# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your legal, financial, tax or other professional adviser.

Printed copies of this Circular will NOT be sent to Shareholders. Instead, this Circular will be sent to Shareholders solely by electronic means via publication on the Company's website at the URL https://advancedholdings.com/media/news/ and will also be available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

If you have sold or transferred all your shares in the capital of Advanced Holdings Ltd. (the "Company"), you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting and accompanying Proxy Form) may be accessed at the Company's website and SGXNet.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.



# ADVANCED HOLDINGS LTD.

(Incorporated in the Republic of Singapore on 19 February 2004) (Company Registration Number 200401856N)

## **CIRCULAR TO SHAREHOLDERS**

## IN RELATION TO THE PROPOSED DISPOSAL OF

- (1) THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ADVANCED CAE LTD. AND
- (2) THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ADVANCED CAE PTE. LTD.

## **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 28 November 2022 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 30 November 2022 at 10.00 a.m.

Place of Extraordinary General Meeting : By way of electronic means

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

"AEH" or "Seller" : Advanced Engineering Holdings Pte. Ltd., a wholly-owned

subsidiary of the Company

"Announcement" : The announcement on the Proposed Disposal released by

the Company on 14 October 2022 on SGXNET, and any

subsequent announcement relating thereto

"Associates" : (a) In relation to any director, chief executive officer,

substantial shareholder or controlling shareholder (being an individual) means:

an individual) means.

(i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a

discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of

30% or more;

(b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other

company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or

companies taken together (directly or indirectly) have an interest of 30% or more

"Board" or "Board of Directors" : The board of directors of the Company for the time being

"Business Day" : A day (other than a Saturday, Sunday or public holiday in

Singapore) on which commercial banks are open for

business in Singapore

"CAE CN" : Advanced CAE Ltd., a wholly-owned subsidiary of the

Company

"CAE CN Disposal Shares" : Such number of ordinary shares in CAE CN which

constitutes the whole of the issued and paid-up share capital

of CAE CN

"CAE CN SPA" : The sale and purchase agreement dated 31 October 2022

entered into between the Company as vendor and the CN Purchaser as purchaser in connection with the proposed

disposal of CAE CN

"CAE SG" : Advanced CAE Pte. Ltd., a wholly-owned subsidiary of the

Group through the Seller

"CAE SG Disposal Shares" : Such number of ordinary shares in CAE SG which

constitutes the whole of the issued and paid-up share capital

of CAE SG

"CAE SG SPA" : The sale and purchase agreement dated 31 October 2022

entered into between the Seller and the SG Purchaser in

connection with the proposed disposal of CAE SG

"CAE US" : Advanced CAE, Inc., a wholly-owned subsidiary of the Group

through CAE SG

"Catalist" : The Catalist board of the SGX-ST

"Catalist Rules" : Section B: Rules of Catalist of the SGX-ST listing manual, as

amended, modified or supplemented from time to time

"Circular" : This circular to Shareholders dated 15 November 2022

"CN Purchaser" : Control and Applications Ltd.

"Company" : Advanced Holdings Ltd.

"Companies Act" : The Companies Act 1967, as amended or modified from time

to time

"Completion" : The completion of the Proposed Disposal

"Completion Date" : The date on which Completion occurs

"Controlling Shareholder" : A person who:

(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this

paragraph is not a controlling shareholder; or

(b) in fact exercises control over the Company

"Director" : A director of the Company for the time being

"EGM" : The extraordinary general meeting of the Company, to be

convened and held on 30 November 2022, the notice of which is set out on page N-1 to N-3 of this Circular (or any

adjournment thereof)

"EPS" : Earnings per share

"FY" : Financial year ended or ending 31 December, as the case

may be

"FY2021" : The financial year ended 31 December 2021

"Governmental Authority": Any court or government or governmental agency,

commission, entity, instrumentality or governmental subdivision, including without limitation the State Administration for Market Regulation of the PRC or its local counterpart in charge of the registration of CAE CN, the Ministry of Commerce of the PRC or its authorized local counterparts in charge of commerce and the State Administration of Foreign Exchange of the PRC or its local

counterparts

"Group" : The Company and its subsidiaries, collectively, for the time

being

"Independent Valuer" : RSM Corporate Advisory Pte Ltd

"Latest Practicable Date" : 10 November 2022, being the latest practicable date prior to

the issuance of this Circular

"Market Day" : A day on which the SGX-ST is open for trading in securities

"New Business License" : The updated business license of CAE CN with respect to the

proposed disposal of CAE CN and such business license shall be issued on the basis that CAE CN has completed the Regulatory Filings and the CN Purchaser has become the new shareholder of CAE CN pursuant to the CAE CN SPA

"NTA" : Net tangible assets

"PRC" : People's Republic of China

"Proposed Disposals" : The proposed disposal of the CAE SG Disposal Shares by

the Seller to the SG Purchaser and the CAE CN Disposal

Shares by the Company to the CN Purchaser

"Purchasers" : The SG Purchaser and the CN Purchaser

"Purchaser's Warranties" : The representations, warranties and undertakings made by

the SG Purchaser contained or referred to in Clause 11.1 of the CAE SG SPA and "Purchaser's Warranty" shall mean

any of them

"Regulatory Filings" : Has the meaning as defined in paragraph 2.7.2(a)(ix)

"Seller's Warranties" : The representations, warranties and undertakings made by

the Seller contained or referred to in Clause 10.1 of CAE SG

SPA and "Seller's Warranty" shall mean any of them

"SFA" or "Securities and

**Futures Act"** 

The Securities and Futures Act 2001, as amended or

modified from time to time

"SGX-ST" : The Singapore Exchange Securities Trading Limited

"SGXNET" : The SGXNET Corporate Announcement System, being a

system network used by listed companies to send information and announcements to the SGX-ST or any other

system networks prescribed by the SGX-ST

"SG Purchaser" : Control and Applications Pte. Ltd.

"Shareholders" : Persons (other than CDP) who are for the time being

registered as holders of Shares in the Register of Members of the Company and Depositors who have Shares entered

against their names in the Depository Register

"Shares" : Ordinary shares in the capital of the Company, and each a

"Share"

"Sponsor" : UOB Kay Hian Private Limited

"Summary of Valuation Report" : A summary of the Valuation Report set out in Appendix I of

this Circular

"S\$" and "cents" : Singapore dollars and cents respectively, the lawful currency

of the Republic of Singapore

"Valuation Date" : 30 June 2022

"Valuation Report" : The valuation report issued by the Independent Valuer in

relation to the valuation of 100% equity interest in the capital of CAE SG, CAE US and CAE CN dated 18 October 2022, a summary of which is set out in Appendix I of this Circular

"1H2022" : The financial period ended 30 June 2022

"%" : Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" have the same meanings ascribed to them in Section 81SF of the Securities and Futures Act.

The term "subsidiary" has the meaning ascribed to it in Section 5 of the Companies Act.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, SFA or the Catalist Rules or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, SFA or the Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and 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.

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

Any reference to "**we**", "**us**" and "**our**" in this Circular is a reference to the Group or any member of the Group as the context requires.



# ADVANCED HOLDINGS LTD.

(Incorporated in Republic of Singapore) (Company Registration Number: 200401856N)

Directors: Registered Office:

Mr Lim Boon Cheng (Independent and Non-Executive Chairman)
Dr Wong Kar King (Managing Director)
Dr Ho Choon Hou (Independent Director)
BG (RET) Lim Yeow Beng (Independent Director)

30 Woodlands Loop Advanced HQ Singapore 738319

## **15 November 2022**

To : The Shareholders of Advanced Holdings Ltd.

Dear Sir/Madam

## THE PROPOSED DISPOSAL OF

- (1) THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ADVANCED CAE LTD. AND
- (2) THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ADVANCED CAE PTE. LTD.

#### 1. INTRODUCTION

- 1.1 Advanced Engineering Holdings Pte. Ltd. ("AEH" or the "Seller"), a wholly-owned subsidiary of the Company, had on 14 October 2022, entered into a non-binding term sheet with Control and Applications Pte. Ltd. (the "SG Purchaser"), pursuant to which the Seller has agreed to sell and the SG Purchaser has agreed to purchase the entire issued and paid-up share capital (the "CAE SG Disposal Shares") of Advanced CAE Pte. Ltd. ("CAE SG").
- 1.2 The Company had also on 14 October 2022, entered into a non-binding term sheet with Control and Applications Ltd. (the "CN Purchaser", and together with the SG Purchaser, the "Purchasers"), pursuant to which the Company has agreed to sell and the CN Purchaser has agreed to purchase the entire issued and paid-up share capital (the "CAE CN Disposal Shares") of Advanced CAE Ltd. ("CAE CN").
- 1.3 On 31 October 2022, the Seller then entered into a conditional sale and purchase agreement (the "CAE SG SPA") with the SG Purchaser for the sale and purchase of the entire issued and paid-up share capital of CAE SG.

- 1.4 On 31 October 2022, the Company then entered into a conditional sale and purchase agreement (the "CAE CN SPA") with the CN Purchaser for the sale and purchase of the entire issued and paid-up share capital of CAE CN. The proposed disposals of CAE SG and CAE CN shall be referred to as the "Proposed Disposals".
- 1.5 The Proposed Disposals constitute a "major transaction" under Chapter 10 of the Catalist Rules and is conditional upon the approval of the Shareholders. For further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules, please refer to Paragraph 3.1 of this Circular.
- 1.6 The Directors are convening an Extraordinary General Meeting of the Company ("**EGM**") by way of electronic means to be held on 30 November 2022 to seek Shareholders' approval for the Proposed Disposals by the Seller and the Company (as the case may be) to the Purchasers.
- 1.7 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Disposals, and to seek Shareholders' approval at the EGM for the Proposed Disposals. The Notice of EGM is set out at pages N-1 to N-3 of this Circular.
- 1.8 The SGX-ST takes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

# 2. THE PROPOSED DISPOSALS

Shareholders' approval is being sought at the EGM for the Proposed Disposals by an ordinary resolution. Shareholders should note that shareholders' approval for the Proposed Disposals will be obtained with only one resolution as the Company has structured the Proposed Disposals as a whole, and would not be agreeable to the disposal of CAE CN without the disposal of CAE SG and CAE US, and vice versa.

## 2.1 Information on the Purchasers

The SG Purchaser, Control and Applications Pte. Ltd., is a private company limited by shares incorporated in Singapore. The SG Purchaser is involved in the business of whole trade of a variety of goods without a dominant product and investment holding. At the date of this Circular, the shareholder of the SG Purchaser is Ms Yang Xiao Fei and the directors are Ms Yang Xiao Fei and Ms Chen Yen Ling. At the date of completion of the proposed disposal of CAE SG, the SG Purchaser's shareholders will be Mr Liu Xian Kai and Ms Yang Xiao Fei and the directors of the SG Purchaser will be Mr Liu Xian Kai, Ms Yang Xiao Fei and Ms Chen Yen Ling. Ms Yang Xiao Fei is the General Manager of CAE CN.

The CN Purchaser, Control and Applications Ltd., is a private company incorporated in the People's Republic of China ("**PRC**"). The CN Purchaser is involved in the business of providing technical service, technical development, technical consultation, technical exchange, technology transfer and technology promotion. At the date of this Circular, the CN Purchaser's shareholders are Ms Yang Xiao Fei and Mr Xie Ru Song. At the date of completion of the proposed disposal of CAE CN, the CN Purchaser's shareholders will be Mr Liu Xian Kai, Mr Xei Ru Song, Ms Yang Xiao Fei and 隐冠(上海)企业管理中心(有限合伙). The legal representative of the CN Purchaser is Ms Yang Xiao Fei.

As at the Latest Practicable Date, Ms Yang Xiao Fei owns 2,690,000 shares of the Company (or 2.66% of the total number of issued ordinary shares excluding treasury shares). Save as disclosed, the Purchasers (and its ultimate beneficial shareholders) do not have any shareholding interest, direct or indirect in the Company, nor are the Purchasers (and its ultimate beneficial shareholders) related to any of the Directors, Substantial Shareholders, or

their respective associates of the Company. None of the Directors or Substantial Shareholders of the Company or their respective associates has any shareholding interests, direct or indirect, in the Purchasers, nor are any of the Directors, Controlling Shareholders and their respective associates related to the Purchasers' directors, controlling shareholders or their respective associates.

# 2.2 Information on CAE SG and its subsidiary

CAE SG, a private company limited by shares incorporated in Singapore, is a wholly-owned subsidiary of the Company through the Seller. CAE SG designs and provides process analyser systems, metering skids and related services to the oil and gas, petrochemical, pharmaceutical and semiconductor industries.

Advanced CAE, Inc. ("CAE US"), a wholly-owned subsidiary of CAE SG, will also cease to be a subsidiary of the Company following the Proposed Disposals. CAE US's principal activities are the design, fabrication, installation and maintenance of measurement and control instruments.

Based on the unaudited financial statements of CAE SG, the net tangible assets of CAE SG is S\$9.8 million as at 30 June 2022 and the profit before tax of CAE SG is S\$0.3 million for the financial period ended 30 June 2022 ("**1H2022**").

## 2.3 Information on CAE CN

CAE CN, a private company incorporated based on the Foreign Investment Law of the PRC, is a wholly-owned subsidiary of the Company. CAE CN designs and provides process analyser systems, metering skids and related services to the oil and gas, petrochemical, pharmaceutical and semiconductor industries.

Based on the unaudited financial statements of CAE CN, the net tangible assets of CAE CN is S\$14.0 million as at 30 June 2022 and the loss before tax of CAE CN is S\$0.7 million for 1H2022.

## 2.4 Independent Valuation

The Company has appointed RSM Corporate Advisory Pte Ltd (the "Independent Valuer") as an independent valuer to assess and determine the market value of the 100% equity interest in the capital of CAE SG, CAE US and CAE CN as at 30 June 2022 ("Valuation Date") for the Proposed Disposals, in compliance with Rule 1014(5) of the Catalist Rules.

A valuation report dated 18 October 2022 ("Valuation Report") has been issued by the Independent Valuer in respect of the independent valuation on the market value of the 100% equity interest in the capital of CAE SG, CAE US and CAE CN as at the Valuation Date, and the Summary of the Valuation Report is set out in Appendix I to this Circular.

Based on the Valuation Report, the Income Approach was used as the primary approach to value the market value of the 100% equity interest in the capital of CAE SG and CAE CN and the Net Asset Value approach was used as the primary approach to value the market value of the 100% equity interest of CAE US as CAE US has no substantial business activities. The market value of CAE SG, CAE US and CAE CN are as follows:

• CAE SG: S\$8.7 million to S\$8.9 million

CAE CN: S\$10.6 million to S\$11.4 million

CAE US: S\$30,000

Shareholders are advised to read and consider the Summary of the Valuation Report issued by the Independent Valuer in respect of the independent valuation of the CAE SG Disposal

Shares and CAE CN Disposal Shares carefully, in particular the terms of reference, key assumptions and critical factors.

# 2.5 Loss from the Proposed Disposals

Based on the unaudited consolidated financial statements of the Company for 1H2022, the total estimated CAE SG Consideration of S\$3.2 million (after the dividends distribution of S\$6.0 million) represents a loss of S\$0.6 million over the net book value of the CAE SG Disposal Shares of S\$9.8 million.

Based on the unaudited consolidated financial statements of the Company for 1H2022, the total estimated CAE CN Consideration of S\$10.6 million represents a loss of S\$3.4 million over the net book value of the CAE CN Disposal Shares of S\$14.0 million.

The net proceeds from the Proposed Disposals will be divested into the Group's other businesses, including agri-technology and clean energy.

# 2.6 Principal Terms of the CAE SG SPA

## 2.6.1 Consideration

The consideration for the proposed disposal of CAE SG is \$\$3.2 million in cash (the "CAE SG Consideration"). The CAE SG Consideration was arrived at by agreement between the Company and the SG Purchaser at arm's length, on a "willing-buyer, willing-seller" basis after taking into account the net asset value of the CAE SG Disposal Shares, the distribution of dividends of \$\$6.0 million, the Valuation Report as well as the financial position and business prospects of CAE SG as at 30 June 2022.

## 2.6.2 Condition(s) Precedent

The completion of the proposed disposal of CAE SG (the "SG Completion") is subject to the customary conditions, including, *inter alia*, the following ("Conditions Precedent"):

- (a) the results of the SG Purchaser's legal, financial, tax and business due diligence on CAE SG and CAE US and its affairs being satisfactory to the SG Purchaser;
- (b) approval of the Company's shareholders in general meeting in relation to the Proposed Disposals;
- (c) completion of the disposal of CAE SG's factory premises located at 30 Woodlands Loop, Singapore 738319;
- (d) full repayment of all of CAE SG's bank loans together with all interest, commission, fees, costs, expenses and other moneys owing or expressed to be payable, whether contingently or otherwise by CAE SG;
- (e) full settlement of all non-trade balances due from and to CAE SG and CAE US and the Group respectively, being amounts standing on trading accounts, shall be repaid in full without payment of interest;
- (f) CAE SG's declaration and distribution of dividends of S\$6.0 million to the Seller;
- (g) the Seller's Warranties being true, correct and being complied with, in each case, in all material respects as at the date of the SG Completion;
- (h) the SG Purchaser's Warranties being true, correct and being complied with, in each case, in all material respects as at the date of the SG Completion; and

(i) the signing of the CAE CN SPA between the Company and the CN Purchaser in relation to the proposed disposal of CAE CN.

## 2.6.3 <u>Completion</u>

The SG Completion shall take place on the date falling three (3) Business Days from the date on which all the Conditions Precedent have been fulfilled and/or waived or deferred by the Seller and/or the SG Purchaser, but in any event no later than 31 December 2022 or such other date as the Seller and the SG Purchaser may agree in writing, at 80 Raffles Place, UOB Plaza 1, #33-00 Singapore 048624 (or at such other place and time as the Seller and the SG Purchaser may mutually agree in writing).

# 2.6.4 Representations and Warranties

Pursuant to the CAE SG SPA, the Seller, the SG Purchaser and CAE SG have furnished representations and warranties typical for transactions such as the proposed disposal of CAE SG.

## 2.7 Principal Terms of the CAE CN SPA

## 2.7.1 <u>Consideration</u>

The consideration for the proposed disposal of CAE CN is S\$10.6 million in cash (the "CAE CN Consideration"). The CN Purchaser will bear all applicable taxes and stamp duties levied by relevant competent authorities of the PRC in connection with the proposed disposal of CAE CN. The CAE CN Consideration was arrived at by agreement between the Company and the CN Purchaser at arm's length, on a "willing-buyer, willing-seller" basis after taking into account the net asset value of the CAE CN Disposal Shares, the Valuation Report as well as the financial position and business prospects of CAE CN as at 30 June 2022.

## 2.7.2 Condition(s) Precedent

- (a) The obligation of the CN Purchaser to proceed with the completion of the proposed disposal of CAE CN ("CN Completion") shall be conditional on the fulfilment, or waiver by the CN Purchaser, of each of the following conditions, including, *inter alia*:
  - the representations and warranties by the Company under the CAE CN SPA shall be true and correct;
  - (ii) no Governmental Authority shall have formulated, published, issued, implemented or adopted any law or order which would render illegal or otherwise restrict or prohibit, the proposed disposal of CAE CN;
  - (iii) the Company shall not be in material violation of any provision of or obligation under the CAE CN SPA at or before the CN Completion, or where there is such material violation, it shall have been fully remedied;
  - (iv) CAE CN's settlement of all its outstanding inter-company non-trade balances;
  - (v) save for item (iv) above, all assets and liabilities of CAE CN are retained in CAE CN on the date on which the CAE CN SPA is signed;
  - (vi) the maintenance of and no material adverse change in CAE CN's business, operations or financial conditions, and in a manner consistent with its ordinary course and past practices after 30 June 2022;

- (vii) the Company's procurement of approvals from its shareholders and the SGX-ST in relation to the Proposed Disposals;
- (viii) the execution and delivery of the relevant transaction documents have been duly fulfilled by relevant parties thereunder; and
- (ix) CAE CN shall, with respect to the proposed disposal of CAE CN, have completed the approvals, filings and registrations with the relevant Governmental Authority, including obtaining the New Business License, to reflect, (i) the change of shareholder resulting from the proposed disposal of CAE CN; (ii) the replacement of the legal representative, director(s) and supervisor of CAE CN appointed or nominated by the Company; and (iii) the amended and restated articles of association of CAE CN reflecting the foregoing changes (collectively, the "Regulatory Filings").
- (b) The obligation of the Company to proceed with the CN Completion shall be conditional on the fulfilment, or waiver by the Company, of each of the following conditions, including, *inter alia*:
  - the representations and warranties by the CN Purchaser under the CAE CN SPA shall be true and correct;
  - (ii) no Governmental Authority shall have formulated, published, issued, implemented or adopted any law or order which would render illegal or otherwise restrict or prohibit, the proposed disposal of CAE CN;
  - (iii) the CN Purchaser shall not be in material violation of any provision of or obligation under the CAE CN SPA at or before the CN Completion, or where there is such material violation, it shall have been fully remedied;
  - (iv) the approvals of the CN Purchaser's board of directors and/or shareholders (if required by applicable laws) approving the proposed acquisition of CAE CN, the performance of the CAE CN SPA and related matters;
  - (v) a release letter shall have been issued and certified by the legal representative or authorised person (in case of CAE CN, the new legal representative appointed by the CN Purchaser) of each of CAE CN and the CN Purchaser to each of the current legal representative, director(s) and supervisor of CAE CN appointed or nominated by the Company and to be removed or resign from such positions as a result of the proposed disposal of CAE CN, in the form provided in the CAE CN SPA;
  - (vi) the execution and delivery of the relevant transaction documents have been duly fulfilled by relevant parties thereunder;
  - (vii) the completion of legal, financial, tax and business due diligence by the CN Purchaser and its advisers on CAE CN to the reasonable satisfaction of the CN Purchaser;
  - (viii) the CN Purchaser shall obtain all necessary clearances and approvals, including without limitation the tax filing form, from the relevant competent authorities of the PRC for enabling the payment of the CAE CN Consideration by the CN Purchaser, including, *inter alia*, the PRC's tax authority for the purposes of, including without limitation, making the payment of the income tax and the stamp duties, and the State Administration of Foreign Exchange of the PRC or its local counterparts; and

(ix) the completion of the proposed disposal of CAE SG to the SG Purchaser.

## 2.7.3 Completion

The CN Completion shall take place on the Business Day (the "CN Completion Date") on which the last condition precedent set forth in the CAE CN SPA is satisfied or waived (other than those conditions that by their nature are to be satisfied at the CN Completion), or on such other date as the Company and the CN Purchaser may otherwise agree in writing. The CN Completion shall take place at 24th Floor, Shanghai World Financial Center, No. 100 Century Avenue, Shanghai, China (Dentons' Office) or such other place as may be agreed between the Company and the CN Purchaser on the CN Completion Date.

## 2.7.4 Representations and Warranties

Pursuant to the CAE CN SPA, the Company, the CN Purchaser and CAE CN have furnished representations and warranties typical for transactions such as the proposed disposal of CAE CN.

## 2.8 Rationale for the Proposed Disposals

The Proposed Disposals allow the Company to divest its underperforming businesses and limit its risks to the prolonged uncertainty of external economic factors. Upon the completion of the Proposed Disposals, the Company will improve its cash reserves and will be able to redirect its managerial efforts into existing operations, expand into other businesses and undertake new investment opportunities that may arise in future.

In line with the above and having regard to the terms and timing of the Proposed Disposals, the Board is of the view that the Proposed Disposals are in the best interests of the Company, and that the Company would benefit from the Proposed Disposals as it is an opportune and appropriate time for the Company to dispose of its existing business for a satisfactory consideration and have a healthier cash reserve.

# 3. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

3.1 The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Disposals and based on the unaudited financial statements of the Group for 1H2022 are as follows:

Rule 1006	Base	Relative figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	40.4% <sup>(1)</sup>
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net profit.	-234%(2)

(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	203% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable <sup>(5)</sup>

## Notes:

- (1) Based on the aggregated net asset value of S\$17,743,591 (which comprised of the unaudited net asset value of CAE SG of S\$3,749,690 (after adjustment for the S\$6.0 million dividends distribution), Advanced CAE, Inc. of S\$13,625 and CAE CN of S\$13,980,276) and the unaudited net asset value of the Group of S\$43,887,000 as at 30 June 2022.
- (2) Based on the aggregated unaudited loss of S\$410,088 (which comprised of the unaudited profits before tax of CAE SG of S\$342,044 and Advanced CAE, Inc. of S\$3,432, unaudited loss before tax of CAE CN of S\$755,564) and unaudited profits before tax of the Group of approximately S\$175,000 for 1H2022.
- (3) Based on (i) the aggregated Consideration of S\$13,800,000 which comprised of the CAE SG Consideration of S\$3,200,000 and the CAE CN Consideration of S\$10,600,000; and (ii) the Company's market capitalisation of approximately S\$6,784,981. The market capitalisation of the Company was computed based on the issued Shares of 101,268,367 Shares (excluding treasury shares) and the volume weighted average price of S\$0.067 per Share on 11 October 2022 (being the last market day for which the Shares were traded prior to the entry of the non-binding term sheets in relation to the Proposed Disposals).
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.
- 3.2 Pursuant to Practice Note 10A of the Catalist Rules, in view of paragraphs 4.4(c) and 4.4(e) read with paragraph 4.6, the absolute figures computed on the basis of each of Rules 1006 (b) and (c) exceeds 50%, the Proposed Disposals therefore constitutes a "major transaction" under Chapter 10 of the Catalist Rules. Accordingly, Catalist Rule 1014 apply to the Proposed Disposals and the Proposed Disposals are subject to the approval of Shareholders at the EGM.

## 4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSALS

## 4.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Disposals taken as a whole are set out below. The pro forma financial effects have been prepared based on (i) the audited consolidated financial statements of the Group for FY2021, and (ii) the audited consolidated financial statements of CAE SG and CAE CN for FY2021, and assuming the completion of the Proposed Disposals of both CAE SG and CAE CN, as set out below. The pro forma financial effects are only presented for illustration purposes and are not intended to reflect the actual future financial position and performance of the Company or the Group after the Proposed Disposals.

# 4.2 Net Tangible Assets ("NTA")

Assuming that the Proposed Disposals was completed on 31 December 2021, the *pro forma* financial effects of the Proposed Disposals on the consolidated NTA of the Group are as follows:

#### As at 31 December 2021

	Before the Proposed Disposals	After the Proposed Disposals
NTA of the Group (S\$'000)	43,988	39,351
Number of issued ordinary shares in the capital of the Group	101,268,367	101,268,367
NTA per share (cents)	43.44	38.86

# 4.3 Earnings Per Share ("EPS")

Assuming that the Proposed Disposals had been completed on 1 January 2021, the *pro forma* financial effects of the Proposed Disposals on the consolidated EPS of the Group are as follows:

## FY2021

	Before the Proposed Disposals	After the Proposed Disposals
Loss attributable to owners of the Company (S\$'000)	2,339	6,355
Weighted average number of Shares	101,268,367	101,268,367
Loss per share (cents)	2.31	6.27

#### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date, as recorded in the register of directors' shareholdings and the register of substantial shareholders kept by the Company, were as follows:

	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	Number of Shares	%	Number of Shares	%
Directors				
Dr Wong Kar King	41,402,109	40.88	-	-
Mr Lim Boon Cheng	-	-	-	-
Dr Ho Choon Hou	-	-	-	-
BG (RET) Lim Yeow Beng	6,666	0.0066	-	-

The percentage is based on 101,268,367 shares (excluding 2,253,333 shares held as treasury shares) as at the Latest Practicable Date.

## **Substantial Shareholders (other than Directors)**

None of the Directors or the substantial shareholders or their Associates has any interest, direct or indirect, in the Proposed Disposals, other than through their respective shareholdings in the Company.

## 6. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposals. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

#### 7. DIRECTORS' RECOMMENDATIONS

- 7.1 Having considered, *inter alia*, the terms, the rationale and the benefits of the Proposed Disposals, the Board is of the view that the Proposed Disposals are in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution pertaining to the Proposed Disposals to be proposed at the EGM.
- 7.2 The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

#### 8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on Page N-1 of this Circular, will be held on 30 November 2022, at 10.00 a.m. by electronic means, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution set out in therein.

#### 9. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders may participate in the EGM by:

- (a) observing and/or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only stream;
- (b) submitting questions to the Chairman of the Meeting in advance of, or "live" at the EGM; and/or
- (c) voting at the EGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting)<sup>1</sup> via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM.

Shareholders (including, where applicable, their appointed proxy(ies)) and CPF and SRS investors, can pre-register for access to the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings at the pre-registration website at the URL https://conveneagm.sg/advancedholdings2022EGM, by 10.00 a.m. on 28 November 2022.

Shareholders who wish to vote on the resolution at the EGM may:

- (a) (where such shareholders are individuals) vote "live" via electronic means at the EGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the EGM on their behalf; or
- (b) (where such shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.

Shareholders who wish to submit instruments appointing a proxy(ies) must do so by downloading, completing and signing the Proxy Form in accordance with the instructions printed thereon, which have been uploaded together with the Notice of EGM and this Circular on SGXNet and the Company's website at <a href="https://advancedholdings.com/media/news/">https://advancedholdings.com/media/news/</a>.

The Proxy Form can be submitted via the pre-registration website at the URL <a href="https://conveneagm.sg/advancedholdings2022EGM">https://conveneagm.sg/advancedholdings2022EGM</a> in the electronic format accessible on the said website, no later than 10.00 a.m. on 28 November 2022, 48 hours before the time for holding the EGM. If the physical Proxy Form is sent personally or by post, the Proxy Form must be deposited at, or be posted to and received at, the registered office of the Company at 30 Woodlands Loop, Singapore 738319. If submitted by email, the Proxy Form must be received by the Company at general.meetings@advancedholdings.com.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register maintained by the CDP at least 72 hours before the EGM.

<sup>1</sup> For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the Meeting) to vote "live" at the EGM on their behalf.

Shareholders can submit questions in advance of, or "live" at the AGM. Shareholders who wish to submit questions in advance of the EGM may do so by 11.59 p.m. on 22 November 2022:

- (a) via the pre-registration website at the URL https://conveneagm.sg/advancedholdings2022EGM;
- (b) in hard copy by sending personally or by post and lodging the same at the registered office of the Company at 30 Woodlands Loop, Singapore 738319; or
- (c) by email to general.meetings@advancedholdings.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

- (a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the member's NRIC/Passport/UEN number;
- (c) the member's contact number and email address; and
- (d) the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address all substantial and relevant questions received in advance from Shareholders by 25 November 2022 via an announcement to be published on the Company's website at the URL <a href="https://advancedholdings.com/media/news/">https://advancedholdings.com/media/news/</a> and SGXNet.

Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who wish to ask questions "live" at the EGM must first pre-register at the pre-registration website at the URL https://conveneagm.sg/advancedholdings2022EGM.

Shareholders and proxyholders who pre-registered and are verified to attend the EGM will be able to ask questions relating to the agenda of the EGM by clicking the "Ask a Question" feature and then clicking the "Queue for Video call" via the Live Webcast. The relevant Shareholder will be informed once it is appropriate for him/her to speak and can thereafter raise his/her question via audio-visual or audio means during the EGM within a certain prescribed time limit.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

# 11. LEGAL ADVISER

For the purposes of this Circular, Wong Tan & Molly Lim LLC has been appointed as the legal adviser to the Company in relation to Singapore law.

## 12. CONSENT FROM THE INDEPENDENT VALUER

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the Summary of the Valuation Report set out in Appendix A of this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 30 Woodlands Loop, Singapore 738319 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the CAE SG SPA;
- (c) the CAE CN SPA;
- (d) the annual report of the Company for the financial year ended 31 December 2021;
- (e) the consent letter from the Independent Valuer; and
- (f) the Valuation Report.

Yours faithfully for and on behalf of the Board of Directors of **ADVANCED HOLDINGS LTD.** 

Dr Wong Kar King Managing Director

# APPENDIX I: SUMMARY OF THE VALUATION REPORT

## **INDEPENDENT VALUATION SUMMARY LETTER**

07 November 2022

The Board of Directors **Advanced Holdings Ltd.** 30 Woodlands Loop, Singapore 738319

Dear Sirs

#### 1. INTRODUCTION

RSM Corporate Advisory Pte Ltd ("RSMCA") was engaged by Advanced Holdings Ltd ("AHL" or the "Company") to estimate the market value ("Market Value" or "MV") range of 100% of the share capital of Advanced CAE Ltd ("CAECN"), Advanced CAE Pte Ltd ("CAESG") and Advanced CAE INC ("CAEINC") (each a "Target" and collectively the "Targets") as at 30 June 2022 (the "Valuation Date").

CAECN is fully owned by AHL. CAEINC is fully owned by CAESG, which is fully owned by Advanced Engineering Holdings Pte Ltd, a fully-owned subsidiary of AHL.

This letter has been prepared for the purpose of inclusion in a circular ("Circular") to be issued in relation to a potential sale of the Targets (the "Proposed Transaction").

This letter sets out a summary of the information contained in our valuation report (the "**Valuation Report**") dated 18 October 2022. Accordingly, this letter should be read in conjunction with the full text of the Valuation Report.

Unless otherwise stated, words and expressions defined in the Circular for the purpose of obtaining shareholders' approval for the Proposed Transaction have the same meaning in this letter.

#### 2. TERMS OF REFERENCE

## Scope of Work and Basis of Value

RSMCA was appointed by AHL to conduct a valuation to estimate the Market Value range of 100% of the Targets as at the Valuation Date.

For the purpose of this valuation, 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 knowledgably, prudently and without compulsion", as set out in International Valuation Standards.

We estimated the Market Value range of each individual Target as at the Valuation Date.

In order to estimate the Market Value range of CAECN and CAESG, we applied the Income Approach to estimate the Market Value range of 100% of the Targets. Under the Income Approach, the Market Value has been estimated as the sum of the future free operating cash flows expected to be generated by CAECN and CAESG respectively, discounted to its present value as at the Valuation Date, using the Weighted Average Cost of Capital ("WACC").

We also applied the Market Approach as a cross-check to the value derived under the Income Approach. Under the Market Approach, we compared the implied EV/EBITDA multiples derived with the EV/EBITDA multiples of listed comparable companies.

CAEINC is a dormant company and has no substantial business operations as at the Valuation Date. As such, we applied the Net Asset Value ("**NAV**") Approach to estimate the Market Value of 100% of the share capital of CAEINC.

We have no present or prospective interest in the Targets and are not a related corporation of nor do we have a relationship with the owners or other party/parties whom the Company is contracting with.

RSMCA's compensation is not contingent upon the reporting of a pre-determined value or direction in value that favours anyone, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

## Limitations of our Valuation Report and this letter

This letter and the Valuation Report are addressed strictly to the Board of Directors (the "**Board**") and for the intended purpose as set out above and accordingly neither the Valuation Report nor this letter may be used or relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the shareholders of AHL). Any recommendation made by the Directors to the shareholders of AHL shall remain the responsibility of such Directors.

Our terms of reference do not require us to evaluate or comment on the rationale, or the strategic or long term perspective of the Proposed Transaction or future financial performance of the Targets. We are not required to express any view on the growth prospects or potential of the Targets.

The Valuation Report is also not intended to be and is not included in the Circular, and does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Transaction.

We are not required and have not conducted a comprehensive review of the business, operational or financial condition of the Targets and accordingly make no representation or warranty, expressed or implied, in this regard. We do not express any opinion on the commercial merits and structure of the Proposed Transaction, nor are we providing any opinion, expressed or implied, as to the price of the shares or the financial condition or performance of AHL upon the completion of the Proposed Transaction.

We do not provide assurance on the achievability of the future free cash flows results because events and circumstances may differ from the assumptions and expectations of the management of AHL and/or the Targets ("Management"); and achievement of the forecast results is dependent on the subsequent actions, plans and execution, as well as other external factors.

Our estimates of the Market Value range of the Targets are based upon prevailing market, economic, industry, monetary and other conditions and on the information available as at the Valuation Date. Such conditions may change significantly over a relative short period of time and we assume no responsibility and are not required to update, revise or reaffirm our valuation conclusion to reflect events or developments subsequent to the Valuation Date.

## **Reliance on Information**

In conducting our review and for the purpose of preparing our valuation range and the Valuation Report, we held discussions with Management and read the information provided by them and other publicly available information, upon which our valuation analysis is based. Management have confirmed to us, that all material information available to them with respect to the Targets that is relevant for the purpose of our terms of reference, has been disclosed to us and that such information is fair and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us to be inaccurate or misleading in any material respect on the Targets.

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of all such information provided or otherwise made available to us or relied upon by us

as described above, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Management is solely responsible for the accuracy and fair statement of the information provided to us for use in performing the valuation exercise. The basis and assumptions of the accuracy and completeness of the financial information of the Targets are solely the responsibility of Management and the Board of Directors.

For the avoidance of doubt, our scope of work does not include performing a valuation of property, plant and equipment ("PP&E").

#### 3. KEY ASSUMPTIONS

The Market Value of 100% of the share capital of the Targets are based on the information provided by and representations made by Management. The assumptions used reflect the expectations and views regarding future events as at the Valuation Date and therefore, necessarily involve known and unknown risks and uncertainties affecting the Targets.

We relied on the following general assumptions in arriving at the Market Value of 100% of the share capital of the Targets as at the Valuation Date:

- The financial statements of CAECN as at 31 December 2020 and 31 December 2021, as well as the management accounts of CAECN as at 30 June 2022 provided by Management fairly reflect CAECN's financial and operating position as at the Valuation Date;
- The financial statements of CAESG as at 31 December 2020 and 31 December 2021, as well as the management accounts of CAESG as at 30 June 2022 provided by Management fairly reflect CAESG's financial and operating position as at the Valuation Date;
- The management accounts of CAEINC as at 30 June 2022 provided by Management fairly reflect CAEINC's respective financial and operating positions as at the Valuation Date;
- CAECN and CAESG is operating on a going concern basis as at the Valuation Date and will
  continue to have sufficient liquidity and capability to achieve its forecasted projections;
- 5) The financial forecast and its underlying assumptions from FY2022 to FY2026 provided by Management reflects CAECN's and CAESG's future business strategies;
- 6) The accuracy and completeness of financial information of each Target provided to us;
- 7) The WACC (i.e. the discount rate) is estimated to be 13.8% for CAECN and we have applied a range of discount rates ranging from 13.3% to 14.3%;
- 8) The WACC (i.e. the discount rate) is estimated to be 13.1% for CAESG and we have applied a range of discount rates ranging from 12.6% to 13.6%;
- 9) The long-term growth rate of 2% and 1.5% is applied into perpetuity for CAECN and CAESG respectively;
- The Targets have no material or significant contingent liabilities or uncertainty, including any litigation pending or threatened, as at the Valuation Date that warrants consideration in the forecast; and
- 11) Other information and representations made to us by Management during our discussions.

## 4. CONCLUSION

In accordance with the terms of reference, limitations, key assumptions and factors set out herein, RSMCA has arrived at the Market Value range of 100% of the share capital of the Targets to be \$\$19.4 million to \$\$20.4 million as at 30 June 2022. The breakdown of the Market Value range is as shown below.

CAECN: S\$10.6 million to S\$11.4 million

CAESG: S\$8.7 million to S\$8.9 million

CAEINC: S\$30k

Yours faithfully,

For and on behalf of RSM Corporate Advisory Pte Ltd

Terence Ang Partner

Chartered Valuer and Appraiser, Singapore

#### NOTICE OF EXTRAORDINARY GENERAL MEETING



# ADVANCED HOLDINGS LTD.

(Incorporated in Republic of Singapore) (Company Registration Number: 200401856N)

All capitalised terms in the Resolution below and defined in the circular dated 15 November 2022 to the shareholders of the Company (the "Circular") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting ("**EGM**") of the Company will be held on 30 November 2022 at 10.00 a.m. by way of electronic means, for the purpose of considering and, if thought fit, passing the following ordinary resolution:

## **ORDINARY RESOLUTION - PROPOSED DISPOSALS**

#### Resolved that:

- (a) the Company's proposed disposal of the CAE SG Disposal Shares to the SG Purchaser and the CAE CN Disposal Shares to the CN Purchaser (the "**Proposed Disposals**") be and is hereby approved; and
- (b) the Directors and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to Proposed Disposals as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

#### BY ORDER OF THE BOARD

Dr Wong Kar King Managing Director 15 November 2022

#### Notes:

- 1. Terms and expressions not defined herein but which are defined in the Circular shall have the same meanings when Circular the herein The is available on the Company's website at URI SGX https://advancedholdings.com/media/news/ the website the URI and https://www.sqx.com/securities/company-announcements.
- 2. The EGM will be held by way of electronic means and a member will be able to watch the proceedings of the EGM through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 a.m. on 28 November 2022, at the URL https://conveneagm.sg/advancedholdings2022EGM. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by 29 November 2022. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the EGM. This is to avoid any technical disruption or overload to the "live" webcast or "live" audio feed. Members who do not receive email instructions on how to attend the EGM by 29 November 2022 should contact the Company at the email general.meetings@advancedholdings.com.
- 3. Further details relating to:

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);
- (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the EGM, and addressing of substantial and relevant questions in advanced of, or "live" at, the EGM; and
- (c) voting at the EGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's half at the EGM,

are set out in the accompanying Company's announcement dated 15 November 2022. This announcement may be accessed at the Company's website at the URL https://advancedholdings.com/media/news/ and has also been made available on SGXNet.

- 4. A member may also submit questions related to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted by 11.59 p.m. on 22 November 2022:
  - (a) via the pre-registration website at the URL https://conveneagm.sg/advancedholdings2022EGM;
  - (b) in hard copy by sending personally or by post and lodging the same at the registered office of the Company at 30 Woodlands Loop, Singapore 738319; or
  - (c) by email to general.meetings@advancedholdings.com.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

- (a) the member's full name as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the member's NRIC/Passport/UEN number;
- (c) the member's contact number and email address; and
- (d) the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address all substantial and relevant questions received from Shareholders by 25 November 2022 via an announcement to be published on the Company's website at the URL https://advancedholdings.com/media/news/ and SGXNet.

- 5. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who wish to ask questions "live" at the EGM must first pre-register at the pre-registration website at the URL https://conveneagm.sg/advancedholdings2022EGM.
- 6. Shareholders and proxyholders who pre-registered and are verified to attend the EGM will be able to ask questions relating to the agenda of the EGM by clicking the "Ask a Question" feature and then clicking the "Queue for Video call" via the Live Webcast. The relevant Shareholder will be informed once it is appropriate for him/her to speak and can thereafter raise his/her question via audio-visual or audio means during the EGM within a certain prescribed time limit.
- 7. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may:
  - (a) (where the member is an individual) vote "live" via electronic means at the EGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the EGM on his/her/its behalf; or
  - (b) (where the member is an individual or corporate) appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

The accompanying proxy form for the EGM may be accessed at the Company's website at the URL https://advancedholdings.com/media/news/ and has also been made available on SGXNet.

8. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. Where the number and class of shares in relation to each proxy is not specified, it will be assumed that each proxy is appointed in relation to an equal number of shares divided amongst the proxies.
- 9. A proxy need not be a member of the Company.
- 10. The instrument appointing a proxy(ies), together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
  - (a) if submitted via the pre-registration website, be submitted via the URL <a href="https://conveneagm.sg/advancedholdings2022EGM">https://conveneagm.sg/advancedholdings2022EGM</a> in the electronic format accessible on the said website;
  - (b) if sent personally or by post, be deposited at the registered office of the Company at 30 Woodlands Loop, Singapore 738319; or
  - (c) if submitted by email, be received by the Company at general.meetings@advancedholdings.com,

in any case, not less than 48 hours before the time for holding the EGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms personally or by post, members are strongly encouraged to submit completed proxy forms electronically via the pre-registration website or email.

- 11. The instrument appointing a proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a Company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
- 12. In the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
- Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967, including CPF and SRS investors, and who wish to participate in the EGM ("Relevant Intermediary Participants") by (a) observing and/or listening to the EGM proceedings via the "live" webcast or the "live" audio feed in the manner provided in Note 2 above; (b) submitting questions in advance of, or "live" at, the EGM; and/or (c) voting at the EGM (i) "live" by the shareholders themselves if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the EGM. CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 18 November 2022.

# Personal Data Protection:

By pre-registering for the "live" webcast, submitting an instrument appointing a proxy(ies) to attend, speak and vote at the EGM and/or any adjournment thereof, or submitting any details of Relevant Intermediary Participants in connection with the EGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), the publication of the names and comments of the members at the EGM and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

#### **PROXY FORM**

# ADVANCED HOLDINGS LTD.

(Incorporated in Republic of Singapore) (Company Registration Number: 200401856N)

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL https://advancedholdings.com/media/new s/. A printed copy of this form of proxy will NOT be despatched to members.

## **IMPORTANT**

A member will not be able to attend the Extraordinary General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it may:

- (a) (where the member is an individual) vote "live" via electronic means at the Extraordinary General Meeting, or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Extraordinary General Meeting) to vote "live" via electronic means at the Extraordinary General Meeting on his/her/its behalf; or
- (b) (where the member is an individual or a corporate) appoint the Chairman of the Extraordinary General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 18 November 2022.

I/We			(name)		(NR	IC/Passport no.)
of					(addre	ess) being a
*member/members	of Advanced Holdings	s Ltd. (the "Company"),	hereby appoint:			
			NRIC/Pas	sport I	Proportion of Sh	areholdings
Name	Address	Email Address	s^ Number	I	No. of Shares	%
and/or *						
^Appointed proxy(i	es) will be prompted	via email (within 2 busir	ness days after the Co	mpany's re	ceipt of a validly	completed and
		gister at the pre-re				
		22EGM in order to acces	s the "live" audio-visu	al webcast o	or "live" audio-only	y stream of the
Extraordinary Gene	eral Meeting proceedir	ngs.				
	_	eneral Meeting (the "EG				
	• •	be held by way of ele-	ctronic means on 30	November	2022 at 10.00 a	i.m. and at any
adjournment thereof	•					
•	* *	for, against and/or abst	ain from voting on th	e Resolution	n to be proposed	at the EGM as
indicated hereunder:				1		
				For**	Against**	Abstain**
ORDINARY RES	OLUTION					
To approve the F	roposed Disposals					
* Delete as appropri	ate					
		or" or "Against" the Res	olution or to abetain f	rom votina (	on the Resolution	in respect of all
-	•	For" or "Against" or "Ab		•		•
•	of votes as appropria	•	osiaiii wiiii aii A w	illilli lile bo	x provided. Aller	natively, please
indicate the number	or votes as appropria	ile.				
Dated this da	ay of	2022	Total numb	er of Shar	es held:	
			10001110	0. 0. 0		
			(a) CDP R	eaister		
			(=, ==, ==			
			(b) Membe	r's Registe	er	
Signature(s) of Me			(-)	J		
or Common Seal of	of Corporate Member	er				

<sup>\*</sup> IMPORTANT: PLEASE READ NOTES OVERLEAF

#### Notes:

- A member will not be able to attend the EGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may:
  - (a) (where the member is an individual) vote "live" via electronic means at the EGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the EGM on his/her/its behalf; or
  - (b) (where the member is an individual or corporate) appoint the Chairman of the EGM as his/ her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
- 2. A proxy need not be a member of the Company.
- 3. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001, you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the ordinary shares held by you.
- 4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) via the URL https://conveneagm.sg/advancedholdings2022EGM (the "Pre-registration Website") in the electronic format accessible on the Pre-registration Website;
  - (b) if sent personally or by post, be deposited at the registered office of the Company at 30 Woodlands Loop, Singapore 738319; or
  - (c) if submitted by email, be received by the Company at general.meetings@advancedholdings.com,

in any case, not less than 48 hours before the time set for the EGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via the AHL EGM Website or email.

- 5. If sent personally or by post, the instrument appointing a proxy(ies) of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing a proxy(ies) of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 6. Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:
  - (a) by way of the affixation of an electronic signature by the appointer or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
  - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
- 7. Where an instrument appointing a proxy(ies) is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

#### General:

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the EGM as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Protection:

By attending the EGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.