price represents a discount of approximately 38.82% to the audited NTA per Share;*
  - (ii) *the Offer Price represents a discount of approximately 47.84% to the RNTA per Share;*

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## LETTER TO SHAREHOLDERS

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- (iii) *the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 72.45% to the Ex-Cash NTA per Share; and*
  - (iv) *the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 79.17% to the Ex-Cash RNTA per Share.*
- (f) *A comparison with the valuation ratios of the Selected Comparable Companies as follows:*
  - (i) *the EV/EBITDA ratio of the Company of 1.67 times, as implied by the Offer Price, is within the range, below the median and mean of the EV/EBITDA ratios of the Selected Comparable Companies;*
  - (ii) *the P/E ratio of the Company of 10.06, as implied by the Offer Price, is within the range, higher than the median but lower than the mean of the P/E ratios of the Selected Comparable Companies;*
  - (iii) *the P/NAV ratio of the Company of 0.59 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies;*
  - (iv) *the P/RNAV ratio of the Company of 0.50 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies;*
  - (v) *the P/NTA ratio of the Company of 0.61 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies; and*
  - (vi) *the P/RNTA ratio of the Company of 0.52 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NTA ratios of the Selected Comparable Companies.*
- (g) *A comparison with the valuation ratios of the Selected Comparable Transactions as follows:*
  - (i) *The premium 6.42% implied by the Offer Price over the Last Transacted Price is below the range of the premia of the Selected Comparable Transactions;*
  - (ii) *The premium of 5.84% as implied by the Offer Price over the 1-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions;*
  - (iii) *The premium of 4.32% as implied by the Offer Price over the 3-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions;*
  - (iv) *The premium of 7.61% as implied by the Offer Price over the 6-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions; and*

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## LETTER TO SHAREHOLDERS

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- (v) *P/NAV and P/RNAV ratios of 0.59 times and 0.50 times respectively are within the range but lower than the median and mean P/NAV ratios of the Selected Comparable Transactions.*

*Having considered the above and subject to the assumptions and qualifications set out in this Letter, we are of the opinion that on balance, the financial terms of the Offer are **not fair and not reasonable**.*

*In arriving at our opinion, we have considered the following pertinent factors and have placed greater emphasis on asset-based financial ratios given that the Company is in asset intensive business:*

- (i) *we note that the Group has been profitable from FY2022 to FY2024 with net profits increasing from approximately S\$3.65 million in FY2022 to approximately S\$6.27 million in FY2024. The Group has also declared dividends over the last three financial years with dividend yield ranging between 7.61% and 10.99%. The Group's shareholders equities have increase from S\$104.74 million in FY2022 to S\$107.54 million in FY2024. This implies that the Group is able to generate returns from the deployment of its assets. Accordingly, the steep discount of the Offer Price, on a cash and cash equivalent adjusted basis, from the Ex-cash NAV per Share, Ex-cash NTA per Share, Ex-cash RNAV per Share and Ex-cash RNTA per Share for a company that is profitable, declaring dividends at a high single digit yield and growing shareholders equities with significant cash reserves does not appear to be reasonable;*
- (ii) *the Offer Price, as adjusted for cash and cash equivalents of S\$0.14 per Share, represents significant discounts to the Ex-cash NAV per Share, Ex-cash NTA per Share, Ex-cash RNAV per Share and Ex-cash RTA per Share that ranged from 72.45% to 80.36%;*
- (iii) *The Offer Price represents a premia of over the 1-month, 3-month and 6-month VWAP prior to the Offer Announcement Date that is significantly lower than the mean and median premia of the Selected Comparable Transactions; and*
- (iv) *the P/NAV and P/RNAV as implied by the Offer Price is below the median and mean of the P/NAV ratios of the Selected Comparable Transactions.*

**Accordingly, we advise the Independent Directors to recommend that Shareholders REJECT the Offer.**

*We would advise the Independent Directors to consider highlighting to Shareholders that there are no assurance that the market prices of the Shares, after the close or lapse of the Offer, may maintain at their current prevailing levels as at the Latest Practicable Date.*

*The Independent Directors should note that transactions of the Shares are subject to possible market fluctuations and, accordingly, our opinion and advice on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.*



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## LETTER TO SHAREHOLDERS

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*This Letter is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the financial terms of the Offer. The recommendations made by them to the Shareholders in relation to the Offer shall remain the sole responsibility of the Independent Directors.*

*Whilst a copy of this Letter may be reproduced in any document that is required to be filed with the SGX-ST in connection with the Offer, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose or in any manner without the prior written consent of CICF in each specific case, other than for the purpose of the Offer.*

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

### 11.3 Exemption relating to Directors' Recommendation

The Offeror had sought and obtained a ruling from SIC confirming, *inter alia*, that the following Directors ("**Interested Directors**") are exempted from making a recommendation to Shareholders in connection with the Offer as they will face irreconcilable conflicts of interest in doing so:

- (i) Mr. Tan Ah Lye (Executive Director and Chief Executive Officer), who is a Director and Shareholder of the Company, is interested in the Offer as a director and shareholder of TALHPL, which has a 76.0% shareholding interest in the Offeror. He is also a director of the Offeror;
- (ii) Mr. Tan Cheng Kwong (Executive Director and Deputy Chief Executive Officer), who is a Director of the Company, is interested in the Offer as a director and shareholder of TALHPL, which has a 76.0% shareholding interest in the Offeror. He is also a director of the Offeror and the son of Mr. Tan Ah Lye; and
- (iii) Mr. Tan Cheng Guan (Executive Director), who is a Director of the Company, is interested in the Offer as a director and shareholder of TALHPL, which has a 76.0% shareholding interest in the Offeror. He is the son of Mr. Tan Ah Lye.

Nevertheless, each of the Interested Directors must still assume responsibility for the accuracy of facts stated and completeness of the information given by the Company to its Shareholders on the Offer, including information contained in the documents and announcements issued by, or on behalf of, the Company in connection with the Offer.

### 11.4 Independence

All Independent Directors consider themselves to be independent for the purpose of making a recommendation to Shareholders in respect of the Offer.

### 11.5 Recommendation of the Independent Directors

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter, **CONCUR** with the advice of the IFA in respect of the Offer, and accordingly, recommend that Shareholders should **REJECT** the Offer.



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## LETTER TO SHAREHOLDERS

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Shareholders are advised to read the Offer Document carefully. Shareholders are also advised to 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 the Offer as set out in Annex B to this Circular in their entirety, before deciding whether to accept or reject the Offer.

### 11.6 Limitations

In rendering the above opinion (in respect of the IFA) and advice, and giving the above recommendation (in respect of the Independent Directors), neither the IFA nor the Independent Directors have had regard to the general or specific investment objectives, tax position, financial situation, tax status, risk profiles or unique needs and constraints or particular circumstances of any individual Shareholder. **As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any Shareholder who may require specific advice in relation to his specific investment objective(s) or portfolio(s) should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately. Accordingly, Shareholders should note that the advice of the IFA and the recommendation of the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.**

### 12. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 13 of the Offer Document which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

#### ***“13. OVERSEAS SHAREHOLDERS***

##### ***13.1 Overseas Shareholders***

*The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP (collectively, the “Overseas Shareholders”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, any Overseas Shareholder should inform themselves about and observe any applicable legal requirements, and exercise caution in relation to the Offer, as this Offer Document has not been reviewed by any regulatory authority in any overseas jurisdiction.*

*Where there are potential restrictions on sending this Offer Document to any overseas jurisdictions, the Offeror, Maybank, CDP and the Registrar each reserves the right not to send this Offer Document, the Relevant Acceptance Forms and/or any related documents to Shareholders in such overseas jurisdictions.*

*For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom this Offer Document and/or the Relevant Acceptance Forms have not been, or may not be, sent.*

*Copies of this Offer Document, the Relevant Acceptance Forms and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any*

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## LETTER TO SHAREHOLDERS

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*jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

*The Offer (unless otherwise determined by the Offeror and permitted by applicable 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.*

*This Offer Document has not been and will not be filed with the authorities of any jurisdiction outside of Singapore.*

### **13.2 Copies of this Offer Document and the Relevant Acceptance Forms**

*Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain electronic copies of this Offer Document, the Relevant Acceptance Forms and/or any related documents from the website of the SGX-ST at <https://www.sgx.com>.*

*Subject to compliance with applicable laws, any affected Overseas Shareholders may nonetheless obtain printed copies of this Offer Document, the Relevant Acceptance Forms and/or any related document during normal business hours and up to the Closing Date, from (a) CDP (if it/he/she is a Depositor); or (b) the Registrar (if it/he/she is a scrip holder).*

*Overseas Shareholders may find the address, telephone number and email address of CDP and the Registrar below:*

<b><i>The Central Depository (Pte) Limited</i></b>	<b><i>Boardroom Corporate &amp; Advisory Services Pte. Ltd.</i></b>
<i>Robinson Road Post Office P.O. Box 1984 Singapore 903934 Tel: +65 6535 7511 Email: <a href="mailto:asksgx@sgx.com">asksgx@sgx.com</a></i>	<i>1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 Tel: +65 6536 5355 Email: <a href="mailto:srs.teamd@boardroomlimited.com">srs.teamd@boardroomlimited.com</a></i>

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

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## LETTER TO SHAREHOLDERS

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### **13.3 Overseas jurisdictions**

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

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

### **13.4 Compliance with applicable laws**

*It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (b) accept the Offer, to satisfy itself/himself/herself 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 other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including Maybank, CDP and the Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3) of the Companies Act. In (a) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, Maybank, CDP and the Receiving Agent that it/he/she is in (i) full observance of the laws of the relevant jurisdiction in that connection, and (ii) full compliance with all necessary formalities or legal requirements.*

*If any Shareholder is in any doubt about its/his/her position, it/he/she should consult its/his/her professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.*

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## LETTER TO SHAREHOLDERS

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### **13.5 Notice**

*The Offeror and Maybank 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 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 or advertisement.”*

### **13. INFORMATION RELATING TO CPFIS AND SRS INVESTORS**

Section 14 of the Offer Document sets out information relating to CPFIS Investors and SRS Investors, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

#### **“14. INFORMATION RELATING TO CPFIS 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), which may be earlier than the Closing Date. CPFIS Investors and SRS Investors will receive the Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts (as the case may be).”*

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

Shareholders who wish to accept the Offer must do so no later than 5.30 p.m. (Singapore time) on 30 April 2025 and should follow the procedures set out in Appendix 2 to the Offer Document.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document and the Relevant Acceptance Forms and any related documents which have been sent to them.

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## LETTER TO SHAREHOLDERS

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### 15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than (i) the IFA Letter set out in **Annex B** to this Circular, (ii) the recommendation of the Independent Directors set out in Section 11.5 of this Circular, (iii) the Valuation Certificates and/or Valuation Reports, and (iv) information extracted from the Offer Document and/or the Offer Announcement) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading, and they jointly and severally accept responsibility accordingly.

With regard to (i) the IFA Letter set out in **Annex B** to this Circular, (ii) the recommendation of the Independent Directors set out in Section 11.5 of this Circular, and (iii) the Valuation Certificates and/or Valuation Reports, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Company are, to the best of their knowledge and belief, fair and accurate in all material aspects.

The recommendation of the Independent Directors set out in Section 11.5 of this Circular is the responsibility of the Independent Directors.

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

### 16. ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the additional information set out in the Annexes which form part of this Circular.

Yours faithfully,

For and on behalf of the Board of  
**SIN HENG HEAVY MACHINERY LIMITED**

Leong Wing Kong  
**Independent Chairman**

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## ANNEX A – ADDITIONAL GENERAL INFORMATION

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### 1. DIRECTORS

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

Name	Address	Designation
Leong Wing Kong	c/o 26 Gul Road, Singapore 629346	Independent Chairman
Tan Ah Lye	c/o 26 Gul Road, Singapore 629346	Executive Director and Chief Executive Officer
Tan Cheng Kwong	c/o 26 Gul Road, Singapore 629346	Executive Director and Deputy Chief Executive Officer
Tan Cheng Guan	c/o 26 Gul Road, Singapore 629346	Executive Director
Lim Keng Hoe	c/o 26 Gul Road, Singapore 629346	Independent Director
Rai Satish	c/o 26 Gul Road, Singapore 629346	Independent Director

### 2. REGISTERED OFFICE

The registered office of the Company is 26 Gul Road, Singapore 629346.

### 3. PRINCIPAL ACTIVITIES

The Company is a public company limited by shares incorporated in Singapore on 30 March 1981. The Company was listed on the Singapore Exchange Securities Trading Limited on 3 February 2010.

The principal activities of the Company are those of hiring and dealing in cranes and heavy machinery and provision of facilities and custody services.

### 4. SHARE CAPITAL

#### 4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has a total issued and paid-up Share capital of approximately S\$43,107,000, comprising 108,750,500 Shares (excluding 6,138,480 Shares held in treasury). The Company has one class of shares, being ordinary shares.

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## ANNEX A – ADDITIONAL GENERAL INFORMATION

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### 4.2 Rights of Shareholders in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution, which is available for inspection at the Company's registered office at 26 Gul Road, Singapore 629346. The relevant regulations in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from the Constitution and are set out in **Annex D** to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

### 4.3 Shares Issued since End of Last Financial Year

There has been no Shares issued by the Company since the end of the last financial year up to the Latest Practicable Date.

### 4.4 Outstanding Convertible Securities

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

## 5. DISCLOSURE OF INTERESTS AND DEALINGS

### 5.1 Interests of the Company in the shares of the Offeror

Neither the Company nor its subsidiaries have any direct or indirect interest in the shares or convertible securities of the Offeror as at the Latest Practicable Date.

### 5.2 Dealings in shares of the Offeror by the Company

Neither the Company nor its subsidiaries have dealt for value in the shares or convertible securities of the Offeror during the period commencing six (6) months prior to Offer Announcement Date and ending on the Latest Practicable Date.

### 5.3 Interests of Directors in the Shares

Save as disclosed below, none of the Directors have any direct or deemed interests in the Shares as at the Latest Practicable Date:

Name	Direct interest		Deemed Interests		Total interests	
	No. of shares	% <sup>(1)</sup>	No. of shares	% <sup>(1)</sup>	No. of shares	% <sup>(1)</sup>
Tan Ah Lye	304,000	0.28	32,273,200 <sup>(2)</sup>	29.68	32,577,200	29.96
Rai Satish	10,000	0.01	—	—	10,000	0.01

**Notes:**

(1) Based on 108,750,500 Shares (excluding 6,138,480 Shares held in treasury) in issue as at the Latest Practicable Date, rounded to the nearest two decimal places.

(2) Mr. Tan Ah Lye owns more than 20% of the issued and paid up shares in the capital of TALHPL. For the purpose of Section 7 of the Act, Mr. Tan Ah Lye is deemed to be interested in the shares held by TALHPL.



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## ANNEX A – ADDITIONAL GENERAL INFORMATION

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### 5.4 Dealings in Shares by Directors

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

### 5.5 Interests of Directors in shares of the Offeror

Save as disclosed below, none of the Directors have any direct or deemed interest in the shares or convertible securities of the Offeror as at the Latest Practicable Date.

Name of Director	Direct Interest		Deemed Interest	
	No. of shares in the Offeror	Percentage of Total no. of issued shares in the Offeror (%) <sup>(1)</sup>	No. of shares in the Offeror	Percentage of Total no. of issued shares in the Offeror (%) <sup>(1)</sup>
Tan Ah Lye	–	–	760	76.00 <sup>(2)</sup>

**Notes:**

- (1) Based on 1,000 Shares in issue as at the Latest Practicable Date, rounded to the nearest two decimal places.
- (2) Mr Tan Ah Lye is deemed to be interested in 760 shares in the capital of the Offeror which are held by TALHPL by virtue of Section 4 of the Securities and Futures Act.

### 5.6 Dealings in shares of the Offeror by Directors

None of the Directors have dealt for value in the shares or convertible securities of the Offeror during the period commencing three (3) months prior to Offer Announcement Date and ending on the Latest Practicable Date.

### 5.7 Interests of the IFA in the Shares

The IFA does not own or control any Shares as at the Latest Practicable Date. The IFA does not manage the investment of any funds which own or control any Shares.

### 5.8 Dealings in the Shares by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis have dealt for value in the Shares.

### 5.9 Directors' Intentions

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

- (i) Tan Ah Lye, having given the Irrevocable Undertaking, intends to accept the Offer in respect of his (i) direct interest in 304,000 Shares (representing approximately 0.28% of the total number of Shares); and (ii) deemed interest in 32,273,200 Shares held by TALHPL (representing approximately 29.68% of the total number of Shares).

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## ANNEX A – ADDITIONAL GENERAL INFORMATION

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- (ii) Rai Satish intends to accept the Offer in respect of the 10,000 Shares directly held by him.

### 6. OTHER DISCLOSURES

#### 6.1 Directors' Service Contracts

As at the Latest Practicable Date:

- (i) there are no service contracts between any director or proposed director of the Company or its subsidiaries with more than twelve (12) months to run, and which the employing company cannot, within the next twelve (12) months, terminate without paying any compensation; and
- (ii) there are no such service contracts between any director or proposed director of 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.

#### 6.2 Arrangements Affecting Directors

As at the Latest Practicable Date:

- (i) there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director of the Company or any of its related corporations as compensation for loss of office or otherwise in connection with the Offer;
- (ii) save for the Irrevocable Undertakings as disclosed in Section 4 of this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (iii) save for the Irrevocable Undertakings as disclosed in Section 4 of this Circular and interests of Directors as disclosed in Paragraph 5.5 of **Annex A** of this Circular, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

### 7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in this Circular and publicly available information on the Company (including but not limited to the announcements, financial statements and annual reports released by the Company on SGX-ST), neither the Company nor any of its subsidiaries have entered into any material contract (other than those entered into in the ordinary course of business) with interested persons during the period commencing three (3) years prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### Notes:

An "interested person", as defined in Note on Rule 23.12 of the Code, is:

- (a) a director, chief executive officer, or substantial shareholder of the Company;
- (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the Company;

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## ANNEX A – ADDITIONAL GENERAL INFORMATION

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- (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.

### 8. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries are engaged in any material litigation or arbitration proceedings as plaintiff or defendant which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

The Directors are not aware of any proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company.

### 9. VALUATION CERTIFICATES

The Company has commissioned independent valuations or already obtained the Valuation Certificates and Valuation Reports of the Assets and Subject Properties.

Based on the Valuation Certificates and Valuation Reports, the market value of the Assets and Subject Properties are as follows:

S/N	Asset/Subject Property	Market value based on the Valuation Reports	Date of Valuation Certificates	Independent Valuer
1.	The Singapore Property	S\$16,000,000	20 March 2025	CKS Property Consultants Pte. Ltd.
2.	The Malaysia Property	RM4,500,000	2 April 2025	Azmi & Co (Johor) Sdn. Bhd.
3.	The Assets	S\$61,699,000	28 March 2025	Robert Khan & Co Pte. Ltd.

Copies of the Valuation Certificates and Valuation Reports issued by the Valuers are available for inspection at the registered address of the Company at 26 Gul Road, Singapore 629346 during normal business hours until the Closing Date.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liabilities which would arise if the Assets and Subject Properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation.

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## ANNEX A – ADDITIONAL GENERAL INFORMATION

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Based on the valuations carried out by the Valuers, the following sets out the views of the management of the Company in relation to the potential tax liabilities which may be incurred by the Group on the hypothetical disposal of the Assets and Subject Properties (please refer to the table above in relation to the type of property and assets):

- (a) In relation to the Assets, the potential tax liability that will be incurred by the Group on such hypothetical disposals is approximately S\$2,326,000.
- (b) In relation to the Subject Properties:
  - (i) for the Subject Property held in Singapore, the potential tax liability that will be incurred by the Group on such hypothetical disposals is nil as any gains would be capital in nature and there is no capital gains tax in Singapore. However, there is a refund of land rent assistance of S\$4,240,000 granted by JTC Corporation if the Singapore Property is disposed before October 2030; and
  - (ii) for the Subject Property held in Malaysia, the potential tax liability that will be incurred by the Group on such hypothetical disposals is approximately S\$14,000.

### 10. FINANCIAL INFORMATION

#### 10.1 Consolidated Statements of Comprehensive Income

A summary of the audited consolidated statements of comprehensive income of the Group for FY2022, FY2023 and FY2024 are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the audited consolidated financial statements of the Group for the relevant years and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in Paragraph 12 of **Annex A** to this Circular).

##### Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<b>FY2024</b>	<b>FY2023</b>	<b>FY2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Revenue	50,281	66,230	51,570
Cost of sales	(33,562)	(47,798)	(38,731)
Gross profit	16,719	18,432	12,839
Other operating income	1,938	2,979	1,443
Selling expenses	(448)	(396)	(477)
Administrative expenses	(10,216)	(10,473)	(9,290)
Other operating expenses	(314)	(384)	(125)
Reversal of impairment loss (impairment loss) on financial assets	1	(201)	69
Finance costs	(188)	(183)	(64)

## ANNEX A – ADDITIONAL GENERAL INFORMATION

	FY2024 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Net profit before income tax	7,492	9,774	4,395
Income tax expense	(1,225)	(1,779)	(744)
<b>Net profit for the year attributable to owners of the Company</b>	<b>6,267</b>	<b>7,995</b>	<b>3,651</b>
<b>Other comprehensive income (loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	538	(1,016)	(2,041)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain arising on financial assets designated as at FVTOCI	490	200	–
<b>Other comprehensive income (loss) for the year, net of tax</b>	<b>1,028</b>	<b>(816)</b>	<b>(2,041)</b>
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b>7,295</b>	<b>7,179</b>	<b>1,610</b>
	<b>FY2024</b>	<b>FY2023</b>	<b>FY2022</b>
<b>Earnings per Share (cents):</b>			
Basic and diluted, net	5.75	7.12	3.22
<b>Dividends per Share (cents)</b>			
Dividends per Share, net	5.0	5.0	3.5

For the avoidance of doubt, there were no exceptional items or minority interests in the audited consolidated financial statements of profit or loss and other comprehensive income of the Group for FY2022, FY2023 and FY2024.

## ANNEX A – ADDITIONAL GENERAL INFORMATION

### 10.2 Consolidated Statements of Financial Position

A summary of the audited consolidated statements of financial position of the Group as at 31 December 2024 and as at 31 December 2023 are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the audited consolidated financial statements of the Group for the relevant years and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in Paragraph 12 of **Annex A** to this Circular).

	As at 31 December 2024 S\$'000	As at 31 December 2023 S\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	47,855	44,638
Trade receivables	13,813	11,735
Other receivables and prepayments	477	1,238
Inventories	2,633	3,990
Derivative financial instruments	1	–
<b>Total current assets</b>	64,779	61,601
<b>Non-current assets</b>		
Property, plant and equipment, net	55,022	61,838
Right-of-use assets	3,151	3,332
Financial assets at fair value through profit or loss	265	349
Financial assets at fair value through other comprehensive income ("FVTOCI")	1,190	700
Other assets	1,296	10
<b>Total non-current assets</b>	60,924	66,229
<b>Total assets</b>	125,703	127,830
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Derivative financial instruments	–	2
Trade payables	875	1,044
Other payables	4,291	4,689
Lease liabilities	2,499	2,914
Income tax payables	693	1,308
<b>Total current liabilities</b>	8,358	9,957

## ANNEX A – ADDITIONAL GENERAL INFORMATION

	As at 31 December 2024 S\$'000	As at 31 December 2023 S\$'000
<b>Non-current liabilities</b>		
Lease liabilities	3,308	5,806
Deferred tax liabilities	6,497	5,864
<b>Total non-current liabilities</b>	9,805	11,670
<b>Total liabilities</b>	18,163	21,627
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	41,846	41,846
Retained earnings	77,590	76,809
Treasury shares	(2,810)	(2,338)
Translation reserves	(8,853)	(9,391)
Capital reserve	(923)	(923)
Fair value reserve	690	200
<b>Total shareholders' equity</b>	107,540	106,203
<b>Total liabilities and shareholders' equity</b>	125,703	127,830

### 10.3 Material Changes in Financial Position

Save as disclosed in this Circular, and any other financial information on the Group which is publicly available (including but not limited to the announcements, financial statements and annual reports released by the Company on SGX-ST), there has not been, within the knowledge of the Directors, any material changes in financial position as at the Latest Practicable Date since the last financial year ended 31 December 2024, being the date of the last published audited financial statements of the Company.

### 10.4 Significant Accounting Policies

The significant accounting policies of the Group are disclosed in the notes to the audited consolidated financial statements of the Group for FY2024 as set out in the Group's annual report for FY2024.

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

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## ANNEX A – ADDITIONAL GENERAL INFORMATION

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### 10.5 Changes in Accounting Policies

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

### 10.6 Material Changes in Information

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

## 11. GENERAL

- (i) **Costs and Expenses.** All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (ii) **Consent of IFA.** The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter setting out, *inter alia*, its advice to the Independent Directors in respect of the Offer which is annexed hereto as **Annex B**, and references to its name, in the form and context in which they appear in this Circular.
- (iii) **Consent of Valuers.** Each of the Valuers has given and confirmed that they have not withdrawn their respective written consent to the issue of this Circular with the inclusion herein of its name and the references to its name and their respective Valuation Certificates and Valuation Reports in the form and context in which they appear in this Circular.

## 12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 26 Gul Road, Singapore 629346, during business hours for the period, during which the Offer remains open for acceptances:

- (i) the Constitution of the Company;
- (ii) the annual reports of the Company for FY2022, FY2023 and FY2024 (which contain the audited consolidated financial statements of the Group for FY2022, FY2023 and FY2024);
- (iii) the IFA Letter, as set out in **Annex B** to this Circular;
- (iv) the Valuation Certificates, as set out in **Annex C** to this Circular;
- (v) the Valuation Reports; and
- (vi) the letters of consent referred to in Section 11 above.



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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### LETTER FROM CAPSTONE INVESTMENT CORPORATE FINANCE PTE. LTD. TO THE BOARD OF DIRECTORS OF SIN HENG HEAVY MACHINERY LIMITED (THIS “LETTER”)

16 April 2025

The Board of Directors  
Sin Heng Heavy Machinery Limited  
26 Gul Road

Singapore 629346

Dear Sirs and Madam,

#### **VOLUNTARY UNCONDITIONAL CASH OFFER BY MAYBANK SECURITIES PTE. LTD. FOR AND ON BEHALF OF TAL UNITED PTE. LTD. TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SIN HENG HEAVY MACHINERY LTD.**

*Unless otherwise defined or the context requires otherwise, all terms used herein have the same meanings as defined in the circular dated 16 April 2025 (the “Circular”) issued to the shareholders of the Company (“Shareholders”) in relation to the Offer. Any discrepancies in this Letter (as defined below) between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as total in this Letter may not be arithmetic aggregation of the figures which precede them.*

#### **1. INTRODUCTION**

On 14 March 2025 (the “**Offer Announcement Date**”), Maybank Securities Pte. Ltd. announced, for and on behalf of TAL United Pte. Ltd. (the “**Offeror**”), that the Offeror intends to make a voluntary unconditional cash offer (“**Offer**”) to acquire all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of Sin Heng Heavy Machinery Limited (the “**Company**” and together with its subsidiaries, “**Group**”) (“**Offer Shares**”) in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) Rule 15 of the Singapore Code on Take-over and Mergers (the “**Code**”).

In connection with the above, Capstone Investment Corporate Finance Pte. Ltd. (“**CICF**”) was appointed by the Company as the independent financial adviser (“**IFA**”) to the directors of the Company who are considered independent for the purposes of making recommendation to Shareholders in respect of the Offer as required under the Code (the “**Independent Directors**”).

This letter (“**Letter**”) sets out our evaluation and assessment of the financial terms of the Offer and our recommendations to the Independent Directors. This Letter will form part of the Circular to be issued by the Company providing details and the recommendation of the Independent Directors to Shareholders with regards to the Offer.

#### **2. TERMS OF REFERENCE**

CICF has been appointed by the Company to provide an opinion regarding the Offer to the Independent Directors in compliance with the provisions of the Code. We have confined our evaluation and assessment to the financial terms of the Offer.

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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CICF is not a party to the negotiations or discussions relating to the Offer and is not involved in the discussions leading to the relevant parties' decision to undertake and implement the Offer as well as its terms. Our terms of reference do not require us to evaluate, comment, advise or form a view on the rationale, and/or merits of the Offer or the listing status of the Company or future prospects of the Company or Group. We have not been instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Offer Shares. Accordingly, we do not compare or express any opinion on the relative merits of the Offer vis-à-vis any alternative transactions previously considered by the Company or that may otherwise be available to the Company in the future.

In evaluating the financial terms of the Offer, we have held discussions with the Directors and management of the Company and have examined and relied on publicly available information collated by us as well as information provided and representations made, both written and verbal, by the Directors and the management of the Company. We have not independently verified such information or representations, whether written or verbal, and therefore cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have, however, made reasonable enquiries and exercised our judgement on the reasonable use of such information and found no reason to doubt the accuracy or reliability of such information.

We have relied upon the assurances of the Directors and the management of the Company that after making all reasonable enquiries and to the best of their knowledge and belief, all material information or facts relating to the Offer, the Company and/or the Group has been disclosed to us, that such information constitutes true, complete and accurate disclosure of all material facts about the Offer, the Company and/or the Group and the Directors and the management of the Company are not aware of any material information or facts the omission of which would make any information disclosed to us to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

In evaluating the financial terms of the Offer and in arriving at our opinion thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We are not required to express and we do not express any view on the growth prospects and earnings potential of the Company and/or the Group. Accordingly, we are not expressing any view herein as to the prices at which the Shares may trade in the absence of the Offer or if the Offer was not effected.

We are not required to and have not made any independent evaluation or appraisal or valuation of the Company and/or the Group (including without limitation to property, plant and equipment). However, in connection with the Offer, the Company has commissioned independent valuers to value the following properties, plant and equipment of the Group:

- (i) Valuation of the Group's industrial land with an open-sided factory unit located at PTB 1472, Jalan Industri B7, Kawasan Perindustrian Bandar Penawar, 81930 Bandar Penawar, Johor Darul Takzim ("**The Malaysia Property**") by Azmi & Co (Johor) Sdn Bhd ("**Azmi & Co**");

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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- (ii) Valuation of the Group's leasehold property of two storey Jurong Town Corporation ("**JTC**") detached factory with two storey industrial/ancillary office building located at 26 Gul Road Singapore 629346 ("**The Singapore Property**") by CKS Property Consultant Pte Ltd ("**CKS**"); and
- (iii) Valuation of the Group's cranes and aerial lifts ("**Assets**") by Robert Khan & Co Pte Ltd ("**Robert Khan**")

(collectively, Azmi & Co, CKS and Robert Khan are referred as "**Independent Valuers**").

The above valuation certificates ("**Valuation Certificates**") are set out in the Annex C of the Circular.

We are not experts in the evaluation or appraisal of The Malaysia Property, The Singapore Property and the Assets (collectively, the "**Fixed Assets**") and we have relied on the independent valuations by the Independent Valuers for such appraisal and have not made any independent verification of the contents thereof. We do not assume any responsibility, expressed or implied, for the contents of the Valuation Certificates, including the bases and assumptions of the valuation as contained therein or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements.

Our opinion as set out herein is based upon market, economic, industry, monetary and other conditions prevailing on, and the information provided to us as of 6 April 2025, being the latest practicable date prior to the printing of the Circular (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer which may be released by the Company after the Latest Practicable Date.

**In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders could have different investment profiles and objectives, we recommend that individual Shareholders who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

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

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

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 3. TERMS OF THE OFFER

Shareholders should have received a copy of the Offer Document, setting out, *inter alia*, the terms of the Offer. The terms of the Offer are set out in Section 2 of the letter to Shareholders in the Offer Document. **Shareholders are advised to read the terms of the Offer set out in the Offer Document carefully.**

Based on the information set out in the Offer Document, the Offeror had made an Offer to acquire all the Shares, including any Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror in relation to the Offer in accordance with Section 139 of the SFA (the “**SFA**”) and Rule 15 of the Code and subject to the terms set out in the Offer Document, the FAA and the FAT. The principal terms of the Offer as, as extracted from the Offer Document is set out below:

#### 3.1 Offer Price

As stated in Section 2.1.1 of the Offer Document, the consideration for each Offer Share is as follows:

*“For each Offer Share: S\$0.58 in cash (the “Offer Price”)*

*The Offer Price is final and the Offeror does not intend to increase the Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if a competitive situation arises.”*

#### 3.2 Offer Shares

Section 2.1.2 of the Offer Document states the following:

*“The Offer is extended, on the same terms and conditions to all the Shares (excluding any Shares held in treasury), including any Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror in relation to the Offer (the “Offer Shares”).”*

#### 3.3 Rights and Encumbrances

Section 2.1.3 of the Offer Document states the following:

*“The Offer Shares will be acquired: (a) fully paid; (b) free from any Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made thereon by the Company in respect of the Offer Shares on or after the Offer Announcement Date.”*

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 3.4 Adjustments for Distributions

Section 2.1.4 of the Offer Document states the following:

*“Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date (including the first and final one-tier tax exempt dividend of S\$0.01 and the special one-tier tax exempt dividend of S\$0.04 per Share for the financial year ended 31 December 2024 proposed by the directors of the Company (the “FY2024 Dividends”). In the event that any Distribution has been paid or made by the Company to a Shareholder who accepts the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution paid or made by the Company to such accepting Shareholder.*

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

- (a) if such settlement date in respect of the Offer Shares accepted pursuant to the Offer falls on or before the record date for the determination of entitlements to the Distribution (the “Record Date”) and the Offeror is registered as the holder of such Offer Shares as at the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S\$0.58 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of those Offer Shares from the Company; and*
- (b) if such settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the Record Date, or if such settlement date falls on or before the Record Date but the Offeror is not registered as the holder of such Offer Shares as at the Record Date, the amount of the Distribution in respect of such Offer Shares will be deducted from the Offer Price of S\$0.58 in cash for each Offer Share payable for such Offer Shares, as the Offeror will not receive the Distribution in respect of those Offer Shares from the Company.”*

### 3.5 Unconditional Offer

Section 2.2 of the Offer Document states the following:

*“The Offer is unconditional in all respects.”*

### 3.6 Convertible Securities

Section 2.3 of the Offer Document states the following:

*“As at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding instruments convertible into, rights to subscribe for, and options or derivatives in respect of, the Shares or securities which carry voting rights in the Company.”*

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 3.7 Warranty

Section 2.4 of the Offer Document states the following:

*“A Shareholder who tenders its/his/her Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that it/he/she sells such Offer Shares as or on behalf of the beneficial owner(s) thereof:*

- (a) fully paid;*
- (b) free from any Encumbrances; and*
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made thereon by the Company in respect of the Offer Shares, the Record Date for which falls on or after the Offer Announcement Date.”*

### 3.8 Duration of the Offer

Section 2.5 of the Offer Document states the following:

*“Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances for a period of at least 28 days from the date of posting of this Offer Document. Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 30 April 2025. Notice is hereby given that the Offeror will not extend the Offer beyond 5.30 p.m. (Singapore time) on the Closing Date and the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on the Closing Date, save that such notice shall not be capable of being enforced in a competitive situation.”*

### 3.9 Further Details of the Offer

Information on (a) the duration of the Offer; (b) the settlement of the consideration of the Offer; (c) the requirements relating to the announcement(s) on the level of acceptance of the Offer; and (d) the right of withdrawal of acceptances of the Offer, are set out in Appendix 1 to the Offer Document.

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document and the accompanying FAA and FAT (as the case may be).

## 4. INFORMATION ON THE OFFEROR AND ITS SHAREHOLDERS

Information on the Offeror and its shareholders, as set out in Section 4 of the Offer Document is reproduced in italics below:

### *“4.1 Information on the Offeror*

*The Offeror is a private company limited by shares incorporated in Singapore on 15 August 2024. Its principal activity is that of investment holding. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.*

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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*As at the Latest Practicable Date, the Offeror has a total issued and paid-up capital of S\$1,000 comprising 1,000 issued and paid-up ordinary shares and is a consortium formed between:*

- (a) TAL Holdings Pte. Ltd. ("TALHPL") with a shareholding interest of 760 ordinary shares in the Offeror constituting 76.0% of the total issued and paid-up ordinary shares in the Offeror; and*
- (b) United Hope Pte. Ltd. ("UHPL") with a shareholding interest of 240 ordinary shares in the Offeror constituting 24.0% of the total issued and paid-up ordinary shares in the Offeror.*

*As at the Latest Practicable Date, the Offeror does not hold any Shares in the capital of the Company.*

*The directors of the Offeror are Mr. Tan Ah Lye, Mr. Tan Cheng Kwong and Mr. Teo Yi-dar. Mr. Tan Ah Lye is an Executive Director and the Chief Executive Officer of the Company and a director of TALHPL. Mr. Tan Cheng Kwong is an Executive Director and the Deputy Chief Executive Officer of the Company and a director of TALHPL. Mr. Teo Yi-dar is the sole shareholder and director of UHPL.*

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

### 4.2 Information on TALHPL

*TALHPL is a company incorporated in Singapore on 8 July 2008 and is a controlling Shareholder of the Company. Its principal activity is that of investment holding. Its shareholders are as follows:*

<b>Name of shareholder</b>	<b>% of shareholding in TALHPL</b>
<i>Tan Ah Lye</i>	<i>28.94</i>
<i>Tan Cheng Kwong (son of Tan Ah Lye)</i>	<i>16.92</i>
<i>Tan Cheng Soon, Don (son of Tan Ah Lye)</i>	<i>16.92</i>
<i>Tan Cheng Guan (son of Tan Ah Lye)</i>	<i>16.92</i>
<i>Tan Hwee Keow (wife of Tan Ah Lye)</i>	<i>8.12</i>
<i>Tan Bee Choo (daughter of Tan Ah Lye)</i>	<i>6.09</i>
<i>Tan Seng Chong<sup>(1)</sup></i>	<i>2.03</i>
<i>Tan Seng Kiat<sup>(1)</sup></i>	<i>2.03</i>
<i>Tan Ah Huat<sup>(1)</sup></i>	<i>2.03</i>

**Note:**

*(1) Mr. Tan Seng Chong, Mr. Tan Seng Kiat and Mr. Tan Ah Huat are not relatives of Mr. Tan Ah Lye.*

*The directors of TALHPL are Mr. Tan Ah Lye, Mr. Tan Cheng Kwong, Mr. Tan Cheng Soon, Don and Mr. Tan Cheng Guan.*



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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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*As at the Latest Practicable Date, TALHPL holds 32,273,200 Shares directly, representing approximately 29.68% of the total number of Shares.*

*Additional information on TALHPL is set out in Appendix 4 to this Offer Document.*

### 4.3 Information on UHPL

*UHPL is a company incorporated in Singapore on 26 March 2020 and is a controlling Shareholder of the Company. Its principal activity is that of investment holding. Its sole shareholder and director is Mr. Teo Yi-dar. As at the Latest Practicable Date, UHPL holds directly 30,950,000 Shares, representing approximately 28.46% of the total number of Shares.”*

## 5. IRREVOCABLE UNDERTAKINGS

Information on the irrevocable undertakings, are set out in Section 6 to the Offer Document, is reproduced in italics below:

### *“6.1 Irrevocable Undertakings*

*The Offeror has received irrevocable undertakings dated 14 March 2025 (the “Irrevocable Undertakings”) from the following Shareholders (the “Undertaking Shareholders”):*

- (a) TALHPL in respect of its direct interest in 32,273,200 Shares, representing approximately 29.68% of the total number of Shares;*
- (b) Mr. Tan Ah Lye in respect of his (i) direct interest in 304,000 Shares (representing approximately 0.28% of the total number of Shares); and (ii) deemed interest in 32,273,200 Shares held by TALHPL (representing approximately 29.68% of the total number of Shares), collectively representing approximately 29.96% of the total number of Shares;*
- (c) UHPL in respect of its direct interest in 30,950,000 Shares, representing approximately 28.46% of the total number of Shares;*
- (d) Mr. Teo Yi-dar in respect of his (i) direct interest in 1,600 Shares (representing approximately 0.0015% of the total number of Shares); and (ii) deemed interest in 30,950,000 Shares held by UHPL (representing approximately 28.46% of the total number of Shares), collectively representing 28.46% of the total number of Shares; and*
- (e) Mr. Yuuki Ikeda in respect of his direct interest in 100,000 Shares, representing approximately 0.09% of the total number of Shares,*

*pursuant to which each Undertaking Shareholder has, among other things, unconditionally and irrevocably undertaken to the Offeror to tender, or procure the tender of all (and not some only) of its/his respective Shares and any Shares which it/he may acquire on or after the date of the Irrevocable Undertakings, in full acceptance of the Offer.*



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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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*Further, under the Irrevocable Undertakings for TALHPL, Mr. Tan Ah Lye, UHPL and Mr. Teo Yi-dar (together, the “Non-cash Undertaking Shareholders”) (the “Non-cash Irrevocable Undertakings”), each Non-cash Undertaking Shareholder:*

- (i) will waive its/his right under Rule 30 of the Code to receive payment for all of its/his Shares to be tendered in full acceptance of the Offer in cash within the time period prescribed under Rule 30 of the Code (the “Consideration”); and*
- (ii) agree that the payment for such Consideration shall be satisfied in full by the issue by the Offeror to each of the Non-cash Undertaking Shareholders of an interest-free promissory note (the “Promissory Notes”) with the value of the relevant Consideration due for all of its/his Shares tendered in full acceptance of the Offer, after the close of the Offer.*

*Under the terms of the Irrevocable Undertaking for Mr. Yuuki Ikeda, he agrees that the payment which he is to receive for all of his Shares to be tendered in full acceptance of the Offer shall be satisfied in cash, such payment to be in accordance with Rule 30 of the Code.*

### **6.2 Aggregate holdings of Undertaking Shareholders**

*Pursuant to the Irrevocable Undertakings, the aggregate number of Shares held by the Undertaking Shareholders amounts to 63,628,800 Shares, representing approximately 58.51% of the total number of Shares as at the Latest Practicable Date.*

### **6.3 Termination of Irrevocable Undertakings**

*Each of the Irrevocable Undertakings shall terminate upon the Offer being withdrawn, lapsing or closing for any reason other than a breach of the obligations under each Irrevocable Undertaking.*

### **6.4 No other undertakings**

*Save for the Irrevocable Undertakings, as at the Latest Practicable Date, the Offeror has not received undertakings from any other party to accept or reject the Offer.*

### **6.5 Confirmation from the SIC**

*Pursuant to an application made by the Offeror to the SIC to seek certain rulings and confirmations in relation to the Offer, the SIC has confirmed that the Promissory Notes to be issued to the Non-cash Undertaking Shareholders as contemplated under the Non-cash Irrevocable Undertakings is not a special deal for the purposes of Rule 10 of the Code.”*

## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

### 6. RATIONALE OF THE OFFER

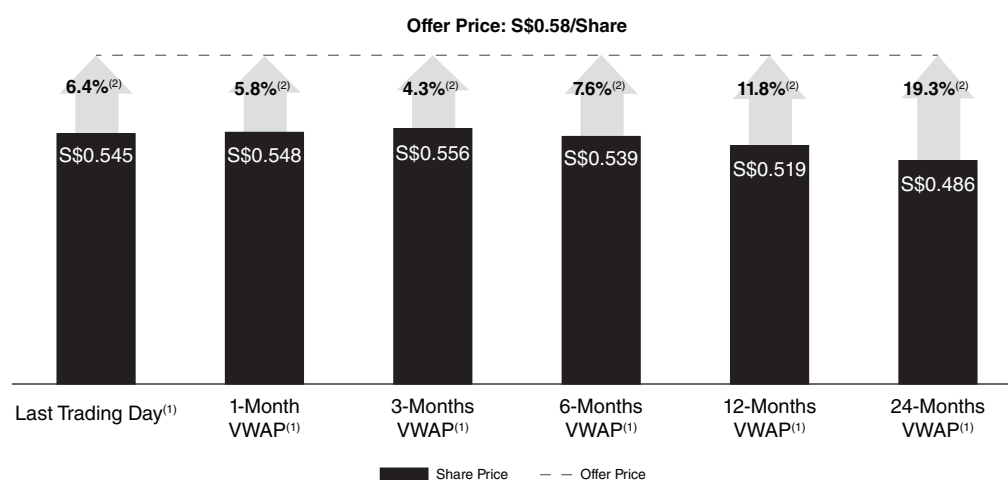
The rationale of the Offer, as set out in Section 7 of the Offer Document, is reproduced in italics below:

*“7.1 Opportunity for Shareholders to realise their investment in the Shares at a premium over historical trading prices of the Shares without incurring brokerage costs.*

*The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in the Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the low trading liquidity of the Shares.*

*The Offer Price represents a premium of approximately:*

- (a) 6.4% over the last transacted price per Share of S\$0.545 on 13 March 2025 (being the last full market day on which the Shares were traded, prior to the release of the Offer Announcement (the “Last Trading Day”)); and
- (b) 5.8%, 4.3%, 7.6%, 11.8% and 19.3% over the volume weighted average price (“VWAP”) per Share for the one (1)-month, three (3)-month, six (6)-month, 12-month and 24-month periods, respectively, up to and including the Last Trading Day.



Source: Bloomberg, L.P.

#### Notes:

- (1) The figures representing the last traded price on the Last Trading Day and the VWAP per Share are rounded to the nearest three (3) decimal places and computed based on data sourced from Bloomberg, L.P. up to and including the Last Trading Day. The VWAP of the Shares is calculated by using the total value over the total volume of Shares traded in the relevant period up to and including the Last Trading Day.
- (2) The respective premiums are rounded to the nearest one (1) decimal place.

## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

*The Offer Price is higher than the closing share price of the Shares in the past five (5)-year period up to and including the Last Trading Day, except for 17 January 2025.*



Source: Bloomberg, L.P.

### 7.2 Low trading liquidity

*The trading volume of the Shares has historically been low, with an average daily trading volume of approximately 40,540 Shares, 41,925 Shares, 33,269 Shares, 38,302 Shares and 48,240 Shares for the one (1)-month, three (3)-month, six (6)-month, 12-month and 24-month periods, respectively, up to and including the Last Trading Day. These represent only 0.037%, 0.039%, 0.031%, 0.035% and 0.044% of the total number of Shares as at the Latest Practicable Date, respectively.*

	<b>Average daily trading volume<sup>(1)</sup></b>	<b>Average daily trading volume as a percentage of total issued Shares (%)<sup>(2)(3)</sup></b>
<i>One (1)-month period up to and including the Last Trading Day</i>	40,540	0.037
<i>Three (3)-month period up to and including the Last Trading Day</i>	41,925	0.039
<i>Six (6)-month period up to and including the Last Trading Day</i>	33,269	0.031
<i>12-month period up to and including the Last Trading Day</i>	38,302	0.035
<i>24-month period up to and including the Last Trading Day</i>	48,240	0.044

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### Notes:

- (1) *The average daily trading volumes are based on data extracted from Bloomberg, L.P. on the Last Trading Day. The average daily trading volumes are calculated using the total volume of Shares traded divided by the number of market days on which shares were traded on SGX-ST, with respect to the relevant period.*
- (2) *The average daily trading volume as a percentage of total issued Shares are calculated using the average daily trading volume of Shares for the relevant period divided by the total number of Shares in issue as at the Latest Practicable Date, expressed as a percentage.*
- (3) *The average daily trading volume as a percentage of the total issued Shares in this column are rounded to the nearest three (3) decimal places.*

### 7.3 Greater management flexibility

*The Offeror is making the Offer with a view to delist and privatise the Company. The Offeror believes that privatising the Company will provide the Offeror and the Company with greater control and management flexibility to manage the business of the Group, respond to changing market conditions and optimise the use of the Company's management and resources.*

### 7.4 Costs of maintaining listing

*In maintaining its listed status, the Company has incurred and continues to incur considerable listing and associated costs, including but not limited to compliance costs and time dedicated to regulatory and reporting obligations. If the Company is delisted and privatised as a consequence of the Offer, the Company will be able to substantially dispense with such burdens and instead, focus its resources and attention on its businesses, investments and operations."*

## 7. THE OFFEROR'S INTENTION IN RELATION TO THE COMPANY

The Offeror's intention in relation to the Company, as set out in Section 8 and 9.3 of the Offer Document, is reproduced in italics below:

### **"8. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY**

*The Offeror intends for the Company to continue its existing business activities and there are currently no plans to (a) introduce any major changes to the existing business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of the existing employees of the Group, in each case, other than in the ordinary and usual course of business and/or in response to changing market conditions. The Offeror retains and reserves the right and flexibility at any time and from time to time to further consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Offeror and/or the Company.*

### **9.3 Offeror's intentions**

*The Offeror intends to privatise the Company and delist the Company, should the option be available to the Offeror. Accordingly, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the*

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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*Listing Manual, subject to the requirements thereunder. However, in the event that the percentage of the total number of Shares (excluding Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, and the Offeror is unable to (a) seek a voluntary delisting of the Company; or (b) exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, it is the current intention of the Offeror to undertake and/or support any action as may be necessary for any trading suspension by the SGX-ST to be lifted.”*

### 8. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have given due consideration to the following:

- (a) the financial performance and position of the Group;
- (b) the market prices and trading activity of the Shares;
- (c) historical share price performance relative to the FTSE Straits Times Index (“**FSSTI**”);
- (d) NTA-based valuation of the Group;
- (e) comparison with financial valuation ratios of selected listed companies which principal business are broadly comparable to those of the Group;
- (f) comparison of selected recent privatisation transactions of other companies listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”);
- (g) the dividend track record of the Company; and
- (h) other relevant factors for consideration.

#### 8.1 Financial Performance and Position of the Group

We set out below a summary of the audited financial information of the Company for the last three financial years ended 31 December 2022, 31 December 2023, 31 December 2024 (referred to as “**FY2022**”, “**FY2023**” and “**FY2024**” respectively, and collectively, the “**Period Under Review**”).

##### Summary of the Group’s Financial Performance

(S\$’000)	FY2024	Audited	
		FY2023	FY2022
Revenue	50,281	66,230	51,570
Gross Profit	16,719	18,432	12,839
Profit before taxation	7,492	9,774	4,395
Profit for the financial year	6,267	7,995	3,651

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### FY2024 vs FY2023

#### Revenue

Revenue decreased by approximately 24.08% or approximately S\$15.9 million in FY2024 mainly due to the lower revenue generated from the Trading business as a result of a reduced number of equipment sold in FY2024.

#### Profit for the financial year

The profit of the Company decreased by approximately 21.61% or approximately S\$1.7 million in FY2024 mainly due to the decrease in revenue generated by the Trading business offset by a decrease in administrative expenses and other operating expense mainly due to the decrease in directors and staff related expenses and lower professional fees and lower bad debts and low property, plant and equipment written off respectively.

### FY2023 vs FY2022

#### Revenue

Revenue increased by approximately 28.42% or approximately S\$14.7 million in FY2023 primarily due to the higher revenue generated from both business segments. The increase in revenue from the Equipment Rental business is mainly due to improved contribution from Singapore's operations and the increase in revenue from the Trading business is due to the increase in the number of cranes sold by the Malaysia entity as a result of streamlining the Equipment Rental business in Malaysia.

#### Profit for the financial year

The profit of the Company increased by approximately 118.38% or approximately S\$4.3 million in FY2023 mainly due to the improved contribution in revenue from the Equipment Rental Business and higher transactions activities that commanded higher margins. These increases are partially offset by higher directors and staff related expenses, higher write-off of property, plant and equipment and bad debts as well as higher finance costs as a result of additional hire purchase financing for the purchase of new cranes in FY2023.

#### Summary of the Group's Financial Position:

(S\$'000)	FY2024	Audited FY2023	FY2022
Non-current assets	60,924	66,229	67,937
Current assets	64,779	61,601	57,759
<b>Total assets</b>	<b>125,703</b>	<b>127,830</b>	<b>125,696</b>
Non-current liabilities	9,805	11,670	13,295
Current liabilities	8,358	9,957	7,661
<b>Total liabilities</b>	<b>18,163</b>	<b>21,627</b>	<b>20,956</b>
<b>Net assets/(liabilities)</b>	<b>107,540<sup>(1)</sup></b>	<b>106,203<sup>(1)</sup></b>	<b>104,740<sup>(1)</sup></b>
<b>Working capital</b>	<b>56,421</b>	<b>51,644</b>	<b>50,098</b>

## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

### Note:

(1) Including cash and cash equivalent of S\$47.86 million, S\$44.64 million and S\$38.05 million for FY2024, FY2023 and FY2022 respectively.

Total assets as at 31 December 2024 amounted to S\$125.7 million, comprising property, plant and equipment of approximately S\$55.0 million (43.77%), cash and cash equivalent of approximately S\$47.9 million (38.07%), trade and other receivables and prepayments of approximately S\$14.3 million (11.37%), right-of-use assets of approximately S\$3.2 million (2.51%), financial assets and other assets of approximately S\$2.8 million (2.19%) and inventories of approximately S\$2.6 million (2.09%).

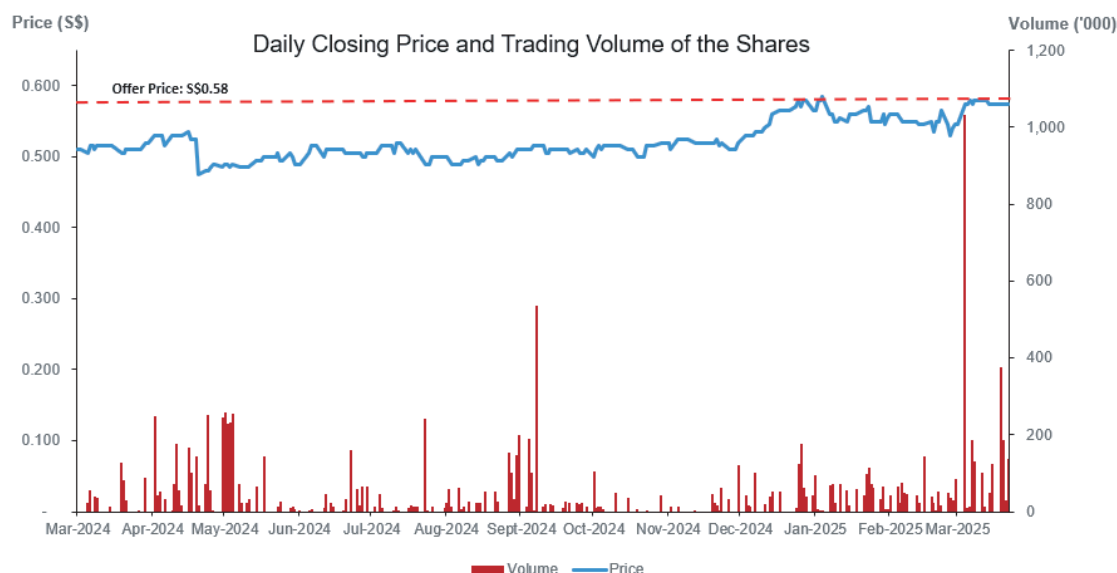
Total liabilities as at 31 December 2024 amounted to S\$18.2 million, comprising deferred tax liabilities of approximately S\$6.5 million (35.77%), lease liabilities of approximately S\$5.8 million (31.97%), trade and other payables of approximately S\$5.2 million (28.44%) and income tax payable of approximately S\$0.7 million (3.82%).

The Company recorded a positive working capital of approximately S\$56.4 million and Shareholders' equity of approximately S\$107.5 million as at 31 December 2024.

### 8.2 Market prices and trading activity of the Shares

We have compared the Offer Price against the historical market price of the Shares.

The historical price chart showing the daily closing prices and the trading volume of the Shares for the period commencing from 14 March 2024, being the 12-month period prior to the Last Traded Day (as defined below), and ending on the Latest Practicable Date is set out below:



Source: Bloomberg L.P.

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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A summary of the salient announcements made by the Company during the 12-month period prior to the Last Traded Day (as defined below) and up to the Latest Practicable Date is set out below:

No.	Date of Announcement	Event
1	12 April 2024	The Company announced its intention to hold an Annual General Meeting for FY2023 to be held on 30 April 2024.
2	30 April 2024	The Company announced the results of its Annual General Meeting for FY2023.
3	23 May 2024	The Company announced the minutes of its Annual General Meeting for FY2023 held on 30 April 2024.
4	28 June 2024	The Company announced the appointment of Mr Rai Satish as the chairman of the nominating committee and changes in composition of the board and board committee.
5	13 August 2024	The Company announced its unaudited financial results for the first six months of FY2024. Revenue for the first six months of FY2024 was S\$23.9 million as compared to S\$34.7 million for the first six months of FY2023. Profit for the first six months of FY2024 was S\$3.5 million as compared to S\$3.3 million for the first six months of FY2023.
6	27 September 2024	The Company announced the appointment of Mr Lee Wee Hsiung and Ms Hon Weiling as company secretaries of the Company, in place of Ms Siau Kuei Lian with effect from 27 September 2024.
7	5 November 2024	The Company announced the grant of an option to purchase a property located at 21 Ghim Moh Road.
8	27 February 2025	The Company announced its unaudited financial results for FY2024. Revenue for FY2024 was S\$50.3 million as compared to S\$66.2 million for FY2023. Profit for FY2024 was S\$6.3 million as compared to S\$8.0 million for FY2023.
9	14 March 2025	The Company announced the unconditional voluntary cash offer made by the Offeror
10	18 March 2025	The Company announced the appointment of CICF as the independent financial adviser in relation to the unconditional voluntary cash offer made by the Offeror
11	1 April 2025	The Company announced the exercise of option for the purchase of property located at 21 Ghim Moh Road #01-213 Singapore 270021 for a consideration of S\$2,775,000



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Based on the above, we note that over the last 12-month period prior and up to 13 March 2025, being the last traded day of the Shares before the Offer Announcement Date (the “**Last Traded Day**”), the Offer Price is higher than the closing prices for the Shares for 244 trading days out of the total of 250 trading days during the period. However, based on the table below, we noted that the Offer Price is at a discount of approximately 1.69% to the highest traded price of \$0.590 over the last 12-months.

We also noted that the Offer Price is at a premium of approximately 6.42% to the last transacted price of S\$0.545 (the “**Last Transacted Price**”) on the Last Traded Day. On 17 March 2025, (being the next market day after the Offer Announcement Date), the Shares closed at S\$0.575 and since then, the closing price of this Shares have traded at between S\$0.575 and S\$0.580 up to the Latest Practicable Date.

We have also compared the volume-weighted average price (“**VWAP**”) of Shares for selected reference periods between the 12-month period prior to the Last Traded Day and to the Latest Practicable Date as set out in the table below:

	Lowest traded Price (S\$)	Highest traded Price (S\$)	VWAP or Last Transacted Price (S\$)	Premium/ (Discount) of Offer Price <sup>(2)</sup> over VWAP (%)
<b>Periods prior to the Last Traded Day<sup>(3)</sup></b>				
Last 12 months	0.450	0.590	0.519	11.75
Last 6 months	0.500	0.590	0.539	7.61
Last 3 months	0.520	0.590	0.556	4.32
Last 1 month	0.525	0.565	0.548	5.84
Last Traded Day	0.535	0.545	0.545 <sup>(4)</sup>	6.42
<b>Periods after the Offer Announcement Date</b>				
Market Day <sup>(6)</sup> immediately after the Offer Announcement Date	0.575	0.595	0.575 <sup>(4)</sup>	0.87
Between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date (both dates inclusive)	0.575	0.595	0.580	0.03
Latest Practicable Date	0.575	0.575	0.575 <sup>(5)</sup>	0.87

Source: Bloomberg L.P.

### Notes:

- (1) The VWAP is weighted based on the volume of Shares traded and transacted prices of the Shares for the Market Days in the respective periods.
- (2) Based on the Offer Price of S\$0.58 per Offer Share.
- (3) Including the Last Traded Day.
- (4) The closing price on the Last Traded Day and the Market Day immediately after the Offer Announcement Date.

## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

- (5) The closing price on the Latest Practicable Date.
- (6) “Market Day” is defined as a day which SGX-ST is open for the trading of securities.

The key observations in respect of the above analysis are highlighted below:

- (a) Over the 12-month period prior to the Last Traded Day, the Shares have traded between a low of S\$0.450 and a high of S\$0.590;
- (b) The Offer Price represents a premium of 11.75%, 7.61%, 4.32% and 5.84 % to the VWAP for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Traded Day respectively;
- (c) The Offer Price represents a premium of 6.42% to the Last Transacted Price;
- (d) The Offer Price represents a premium of 0.87% to the closing price on the Market Day immediately after the Offer Announcement Date;
- (e) The Offer Price represents a premium of 0.03% to the VWAP for the period between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date; and
- (f) The Offer Price represents a premium of 0.87% to the last transacted price as at the Latest Practicable Date.

For illustration purposes only, we set out in the table below the average daily trading volume (“ADTV”) of the Shares and the ADTV as a percentage of its Free Float (as defined in the notes below) for selected reference periods between the 12-month period prior to the Last Traded Day and the Latest Practicable Date:

	ADTV <sup>(1)</sup> (Shares)	ADTV as a percentage of Free Float <sup>(2)</sup> (%)
<b>Periods prior to the Last Traded Day<sup>(3)</sup></b>		
Last 12 months	38,302	0.08
Last 6 months	33,269	0.07
Last 3 months	41,925	0.09
Last 1 month	40,540	0.09
Last Traded Day	83,000	0.18
<b>Periods after the Offer Announcement Date</b>		
Market Day immediately after the Offer Announcement Date	1,031,000	2.28
Between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date (both dates inclusive)	168,764	0.37
Latest Practicable Date	136,400	0.30

Source: Bloomberg L.P.

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**Notes:**

- (1) The ADTV is computed based on the total volume of Shares traded for all the Market Days for the relevant periods, divided by the total number of Market Days (including Market Days when no Shares were traded) during the respective periods.
- (2) Calculated based on a free float of approximately 45,211,700 Shares ("**Free Float**"), as confirmed by management as at the Latest Practicable Date
- (3) Including the Last Traded Day.

The key observations in respect of the above analysis are highlighted below:

- (a) The average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior and up to the Last Traded Day represents approximately 0.08%, 0.07%, 0.09% and 0.09% of the Free Float respectively;
- (b) The average daily traded volume of the Shares on the Last Traded Day represents 0.18% of the Free Float;
- (c) The average daily traded volume of the Shares on the Market Day immediately after the Offer Announcement Date represents 2.28% of the Free Float;
- (d) The average daily traded volume of the Shares for the period between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date represents 0.37% of the Free Float; and
- (e) The average daily traded volume of the Shares on the Latest Practicable Date represents 0.30% of the Free Float.

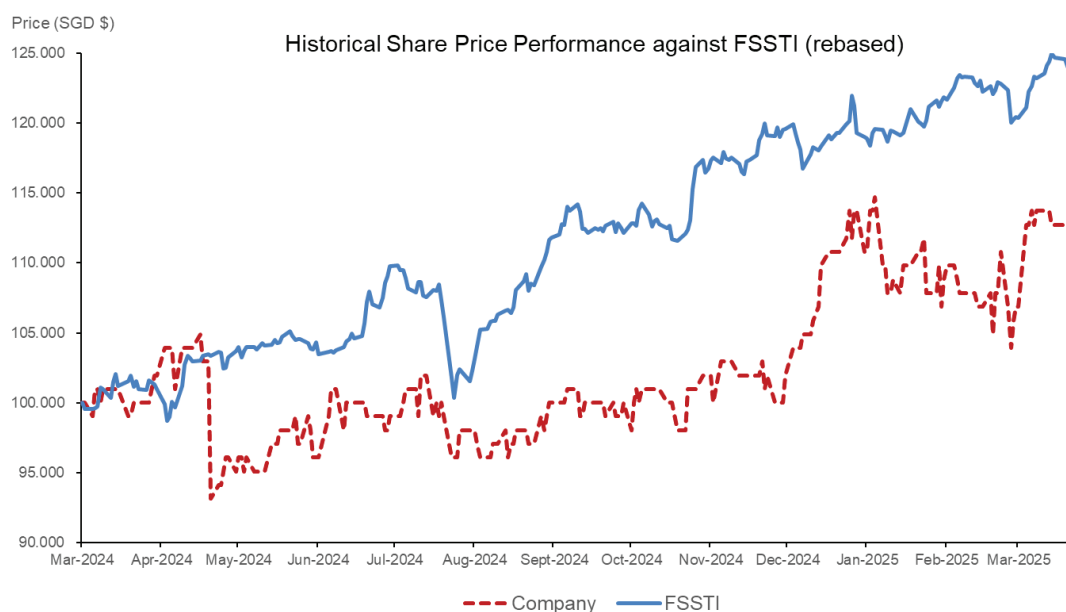
Based on the above observations, it would appear that the trading activity and market price of the Shares since the Offer Announcement Date up to the Latest Practicable Date may be supported by the Offer and Offer Price respectively.

**We wish to highlight that the above analysis of the trading performance of the Shares serves only as an illustrative guide and is not an indication of the future trading performance of the Shares.**

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### 8.3 Historical Share price performance relative to the FSSTI

To assess the market price performance of the Shares vis-à-vis the general price performance of the Singapore equity market, we have compared the market movement of the Shares price against the FSSTI for the period between 12-months prior to the Last Traded Day and the Latest Practicable Date, as illustrated below:



Source: Bloomberg L.P.

We note that during the period between 12-months prior to the Last Traded Day and the Latest Practicable Date, the Shares had generally underperformed the FSSTI on a normalised basis. The movements in the last transacted prices of the Shares and the FSSTI between the Last Traded Day and the Latest Practicable Date are as follows:

	Closing price on the Last Traded Day (S\$)	Closing price as at the Latest Practicable Date (S\$)	Change between the Last Traded Day and the Latest Practicable Date (%)
Company	0.545	0.575	5.50
FSSTI	3,837.52	3,825.86	(0.30)

Source: Bloomberg L.P.

Between the Last Traded Day and the Latest Practicable Date, the market price of the Shares has increased by 5.50% while the FSSTI decreased by 0.30%.

Based on the above observations, it would appear that the market price of the Shares since the Last Traded Day to the Latest Practicable Date may be supported by the Offer Price. Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a promise of the future trading performance of the Shares.

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 8.4 NTA-based valuation of the Company

The net tangible asset (“NTA”) based valuation provides an estimate of the value of a company assuming the hypothetical orderly sale of all its tangible assets over a reasonable period of time. NTA is computed by deducting the intangible assets from the Company’s net asset value.

NTA shows the extent to which the value of the Company is backed by tangible assets. However, it does not take into account the value of any intangible assets such as goodwill and right of use asset. NTA based valuation is meaningful only in so far as to show the extent to which the value of each Share is backed by tangible assets.

#### 8.4.1 NAV and NTA of the Group as at 31 December 2024

Based on the latest announced audited financial results of the Company for FY2024, the Company recorded a NAV and NTA position of approximately S\$107.54 million and S\$103.09 million respectively, equivalent to approximately a NAV value of S\$0.99 per Share and a NTA value of S\$0.95 per Share as at the Latest Practicable Date.

The Offer Price of S\$0.58 represents a discount of 41.35% to the audited NAV per Share and a discount of 38.82% to the audited NTA per Share.

In our evaluation of the financial terms of the Offer, we have considered whether there are any factors which have not been otherwise disclosed in the financial statements of the Company that are likely to have a material impact on the latest announced audited NTA of the Company as at 31 December 2024.

In this respect, save as disclosed in the audited financial statements of the Company as at 31 December 2024, the Directors have confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, there are no additional material contingent liabilities which are likely to have a material impact on the NTA of the Company.

We have also reviewed the latest announced audited statement of financial position of the Company as at 31 December 2024 to determine whether there are any assets that are of an intangible nature and as such, would not appear in a valuation based on NTA per Share as at 31 December 2024.

The Directors have confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, there are no additional material intangible assets which ought to be disclosed in the statement of financial position of the Company 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 Company.

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 8.4.2 Revalued NAV and NTA of the Group as at 31 December 2024 against the Offer Price

In our evaluation of the financial terms of the Offer, we have also considered whether there are any tangible assets which should be valued at an amount that is materially different from that which is recorded in the audited statement of financial position of the Company as at 31 December 2024.

In connection with the Offer, the Company has commissioned the Independent Valuers to conduct an independent valuation of the Fixed Assets

The valuations are prepared based on the “Market Value” of the Fixed Assets, where “Market Value” is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing, where the parties had each acted knowledgeably, prudently and without compulsion.

Shareholders are advised to read this section in conjunction with the Valuation Certificates, which are set out in Annex C of the Circular.

We set out below a summary of the market values of the Fixed Assets:

No	Description	Location	Market Value <sup>(1)</sup> (S\$ million)	Revaluation Surplus <sup>(2)</sup> (S\$ million)
1	The Singapore Property	26 Gul Road Singapore 629346	16.00	10.39
2	The Malaysia Property	81930 Bandar Penawar, Johor Darul Takzim	1.36 <sup>(3)</sup>	0.34
3	Assets	At various locations in Singapore	61.70	13.68
Total			79.06	24.41

**Notes:**

- (1) Any discrepancies between the figures listed and the totals thereof are due to rounding.
- (2) The revaluation surplus is calculated as the difference between the market values of the properties in their existing state and their corresponding book values as at the properties’ respective valuation dates.
- (3) Based on the exchange rate of RM1 : S\$0.3019 as at the Latest Practicable Date.

Save as disclosed above, the other assets of the Group have not been revalued for the purpose of determining the RNAV and RNTA (as defined below) of the Group.

The Directors have confirmed that, save as set out above, to their best knowledge and belief, as at the Latest Practicable Date, on aggregate basis, there are no material differences between the estimated market value of the assets and their respective book values as at 31 December 2024 which would have a material impact on the RNAV and RNTA of the Group.

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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The NAV and NTA of the Group as at 31 December 2024, adjusted for revaluation surplus is set out below:

The NAV of the Group as at 31 December 2024 is approximately S\$107.54 million.

	(S\$' million)
NAV of the Group as at 31 December 2024	107.54
Add: Revaluation surplus	24.41
Less: Potential tax liabilities on the Fixed Assets <sup>(1)</sup>	6.58
Revalued NAV (" <b>RNAV</b> ") of the Group	125.37
RNAV per Share (S\$)	1.15

The NTA of the Group as at 31 December 2024 is approximately S\$103.09 million.

	(S\$' million)
NTA of the Group as at 31 December 2024	103.09
Add: Revaluation surplus	24.41
Less: Potential tax liabilities on the Fixed Assets <sup>(1)</sup>	6.58
Revalued NTA (" <b>RNTA</b> ") of the Group	120.92
RNTA per Share (S\$)	1.11

**Note:**

(1) Includes the refund of land rent assistance granted by JTC if the workshop building at 26 Gul Road, Singapore 629346 is disposed before October 2030.

We note that the Offer Price of S\$0.58 represents a discount of approximately 49.69% and 47.84% to the RNAV per Share and RNTA per Share of S\$1.15 and S\$1.11 respectively.

We wish to highlight that the RNAV and RNTA shown above include the revaluation surpluses on the Fixed Assets. Shareholders should note that the Company has not fully earned or realized the revaluation surpluses on such Fixed Assets as at the Latest Practicable Date, and that there is no assurance that any revaluation surpluses eventually recorded by the Company on the Fixed Assets will be the same as indicated above.

Shareholders should note that the above analysis assumes the hypothetical sale of the Fixed Assets of the Company as at the Latest Practicable Date. The Directors have confirmed to us that as at the Latest Practicable Date, the Company does not have any plans for an impending material disposal and/or conversion of the use of the Company's Fixed Assets and the Company has not received any offers for the Fixed Assets at the market values set out in the table above.

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### 8.4.3 Ex-cash NAV and NTA per Share

The Group recorded cash and cash equivalents of approximately S\$47.86 million as at 31 December 2024, representing S\$0.44 per Share and accounting for 44.50% and 46.43% of the audited NAV and the NTA of the Group as at 31 December 2024 respectively. As it represents a significant percentage of the audited NAV and the NTA of the Group, we have also considered the Group's ex-cash NAV and ex-cash NTA as part of the NTA-based valuation approach which assumes a hypothetical orderly sale of its assets over a reasonable period of time.

After deducting the cash and cash equivalents from the NAV and NTA, we note that the ex-cash NAV and ex-cash NTA of the Group as at 31 December 2024 was approximately S\$59.69 million and S\$55.24 million respectively or ex-cash NAV of S\$0.55 per Share ("**Ex-cash NAV per Share**") and ex-cash NTA of S\$0.51 per Share ("**Ex-cash NTA per Share**").

We also note that after deducting the cash and cash equivalents from the RNAV and RNTA, the Group's ex-cash RNAV and ex-cash RNTA of the Group as at 31 December 2024 was approximately S\$77.51 million and S\$73.06 million respectively or ex-cash RNAV of S\$0.71 per Share (the "**Ex-cash RNAV per Share**") and ex-cash RNTA of S\$0.67 per Share (the "**Ex-cash RNTA per Share**").

The Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share, represents a discount of 74.50%, 72.45%, 80.36% and 79.17% to the Ex-cash NAV per Share, Ex-cash NTA per Share, Ex-cash RNAV per Share and Ex-cash RNTA per Share respectively.

### 8.5 Comparison with financial valuation ratios of Selected Comparable Companies

For the purpose of assessing the Offer Price, references can be made to companies which are listed and traded on the SGX, whose business activities and industries are comparable to the Group ("**Selected Comparable Companies**") to give an indication of the current market expectations with regards to the valuation of these businesses, implied by their respective closing market prices as at the Latest Practicable Date.

The Selected Comparable Companies have been identified through a search on subscribed financial database and other public sources. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. We have had discussions with the Directors and management of the Company about the suitability of the Selected Comparable Companies serving as a basis for comparison with the core businesses of the Group and have obtained confirmations from the Directors and management of the Company on the appropriateness of the Selected Comparable Companies.

We recognise, however, that our list of Selected Comparable Companies is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that are directly comparable to the Company in terms of business activities, scale of operations, types of products and services, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. As such, any comparison made with respect to the Selected Comparable Companies is therefore intended to serve as an illustrative guide only.



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We wish to highlight that the figures used in our financial assessment have been extracted where available and/or applicable, from Bloomberg L.P. and other publicly available sources. We make no representations or warranties, express or implied, as to the accuracy or completeness of such information.

For the purpose of our evaluation and for illustration, we have made comparisons between the Offer Price and the valuation of the Selected Comparable Companies on a historical basis using the following:

Valuation Ratio	General Description
Enterprise Value-to-Earnings Before Interest, Tax, Depreciation and Amortization (“EV/EBITDA”)	<p>“EV” or “Enterprise Value” is the sum of a company’s market capitalisation, preferred equity, independent interests, consolidated short and long-term debts, inclusive of finance lease liabilities, less its consolidated cash and cash equivalents.</p> <p>“EBITDA” stands for historical consolidated earnings before interest, tax, depreciation and amortization expenses, inclusive of share of associates’ and joint ventures’ income.</p> <p>The EV/EBITDA ratio illustrates the ratio of the enterprise value of a company’s business relative to its historical pre-tax consolidated operating cashflow performance, without regard to its capital structure.</p> <p>In our analysis, we calculated EV/EBITDA using Enterprise Value based on the market capitalisation as at the Latest Practicable Date divided by the EBITDA based on the latest available full year numbers.</p>
Price-to-Earnings (“P/E”) ratio	<p>P/E ratio illustrates the ratio of the market price of a company’s shares relative to its consolidated after-tax earnings per share attributable to the owners of the respective companies as stated in its financial statements. The P/E ratio is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the aggregate of the most recently announced four (4) quarters earnings per share.</p>

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Valuation Ratio	General Description
Price-to-Net Asset Value (“ <b>P/NAV</b> ”) ratio	P/NAV ratio illustrates the ratio of the market price of a company’s share relative to its historical net asset value per share as recorded in its financial statements. “NAV” or “net asset value” is defined as the total assets less total liabilities and excludes, where applicable, non-controlling interest. The NAV figure provides an estimate of the value of a company assuming the sale of its assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distributions to its shareholders. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular, their depreciation, amortisation and asset valuation policies. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the most recently announced NAV per share.
Price-to-Net Tangible Asset (“ <b>P/NTA</b> ”) ratio	P/NTA ratio illustrates the ratio of the market price of a company’s share relative to its historical net tangible asset per share as recorded in its financial statements. “NTA” or “net tangible asset” is defined as total tangible assets (excluding intangible assets) less total liabilities and excludes, where applicable, non-controlling interest. The NTA figure provides an estimate of the value of a company assuming the sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their depreciation, amortisation and asset valuation policies. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the most recently announced NTA per share.

The financial ratios for the Selected Comparable Companies are calculated based on their closing prices as at the Latest Practicable Date and the publicly available financial results for their respective financial periods or financial year ends.

Comparisons between the Company and the Selected Comparable Companies may be affected, *inter alia*, by differences in their accounting policies. Our analysis has not attempted to adjust for such differences.

In view of the above, it should be noted that any comparison made with respect to the Selected Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

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We set out in the table below the list of Selected Comparable Companies, together with a brief description of their principal activities which are considered to be broadly comparable to the Company:

Valuation Ratio	General Description	
Hiap Tong Corporation Ltd. ( <b>"Hiap Tong"</b> )	Singapore Exchange ( <b>"SGX"</b> )	Hiap Tong Corp Ltd is a leasing and trading provider of hydraulic lifting and haulage equipment services primarily to the marine, petrochemical, and construction industries in Singapore.
AP Rental Holdings Ltd ( <b>"AP Rental"</b> )	Hong Kong Exchange ( <b>"HKEX"</b> )	AP Rentals Holdings Ltd is a rental service company. The Company rents construction equipment. AP Rentals rents a variety of equipment including generators, air compressors, lifts, welders, cranes, and more.
Tat Hong Equipment Service Co., Ltd. ( <b>"Tat Hong"</b> )	HKEX	Tat Hong Equipment Services Co Ltd operates as a crane rental company. The Company supplier of cranes and heavy equipment. Tat Hong Equipment Services serves construction and engineering, infrastructure, oil and gas, petrochemical, and power generation sectors worldwide.
Tiong Woon Corporation Holding Ltd ( <b>"Tiong Woon"</b> )	SGX	Tiong Woon Corporation Holding Limited and its subsidiaries provide heavy lift, heavy haulage, transportation services, and engineering services. The Company also offers crane services, and provides wharfing and stevedoring services.
Yongmao Holdings Limited ( <b>"Yongmao"</b> )	SGX	Yongmao Holdings Ltd. designs and manufactures construction equipment. The Company produces tower cranes, components, and accessories.

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We set out in the table below the financial ratios of the Company and the Selected Comparable Companies as at the Latest Practicable Date:

Company Name	Market Capitalisation (\$ million)	EV/ EBITDA <sup>(1)</sup> (x)	P/E <sup>(2)</sup> (x)	P/NAV	P/NTA
Hiap Tong	26.66	3.60	7.24	0.27	0.27
AP Rental	18.42	1.12	9.71	0.47	0.47
Tat Hong	246.73	10.64	N.M. <sup>(3)</sup>	0.98	1.06
Tiong Woon	135.62	2.85	6.96	0.43	0.44
Yongmao	50.14	4.11	19.80	0.28	0.28
<b>High</b>		<b>10.64</b>	<b>19.80</b>	<b>0.98</b>	<b>1.06</b>
<b>Median</b>		<b>3.60</b>	<b>8.47</b>	<b>0.43</b>	<b>0.44</b>
<b>Mean</b>		<b>4.46</b>	<b>10.93</b>	<b>0.49</b>	<b>0.51</b>
<b>Low</b>		<b>1.12</b>	<b>6.96</b>	<b>0.27</b>	<b>0.27</b>
<b>Company (As implied by the Offer Price)</b>	<b>63.08</b>	<b>1.67</b>	<b>10.06</b>	<b>0.59</b>	<b>0.61</b>
				<b>P/RNAV</b>	<b>P/RNTA</b>
				<b>0.50</b>	<b>0.52</b>

Source: Bloomberg L.P. and latest announced financial statements and/or annual reports of the respective Selected Comparable Companies

### Notes:

- (1) EV/EBITDA ratio is calculated based on the latest available annual reports or the latest announced financial statements of the Selected Comparable Companies.
- (2) P/E ratio is calculated based on the earnings as extracted from the latest available annual report or the latest available announced financial statements of the Selected Comparable Companies.
- (3) N.M. denotes not meaningful as company recorded negative earnings/revenue.

Based on the above ratio analysis of the Company, we noted that:

- (a) The EV/EBITDA ratio of the Company of 1.67 times, as implied by the Offer Price, is within the range, below the median and mean of the EV/EBITDA ratios of the Selected Comparable Companies;
- (b) The P/E ratio of the Company of 10.06 times, as implied by the Offer Price, is within the range, higher than the median but lower than the mean of the P/E ratios of the Selected Comparable Companies;
- (c) The P/NAV ratio of the Company of 0.59 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies;
- (d) The P/RNAV ratio of the Company of 0.50 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies;

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- (e) The P/NTA ratio of the Company of 0.61 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies; and
- (f) The P/RNTA ratio of the Company of 0.52 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NTA ratios of the Selected Comparable Companies.

### 8.6 Comparison with selected recent privatisation transactions of other companies listed on the SGX-ST

We note that it is the intention of the Offeror, and for the purpose of the Offer, not to maintain the listing status of the Company on the SGX-ST. In assessing the reasonableness of the Offer Price, we have compared the financial statistics implied by the Offer Price with those of selected recently completed privatisation of companies listed on the SGX-ST which were announced in the 24-month period prior to the Offer Announcement Date, where it has indicated the offeror's intention not to preserve the listing status of the target companies (collectively, the **"Selected Comparable Transactions"**).

We wish to highlight that the list of target companies set out under the Selected Comparable Transactions are not directly comparable with the Company in terms of business activities, market capitalisation, scale of operations, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

In addition, we also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date. The premium (if any) that an offeror would pay in respect of a privatisation offer depends on various factors, *inter alia*, the offeror's intention with regard to the target company, the potential business synergy that the offeror can gain from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Offer with the Selected Comparable Transactions set out below is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

Target Companies	Type	Announcement Date	Offer Price per Share (\$S)	Premium/(Discount) <sup>(1)</sup> of Offer Price over/(to)				
				Last Transacted Price (\$S)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer Price to NTA/NAV (times)
Global Palm Resources Holdings Limited	VGO	29 Mar 2023	0.25	93.80	86.60	70.10	70.10	0.78 <sup>(3)</sup>
Lian Beng Group Ltd	VGO	11 Apr 2023	0.68	19.30	26.90	28.50	29.80	0.44 <sup>(2)</sup>
Penguin International Limited	VGO	4 May 2023	0.83	16.90	18.07	18.74	18.57	0.74 <sup>(3)</sup>

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Target Companies	Type	Announcement Date	Offer Price per Share (S\$)	Premium/(Discount) <sup>(1)</sup> of Offer Price over/(to)				
				Last Transacted Price (S\$)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer Price to NTA/NAV (times)
Challenger Technologies Limited	VGO	30 May 2023	0.60	9.10	10.50	11.90	14.30	1.46 <sup>(3)</sup>
Sysma Holdings Limited	VGO	1 Jun 2023	0.17	34.40	40.00	34.40	30.20	0.72 <sup>(3)</sup>
LHN Logistics Limited	VGO	2 Aug 2023	0.23	34.88	35.69	38.93	44.52	2.01 <sup>(3)</sup>
Healthway Medical Corp Ltd	VD	5 Sept 2023	0.05	45.50	45.00	45.50	41.20	1.07 <sup>(2)</sup>
Isetan (Singapore) Limited	SOA	1 Apr 2024	7.20	153.50	173.40	171.10	168.90	0.70 <sup>(3)</sup>
RE&S Holdings Limited	SOA	19 May 2024	0.36	56.50	65.10	50.00	45.20	3.33 <sup>(3)</sup>
Second Chance Properties Ltd	VGO	10 Jul 2024	0.30	39.50	40.80	37.00	33.30	1.01 <sup>(3)</sup>
Broadway Industrial Group Limited	VGO	28 Oct 2024	0.20	7.10	3.70	3.10	7.10	0.84 <sup>(3)</sup>
Avarga Limited	MGO	11 Nov 2024	0.25	22.00	23.80	24.30	26.50	0.60 <sup>(3)</sup>
High				153.50	173.40	171.10	168.90	3.33
Median				34.64	37.85	35.70	31.75	0.81
Mean				44.37	47.46	44.46	44.14	1.14
Low				7.10	3.70	3.10	7.10	0.44
Company (As implied by the Offer Price)				6.42	5.84	4.32	7.61	0.59
								P/RNAV
								0.50

Source: SGX-ST announcements and circulars to shareholders in relation to the respective precedent privatization transactions.

### Notes:

- (1) Market premium/(discount) is calculated relative to the closing prices of the respective target companies on the last traded day before the respective announcements and VWAP of the 1-month, 3-month and 6-month period prior to the respective announcements.
- (2) Based on the NAV per share per share, where available, as published in the IFA's letter set out in the respective circulars of the target companies.
- (3) Based on the RNAV per share per share, where available, as published in the IFA's letter set out in the respective circulars of the target companies.

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We note the following with regard to the Selected Comparable Transactions:

- (a) The premium of 6.42% implied by the Offer Price over the Last Transacted Price is below the range of the premia of the Selected Comparable Transactions;
- (b) The premium of 5.84% as implied by the Offer Price over the 1-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions;
- (c) The premium of 4.32% as implied by the Offer Price over the 3-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions;
- (d) The premium of 7.61% as implied by the Offer Price over the 6-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions; and
- (e) P/NAV and P/RNAV ratios as implied by the Offer Price of 0.59 times and 0.50 times respectively are within the range but lower than the median and mean P/NAV ratios of the Selected Comparable Transactions.

### 8.7 Dividend track record of the company

We set out below the information on dividend per Share declared and paid by the Company for FY2022, FY2023 and FY2024:

Dividends declared	FY2022	FY2023	FY2024
Total dividends per Share (S\$)	0.035 <sup>(3)</sup>	0.050 <sup>(3)</sup>	0.050 <sup>(4)</sup>
Average share price <sup>(1)</sup>	0.460	0.455	0.507
Dividend yield <sup>(2)</sup> (%)	7.61	10.99	9.86

Source: Bloomberg L.P and Company's announcements on the SGXNet

**Notes:**

- (1) Based on the average daily closing prices of the Shares for the respective periods.
- (2) Dividend yield is calculated by dividing the dividend per Share over the average Share price for the respective periods.
- (3) Includes special dividends of S\$0.025 and S\$0.04 declared by the Company for FY2022 and FY2023 respectively.
- (4) Includes special dividends of S\$0.04 as proposed by the directors of the Company.

Based on the above, we note that the Company has paid dividends during the Period Under Review and that dividend yield ranged between 7.61% and 10.99% during the same period.

We wish to highlight that the above analysis of the Company's track record only serves as an illustrative guide and is not an indication of the Company's future dividend pay-out. There is no assurance that the Company will continue with such or any dividends pay-outs in the future.

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### 8.8 Estimated range of values of the Shares

In deriving a range of values of the Shares, we have considered a range valuation implied by the P/E, EV/EBITDA, P/NAV and P/NTA ratios of the Selected Comparable Companies. The valuations implied by the mean of these ratios ranged between S\$56.07 million and S\$68.48 million, which translates to between S\$0.57 and S\$0.63 per Share.

Valuation Parameter	Implied Valuation (S\$' million)
Valuation implied by the mean P/E ratios of the Selected Comparable Companies based on net profit after tax of the Group	68.48 <sup>(1)</sup>
Valuation implied by the mean EV/EBITDA ratios of the Selected Comparable Companies based on EBITDA of the Group	56.07
Valuation implied by the mean P/NAV ratios of the Selected Comparable Companies based on RNAV of the Group	60.81
Valuation implied by the mean P/NTA ratios of the Selected Comparable Companies based on RNTA of the Group	61.24

**Note:**

- (1) We noted that the deviation of the mean range of the derived theoretical valuations is more than 15%, mainly due to the inclusion of a loss-making comparable company that is nonetheless pivotal in reflecting current market expectations.

## 9. OTHER RELEVANT FACTORS FOR CONSIDERATION

### 9.1 Offeror's intention for the Company

The Offeror's intention is to privatise and delist the Company if the option is available to the Offeror.

The Offeror retains and reserves the right and flexibility at any time and from time to time to further consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Offeror and/or the Company.

The Offeror intends for the Company to continue its existing business activities and there are currently no plans to (a) introduce any major changes to the existing business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of the existing employees of the Group, in each case, other than in the ordinary and usual course of business and/or in response to changing market conditions.

### 9.2 Alternative offers from third party

As at the Latest Practicable Date, there is no publicly available evidence of an alternative take-over offer for the Shares from any third party. The Directors have confirmed that, as at the Latest Practicable Date, save for the Offer made by the Offeror, no alternative offer from any third party has been received.



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### 9.3 Financial Performance of the Company

We note that the Company has been profitable for the periods under review and the net asset value of the Company had been trending upward for the Period Under Review from S\$104.74 million in FY2022 to S\$107.54 million in FY2024.

### 9.4 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives valid acceptances pursuant to the Offer or acquires or agrees to acquire Shares during the Offer period other than through valid acceptances of the Offer in respect of not less than 90.00% of Shares (other than those Shares already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise its right to compulsorily acquire all the remaining Shares from Shareholders who have not accepted the Offer (“Non-Accepting Shareholders”) on the same terms as those offered under the Offer.

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

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

### 9.5 Listing Status and Trading Suspensions

Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90.0% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until its is satisfied that at least 10.0% of the total number of Shares (excluding and Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that where the Offeror succeeds in garnering acceptances exceeding 90.0% of the total number of Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands to fall below 10.0%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

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

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**The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.**

### 10 RECOMMENDATION

In arriving at our recommendation in relation to the Offer, we have taken into account the factors which we consider to have a significant bearing on our assessment which includes our analyses as outlined within paragraphs 8 and 9:

In evaluating and assessing the financial terms of the Offer, we have given due consideration to the following:

- (a) An assessment of the financial performance and position of the Company:
  - (i) the Company reported profits of S\$6.27 million, S\$8.00 million and S\$3.65 million for FY2024, FY2023 and FY2022 respectively;
  - (ii) the Company's net asset value of S\$107.54 million, S\$106.20 million and S\$104.74 million for FY2024, FY2023 and FY2022 respectively; and
  - (iii) the Company's working capital increased from S\$50.10 million as at FY2022 to a working capital of S\$56.21 million in FY2024.
- (b) An assessment of the historical market price and trading activities of the Shares:
  - (i) the Offer Price is higher than the closing prices for the Shares for 244 trading days out of the total of 250 trading days within the last 12-month period prior to the Last Traded Day;
  - (ii) the Offer Price represents a premium of 11.75%, 7.61%, 4.32% and 5.84% to the VWAP for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Traded Day respectively;
  - (iii) the Offer Price represents a premium of 6.42% to the Last Transacted Price;
  - (iv) the Offer Price represents a premium of 0.87% to the closing price on the Market Day immediately after the Offer Announcement Date;
  - (v) the Offer Price is at a premium of 0.03% to the VWAP for the period between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date and a premium of 0.87% to the last transacted price as at the Latest Practicable Date;
  - (vi) the average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior and up to the Last Traded Day represents approximately 0.08%, 0.07%, 0.09% and 0.09% of the Free Float respectively;

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- (vii) the average daily traded volume of the Shares on the Last Traded Day represents 0.18% of the Free Float;
  - (viii) the average daily traded volume of the Shares on the Market Day immediately after the Offer Announcement Date represents 2.28% of the Free Float;
  - (ix) the average daily traded volume of the Shares for the period between the Market Day immediately after the Offer Announcement Date and the Latest Practicable Date represents 0.37% of the Free Float; and
  - (x) the daily traded volume of the Shares on the Latest Practicable Date represents 0.30% of the Free Float.
- (c) An assessment of the historical Share price performance relative to the FSSTI showed that (i) for the 12-month period prior to the Last Traded Day, the Shares had generally underperformed the FSSTI; and (ii) the closing price of the Shares had increased by approximately 5.50% while the FSSTI had decreased by 0.30% between the Last Traded Day and the Latest Practicable Date.
- (d) An assessment of the NAV and RNAV of the Company as follows:
- (i) the Offer Price represents a discount of approximately 41.35% to the audited NAV per Share;
  - (ii) the Offer Price represents a discount of approximately 49.69% to the RNAV per Share;
  - (iii) the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 74.50% to the Ex-Cash NAV per Share; and
  - (iv) the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 80.36% to the Ex-Cash RNAV per Share.
- (e) An assessment of the NTA and RNTA of the Company as follows:
- (i) the Offer Price represents a discount of approximately 38.82% to the audited NTA per Share;
  - (ii) the Offer Price represents a discount of approximately 47.84% to the RNTA per Share;
  - (iii) the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 72.45% to the Ex-Cash NTA per Share; and
  - (iv) the Offer Price as adjusted for cash and cash equivalents of S\$0.14 per Share represents a discount of approximately 79.17% to the Ex-Cash RNTA per Share.

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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- (f) A comparison with the valuation ratios of the Selected Comparable Companies as follows:
  - (i) the EV/EBITDA ratio of the Company of 1.67 times, as implied by the Offer Price, is within the range, below the median and mean of the EV/EBITDA ratios of the Selected Comparable Companies;
  - (ii) the P/E ratio of the Company of 10.06, as implied by the Offer Price, is within the range, higher than the median but lower than the mean of the P/E ratios of the Selected Comparable Companies;
  - (iii) the P/NAV ratio of the Company of 0.59 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies;
  - (iv) the P/RNAV ratio of the Company of 0.50 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies;
  - (v) the P/NTA ratio of the Company of 0.61 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NAV ratios of the Selected Comparable Companies; and
  - (vi) the P/RNTA ratio of the Company of 0.52 times, as implied by the Offer Price, is within the range, higher than the median and mean of the P/NTA ratios of the Selected Comparable Companies.
- (g) A comparison with the valuation ratios of the Selected Comparable Transactions as follows:
  - (i) The premium 6.42% implied by the Offer Price over the Last Transacted Price is below the range of the premia of the Selected Comparable Transactions;
  - (ii) The premium of 5.84% as implied by the Offer Price over the 1-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions;
  - (iii) The premium of 4.32% as implied by the Offer Price over the 3-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions;
  - (iv) The premium of 7.61% as implied by the Offer Price over the 6-month VWAP prior to the Offer Announcement Date is within the range of premia, but below the mean and median of premia of the Selected Comparable Transactions; and
  - (v) P/NAV and P/RNAV ratios of 0.59 times and 0.50 times respectively are within the range but lower than the median and mean P/NAV ratios of the Selected Comparable Transactions.

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## ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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Having considered the above and subject to the assumptions and qualifications set out in this Letter, we are of the opinion that on balance, the financial terms of the Offer are **not fair and not reasonable**.

In arriving at our opinion, we have considered the following pertinent factors and have placed greater emphasis on asset-based financial ratios given that the Company is in asset intensive business:

- (i) we note that the Group has been profitable from FY2022 to FY2024 with net profits increasing from approximately S\$3.65 million in FY2022 to approximately S\$6.27 million in FY2024. The Group has also declared dividends over the last three financial years with dividend yield ranging between 7.61% and 10.99%. The Group's shareholders equities have increase from S\$104.74 million in FY2022 to S\$107.54 million in FY2024. This implies that the Group is able to generate returns from the deployment of its assets. Accordingly, the steep discount of the Offer Price, on a cash and cash equivalent adjusted basis, from the Ex-cash NAV per Share, Ex-cash NTA per Share, Ex-cash RNAV per Share and Ex-cash RNTA per Share for a company that is profitable, declaring dividends at a high single digit yield and growing shareholders equities with significant cash reserves does not appear to be reasonable;
- (ii) the Offer Price, as adjusted for cash and cash equivalents of S\$0.14 per Share, represents significant discounts to the Ex-cash NAV per Share, Ex-cash NTA per Share, Ex-cash RNAV per Share and Ex-cash RTA per Share that ranged from 72.45% to 80.36%;
- (iii) The Offer Price represents a premia of over the 1-month, 3-month and 6-month VWAP prior to the Offer Announcement Date that is significantly lower than the mean and median premia of the Selected Comparable Transactions; and
- (iv) the P/NAV and P/RNAV as implied by the Offer Price is below the median and mean of the P/NAV ratios of the Selected Comparable Transactions.

**Accordingly, we advise the Independent Directors to recommend that Shareholders REJECT the Offer.**

We would advise the Independent Directors to consider highlighting to Shareholders that there are no assurance that the market prices of the Shares, after the close or lapse of the Offer, may maintain at their current prevailing levels as at the Latest Practicable Date.

The Independent Directors should note that transactions of the Shares are subject to possible market fluctuations and, accordingly, our opinion and advice on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This Letter is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the financial terms of the Offer. The recommendations made by them to the Shareholders in relation to the Offer shall remain the sole responsibility of the Independent Directors.

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## **ANNEX B – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS**

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Whilst a copy of this Letter may be reproduced in any document that is required to be filed with the SGX-ST in connection with the Offer, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose or in any manner without the prior written consent of CICF in each specific case, other than for the purpose of the Offer.

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

Yours faithfully

For and on behalf of

**Capstone Investment Corporate Finance Pte. Ltd.**

Ng Boon Eng  
Chief Executive Officer

Ashton Chang  
Associate Director, Corporate Finance

## ANNEX C – VALUATION CERTIFICATES



- ✓ Chartered Surveyors
- ✓ Valuers of:
  - Plant & Machinery
  - Real Estate
  - Businesses
  - Fine Arts & Antiques
- ✓ Auctioneers & Agents
- ✓ Facilities & Project Managers
- ✓ Capital Allowance Claims Consultants

### VALUATION CERTIFICATE

P&M/4391/2503/RK/WN/JWG/LB

28 March 2025

Sin Heng Heavy Machinery Limited  
26 Gul Road  
Singapore 629346

Attention: The Board of Directors

Dear Sirs,

In accordance with your instruction, we have attended at 26 Gul Road, Singapore 629346 and 95 Sengkang East Avenue, Singapore 545051, on 25 March 2025, in order to conduct sample inspection and value the fleet of contractor's plant comprising sixty-three (63) units of cranes and three hundred and eighty-nine (389) units of aerial lifts, which we understand to be the property of Sin Heng Heavy Machinery Limited or held by them under finance agreements.

We confirm that we have physically inspected the assets, made relevant inquiries and obtained such further information as was available, in providing our opinion on the value of the assets as of the valuation date, 31 December 2024.

We are of the opinion that there is no material difference between the valuation as at 31 December 2024 and a valuation as at the current date.

This valuation certificate has been prepared in connection with the voluntary unconditional cash offer by Maybank Securities Pte. Ltd., for and on behalf of TAL United Pte. Ltd., for all the issued and paid-up ordinary shares in the capital of Sin Heng Heavy Machinery Limited.

We have done a conflict-of-interest check and to our best knowledge, we are not conflicted to undertake the assignment for you.

**Robert Khan & Co Pte Ltd** (Co. Reg. No.: 199305890G)  
简有為国际商业资产及机械咨询公司  
261 Waterloo Street, #04-24 Waterloo Centre, Singapore 180261  
T: +65 6333 5668 W: robertkhanco.com E: info@robertkhanco.com



Australia · China · Hong Kong · India · Indonesia · Laos · Malaysia · Myanmar · Philippines · South Africa · South Korea · Taiwan · United Kingdom · USA

ANNEX C – VALUATION CERTIFICATES



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28 March 2025  
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As a result, we are of the opinion that the Market Value in Continued Use with Assumed Earnings of the assets (as detailed in the accompanying schedule) were as follows as at **31 December 2024**: -

**Market Value  
In Continued Use with  
Assumed Earnings  
as at 31 December 2024  
(S\$)**

Cranes (Total: 63 units)	49,352,000
Aerial Lifts (Total: 389 units)	12,347,000
	<b>61,699,000</b>

<b>MARKET VALUE IN CONTINUED USE ONLY WITH ASSUMED EARNINGS AS AT 31 DECEMBER 2024</b>	<b>:</b>	<b>SINGAPORE DOLLARS SIXTY-ONE MILLION SIX HUNDRED AND NINETY-NINE THOUSAND</b>
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## ANNEX C – VALUATION CERTIFICATES

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28 March 2025  
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Kindly note the following points in connection with our valuation:

1. Goods and Services Tax has not been taken into account.
2. In arriving at the valuation no deduction has been made in respect of any grant either available or received, neither has any adjustment been made for any outstanding amounts owing under financing agreements.
3. The valuation has been prepared in accordance with the International Valuation Standards Council ("IVSC"), the Royal Institution of Chartered Surveyors ("RICS"), the American Society of Appraisers ("ASA") and the Singapore Institute of Surveyors and Valuers ("SISV") and is in compliance with the standards issued.

We confirmed that we have acted with independence, integrity and objectivity with no pecuniary interest in the said property, past, present or prospective and the opinion is expressed free of any bias.

4. "Market Value" is defined in [30.1] of IVS 104 Bases of Value, International Valuation Standards 2022 Edition, published by the IVSC as follows:

*"Market Value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*

According to textbook *"Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets, 4<sup>th</sup> Edition, 2020"* published by the American Society of Appraisers, when Market Value is established on the premise of continued use with assumed earnings, it is an opinion, expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date and assuming that the business earnings support the value reported, without verification.

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## ANNEX C – VALUATION CERTIFICATES

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28 March 2025  
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### 5. Valuation Methodology

In arriving at the value of the assets, we have adopted the “Cost” (Replacement Cost Method) and Market approach (where applicable).

- 5.1. The Cost Approach (Replacement Cost Method) is defined by International Valuation Standards (“IVS”) 2022 under IVS 105 Valuation Approaches and Methods as follows:

*“The Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence”*

*“Generally, Replacement Cost is the cost that is relevant to determining the price that a participant would pay as it is based on replicating the utility of the asset, not the exact physical properties of the asset. Usually, replacement cost is adjusted for physical deterioration and all relevant forms of obsolescence. After such adjustments, this can be referred to as depreciated replacement cost”*

- 5.2. The “Depreciated Replacement Cost” is defined by the Royal Institute of Chartered Surveyors (“RICS”) in RICS Valuation – Global Standards (effective from 31 January 2022) as follows:

*“The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization”*

- 5.3. The “Market Approach” is defined in [20.1] of IVS 105 Valuation Approaches and Methods, International Valuation Standards 2022 Edition, published by IVSC as follow:

*“The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.”*

Thereafter, adjustments are made to the indicated market prices to reflect the condition and utility of the appraised assets relative to the market comparative.

## ANNEX C – VALUATION CERTIFICATES



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28 March 2025  
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### 6. Economic Useful Life

Economic Useful Life is defined in [80.3(b)] of IVS 105 Valuation Approaches and Methods, International Valuation Standards 2022 Edition, published by IVSC as follows:

*“The economic life is how long it is anticipated that the asset could generate financial returns or provide a non-financial benefit in its current use. It will be influenced by the degree of functional or economic obsolescence to which the asset is exposed.”*

In determining the economic useful lifespan of the asset, we have considered the nature of the assets, taking into account the physical condition, standard of maintenance & workload. Based on our knowledge of the industry and our experiences in valuing assets of similar nature, we are of the view that the lifespan is reasonable.

The useful lifespan is also in line with Singapore Ministry of Manpower guidelines on the maximum allowable years of service for lifting cranes (see table below).

<b>Designed Safe Working Load (Maximum Capacity)</b>	<b>Maximum allowable years of service from the year of manufacture</b>
50 tons and below	20
Above 50 tons but not more than 100 tons	25
100 tons and above	30

### 7. Depreciation Profile

In the Cost approach, we have adopted the reducing balance depreciation profile, with a residual value of 10% at the end of the asset useful lifespan. To reflect the value of the assets, an appropriate depreciation profile should be used to approximate its true value that would be achievable in cases where market evidence exists, and the reducing balance depreciation profile is considered an appropriate profile to adopt because it takes into account the higher productivity or utility of the asset when it is new. One can expect the value of an asset to fall more dramatically in the early years of its useful life and then level out as it gets older. As a practitioner in valuing plant & machinery, it is a common practice to attribute a residual value to assets which have already reached or exceeded their useful life.

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## ANNEX C – VALUATION CERTIFICATES

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8. We have not undertaken or commissioned a technical survey of condition. During our inspection, we observed that the assets were in a fair condition. We have been informed by the Client that all assets are in working order and have been maintained regularly by in-house maintenance team. In the valuation, we have assumed that the assets can perform efficiently according to the purposes for which they were designed and built. We have also assumed that there are no hidden or unapparent conditions of the assets which would render it more or less valuable.
9. The following items have been excluded from the valuation:
  - (a) land improvements, real property and buildings;
  - (b) registered trademarks, patents and goodwill;
  - (c) work-in-progress and finished products;
  - (d) administration and computer records;
  - (e) drawings, designs and technical records;
  - (f) office furniture and equipment; and
  - (g) motor vehicles
10. In the course of our investigation, we have not verified the title or any liabilities against the assets. We did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the appraised assets are used. It was assumed that prospective earnings would provide a reasonable return on the market value of the appraised assets, plus the value of any assets not included in the valuation, and adequate net working capital.
11. We have relied on the asset register provided by the Clients, describing the assets to be appraised, their net book values and their acquisition dates. We have relied to a very considerable extent on such records, listings, specifications and documents in arriving at our opinion of value. During our inspection, we have verified the existence of the assets and to gather information relating to the condition and utility of these assets. Any deferred maintenance, physical wear and tear, operating malfunctions, lack of utility, or other observable conditions distinguishing the appraised equipment from equipment of like kind in new condition were noted and made part of our judgment in arriving at the value.

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## ANNEX C – VALUATION CERTIFICATES

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P&M/4391/2503/RK/WN/JWG/LB  
28 March 2025  
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12. We did not carry out any investigations for any industrial safety environmental and health related regulations in association with this particular manufacturing process. It is assumed that all-necessary license, procedures and measures were implemented in accordance with the Government legislation and guidance.
13. Confidentiality
  - 13.1 Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. We disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
  - 13.2 Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees. These fees are exclusive of GST & expenses (including the cost of re-addressing the report). Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
  - 13.3 Where we consent to reliance on our report by another party or other parties, we do so on the basis that these limiting conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these limiting conditions.
  - 13.4 Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 13.2 and 13.3 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.

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## ANNEX C – VALUATION CERTIFICATES

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28 March 2025  
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### 13. Confidentiality (Cont'd)

- 13.5 Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 13.2 and 13.3, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our maximum liability which arises from their use and/or reliance on the valuation report.
- 14. In accordance with our usual practice, this Report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or part of its contents.
- 15. The Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation has been made to ourselves and we cannot accept any liability or responsibility, in any event, unless such full disclosure has been made.
- 16. We reserve the right to review all calculations, recommendations and valuations in the light of any information which subsequently becomes known to us during the tenure of our appointment.
- 17. We should point out that neither the whole, nor any part of this Report or any reference thereto, may be included in any document, circular or statement without our approval of the form and context in which it will appear.
- 18. The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefor.

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## ANNEX C – VALUATION CERTIFICATES

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P&M/4391/2503/RK/WN/JWG/LB  
28 March 2025  
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19. Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to the fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.

Yours faithfully  
on behalf of **ROBERT KHAN & CO PTE LTD**

A handwritten signature in black ink, appearing to read 'Robert Khan'.

**Robert Khan**  
Director  
*MRICS, ICVS, MSISV, MAPFM*

P&M/4391/2503/RK/WN/JWG/LB

A small handwritten signature in black ink.

## ANNEX C – VALUATION CERTIFICATES



Sr. SIM KIAN SIONG, MRICS, MRISM, MIPEAC  
Registered Valuer (V-719)  
Sr. MOHD ASRI MOHD ARIS, MRISM, MIPEAC  
Registered Valuer (V-952)  
Sr. ZAMRI RAMLI, MRISM, MIPEAC  
Registered Valuer (V-957)

Our Ref : JV7030/24/SKS/man  
Your Ref : -



**AZMI & CO (JOHOR) SDN BHD**  
(201201036730 (1021212-D))

Board Registration : VEPM (1) 0002/4  
Property Consultants, Valuers, Estate Agents &  
Property Managers

**Johor Office:**  
No.17A, Jalan Kundang, Taman Bukit Pasir  
83000 Batu Pahat, Johor Darul Takzim  
Malaysia

Tel: 607 - 4355 933 Fax: 607 - 4355 931  
Website : [www.azmigroup.com.my](http://www.azmigroup.com.my)  
E-mail : [azmico.joh@azmigroup.com.my](mailto:azmico.joh@azmigroup.com.my)  
[azmico.joh@gmail.com](mailto:azmico.joh@gmail.com)

02 April 2025

The Manager  
Bestari Industrial Holdings Sdn. Bhd.  
Suite 6-01, 6th Floor  
Plaza See Hoy Chan  
Jalan Raja Chulan  
50200 Kuala Lumpur.

Dear Sir,

### VALUATION CERTIFICATE

PTB 1472, Jalan Industri B7, Kawasan Perindustrian Bandar Penawar, 81930 Bandar Penawar, Johor Darul Takzim

In compliance with your request to provide you with an update value of our Report and Valuation bearing reference **JV7030/24/SKS/man** dated 27 August 2024 pertaining to the abovementioned property for Management purposes.

We have not conducted neither fresh investigations nor inspection and assumed that all descriptions of the subject property as contained in the above said valuation report remain unchanged. The accuracy of our valuation is hence dependant on the above assumption and we reserve the right to revise the Market Value should there be material changes, which will affect the value of the property since our last valuation report.

**For all intent and purposes, this Valuation Certificate should be read in conjunction with our full Valuation Report.**

Silent information of the Subject Property is as follows:-

Legal Description	HSD 14283 PTB1472, Mukim of Tanjung Surat, District of Kota Tinggi, State of Johor Darul Takzim.
Postal Address	PTB 1472, Jalan Industri B7, Kawasan Perindustrian Bandar Penawar, 81930 Bandar Penawar, Johor Darul Takzim.
Type of Property	A parcel of industrial land with an open-sided factory & ancillary buildings.
Provisional Land Area	8741.209 sq. m. (about 94,089 sq. ft.)
Gross Built-up Area	About 1,467.404 sq. m. (15,795 sq. ft.)
Tenure	60-year Leasehold expiring 16 May 2054
Category of Land Use	"Perusahaan/Perindustrian"
Express Condition	"kawasan industri ringan untuk tujuan perusahaan 'Manufacturing Plastic Housewares' dan kegunaan lain yang berkaitan dengannya"
Registered Proprietor	BESTARI INDUSTRIAL HOLDINGS SDN. BHD. – 1/1 SHARE

A member of AZMI & CO SDN BHD

Head Office in : Selangor  
With Branch Offices in : Kedah • Kelantan • Melaka • Pahang • Penang • Perak • Sabah • Sarawak • Terengganu



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## ANNEX C – VALUATION CERTIFICATES

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### ***Valuation Methodology***

In arriving at the Market Value of the subject property, we have adopted the Comparison and Cost Approaches to value.

### ***Opinion of Value***

As a result of our investigation and detailed findings, it is our considered and professional opinion that the market value of the 60-year Leasehold interest in the property described herein, in their existing conditions, free from encumbrances, and with good registrable title, for Management purposes as of the material date of this valuation (02 April 2025) is in the amount of :

MARKET VALUE

Land Value	RM3,100,000.00
Building Value	RM1,400,000.00
Total Value	RM4,500,000.00

(RINGGIT MALAYSIA: FOUR MILLION AND FIVE HUNDRED THOUSAND ONLY)

Yours faithfully

AZMI & CO (JOHOR) SDN. BHD. 201201036730 (1021212-D)  
(No. Pendaftaran Bersiri: VEPM(1)0002/4)

SIM KIAN SIONG  
Registered Valuer (V-0719)

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## ANNEX C – VALUATION CERTIFICATES

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Our Ref : 25/VP254152/SX/KS/XY

Date : 20 March 2025

Sin Heng Heavy Machinery Limited  
26 Gul Road  
Singapore 629346

Attention : Mr. Yang Yung Kang

### VALUATION SUMMARY OF 26 GUL ROAD SINGAPORE 629346

Purpose of Valuation : To determine the market value of the subject property in connection with the voluntary unconditional cash offer by Maybank Securities Pte. Ltd., for and on behalf of TAL United Pte. Ltd., for all the issued and paid-up ordinary shares in the capital of Sin Heng Heavy Machinery Limited

Date of Inspection : 17 March 2025

Type of Property : A 2-storey JTC detached factory with 2-storey industrial/ancillary office building

Tenure : Leasehold 10+26+20 years commencing from 16 October 1989

Land Area : 14,176.1 sq.m. / 152,590 sq.ft.

Gross Floor Area : 7,058.71 sq.m. / 75,979 sq.ft. approximately (according to architectural floor plan dated March 2023 provided by client and subject to final survey)

Year of Completion : Circa 1980s. However, the subject property has since undergone Additions and Alterations work.

Method of Valuation : Market Comparison Method

Master Plan (2019) Zoning : Business 2

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## ANNEX C – VALUATION CERTIFICATES

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Page 2

CKS PROPERTY CONSULTANTS PTE LTD  
26 GUL ROAD

Basis of Valuation : The subject property is currently owner-occupied and the valuation has been carried out and valued based on the existing use.

The definition of market value is consistent with that as advocated by the Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institute of Chartered Surveyors (RICS) standards and Guidelines and International Valuation Standard Council.

Professional qualifications : The subject property was valued by qualified Valuer with professional qualifications approved by the Singapore Institute of Surveyors and Valuers (SISV) and Licensed Appraiser approved by the Inland Revenue Authority of Singapore (IRAS) from CKS Property Consultants Pte. Ltd and located at 1 Sims Lane #07-01 One Sims Lane Singapore 387355.

CKS Property Consultants Pte. Ltd. is a valuation company, which is a member firm of the Singapore Institute of Surveyors and Valuers (SISV), the company has been in operation since 1920s and company was registered in 1973.

Comment : No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

### Opinion of Value(s) as at 17 March 2025

Market Value : S\$16,000,000  
(Singapore Dollars Sixteen Million Only)

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Wong Seok Xian Ednas, Licensed Appraiser  
Appraiser's Licence No: AD041-2009898C  
B.Sc Real Estate Management  
For and On Behalf of CKS Property Consultants Pte Ltd

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## ANNEX C – VALUATION CERTIFICATES

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CKS PROPERTY CONSULTANTS PTE LTD 

### LIMITING CONDITIONS

This valuation report is subject to the following limiting conditions:-

1. Our valuation is prepared in accordance with the international definition of "Market Value", namely:  
"Market Value is the estimated amount for which a property 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".  
In adopting this definition of Market Value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS) and the Singapore Institute of Surveyors and Valuers (SISV).  
No allowances are made for any expenses or taxation which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages, encumbrances, and other outstanding premiums, charges and liabilities.  
Our valuation further assumes that all development charges and maintenance/service/conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid.
2. Our responsibility in connection with this valuation report is limited to our client or person to whom this report is addressed and to that client only. We disclaim all responsibility and accept no liability to any other person(s) or party should this report be used by any such person(s) or party or for any purposes. (We approved that the valuation report with the Independent Financial Adviser - Capstone Investment Corporate Finance Pte. Ltd.)
3. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor published in any way without our prior written approval of the form and context in which it may appear. (We approved that the valuation report will be disclosed in the offeree circular.)
4. Where it is stated in this report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so.
5. The values assessed in this report for the subject property and any allocation of values between parts of the property applies strictly on the terms of and for the purpose of this valuation. The values assessed should not be used in conjunction with any other assessment as they may prove inappropriate if so used.
6. No structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects. We have also not made any tests on the building services (e.g. air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc) and these services are presumed to be in good working order.
7. Our valuation assumes that the title(s) is(are) in good order and marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s).
8. Any plans that are included in this report are meant for identification purposes and to assist the client in visualizing the subject property. The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any cadastral survey of the property and assumed no responsibility in connection in such matters.
9. We have not made any requisition for the Road Line Plan or for drainage proposal. We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client.
10. As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazetted for acquisition.
11. Our valuation presumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations.
12. We shall not be required to give testimony before a tribunal such as the Valuation Review Board or to appear as an expert witness in Court by reason of this valuation report or with reference to the subject property unless specific arrangements have been made thereof and we be properly reimbursed.

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## **ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION**

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

All capitalised terms and expressions used in the following extract shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 26 Gul Road, Singapore 629346 during normal business hours for the period during which the Offer remains open for acceptance.

### **SHARES CAPITAL AND VARIATION OF RIGHTS**

#### **5. Issue of shares**

- (1) Subject to the Statutes, the listing rules of the Stock Exchange and the provisions of these presents, no shares shall be issued by the Directors without the prior approval of the Company by ordinary resolution in general meeting.
- (2) Subject to as aforesaid and to any special rights attached to any shares for the time being issued, all new shares to be issued by the Company shall be at the disposal of the Directors and they may allot or grant options over or otherwise deal with or dispose of the same to such persons, at such times, and generally on such terms as they think proper.
- (3) Without prejudice to any special rights or privileges attached to any then existing shares in the capital of the Company, any shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto, as the Company by special resolution may direct or, if no such direction be given, as the Directors shall determine, and in particular such shares may be issued with preferential, qualified or deferred right to dividends and in the distribution of assets of the Company, and with a special or restricted right of voting, and any preference share may be issued on the terms that it is, or at the option of the Company, liable to be redeemed.

#### **6. Variation of rights**

Subject to Article 8, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles 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 one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. Provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from 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.

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## **ANNEX D – EXTRACT FROM THE COMPANY'S CONSTITUTION**

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### **7. Creation or issue of further shares with special rights**

The rights conferred upon the holder of the shares of any class issued with preferred or other rights shall, so far as they are not expressed in these Articles, be expressed with necessary amendments to these Articles. Furthermore, unless otherwise expressly provided by the terms of issue of the shares of that class, those aforesaid rights shall be deemed to be varied by the creation or issue of further shares ranking equally with, or in priority to such shares.

### **8. Rights of preference shareholders**

Subject to Article 7 and such limitation thereof as may be prescribed by the Stock Exchange, further preference shares ranking equally with, or in priority to preference shares already issued may be issued by the Company. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Company. The repayment of preference capital other than redeemable preference capital, or alteration of preference shareholders' 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 obtainable 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. 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 of the Company, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six months.

### **9. Purchase of shares**

Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. Unless as permitted under Article 10 hereof, all shares repurchased by the Company shall be deemed to be cancelled on purchase or acquisition by the Company. In the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

### **10. Treasury shares**

The Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. The treasury shares shall have no voting rights and shall not be entitled to any dividend or other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) that may be made by the Company.

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## **ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION**

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### **11. Power to charge interest on capital**

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that issued capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant.

### **12. Power to pay commission and brokerage**

The Company may exercise the powers of paying commissions conferred by the Act on any issue of shares provided that such rate or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of that price (as the case may be). Such commission 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. The Company may also on any issue of shares pay such brokerage as may be lawful.

### **13. No trust recognised/exclusion of equities**

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 be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.

## **SHARE CERTIFICATES**

### **14. Entitlement to certificate**

- (1) The Company shall allot its shares and dispatch share certificates relating thereto within 10 market days (or such longer period of time as the Stock Exchange may determine) of the final closing date for applications to subscribe for an issue of its shares. The Directors may, at any time after the allotment (whether on a provisional basis or otherwise) of any share but not before any person has been entered in the Register of Members as the holder or (as the case may be) before that share has been entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- (2) Every person whose name is entered as a member in the Register of Members shall be entitled without charge to receive within 10 market days of the closing date of any application for shares or the date of lodgment of a registrable transfer (or such other period of time as the Stock Exchange may determine) one certificate for all his shares of any one class, or upon payment of \$2.00 (or such lesser sum as the Directors may from time to time determine) several certificates in reasonable denominations in

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## ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION

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respect of shares of any one class. Where a member transfers part only of the shares comprised in a certificate, one new certificate for the balance of such shares shall be issued in lieu of the old certificate without charge. In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery thereof to one of several joint holders shall be sufficient delivery to all such holders.

### 15. Form of share certificate

Every certificate of title to shares shall be issued under the seal in such form as the Directors shall from time to time prescribe, shall bear the autographic or facsimile signatures of either two Directors or one Director and the Secretary or some other person appointed by the Directors and shall specify the number and class of shares to which it relates and the amounts paid and the amounts (if any) unpaid thereon. Every certificate of title to debentures shall bear the autographic or facsimile signature of a Director. The facsimile signature may be reproduced by mechanical, electronic or other method approved by the Director.

### 16. Replacement of certificate

Subject to the provisions of the Act, if any share certificates 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 company of the Stock Exchange or on behalf of its/their client(s) as the Directors of the Company shall require, and in the case of defacement or wearing out, on delivery of the old certificate and in any case on payment of such sum not exceeding \$2.00 as the Directors may from time to time require. In the case of destruction, lost 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.

## JOINT HOLDERS OF SHARES

### 17. Rights and liabilities of joint holders

Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

- (a) the Company shall not be bound to register more than three persons as the joint holders of a share, except in the case of executors or trustees of a deceased shareholder;
- (b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;
- (c) on the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit;
- (d) any one of such joint holders may give effectual receipts for any dividend payable to such joint holders; and



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## **ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION**

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- (e) only the person whose name stands first in the 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 person shall be deemed notice to all the joint holders.

### **LIEN**

**18. Company’s lien**

The Company’s lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and installments upon the specific shares in respect of which such monies are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member.

**19. Sale of shares subject to lien**

The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has 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.

**20. Rights of purchaser of such shares**

To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered in the Register of Members, or (as the case may be) the Company shall procure that his name be entered in the Depository Register, as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**21. Application of proceeds of such sale**

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and accrued interest and expenses, and the residue, if any, shall be paid to the person entitled to the shares at the date of the sale, or, his executors, administrators or assignees or as he may direct.

### **CALL ON SHARES**

**22. Calls on shares**

The Directors may from time to time make calls upon the members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least 14 days’ notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

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## **ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION**

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23. Time when made

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 required to be paid by installments.

24. Interest on unpaid calls

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 8 per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

25. Sum due on allotment

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, shall for the purposes of these Articles 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 nonpayment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

26. Rights of member suspended until calls are duly paid

No member shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

27. Power to differentiate

The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

28. Payment in advance of calls

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 any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 10 per cent per annum as may be agreed upon between the Directors and the member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.

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## ANNEX D – EXTRACT FROM THE COMPANY'S CONSTITUTION

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### TRANSFER OF SHARES

#### 29. Form of transfer

Subject to these Articles, any member may transfer all or any of his shares. Every transfer must be in writing and in the usual form or in any form approved by the Directors and by the Stock Exchange. The instrument of transfer of a share shall be signed by or on behalf of both the transferor and the transferee, and by the witness or witnesses thereto, provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. 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 in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.

#### 30. Retention of transfers

All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

#### 31. Right to decline to accept transfer

The Directors may decline to register any transfer of shares not being fully paid shares to a person not approved by them and may also decline to register any transfer of shares on which the Company has a lien. Save as aforesaid or where required by law or by the rules, bye-laws or listing rules of the Stock Exchange, there shall be no restriction on the transfer of fully paid-up shares.

#### 32. Instrument of transfer

The Directors may decline to accept any instrument of transfer unless:–

- (a) such fee not exceeding S\$2.00 as the Directors may from time to time determine is paid to the Company in respect thereof;
- (b) the instrument of transfer is duly stamped in accordance with any law for the time being in force relating to stamp duty;
- (c) the instrument of transfer is deposited at the office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if 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
- (d) such fee not exceeding S\$2.00 as the Directors may from time to time determine is paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.

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## **ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION**

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33. Infant, bankrupt or person of unsound mind

No share shall in any circumstances be transferred to any infant or bankrupt or person of unsound mind.

34. Directors’ right to refuse transfer of shares

The Directors shall refuse to register the transfer of any share:–

- (a) if the share has not been fully paid or is subject to a lien; or
- (b) if the provisions of these Articles relating to the transfer of shares have not been complied with.

35. Directors to give reasons for refusal to transfer

If the Directors shall refuse to register the transfer of any share they shall within 10 market days after the date on which the transfer was lodged with the Company serve on the transferor and transferee a notice in writing stating the reasons justifying the refusal and a notice of refusal as required by the Act and the Stock Exchange or these Articles.

36. Register of Transfers

The Company shall maintain a Register of Transfers which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares. The Register of Transfers may be closed at such times and for such periods as the Directors may from time to time determine provided always that it shall not be closed for more than 30 days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

37. Transmission on death

In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares and in the case of the death of a member who is a Depositor; the survivors or survivor where the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

38. Persons becoming entitled on death or bankruptcy of member may be registered

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.

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## **ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION**

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### **39. Rights of persons becoming entitled on death or bankruptcy of member**

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions, and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

### **40. Rights of unregistered executors and trustees**

Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt except that he shall not (unless authorised by the Directors) 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 of Register of Members or his name shall have been entered in the Depository Register in respect of the share; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these Articles be deemed to be joint holders of the share.

## **FORFEITURE OF SHARES**

### **41. Notice requiring payments of calls**

If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

### **42. Notice to state time and place**

The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

### **43. Forfeiture on non-compliance with notice**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

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## **ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION**

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### **44. Sale or disposition of forfeited shares**

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. The proceeds of the sale upon forfeiture shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and accrued interest and expenses, and the residue, if any, shall be paid to the person whose shares have been forfeited, or, his executors, administrators or assignees or as he may direct.

### **45. Rights and liabilities of persons whose shares have been forfeited**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all money which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest at the rate of 8 per cent per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of such interest), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.

### **46. Title to shares forfeited**

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

### **47. Powers of Company on disposition of forfeited shares**

Any share so forfeited shall be deemed to be the property of the Company. The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder 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 proceedings in reference to the forfeiture, sale, or disposal of the share.

### **48. Articles as to forfeiture applicable to non-payment on shares**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

## **CONVERSION OF SHARES INTO STOCK**

### **49. Power to convert into stock**

The Company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination.

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## ANNEX D – EXTRACT FROM THE COMPANY’S CONSTITUTION

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### 50. Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.

### 51. Rights of stockholders

The holders of stock shall according to the number of the stock units held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.

### 52. Interpretation

Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

## ALTERATION OF CAPITAL

### 53. Power to increase share capital, consolidate, subdivide shares, convert and cancel class of shares

The Company may from time to time by ordinary resolution do one or more of the following:—

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subdivide its shares or any of them into shares of a smaller amount than is fixed by the Memorandum provided that 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;
- (d) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares; and
- (e) cancel shares which at the date of the passing of the resolutions in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

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## ANNEX D – EXTRACT FROM THE COMPANY'S CONSTITUTION

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### 54. Offer of new shares

Subject to any direction to the contrary that may be given by the Company in the general meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount 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. After the expiration of the aforesaid 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 a manner as they think most beneficial to the Company. The Directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in accordance with this Article.

### 55. Exception to pre-emption

Notwithstanding Article 54 above, the Company may by ordinary resolution in a general meeting, give to the Directors a general mandate, either conditionally or unconditionally to issue:–

- (a) shares in the capital of the Company (whether by way of bonus, rights or otherwise); or
- (b) convertible securities;
- (c) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalisation issues; or
- (d) shares arising from the conversion of convertible securities,

at any time and upon such terms and conditions and for such purpose as the Directors may in their absolute discretion deem fit provided that:–

- (a) the aggregate number of shares and convertible securities that may be issued shall not be more than 50% of the issued share capital of the Company as at the date the general mandate is passed or such other limit as may be prescribed by the Stock Exchange;
- (b) the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall be not more than 20% of the issued share capital of the Company as at the date the general mandate is passed or such other limit as may be prescribed by the Stock Exchange;
- (c) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (a) and (b) above, the percentage of issued share capital shall be calculated based on the issued share capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion of any convertible securities or exercise of any employee options in issue as at the date the general mandate is passed and any subsequent consolidation or subdivision of the Company's shares; and



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- (d) unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force only until the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier.

### **56. Power to reduce share capital**

The Company may by special resolution reduce its share capital in any manner and subject to, any incident authorised, and consent required by law.

## **GENERAL MEETINGS**

### **57. Annual General Meeting**

An annual general meeting of the Company shall be held once in each calendar year and not more than 15 months after the holding of the last annual general meeting. All general meetings other than the annual general meetings shall be called extraordinary general meetings.

### **58. Calling extraordinary general meetings**

Any Director may whenever he thinks fit convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Act.

### **59. Time and place of meeting**

The time and place of any meeting shall be determined by the convenors of the meeting.

## **NOTICE OF GENERAL MEETING**

### **60. (1) Notice of meetings**

Subject to the provisions of the Act as to special resolutions, special notice and agreements for shorter notice and Article 60 (2) below, a meeting of the Company shall be called by 14 days’ notice in writing at the least by advertisement in a daily press and in writing to the Stock Exchange. A notice of meeting of the Company may be in an abridged version provided that such abridged version is the form approved by the Stock Exchange and must in every case specify the place, date and hours of the meeting;

### **(2) Notice where more than one special resolution proposed**

Where a notice contains one or more special resolutions, they shall be given to shareholders at least 21 days before the meeting(s);

### **(3) Period and form of notice**

The notice shall be exclusive of the date of the notice and the date of the meeting and shall specify the place, the day and the hour of meeting and in case of special business the general nature of the business;

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(4) Nature of special business to be specified

Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business;

(5) Notice of right to appoint proxies

In every notice calling a meeting of the Company or a meeting of any class of members there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of the member and that a proxy need not also be a member.

61. Special business

All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheets and the reports of the Directors and auditors, the election of Directors in the place of those retiring and the appointment and fixing of the remuneration of the auditors.

62. (1) Persons who should be given notice

Notice of every general meeting shall be given in any manner authorised by these Articles to:

- (a) every member holding shares conferring the right to attend and vote at the meeting;
- (b) the Directors (including alternate Directors) of the Company; and
- (c) The auditors of the Company.

(2) Notice given to debenture holders when necessary

No other person shall be entitled to receive notices of general meetings except that if the meeting be called for the alteration of the Company's objects, the provisions of the Act regarding notices to debenture holders shall be complied with.

(3) Accidental omission to give and non-receipt of notice

The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at the meeting.

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### PROCEEDINGS AT GENERAL MEETING

#### 63. Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members shall form a quorum.

For the purposes of this Article “member” includes a person attending as a proxy or as representing a corporation or a limited liability partnership which is a member, and joint holders of any share shall be treated as one member.

#### 64. Adjournment if quorum not present

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place as the original meeting, or to such other day and at such other time and place as the Directors may determine.

#### 65. Chairman

The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the Deputy Chairman shall preside as Chairman of the meeting. If there is no such Deputy Chairman present at the meeting and willing to act as Chairman the members present shall appoint a Director as Chairman of the meeting or if no Director is present or if all Directors present are unwilling to act, the members present shall elect one of their members to be Chairman of the meeting.

#### 66. Adjournment

The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an 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.

#### 67. Method of voting

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is demanded:

- (a) by the Chairman, being a person entitled to vote;
- (b) by at least two members present in person or by proxy and entitled to vote;

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- (c) by any member or members present in person or by proxy, or any number or combination of such members or proxies, holding and representing as the case may be, not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by any member present in person or by proxy, or any number or combination of such members or proxies, holding or representing as the case may be, shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than 10% of the total number sum paid up on all the shares conferring that right.

Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company 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. The demand for a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.

### **68. Taking a poll**

If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded. No poll shall be demanded on the election of a Chairman of a meeting and a poll demanded on a question of adjournment shall be taken at the meeting and without adjournment.

### **69. Other business to proceed**

The demand of 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.

### **70. Error in counting of votes**

If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, and be of sufficient magnitude to vitiate the result of the voting.

### **71. Resolution by circular**

Any resolution signed in writing whether by original or facsimile by all members for the time being of the Company entitled to attend and vote at general meetings of the Company shall be as valid as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may consist of several documents in like form each signed by or on behalf of one or more member. In the case of a corporate body or limited liability partnership which is a member, such resolution may be signed on its behalf by its corporate representatives or limited liability partnership or proxy or attorney duly authorised in writing to sign the resolution on its behalf.

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### **VOTES OF MEMBERS**

#### **72. Right to vote**

Every member (other than a holder of treasury shares) shall be entitled to be present and to vote at any general meeting either personally or by proxy in respect of any shares upon which all calls due to the Company have been paid.

#### **73. Voting rights of members**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney. On a show of hands every member present in person or by proxy shall have one vote. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a poll every member present in person or by proxy shall have one vote for each share he holds.

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant general meeting as supplied by the Depository to the Company.

#### **74. Chairman's casting vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

#### **75. Voting rights of joint holders**

In the case of joint holders, any one of such persons may vote, but if more than one of such persons shall be present at a meeting, the person whose name stands first on the Register of Members (as the case may be) the Depository Register shall alone be entitled to vote.

#### **76. Corporations and limited liability partnerships acting by representatives**

Any corporation or limited liability partnership which is a member of the Company may by resolution of its Directors or other governing body authorise any person to act as its representative at any general meeting of the Company or of any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation or limited liability partnership as a corporation or limited liability partnership would exercise if it were personally present at the meeting.

#### **77. Objections**

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.

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### 78. Appointment of proxies

- (1) A member may appoint not more than two proxies to attend at the same meeting, provided that:–
  - (a) if the member is a Depositor, the Company shall be entitled and bound:–
    - (i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depositor Register as at 48 hours before the time of the relevant general meeting as supplied by the Depository to the Company; and
    - (ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of relevant general meeting as supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
  - (b) the Company shall be entitled and bound, in determining rights to vote other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and notes (if any) set out in the instrument of proxy;
  - (c) if the Chairman is appointed proxy, he may designate such other person to act as proxy in his stead.
- (2) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.
- (3) A proxy or representative need not be a member.
- (4) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.
- (5) The instrument appointing a proxy or representative for any member shall be in writing and shall (in the case of an individual appointer) be signed by the appointer or his attorney or, (if the appointer is a corporation) be under its seal or signed by its attorney.
- (6) The signature on an instrument of proxy need not be witnessed.

### 79. Deposit of instrument appointing a proxy

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the registered office of the Company, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

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80. Intervening death or insanity of principal not to revoke proxy

A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation, or transfer as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

### **DIVIDENDS AND RESERVES**

133. Dividends

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

134. Interim dividend

The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

135. Payment of dividends

- (1) The dividends, interest and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company's investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereof of the expenses of management, interest upon borrowed money and other expenses which in the opinion of the Directors are of a revenue nature, constitute the profits of the Company available for dividend.
- (2) Appreciations of capital assets, investments and realised profits resulting in a sale of capital assets or investments (except so far as representing interest or dividend accrued and unpaid) shall either be carried to the credit of capital reserve or shall be applied in providing for depreciation or contingencies or for writing down the value of the assets. It is expressly declared that in ascertaining the profits of the Company available for dividend it shall not be necessary to make good any losses or depreciation in value of any of the Company's investments or any other assets of the Company except circulating capital.

136. Power to carry profit to reserve

The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied. 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 part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

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### **137. Apportionment of dividends**

Subject to the rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

- (a) all dividends in respect of shares shall be declared and paid according to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all dividends shall be apportioned and paid proportionately to the amounts 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 that share shall rank for dividend accordingly.

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

### **138. Deduction of debts due to Company**

The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

### **139. Payment of dividend in specie**

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, 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.

### **140. Dividends payable in cash**

Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct or by electronic transmission to such account of the holder or joint holders as that holder or joint holders may have in writing notified to the Company. Every such payment shall be sent at the risk of the person entitled to the money represented thereby Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders. Notwithstanding the provisions of these Articles, the payment by the Company to the Depository of any dividend payable to a Depositor shall (in accordance with the provisions of the Act), to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.



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### 141. Effect of transfer and right to dividend

A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.

### CAPITALISATION OF PROFITS

### 142. Power to capitalise profits

(1) Subject to Article 5, the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(a) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(b) such other date as may be determined by the Directors,

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

(2) In addition and without prejudice to the powers provided for by Article 142(1), the Directors shall have power 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 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 and on such terms as the Directors shall think fit.

### 143. Implementation of resolution to capitalise profits

Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

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