



# 5E RESOURCES LIMITED

(Company Registration Number: 202136285K)

(Incorporated in the Republic of Singapore on 18 October 2021)

## INVITATION IN RESPECT OF 38,500,000 INVITATION SHARES COMPRISING (A) 2,000,000 OFFER SHARES AT S\$0.26 EACH BY WAY OF A PUBLIC OFFER; AND (B) 36,500,000 PLACEMENT SHARES AT S\$0.26 EACH BY WAY OF PLACEMENT, PAYABLE IN FULL ON APPLICATION

*Prior to making a decision to subscribe for and/or purchase the Invitation Shares, you should carefully consider all the information contained in the Offer Document. This Product Highlights Sheet should be read in conjunction with the Offer Document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. You should also consider whether an investment in the Invitation Shares is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.*

This Product Highlights Sheet<sup>1</sup> is an important document.

- It highlights the key information and risks relating to the offer of the Invitation Shares contained in the Offer Document. It complements the Offer Document<sup>2</sup>.
- You should not subscribe for and/or purchase the Invitation Shares if you do not understand the nature of an investment in equity securities, our business or are not comfortable with the accompanying risks.
- If you wish to subscribe for and/or purchase the Invitation Shares, you will need to make an application in the manner set out in the Offer Document. If you do not have a copy of the Offer Document, please contact us to ask for one.

<b>Issuer</b>	<b>5E Resources Limited</b>	<b>Place of incorporation</b>	Singapore
<b>Details of this Invitation</b>	Invitation for 38,500,000 Invitation Shares comprising 2,000,000 Offer Shares and 36,500,000 Placement Shares for subscription under the Offer and the Placement respectively	<b>Total amount to be raised in this Invitation</b>	Gross proceeds of approximately S\$10.0 million and net proceeds of approximately S\$8.0million
<b>Invitation Price</b>	S\$0.26 for each Invitation Share	<b>Listing status of Issuer and the Placement Shares</b>	An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of all of our Shares already issued, and the Invitation Shares which are the subject of this Invitation, on Catalist. The Shares are expected to be listed on 12 May 2022
<b>Issue Manager and Full Sponsor</b>	RHT Capital Pte. Ltd.	<b>Underwriter and Placement Agent</b>	UOB Kay Hian Private Limited

<sup>1</sup> This Product Highlights Sheet does not constitute, or form any part of any offer for the subscription for, or solicitation of any offer to buy or subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This Product Highlights Sheet shall be read in conjunction with the Offer Document. The information in this Product Highlights Sheet is based on information found in the Offer Document. Any decision to subscribe for and/or purchase securities must be made solely on the basis of information contained in the Offer Document. Capitalised terms used in this Product Highlight Sheet, unless otherwise defined, shall bear the meanings as defined in the Offer Document.

<sup>2</sup> The Offer Document, registered by the SGX-ST, acting as agent on behalf of the Authority, on 29 April 2022, is available for collection during office hours from RHT Capital Pte. Ltd., 6 Raffles Quay, #24-02, Singapore 048580 or UOB Kay Hian Private Limited at 8 Anthony Road, #01-01, Singapore 229957, or accessible at the SGX-ST's website at <http://www.sgx.com>.

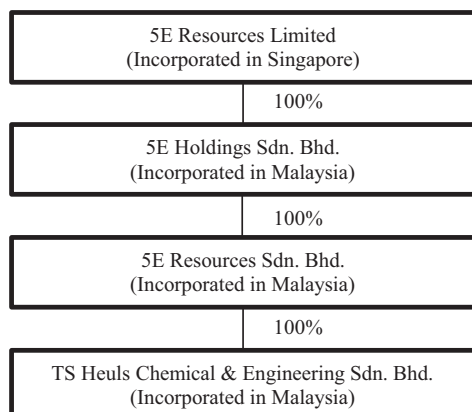
## OVERVIEW

### WHO ARE WE AND WHAT DO WE DO?

#### Our Group

Our Company was incorporated in Singapore on 18 October 2021 under the Companies Act as a private company limited by shares under the name of “5E Resources Pte. Ltd.”. Our Company was converted into a public company and renamed “5E Resources Limited” on 25 March 2022.

The structure of our Group as at the date of the Offer Document is as follows:



#### Our Business

Based in Johor, our Group is engaged in the business of (i) scheduled waste management services; (ii) sale of recovered and recycled products; and (iii) chemical trading.

We are one of the leading scheduled waste management services providers in Malaysia focusing on the collection, transportation and treatment of scheduled waste. We have been providing scheduled waste management services in Malaysia since 2008, and our operations are concentrated principally in Johor in Southern Peninsular Malaysia. We possess 34 out of 77 Waste Codes under the First Schedule of EQ(SW) Regulations as at the Latest Practicable Date, which enable us to process various types of scheduled waste including mainly (i) waste acid and alkaline; (ii) waste solvent and paint; (iii) waste coolant; (iv) waste oil; (v) waste catalyst and solid waste; (vi) contaminated rags and containers; and (vii) electronic waste. Our treatment of scheduled waste involves a number of processes at our waste treatment plants, including waste acid and alkaline recycling process, electronic waste recovery process and waste oil recycling process. As at the Latest Practicable Date, we operate three (3) waste treatment plants in Johor to provide the above-mentioned services.

Leveraging on our experience and expertise along the value chain of the scheduled waste management industry, during the Period Under Review, we had also sold recovered and recycled products generated from our scheduled waste treatment processes, and engaged in trading of chemicals which can be used for waste treatment and in the manufacturing industry.

Refer to the sections entitled “General Information on our Group – History” and “General Information on Our Group – Business Overview” on pages 130 to 133 and 134 to 147 respectively of the Offer Document for more information on our history and business.

### WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

Our Board of Directors comprise:

- Loo Sok Ching (Chairman and Executive Director)
- Lim Te Hua (Executive Director and Chief Executive Officer)
- Shankar Narasingam (Executive Director and Chief Operating Officer)
- Wong Chee Meng Lawrence (Lead Independent and Non-Executive Director)
- Kam Chai Hong (Independent and Non-Executive Director)
- Siow Chin How (Independent and Non-Executive Director)
- Wang Han Lin (Independent and Non-Executive Director)

Our Executive Officers include:

- Chear Ee Lee (Chief Financial Officer)
- Boo Chin Hwee (Head of Marketing)
- Ang Khoo Poh (Head of R&D)
- Wong Chun Wei (Head of Business Development)
- Wong Ying Wei (Head of Administration)

Refer to the sections entitled “Directors, Management and Employees – Directors” and “Directors, Management and Employees – Executive Officers” on pages 192 to 198 and 198 to 200 respectively of the Offer Document for more information on our directors and executive officers.

## WHO ARE OUR CONTROLLING SHAREHOLDERS?

After the completion of the Invitation, Loo Sok Ching and Wong Kim Fatt, who are spouses will hold approximately 26.7% and 20.5% of our enlarged share capital after the Invitation, respectively. Ban Kim Wah, who is the younger brother of Wong Kim Fatt, and the brother-in-law of Loo Sok Ching, will hold approximately 11.5% of our enlarged share capital after the Invitation.

Pursuant to Section 7 of the Companies Act and Section 4 of the SFA, (i) Loo Sok Ching is deemed to have an interest in the Shares held by Wong Kim Fatt and Ban Kim Wah; (ii) Wong Kim Fatt is deemed to have an interest in the Shares held by Loo Sok Ching and Ban Kim Wah; and (iii) Ban Kim Wah is deemed to have an interest in the Shares held by Loo Sok Ching and Wong Kim Fatt. Accordingly, each of Loo Sok Ching, Wong Kim Fatt and Ban Kim Wah is deemed to be a Controlling Shareholder of our Group and they are expected to collectively hold approximately 58.7% of our enlarged share capital after the Invitation.

Refer to the section entitled “Shareholding and Ownership Structure” on pages 80 to 84 of the Offer Document for more information on our Controlling Shareholders’ shareholdings.

## HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

### Selected items from the consolidated statements of comprehensive income of our Group

(MYR'000)	FY2018 (Audited)	FY2019 (Audited)	FY2020 (Audited)	9M2020 (Unaudited)	9M2021 (Audited)
Revenue from contracts with customers	46,254	53,826	44,049	29,771	37,414
Gross profit	17,821	26,868	21,419	13,992	17,177
Profit before income tax	9,215	15,967	11,301	8,011	7,056
Net profit and total comprehensive income for the financial year/period	7,066	12,089	8,046	6,088	4,230
<b>Pre-Invitation EPS (S\$ cents)<sup>(1)(2)</sup></b>	2.2	3.7	2.4	2.0	1.3
<b>Post-Invitation EPS (S\$ cents)<sup>(2)(3)</sup></b>	1.6	2.7	1.8	1.5	0.9

### Notes:

- (1) For comparative purposes, the pre-Invitation EPS for the Period Under Review have been computed based on the net profit and total comprehensive income for the financial year/period and our Company’s pre-Invitation issued share capital of 108,974,784 Shares.
- (2) Based on exchange rates of S\$1: MYR2.993, S\$1: MYR3.038, S\$1: MYR3.048, S\$1: MYR2.744 and S\$1: MYR3.085, being the average exchange rates for FY2018, FY2019, FY2020, 9M2020 and 9M2021 respectively.
- (3) For comparative purposes, the post-Invitation EPS for the Period Under Review have been computed based on the net profit and total comprehensive income for the financial year/period and our Company’s post-Invitation issued share capital of 147,474,784 Shares.

Refer to the sections entitled “Selected Consolidated Financial Information” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” on pages 91 to 93 and pages 94 to 122 respectively of the Offer Document for more information on our financial position and financial performance.

## Selected items from the consolidated statements of financial position of our Group

(MYR'000)	Audited			
	As at 31 December 2018	As at 31 December 2019	As at 31 December 2020	As at 30 September 2021
Non-current assets	32,705	36,172	33,682	34,043
Current assets	18,011	20,164	28,179	27,494
Total assets	50,716	56,336	61,861	61,537
Non-current liabilities	15,025	1,997	1,898	2,294
Current liabilities	6,245	12,804	14,876	9,926
Total liabilities	21,270	14,801	16,774	12,220
Total equity	29,446	41,535	45,087	49,317
Share capital	55,886	55,886	55,886	55,886
Reserves	(54,756)	(54,756)	(59,250)	(59,250)
Retained earnings	28,316	40,405	48,451	52,681
<b>NAV per Share</b> <b>(\$ cents)<sup>(1)(2)</sup></b>	8.9	12.5	13.6	14.7

### Notes:

- (1) For comparative purposes, the NAV per Share is computed based on the net asset value and our Company's pre-Invitation issued share capital of 108,974,784 Shares.
- (2) Based on exchange rates of S\$1: MYR3.036, S\$1: MYR3.041, S\$1: MYR3.043 and S\$1: MYR3.077, being the closing exchange rates as at 31 December 2018, 2019, 2020 and 30 September 2021 respectively.

The following table sets out a summary of our Group's consolidated statements of cash flow for FY2018, FY2019, FY2020 and 9M2021.

(MYR'000)	Audited			
	FY2018	FY2019	FY2020	9M2021
Net cash generated from operating activities	11,074	22,108	7,132	6,786
Net cash (used in)/generated from investing activities	(2,682)	(8,336)	4,098	(6,359)
Net cash used in financing activities	(5,617)	(11,583)	(1,142)	(924)
<b>Net increase/(decrease) in cash and cash equivalents at the end of the financial year/period</b>	2,775	2,189	10,088	(497)
Cash and cash equivalents at the beginning of the financial year/period	1,793	4,568	6,757	16,845
<b>Cash and cash equivalents at the end of the financial year/period</b>	4,568	6,757	16,845	16,348

The most significant factors contributing to our financial performance in FY2019 as compared to FY2018 were as follows:

- Total revenue increased by approximately MYR7.5 million or 16.2% from approximately MYR46.3 million in FY2018 to approximately MYR53.8 million in FY2019. The increase was primarily due to an increase in revenue from our scheduled waste management services and sale of recovered and recycled products, partially offset by a decrease in chemical trading revenue.
- Gross profit increased by approximately MYR9.1 million or 51.1% from approximately MYR17.8 million in FY2018 to approximately MYR26.9 million in FY2019. Our overall gross profit margin increased from approximately 38.5% in FY2018 to 49.9% in FY2019. The increase in gross profit was attributable to the increase in revenue and decrease in cost of sales.
- Profit after income tax increased by approximately MYR5.0 million or 70.4% from approximately MYR7.1 million in FY2018 to approximately MYR12.1 million in FY2019.

- In FY2019, we generated net cash flows from operating activities of approximately MYR22.1 million, which was a result of operating cash flow before working capital changes of approximately MYR19.1 million, adjusted for working capital inflows of approximately MYR4.8 million and income tax paid of approximately MYR1.8 million.
- As at 31 December 2019, our shareholders' equity amounted to approximately MYR41.5 million.

The most significant factors contributing to our financial performance in FY2020 as compared to FY2019 were as follows:

- Total revenue decreased by approximately MYR9.8 million or 18.2% from approximately MYR53.8 million in FY2019 to approximately MYR44.0 million in FY2020. The decrease was mainly due to the decrease in revenue from our three (3) business segments.
- Gross profit decreased by approximately MYR5.5 million or 20.4% from approximately MYR26.9 million in FY2019 to approximately MYR21.4 million in FY2020. Our overall gross profit margin decreased from approximately 49.9% in FY2019 to 48.6% in FY2020. The decrease in gross profit and gross profit margin was due to absence of one-off projects with higher gross profit margin in FY2020, partially offset by decrease in direct labour cost, repair and maintenance cost, sludge disposal cost, fuel oil and petrol consumed for the provision of our scheduled waste management service in FY2020 which resulted in a higher gross profit margin.
- Profit after tax decreased by approximately MYR4.1 million or 33.9% from approximately MYR12.1 million in FY2019 to approximately MYR8.0 million in FY2020.
- In FY2020, we generated net cash flows from operating activities of approximately MYR7.1 million, which was a result of operating cash flow before working capital changes of approximately MYR14.6 million, adjusted for working capital outflows of approximately MYR3.9 million and income tax paid of approximately MYR3.5 million.
- As at 31 December 2020, our shareholders' equity amounted to approximately MYR45.1 million.

The most significant factors contributing to our financial performance for 9M2021 as compared to 9M2020 were as follows:

- Total revenue increased by approximately MYR7.6 million or 25.5% from approximately MYR29.8 million in 9M2020 to approximately MYR37.4 million in 9M2021. The increase was primarily due to the increase in revenue from our three (3) business segments.
- Gross profit increased by approximately MYR3.2 million or 22.9% from approximately MYR14.0 million in 9M2020 to approximately MYR17.2 million in 9M2021. Our overall gross profit margin decreased from approximately 47.0% in 9M2020 to 45.9% in 9M2021. The increase in gross profit was attributable to the increase in revenue while the decrease in gross profit margin was attributable to higher cost of sales such as direct labour, sludge disposal cost, fuel oil and petrol and others.
- Profit after income tax decreased by approximately MYR1.9 million or 31.1% from approximately MYR6.1 million in 9M2020 to approximately MYR4.2 million in 9M2021.
- In 9M2021, we generated net cash flows from operating activities of approximately MYR6.8 million, which was a result of operating cash flow before working capital changes of approximately MYR9.2 million, adjusted for working capital outflows of approximately MYR0.8 million and income tax paid of approximately MYR1.6 million.
- As at 30 September 2021, our shareholders' equity amounted to approximately MYR49.3 million.

**The above factors are not the only factors contributing to our financial performance for FY2018, FY2019, FY2020 and 9M2021. Please refer to the other factors set out in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" on pages 94 to 122 of the Offer Document.**



## INVESTMENT HIGHLIGHTS

### WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

Our Group plans to continue implementing the following business strategies with the aim to further strengthen our market position and expand our business operations:

**Scale up our operations through geographical expansion, in particular to capture the underserved market of small quantity Waste Generators in Central Peninsular Malaysia:**

Outside our established base in Johor, Southern Peninsular Malaysia, we intend to further strengthen our geographical coverage in Central Peninsular Malaysia as our Directors believe that there are ample business opportunities in this part of Malaysia, given that Central Peninsular Malaysia is the largest and most active economic region in Malaysia. According to the Industry Report, the volume of scheduled waste generated in Central Peninsular Malaysia is expected to grow at a CAGR of approximately 5.2% from 2019 to 2025. Further, according to the latest data published by the DOE, Central Peninsula Malaysia constituted the largest proportion of scheduled waste generated, accounting for approximately 37.1% of the total volume of scheduled waste generated in 2019. In comparison, Southern Peninsula Malaysia accounted for approximately 27.5% of total volume of scheduled waste generated in the same year.

In particular, a potential area which we plan to expand to is the underserved small quantity Waste Generators market in Central Peninsular Malaysia. We intend to set up an off-site storage plant in Central Peninsular Malaysia, which will serve as a temporary transit storage plant for the scheduled waste collected from different customers in Central Peninsular Malaysia before transporting them to our waste treatment plants in Johor. We also intend to relocate our sales and marketing personnel from our office based in Selangor to the office at the off-site storage plant to serve as a point of contact for our sales and marketing personnel to have closer liaison with customers in Central Peninsular Malaysia.

**Expand our processing capacity for the in-demand high organic content waste and reduce our operating cost by processing waste residue into alternative products which can be disposed of at a lower cost:**

Leveraging on our core expertise and extensive experience in scheduled waste management, we intend to expand our capacity for the treatment of high organic content waste by investing in a new rotary system. According to the Industry Report, there is a growing demand for high organic content waste treatment in Malaysia, as the generation of such waste sees a projected CAGR of approximately 11.6% from 2019 to 2025 due to the continuous development of industries such as chemical, pharmaceutical, rubber, printing and textile which require large amount of organic raw materials. We also intend to invest in facilities to reduce our operating costs by processing waste residue into alternative products which can be disposed of at a lower cost.

**Expansion of our business through acquisitions, joint ventures or strategic alliances:**

We may also expand our business in Malaysia through acquisitions, joint ventures and strategic alliances with parties whose businesses are synergistic with our business.

Refer to the section entitled “General Information on our Group – Business Strategies and Future Plans” on pages 188 to 190 of the Offer Document for more information on our business strategies and future plans.

## WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?

Based on the revenue and operations of our Group as at the Latest Practicable Date and barring any unforeseen circumstances (including the resurgence of the COVID-19 outbreak in our operating jurisdictions), our Directors have made the following observations on our Group's business and financial prospects for the 12 months from the Latest Practicable Date:

- (a) Our Group's revenue is expected to remain relatively stable for FY2022 as a result of the gradual lifting of the lock-down and movement control in Malaysia. The overall economy and in particular, the manufacturing industry, is expected to resume full operations in FY2022.
- (b) Our Group's cost of sales is expected to increase due to the expected increase in costs of raw materials for our recycled and recovered products segment and labour costs for our scheduled waste management segment. Notwithstanding, our Group's gross profit margin for FY2022 is expected to be in line with that of FY2021.
- (c) Our Group's general and administration expenses are expected to increase in FY2022, primarily due to the expenses in connection with the Listing, the remuneration of our Directors pursuant to the Service Agreements and the inflationary effect arising from the COVID-19 pandemic.

**The above are not the only trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on us. Please refer to the other factors set out in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position" and "General Information on our Group – Business Strategies and Future Plans" on pages 44 to 68, 94 to 122 and 188 to 190 respectively of the Offer Document.**

Refer to the "General Information on our Group – Trend Information" on page 191 of the Offer Document for more information on trend information.

## WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?

We set out below a summary of what we consider the most important key risks which had materially affected or could materially affect our business operations, financial position and results and your investment in our Shares.

**If we fail to obtain or maintain the approvals, permits, licences and certificates required for our operations, our business, financial conditions and results of operations may be materially and adversely affected:**

The scheduled waste management industry in Malaysia is a highly regulated industry. In particular, we are required to obtain certain approvals, permits, licences and certificates from various governmental authorities and to comply with the relevant Malaysia laws and regulations in order to, among others, provide waste collection services, handle different categories of scheduled waste, operate certain types of machinery at our waste treatment plants and sell chemicals.

There is no assurance that in the future, we can maintain or renew all the required approvals, licences, permits and certificates in a timely manner or at all. If we operate our business without all the required approvals, permits, licences and certificates, or without complying with the relevant Malaysia laws and regulations, we may be subject to fines and penalties imposed by the relevant governmental authorities and may be required to suspend the use of such facilities or vacate the premises.

**Our collection and processing of scheduled waste is subject to a monthly quota:**

Each of our Waste Codes is subject to a quota limit on the maximum quantity which we are permitted to collect and process on a monthly basis, as described in the section entitled "General Information on our Group – Licences, Permits, Approvals and Government Regulations" of the Offer Document. As at the Latest Practicable Date, we possess 34 out of the 77 Waste Codes under the First Schedule of EQ(SW) Regulations. If the actual quantity of scheduled waste which we had collected and processed exceeds the relevant monthly quota, our prescribed premise licences to which our Waste Codes relate may be revoked and we may be subject to fines and penalties.

Refer to the section entitled "Risk Factors" on pages 44 to 68 of the Offer Document for more information on risk factors.

**Our customers for the Period Under Review are primarily concentrated in the manufacturing industry. Any volatility in the manufacturing industry in Malaysia may materially and adversely affect our business, financial conditions and results of operations:**

For the Period Under Review, the manufacturing industry was the top contributor to our revenue. Our revenue from customers operating in the manufacturing industry amounted to approximately MYR36.6 million, MYR33.1 million, MYR36.9 million and MYR31.7 million respectively, representing approximately 79.1%, 61.5%, 83.8% and 84.7% of our total revenue for FY2018, FY2019, FY2020 and 9M2021 respectively. Our business could be affected, to various extents, by the economic cycle of the manufacturing industry in Malaysia. The nature, timing and extent of changes in the industry's conditions could be highly unpredictable. In the event of a downturn of the manufacturing industry in Malaysia, unfavourable economic and market conditions or material adverse changes in the business environment of the manufacturing industry in Malaysia, this may lead to a decline in the demand for our scheduled waste management services, which may, in turn, materially and adversely affect our business, operations, financial performance, financial condition, results of operations and/or prospects.

**Our operations during the Period Under Review are geographically concentrated in Johor in Southern Peninsular Malaysia and may be affected by local policies, events and economic conditions:**

Our operations are concentrated principally in Johor in Southern Peninsular Malaysia, where all of our three (3) waste treatment plants are located as at the Latest Practicable Date. The utilisation rate of our three (3) waste treatment plants located in Johor is disclosed in the section entitled "General Information on Our Group – Our plants and machinery" of the Offer Document. In addition, our revenue during the Period Under Review was mainly derived from customers located in Southern Peninsular Malaysia. For the Period Under Review, our revenue derived from customers located in Southern Peninsular Malaysia constituted approximately 62.4%, 70.3%, 66.9% and 69.9% of our total revenue for FY2018, FY2019, FY2020 and 9M2021 respectively. As such, our operations may be affected by local policies, events and economic conditions in Southern Peninsular Malaysia.

**The above are not the only risk factors that had a material effect or could have a direct and/or indirect material effect on our business operations, financial position and results, and your Shares; and accordingly, should not be construed as a comprehensive list of all risks. Please refer to the section entitled "Risk Factors" on pages 44 to 68 of the Offer Document for a discussion on other risk factors. Prior to making a decision to invest in our Shares, you are advised to apprise yourself of all factors involving the risks of investing in our Shares from your professional advisers before making any decision to invest in our Shares, and you should also consider all the information contained in the Offer Document.**

## WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at the Latest Practicable Date, the issued and paid-up share capital of our Company is S\$18,162,464 comprising 108,974,784 Shares. Upon the allotment and issuance of the Invitation Shares, the resultant issued and paid-up share capital of our Company will be increased to S\$28,172,464 comprising 147,474,784 Shares.

As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company, being ordinary shares. The rights and privileges attached to our Shares are stated in our Constitution. Please refer to Appendix D of the Offer Document entitled "Selected Extracts of our Constitution" for further details. There is no restriction on the transfer of fully-paid Shares in scripless form, except where required by law or the Catalist Rules.

Refer to the sections entitled "Share Capital" and "Description of Ordinary Shares" on pages 76 to 79 and 238 to 243 respectively of the Offer Document for more information on the Invitation Shares.



## HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The estimated net proceeds to be raised from the Invitation, after deducting the aggregate estimated expenses in relation to the Invitation of approximately S\$2.0 million, will be approximately S\$8.0 million.

We intend to utilise the gross proceeds from the Invitation in the following manner:

Use of proceeds	Amount in aggregate (S\$'000) <sup>(1)</sup>	Estimated amount allocated for each dollar of the gross proceeds from the Invitation (cents) <sup>(1)</sup>
Acquisition of an off-site storage plant including the land on which it is situated, for geographical business expansion	3,863	38.6
Capital investment in facilities, plants, machineries and/or equipment to enhance production efficiency and capacities	2,244	22.4
Expansion of our business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaboration	1,169	11.7
General working capital purposes	741	7.4
<b>Net proceeds from the Invitation</b>	<b>8,017</b>	<b>80.1</b>
<b>Listing expenses to be borne by our Company<sup>(2)</sup></b>	<b>1,993</b>	<b>19.9</b>
<b>Gross proceeds from the Invitation</b>	<b>10,010</b>	<b>100.0</b>

### Notes:

(1) Figures may not add up due to rounding.

(2) Approximately S\$0.7 million of the total estimated listing expenses will be capitalised against share capital and the balance of approximately S\$1.3 million will be charged to our Group's statement of comprehensive income.

Refer to the sections entitled "Use of Proceeds and Listing Expenses" and "General Information on our Group – Business Strategies and Future Plans" on pages 71 to 73 and 188 to 190 respectively of the Offer Document for more information on our use of proceeds.

## WILL WE BE PAYING DIVIDENDS AFTER THE INVITATION?

Our Company has not declared or paid any dividends since its incorporation on 18 October 2021, and save for the declaration and payment of a single-tier dividend of MYR4.0 million in respect of FY2021 at RM80.00 per share by our subsidiary, TS Heuls on 19 March 2021, our subsidiaries have not declared or paid any dividends in the Period Under Review and the period from 1 October 2021 up to the Latest Practicable Date.

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares that our Directors may recommend or declare will depend on, among others: our level of cash and retained earnings; our actual and projected financial performance; our actual and future operations and liquidity positions; our projected levels of capital expenditure and expansion plans; our working capital requirements and general financial condition; our capital requirements, cash flow, and future cash requirements and availability; restrictions on payment of dividends imposed on us by our financing arrangements (if any) and other contractual restrictions binding on us; the general economic and business conditions in countries in which we operate; and such other factors as our Directors may, in their absolute discretion, deem appropriate, (the "**Dividend Factors**"). Therefore, there can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

Subject to the above, our Directors intend to recommend and distribute dividends of:

- (a) not less than 25% of our Group's NPAT for FY2022;
- (b) not less than 25% of our Group's NPAT for FY2023; and
- (c) not less than 25% of our Group's NPAT for FY2024, (the "**Proposed Dividends**").

Refer to the section entitled "Dividend Policy" on pages 74 to 75 of the Offer Document for more information on our dividend policy.

## DEFINITIONS

Capitalised terms used in this Product Highlights Sheet, unless otherwise defined, shall bear the meanings as defined in the Offer Document.

“9M2020”	: The nine (9)-month financial period ended 30 September 2020
“9M2021”	: The nine (9)-month financial period ended 30 September 2021
“Authority”	: Monetary Authority of Singapore
“Board of Directors”	: The board of Directors of our Company as at the date of the Offer Document, unless otherwise stated
“Catalist”	: The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	: Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as the case may be
“CDP”	: The Central Depository (Pte) Limited
“Company”	: 5E Resources Limited, a company incorporated in Singapore on 18 October 2021
“Companies Act”	: The Companies Act 1967 of Singapore (2020 Revised Edition), as amended, supplemented or modified from time to time
“Constitution”	: The constitution of our Company, as amended, supplemented or modified from time to time
“Controlling Shareholder”	: As defined in the Catalist Rules, a person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in our Company (unless otherwise determined by the SGX-ST); or</li> <li>(b) in fact exercises control over our Company,</li> </ul> or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule to the SFR
“Depositors”	: Shall have the meanings ascribed to it in Section 81SF of the SFA
“Dividend Factors”	: Shall have the meaning ascribed to it in the section entitled “Dividend Policy” of the Offer Document
“DOE”	: Department of Environment of Malaysia
“EQ(SW) Regulations”	: The Environmental Quality (Scheduled Wastes) Regulations 2005 of Malaysia, as amended, supplemented or modified from time to time
“Executive Officers”	: The executive officers of our Company as at the date of the Offer Document, who are also key executives as defined under the SFR, unless otherwise stated
“FY”	: Financial year ended or ending, as the case may be, 31 December, unless otherwise stated
“Group”	: Our Company and our subsidiaries as at the date of the Offer Document
“Industry Consultant”	: Frost & Sullivan International Limited
“Industry Report”	: The independent industry report prepared by the Industry Consultant, as set out in Appendix C of the Offer Document
“Invitation”	: The invitation by our Company to investors to subscribe for the Invitation Shares at the Invitation Price through the Offer and the Placement, upon the terms and subject to the conditions of the Offer Document
“Invitation Shares”	: The 38,500,000 new Shares for which our Company invites applications to subscribe pursuant to the Invitation, comprising 2,000,000 Offer Shares and 36,500,000 Placement Shares

“Latest Practicable Date”	: 18 March 2022, being the latest practicable date for the purposes of lodgement of the Offer Document with the SGX-ST, acting as agent on behalf of the Authority
“Listing”	: The proposed listing and quotation of all our Shares on Catalist
“NPAT”	: Net profit after tax
“Offer”	: The offering by our Company to the public in Singapore for subscription of the Offer Shares at the Invitation Price, upon the terms and subject to the conditions of the Offer Document
“Offer Document”	: The Offer Document dated 29 April 2022 issued by our Company in respect of the Invitation
“Offer Shares”	: The 2,000,000 new Shares which are the subject of the Offer
“Period Under Review”	: The period which comprises FY2018, FY2019, FY2020 and 9M2021
“Placement”	: The placement of the Placement Shares by the Underwriter and Placement Agent on behalf of our Company for subscription at the Invitation Price, subject to and on the terms and conditions as set out in the Offer Document
“Placement Shares”	: The 36,500,000 new Shares which are the subject of the Placement
“Proposed Dividends”	: Shall have the meaning ascribed to it in the section entitled “Dividend Policy” of the Offer Document
“Securities Accounts”	: The securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Service Agreements”	: The service agreements entered into between our Company and each of Loo Sok Ching, Lim Te Hua and Shankar Narasingam respectively, as described in the section entitled “Directors, Management and Employees – Service Agreements” of the Offer Document
“SFA”	: The Securities and Futures Act 2001 of Singapore (2020 Revised Edition), as amended, supplemented or modified from time to time
“SFR”	: The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shares”	: Ordinary share(s) in the capital of our Company
“Shareholders”	: Registered holders of Shares, except where the registered holder is CDP, the term “Shareholder” shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
“TS Heuls”	: TS Heuls Chemical & Engineering Sdn. Bhd., a company incorporated in Malaysia with limited liability on 10 July 1997 and an indirect wholly-owned subsidiary of our Company
“Waste Code(s)”	: 77 categories of scheduled wastes listed under the First Schedule of EQ(SW) Regulations as at the Latest Practicable Date
“Waste Generators”	: Companies which produce scheduled waste
“MYR”	: Malaysian ringgit
“S\$” and “cents”	: Singapore dollars and cents, respectively
“%”	: Per centum or percentage

## CONTACT INFORMATION

### WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

**The Issuer** : 5E Resources Limited  
Registered Office : 1 Robinson Road, #17-00, AIA Tower, Singapore 048542  
Principal Place of Business : PLO 738, Jalan Platinum Utama, Zon 12B Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor Darul Takzim, Malaysia  
Telephone No./Facsimile No. : +60 7-252 1288/+60 7-253 2588  
Internet address/Email address : [www.5e-resources.com](http://www.5e-resources.com)/[schw@5e-resources.com](mailto:schw@5e-resources.com)

**Issue Manager and Full Sponsor** : RHT Capital Pte. Ltd.  
Address : 6 Raffles Quay, #24-02, Singapore 048580  
Telephone No. : +65 6381 6966

**Underwriter and Placement Agent** : UOB Kay Hian Private Limited  
Address : 8 Anthony Road, #01-01, Singapore 229957  
Telephone No. : +65 6535 6868