

CIRCULAR DATED 7 NOVEMBER 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of Bacui Technologies International Ltd. (the “**Company**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular, the enclosed Notice of EGM and the accompanying Proxy Form to the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Printed copies of this Circular will not be despatched to shareholders of the Company (“**Shareholders**”). Instead, printed copies of the Notice of Extraordinary General Meeting, Proxy Form, and Request Form will be mailed to Shareholders. Shareholders can access this Circular, the Notice of Extraordinary General Meeting, and the accompanying Proxy Form electronically via the Company’s website at the URL <http://yyb.bcyj.cn/news.php> and on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>. Shareholders who require a printed copy of this Circular can request for a copy by completing and signing the Request Form and submitting to the Company via email to info.bacui@bcjy.cn enclosing a clear scanned completed and signed Request Form, to be received by the Company, no later than Friday, 15 November 2024.

This Circular has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). 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 correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



BACUI TECHNOLOGIES INTERNATIONAL LTD.

(Company Registration Number: 199407135Z)
(Incorporated in the Republic of Singapore on 3 October 1994)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE COMPRISING UP TO 3,287,352,906 RIGHTS SHARES ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE ISSUED SHARE CAPITAL OF THE COMPANY, HELD AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (2) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FROM XINLONG INVESTMENT HOLDING LIMITED AND PARTIES ACTING IN CONCERT WITH IT; AND**
- (3) THE POTENTIAL TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO XINLONG INVESTMENT HOLDING LIMITED ARISING FROM THE PROPOSED ISSUANCE AND ALLOTMENT OF RIGHTS SHARES AND EXCESS RIGHTS SHARES PURSUANT TO THE PROPOSED RIGHTS ISSUE**

Independent Financial Adviser in respect of the Proposed Whitewash Resolution

ASIAN CORPORATE ADVISORS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200310232R)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	19 November 2024 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	22 November 2024 at 10.30 a.m.
Place of Extraordinary General Meeting	:	137 Cecil Street #04-01 Cecil Building Singapore 069537

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CORPORATE INFORMATION

- DIRECTORS OF THE COMPANY** : Mr. Yeo Kan Yen (*Independent Non-Executive Chairman*)
Mr. Yang Ran (*Executive Director*)
Mr. Yang Li (*Executive and Strategy Director*)
Mr. Heng Victor Ja Wei (*Independent Non-Executive Director*)
Professor Peng Lei Qing (*Independent Non-Executive Director*)
- REGISTERED OFFICE OF THE COMPANY** : 138 Robinson Road
#26-03 Oxley Tower
Singapore 068906
- SHARE REGISTRAR** : **Tricor Barbinder Share Registration Services**
(A division of Tricor Singapore Pte. Ltd.)
9 Raffles Place
#26-01 Republic Plaza, Tower I
Singapore 048619
- LEGAL ADVISER TO THE COMPANY AS TO SINGAPORE LAW IN RELATION TO THIS CIRCULAR** : **Donaldson & Burkinshaw LLP**
50 Raffles Place
#14-01 Singapore Land Tower
Singapore 048623
- INDEPENDENT FINANCIAL ADVISER IN RESPECT OF THE PROPOSED WHITEWASH RESOLUTION** : **Asian Corporate Advisors Pte. Ltd.**
3 Shenton Way
#24-02 Shenton House
Singapore 068805

DEFINITIONS

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

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Announcement”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Announcement Date”	:	Has the meaning ascribed to it in Section 3.5.1 of this Circular
“Associate”	:	(a) In relation to any individual, including a Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(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 30.0% or more; and (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 30.0% or more
“Board” or “Board of Directors”	:	The board of Directors of the Company, from time to time
“Books Closure Date”	:	The time and date (to be announced by the Company) at and on which, subject to the approval of the Proposed Rights Issue being obtained at the EGM, the register of members and the share transfer books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Proposed Rights Issue
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Company”	:	Bacui Technologies International Ltd.
“Controlling Interest”	:	The interest of the Controlling Shareholder(s)

DEFINITIONS

<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly fifteen per cent. (15.0%) 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
<i>“CPF”</i>	:	The Central Provident Fund
<i>“Directors”</i>	:	Directors of the Company, from time to time
<i>“EGM”</i>	:	The extraordinary general meeting of the Company, notice of which is set out on pages N-1 to N-4 of this Circular
<i>“Entitled Depositors”</i>	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the CDP with addresses in Singapore for the service of notices and documents
<i>“Entitled Scripholders”</i>	:	Shareholders whose share certificates are not deposited with CDP and who have tendered to the Share Registrar, valid transfers of their Shares and the certificates relating thereto for registration up to 5.00 p.m. (Singapore time) on the Books Closure Date and whose registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<i>“Entitled Shareholders”</i>	:	Entitled Depositors and Entitled Scripholders, collectively, and each an <i>“Entitled Shareholder”</i>
<i>“Excess Rights Shares”</i>	:	Rights Shares represented by the provisional allotments of Entitled Shareholders who decline or do not accept, whether in full or in part, their provisional allotments of Rights Shares under the Proposed Rights Issue, and which may be applied for by Entitled Shareholders in excess of the number of Rights Shares provisionally allotted to such Entitled Shareholders
<i>“Existing Issued Share Capital”</i>	:	The existing issued share capital of the Company comprising 1,089,507,148 Shares as at the Latest Practicable Date
<i>“Foreign Shareholders”</i>	:	Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents
<i>“FP2023”</i>	:	The financial period from 1 April 2023 to 31 December 2023
<i>“FY2023”</i>	:	The financial year ended 31 March 2023

DEFINITIONS

<i>“Group”</i>	:	The Company and its subsidiaries
<i>“HY2023”</i>	:	Six months financial period ended 30 September 2023
<i>“HY2024”</i>	:	Six months financial period ended 30 June 2024
<i>“IFA”</i>	:	The independent financial adviser appointed to advise the Recommending Directors in relation to the Whitewash Resolution
<i>“IFA Letter”</i>	:	The letter issued by the IFA to the Recommending Directors in relation to the Whitewash Resolution attached to Appendix B of this Circular
<i>“Irrevocable Undertaking”</i>	:	The irrevocable undertaking dated 28 June 2024 given by Xinlong, and details of which are set out in Section 2.14 of this Circular
<i>“Independent Shareholders”</i>	:	Shareholders who are deemed to be independent for the purposes of the Proposed Whitewash Resolution
<i>“Issue Price”</i>	:	The issue price of the Rights Shares, being S\$0.0015 for each Rights Share
<i>“Last Trading Day”</i>	:	Has the meaning ascribed to it in Section 2.2 of this Circular
<i>“Latest Practicable Date”</i>	:	24 October 2024, being the latest practicable date prior to the publication of this Circular
<i>“LPS”</i>	:	Has the meaning ascribed to it in Section 2.15 of this Circular
<i>“LQN”</i>	:	The listing and quotation notice for listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for securities trading
<i>“MAS”</i>	:	Monetary Authority of Singapore
<i>“Maximum Scenario”</i>	:	Has the meaning ascribed to it in Section 2.3 of this Circular
<i>“Minimum Scenario”</i>	:	Has the meaning ascribed to it in Section 2.3 of this Circular
<i>“Notice of EGM”</i>	:	The notice of EGM as set out on pages N-1 to N-4 of this Circular, for the purposes of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions
<i>“NTA”</i>	:	Has the meaning ascribed to it in Section 2.15 of this Circular
<i>“Option Shares”</i>	:	Has the meaning ascribed to it in Section 2.3 of this Circular
<i>“Options”</i>	:	Has the meaning ascribed to it in Section 2.3 of this Circular
<i>“Ordinary Resolutions”</i>	:	The ordinary resolutions set out in the Notice of EGM
<i>“PDPA”</i>	:	The Personal Data Protection Act 2012 of Singapore, as amended, supplemented or modified from time to time

DEFINITIONS

<i>“Potential Transfer of Controlling Interest to Xinlong”</i>	:	The potential transfer of Controlling Interest in the Company to Xinlong arising from the proposed issuance and allotment of Rights Shares and Excess Rights Shares pursuant to the Proposed Rights Issue
<i>“PRC”</i>	:	The People’s Republic of China
<i>“Proposed Corporate Actions”</i>	:	Has the meaning ascribed to it in Section 1.2 of this Circular
<i>“Proposed Rights Issue” or “Rights Issue”</i>	:	The proposed non-renounceable non-underwritten rights issue of up to 3,287,352,906 Rights Shares at the Issue Price on the basis of three (3) Rights Shares for every one (1) existing Share held by the Entitled Shareholders as at the Books Closure Date to be determined, fractional entitlements to be disregarded
<i>“Proposed Whitewash Resolution” or “Whitewash Resolution”</i>	:	The resolution proposed which requires approval by way of a poll by a majority of Independent Shareholders present and voting at the EGM to waive their rights to receive a mandatory general offer from Xinlong pursuant to Rule 14 of the Code and the Whitewash Waiver, further details of which are found in Section 3.5 of this Circular
<i>“Recommending Directors”</i>	:	The Directors who are regarded as independent for the purpose of the Proposed Whitewash Resolution and Ordinary Resolution 3 in respect of the Potential Transfer of Controlling Interest to Xinlong, being Mr. Yeo Kan Yen, Mr. Heng Victor Ja Wei and Professor Peng Lei Qing
<i>“Register of Members”</i>	:	The register of members of the Company
<i>“Rights Shares”</i>	:	Up to 3,287,352,906 new ordinary shares in the issued share capital of the Company, and each a <i>“Rights Share”</i>
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“SFA”</i>	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
<i>“SGXNet”</i>	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	Tricor Barbinder Share Registration Services
<i>“Shareholders”</i>	:	The registered holders of Shares in the register of members of the Company, except that where the registered holder is the CDP, the term <i>“Shareholders”</i> shall, in relation to such Shares, and where the context admits, means the Depositors into whose Securities Accounts those Shares are credited, and each a <i>“Shareholder”</i>
<i>“Shares”</i>	:	Ordinary shares in the share capital of the Company and each a <i>“Share”</i>

DEFINITIONS

“SIC”	:	The Securities Industry Council of Singapore
“SIC Conditions”	:	Conditions imposed by the SIC to which the Whitewash Waiver was granted to Xinlong is subject, details of which are set out in Section 3.5.1 of this Circular
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“SRS”	:	Supplementary Retirement Scheme
“SRS Approved Banks”	:	Approved banks in which SRS Investors hold their accounts under the SRS
“SRS Funds”	:	Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
“SRS Investors”	:	Investors who have previously purchased Shares under the SRS
“Whitewash Waiver”	:	The waiver granted by the SIC to Xinlong and any party acting in concert with it of the requirement to make a mandatory general offer under Rule 14 of the Code for Shares not held by them in connection with the proposed issuance and allotment of Rights Shares and Excess Rights Shares pursuant to the Irrevocable Undertaking. The waiver granted to Xinlong is subject to the satisfaction of the SIC Conditions, the details of which are set out in Section 3.5 of this Circular
“Xinlong”	:	Xinlong Investment Holding Limited
“S\$” and “cents”	:	Singapore dollars and cents respectively, unless otherwise stated
“%” or “per cent.”	:	Per centum or percentage

Unless the context otherwise requires:

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

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.

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

Any reference in this Circular to “Rule” or “Chapter” is a reference to the relevant rule or chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any reference in this Circular to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time or date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

DEFINITIONS

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

The information on the websites or any website directly or indirectly linked to such websites of the Company does not form part of this Circular and should not be relied on.

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

LETTER TO SHAREHOLDERS

BACUI TECHNOLOGIES INTERNATIONAL LTD.

(Company Registration Number: 199407135Z)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Yeo Kan Yen (Independent Non-Executive Chairman)
Mr. Yang Ran (Executive Director)
Mr. Yang Li (Executive and Strategy Director)
Mr. Heng Victor Ja Wei (Independent Non-Executive Director)
Professor Peng Lei Qing (Independent Non-Executive Director)

Registered Office:

138 Robinson Road
#26-03 Oxley Tower
Singapore 068906

7 November 2024

To: The Shareholders of **BACUI TECHNOLOGIES INTERNATIONAL LTD.**

Dear Sir/Madam

- (1) **THE PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE COMPRISING UP TO 3,287,352,906 RIGHTS SHARES ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE ISSUED SHARE CAPITAL OF THE COMPANY, HELD AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (2) **THE PROPOSED WHITEWASH RESOLUTION OR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FROM XINLONG INVESTMENT HOLDING LIMITED AND PARTIES ACTING IN CONCERT WITH IT; AND**
- (3) **THE POTENTIAL TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO XINLONG INVESTMENT HOLDING LIMITED ARISING FROM THE PROPOSED ISSUANCE AND ALLOTMENT OF RIGHTS SHARES AND EXCESS RIGHTS SHARES PURSUANT TO THE PROPOSED RIGHTS ISSUE**

1. INTRODUCTION

1.1 Announcement

On 28 June 2024, the Company announced, amongst others:

- (a) that it is proposing a non-renounceable non-underwritten rights issue of up to 3,287,352,906 Rights Shares at an issue price of S\$0.0015 for each Rights Share on the basis of three (3) Rights Shares for every one (1) existing Share held by the Entitled Shareholders as at the Books Closure Date to be determined, fractional entitlements to be disregarded;
- (b) that Xinlong has provided the Company with the Irrevocable Undertaking, details of which are set out in Section 2.14 of this Circular; and
- (c) the Proposed Rights Issue will be subject to and conditional upon, amongst others, the Whitewash Waiver having been granted by the SIC, and Independent Shareholders' approval for the Whitewash Resolution,

(the "**Announcement**").

LETTER TO SHAREHOLDERS

1.2 EGM

The Directors are convening an EGM to be held on 22 November 2024 to seek Shareholders' approval for:

- (a) the Proposed Rights Issue;
- (b) the Proposed Whitewash Resolution; and
- (c) the Potential Transfer of Controlling Interest to Xinlong,

(collectively, the "**Proposed Corporate Actions**").

The Notice of the EGM is set out in the Section titled "*Notice of Extraordinary General Meeting*" at pages N-1 to N-4 of this Circular.

1.3 Conditionality of the Resolutions

Shareholders should note that:

- (a) the passing of Ordinary Resolution 1 (The Proposed Rights Issue) is conditional upon the passing of Ordinary Resolution 3 (Potential Transfer of Controlling Interest to Xinlong). If Ordinary Resolution 3 (Potential Transfer of Controlling Interest to Xinlong) is not passed at the EGM, Ordinary Resolution 1 will not be carried;
- (b) the passing of Ordinary Resolution 2 (The Proposed Whitewash Resolution) is conditional upon the passing of Ordinary Resolution 1 (The Proposed Rights Issue). If Ordinary Resolution 1 (The Proposed Rights Issue) is not passed at the EGM, Ordinary Resolution 2 will not be tabled; and
- (c) the passing of Ordinary Resolution 3 (Potential Transfer of Controlling Interest to Xinlong) is conditional upon the passing of Ordinary Resolution 1 (The Proposed Rights Issue). If Ordinary Resolution 1 (The Proposed Rights Issue) is not passed at the EGM, Ordinary Resolution 3 will not be tabled.

For the avoidance of doubt, in the event that Ordinary Resolution 2 (The Proposed Whitewash Resolution) is not approved, the Company may still proceed with the Proposed Rights Issue except that the number of Rights Shares to be allotted and issued will be dependent on the level of subscription of the Proposed Rights Issue so as to ensure that Xinlong will not hold 30.0% or more interest in the Company after the completion of the Proposed Rights Issue. For further information in relation to scaling down of subscription, please refer to Section 2.6 below.

1.4 Circular

The purpose of this Circular is to provide Shareholders with the relevant information relating to, to explain the rationale for, and to seek Shareholders' approval for the Proposed Corporate Actions.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders of the Company) or for any other purpose.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained, or opinions expressed in this Circular.

LETTER TO SHAREHOLDERS

2. THE PROPOSED RIGHTS ISSUE

2.1 Rationale

As at the end of the financial period ended 31 December 2023, the Group's audited cash and cash equivalents stood at approximately S\$9.932 million, of which S\$9.743 million was maintained in accounts held by the Group with banks and financiers situated in the PRC. Funds flowing out of and into the PRC are firmly regulated as the PRC has adopted a strict system of foreign exchange controls. Accordingly, the Group's cash within the PRC may not be readily accessible to the Company outside of the PRC.

While the Group's main operations are based in the PRC, the Company also incurs, periodically and from time to time, operational, administrative and regulatory costs outside of the PRC. These comprise and include directors' fee and professional fees (such as those payable to its external and internal auditors and its legal advisors), as well as annual fees payable to the SGX-ST and the Company's continuing sponsor.

Separately, as at the Latest Practicable Date, there are amounts owing to Mr. Yang Ran, a substantial Shareholder and Executive Director of the Company, aggregating approximately S\$5.45 million. The amounts outstanding are unsecured, interest-free and repayable on demand.

The Proposed Rights Issue has been proposed to strengthen and improve the Group's general working capital position (particularly funding accessible to the Group outside of the PRC), so as to enable the Group to meet its ongoing financial commitments. In particular, the additional funding will allow the Group to partially repay the amounts due to Mr. Yang Ran, and to have access to funds to meet its financial commitments outside of the PRC in a timely manner. The partial repayment of the amounts due to Shareholder will also improve the Group's net asset position.

In addition, the Proposed Rights Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to maintain their equity participation in the Company.

2.2 Principal Terms of the Proposed Rights Issue

Principal Terms	Description
<i>Issue Price</i>	S\$0.0015 per Rights Share, payable in full upon acceptance and/or application.
<i>Discount (specifying benchmarks and period)</i>	<p>The Issue Price represents a discount of 50.0% to the closing market price per Share based on trades done on the Catalist Board of the SGX-ST of S\$0.003 on 27 June 2024, being the market day on which Shares are traded before the Proposed Rights Issue was announced (the "Last Trading Day").</p> <p>Separately, the Issue Price represents a discount of 21.05% to the theoretical ex-rights price of S\$0.0019 per Share.</p> <p>Note:</p> <p>(1) The theoretical ex-rights trading price is the theoretical market price of each Share on the basis that 3,287,352,906 Rights Shares (on a fully diluted basis) are issued pursuant to the Proposed Rights Issue, and is computed based on the closing price of S\$0.003 per Share for Shares traded on the Catalist Board of the SGX-ST on 27 June 2024, being the Last Trading Day.</p>
<i>Allotment Ratio</i>	Three (3) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date to be determined, fractional entitlements to be disregarded.
<i>Use of Proceeds</i>	Please refer to Section 2.11 of this Circular.
<i>Purpose of Issue</i>	Please refer to Section 2.1 of this Circular.

LETTER TO SHAREHOLDERS

The Proposed Rights Issue shall take place at a time and date to be determined by the Directors, at and on which the register of members of the Company and the share transfer books will be closed to determine the provisional allotment of the Rights Shares of the Entitled Shareholders (i.e., the Books Closure Date).

The Company has, on 1 November 2024, obtained the LQN from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST, subject to the following:

- (a) compliance with the SGX-ST's listing requirements; and
- (b) Shareholders' approval for the Proposed Rights Issue to be obtained at an EGM to be convened.

The LQN granted by the SGX-ST is not an indication of the merits of the Proposed Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

In accordance with Rule 821 of the Catalist Rules, the Books Closure Date shall only be determined after the LQN has been issued by the SGX-ST. The Company will make the appropriate announcements when the Books Closure Date is determined.

The terms and conditions of the Proposed Rights Issue including procedures for acceptances and applications for the Rights Shares will be contained in an instructions booklet to be despatched by the Company to Entitled Shareholders in due course (the "**Instructions Booklet**").

Further details on the principal terms and conditions of the Proposed Rights Issue are set out in Section 2.4 below.

2.3 Size of the Proposed Rights Issue

As at the Latest Practicable Date:

- (a) the existing issued and paid-up capital of the Company comprise 1,089,507,148 Shares (excluding treasury shares) (being the Existing Issued Share Capital); and
- (b) the Company has 6,277,154 options (the "**Options**") outstanding pursuant to the Bacui Technologies International Ltd. (formerly known as "Arion Entertainment Singapore Limited") Employee Shares Option Scheme and which are exercisable between 13 July 2017 and 13 July 2025 at an exercise price of S\$0.03 per Share.

In the event that all the Options are exercised, the Company will issue 6,277,154 new Shares (the "**Option Shares**") and the issued share capital of the Company will increase to 1,095,784,302 Shares. Based on the foregoing share capital, the aggregate number of Shares proposed to be issued under the Proposed Rights Issue is up to 3,287,352,906 Rights Shares.

As at the Latest Practicable Date, the Company does not hold any treasury shares and subsidiary holdings and save for the Options, the Company has no existing warrants or other convertibles.

Maximum Scenario

Having regard to the Irrevocable Undertaking, based on the Existing Issued Share Capital and assuming the Options are exercised in full and the Option Shares are allotted and issued on or prior to the Books Closure Date, the Company will allot and issue 3,287,352,906 Rights Shares under the Proposed Rights Issue (the "**Maximum Scenario**").

The Rights Shares in the Maximum Scenario represent, in aggregate:

- (a) 300.0% of the Existing Issued Share Capital together with the Option Shares to be issued on exercise of the Options; and

LETTER TO SHAREHOLDERS

- (b) 75.0% of the enlarged issued share capital of the Company comprising 4,383,137,208 Shares.

Minimum Scenario

Having regard to the Irrevocable Undertaking, based on the Existing Issued Share Capital and assuming none of the Options are exercised, the Company will allot and issue 3,268,521,444 Rights Shares under the Proposed Rights Issue (the “**Minimum Scenario**”).

The Rights Shares to be issued in the Minimum Scenario represent, in aggregate:

- (a) 300.0% of the Existing Issued Share Capital; and
- (b) 75.0% of the enlarged issued share capital comprising 4,358,028,592 Shares.

2.4 Conditions for the Proposed Rights Issue

Shareholders should note that the Proposed Rights Issue is subject to, *inter alia*, the following conditions:

- (a) the Whitewash Waiver having been granted by the SIC of the requirement on the part of Xinlong and parties acting in concert with it to make a mandatory general offer pursuant to Rule 14 of the Code for all the Shares not already owned or controlled by them as result of:
 - (i) Xinlong subscribing for its *pro rata* entitlement of the Rights Shares and applying for Excess Rights Shares pursuant to the Irrevocable Undertaking; and
 - (ii) the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue,and all conditions (if any) of the Whitewash Waiver being satisfied and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue;
- (b) approval having been obtained from the Shareholders at a general meeting for:
 - (i) the Proposed Rights Issue, including the allotment and issue of the Rights Shares; and
 - (ii) the waiver of the rights of the Independent Shareholders of the Company to receive a mandatory general offer from Xinlong and parties acting in concert with it for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue (being the Whitewash Resolution); and
- (c) the LQN having been granted by the SGX-ST for the listing and quotation of the Rights Shares on the Catalist Board of the SGX-ST, all conditions (if any) of the LQN being satisfied and the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company.

The Company has received SIC’s Whitewash Waiver on 10 October 2024. Please refer to Section 3.5 of this Circular for more information on the Whitewash Waiver. Separately, the Company has, on 1 November 2024, obtained the LQN from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST. The LQN granted by the SGX-ST is not an indication of the merits of the Proposed Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

The Company retains the right and discretion to waive the condition set out in paragraph (b)(ii) above, subject to applicable laws, rules, regulation, including the Code.

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2.5 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept (in full or in part), or decline, their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue (i.e., the Excess Rights Shares).

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws and the Catalyst Rules.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in general meeting.

AS THE PROPOSED RIGHTS ISSUE IS MADE ON A NON-RENOUCEABLE BASIS, ENTITLED SHAREHOLDERS SHOULD NOTE THAT THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES CANNOT BE RENOUNCED IN PART OR IN WHOLE IN FAVOUR OF A THIRD PARTY, OR TRADED ON THE SGX-ST.

2.6 Scaling Down of Subscriptions

Depending on the level of subscription for the Rights Shares, the Company may, if necessary (such as, in the event Ordinary Resolution 2 (The Proposed Whitewash Resolution) not being approved) and upon the approval of the SGX-ST, scale down the Rights Shares subscribed by any Shareholder to avoid placing such Shareholder and/or parties acting in concert with it (as defined in the Code) in the position of incurring an obligation to make a mandatory general offer under the Code as a result of other Entitled Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares.

2.7 Ranking of the Rights Shares

The Rights Shares will be payable in full upon acceptance and/or application.

The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares. For this purpose, a "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.8 Non-underwritten basis of the Proposed Rights Issue

The Proposed Rights Issue will not be underwritten. In the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Proposed Rights Issue. After taking into consideration the aforementioned, the Irrevocable Undertaking, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not feasible nor practical for the Proposed Rights Issue to be underwritten by a financial institution.

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2.9 No Prospectus or Offer Information Statement

As the Proposed Rights Issue will be made pursuant to the exemptions invoked under Section 273(1)(ce) of the SFA, no prospectus or offer information statement will be lodged with the MAS.

2.10 Eligibility to Participate in the Proposed Right Issue

2.10.1 Entitled Shareholders

The Company proposes to provisionally allot the Rights Shares to the Entitled Shareholders, comprising the Entitled Depositors and the Entitled Scripholders (excluding Foreign Shareholders). Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the Instructions Booklet together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be.

As the Proposed Rights Issue is made on a non-renounceable basis, Entitled Shareholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of the Rights Shares; or (b) eligibility to apply for Excess Rights Shares.

2.10.2 CPF Investment Scheme

Shareholders who have previously purchased Shares using their Central Provident Fund (“**CPF**”) account savings (“**CPF Funds**”) under the Central Provident Fund Investment Scheme may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares and (if applicable) to apply for Excess Rights Shares, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in the Instructions Booklet.

2.10.3 SRS Investors

SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the respective SRS Approved Banks, using monies standing to the credit of their respective SRS accounts. Such SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) using SRS monies must instruct their respective SRS Approved Banks in which they hold their respective SRS accounts, to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in the Instructions Booklet. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies.

2.10.4 Foreign Shareholders

The distribution of the Instructions Booklet and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Instructions Booklet and its accompanying documents will not be despatched to Foreign Shareholders and accordingly, the Rights Shares will not be offered to Foreign Shareholders.

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Shareholders with registered addresses outside Singapore who wish to participate in the Proposed Rights Issue may provide an address in Singapore for the service of notices and documents by notifying (i) the CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807 or (ii) Bacui Technologies International Ltd. C/O Tricor Barbinder Share Registration Services (A Division of Tricor Singapore Pte. Ltd.) at 9 Raffles Place, #26-01 Republic Plaza, Tower I, Singapore 048619, at least three (3) Market Days prior to the Books Closure Date.

2.11 Use of Proceeds

The gross proceeds from the Proposed Rights Issue under the Maximum Scenario and Minimum Scenario are approximately S\$4.931 million and S\$4.903 million, respectively. After taking into consideration estimated expenses of approximately S\$0.2 million, the estimated net proceeds from the Proposed Rights Issue under the Maximum Scenario and Minimum Scenario are expected to be approximately S\$4.731 million and S\$4.703 million, respectively.

The Company intends to use the net proceeds as follows:

	Maximum Scenario		Minimum Scenario	
	Amount (\$ million)	Percentage of net proceeds	Amount (\$ million)	Percentage of net proceeds
Repayment of amounts due to Shareholder	4.20	88.78	4.20	89.30
General working capital purposes	0.531	11.22	0.503	10.70
Total	4.731	100	4.703	100

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of such proceeds, as and when such funds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report, in accordance with the Catalist Rules. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of net proceeds for working capital in its announcement and the annual report.

Where there is any material deviation from the stated use of the net proceeds, the Company will announce the reasons for such deviation.

2.12 Listing and Quotation of the Rights Shares

The Company has, on 1 November 2024, obtained the LQN from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST, subject to the following:

- (a) compliance with the SGX-ST's listing requirements; and
- (b) Shareholders' approval for the Proposed Rights Issue to be obtained at an EGM to be convened.

The LQN granted by the SGX-ST is not an indication of the merits of the Proposed Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

2.13 Previous Equity Fund Raising in the Past 12 Months

The Company has not undertaken any previous equity fund raising in the past 12 months.

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2.14 Irrevocable Undertaking

2.14.1 Irrevocable Undertaking

As at the Latest Practicable Date, Xinlong, a substantial Shareholder, has provided the Company with the Irrevocable Undertaking that, *inter alia*:

- (a) as at the Books Closure Date, the number of Shares held by Xinlong will not be less than the number of Shares held by it as at the date of the Irrevocable Undertaking;
- (b) it shall, not later than the last day for acceptance and payment of the Rights Shares, subscribe for and pay in full for and/or procure the subscription of and payment in full for its *pro rata* entitlement to the Rights Shares under the Proposed Rights Issue in relation to Shares held by it as at the Books Closure Date, in accordance with the terms and conditions of the Proposed Rights Issue;
- (c) it shall make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue after satisfaction of all valid applications and excess applications (if any) for the Rights Shares;
- (d) it shall not sell, transfer or otherwise deal with any of the Shares that it owned or controlled as at the date of the Irrevocable Undertaking, during the period commencing from the date of the Irrevocable Undertaking and ending on the completion of the Proposed Rights Issue; and
- (e) it shall vote all its Shares in favour of the Proposed Rights Issue at the EGM to be convened by the Company to seek Shareholders' approval for the Proposed Rights Issue, including the allotment and issue of the Rights Shares (if allowed).

Xinlong shall procure confirmations from financial institutions that it has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking. Separately, each of Xinlong, Xinlong Development Limited and Mr Yang Ran has confirmed that it/he has not been offered additional benefits in connection with the giving of the Irrevocable Undertaking by Xinlong.

2.14.2 Condition of the Irrevocable Undertaking

The Irrevocable Undertaking will be subject to and conditional upon:

- (a) the Whitewash Waiver having been granted by the Council of the requirement on the part of Xinlong and parties acting in concert with it to make a mandatory general offer pursuant to Rule 14 of the Code for all the Shares not already owned or controlled by them as result of:
 - (i) Xinlong subscribing for its *pro rata* entitlement of the Rights Shares and applying for excess Rights Shares pursuant to the Irrevocable Undertaking; and
 - (ii) the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue,and all conditions (if any) of the Whitewash Waiver being satisfied and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights;
- (b) approval having been obtained from the Shareholders at the EGM for:
 - (i) the Proposed Rights Issue, including the allotment and issue of the Rights Shares; and
 - (ii) the Whitewash Resolution;

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- (c) the LQN having been granted by the SGX-ST for the Rights Shares on the Catalist Board of the SGX-ST, all conditions (if any) of the LQN being satisfied and the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (d) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights Issue.

2.14.3 Information on Xinlong

Xinlong is an investment holding company incorporated in the British Virgin Island, having its registered address at Unit 8, 3/F, Qwomar Trading Complex, Blackbume Road, Port Purcell, Road Town, Tortola, British Virgin Islands, VG1110. Xinlong is wholly-owned by Xinlong Development Limited, an investment holding company incorporated in the British Virgin Islands.

Xinlong Development Limited is wholly-owned by Mr. Yang Ran, an Executive Director of the Company.

As at the Latest Practicable Date, Xinlong directly holds 155,555,555 Shares representing approximately 14.28% of the Existing Issued Share Capital.

2.15 Financial Effects of the Proposed Rights Issue

The *pro forma* financial effects of the Proposed Rights Issue presented below are purely for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group immediately after completion of the Proposed Rights Issue.

The *pro forma* financial effects of the Proposed Rights Issue set out below have been computed based on the latest audited consolidated financial statements of the Group for FP2023 and are presented herein after taking into account the following assumptions:

- (a) the financial effects of the Proposed Rights Issue on the Group's net tangible assets ("**NTA**") is computed on the basis that the Proposed Rights Issue was completed on 31 December 2023, being the last day of FP2023;
- (b) there is no return earned from the net proceeds from the Proposed Rights Issue;
- (c) the estimated expenses in relation to the Proposed Rights Issue is S\$200,000; and
- (d) the financial effects of the Proposed Rights Issue on the Group's loss per share ("**LPS**") is computed assuming that the Proposed Rights Issue was completed on 1 April 2023, being the first day of FP2023.

2.15.1 Share Capital

	As at 31 December 2023	After completion of the Proposed Rights Issue	
		Maximum Scenario	Minimum Scenario
Issued and paid-up share capital (S\$'000)	147,289	152,408	152,192
Number of Shares (excluding treasury shares)	1,089,507,148	4,383,137,208	4,358,028,592

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2.15.2 NTA per Share

	As at 31 December 2023	After completion of the Proposed Rights Issue	
		Maximum Scenario	Minimum Scenario
NTA (S\$'000)	2,800	7,719	7,503
Number of Shares ('000)	1,089,507	4,383,137	4,358,029
NTA per Share (cents)	0.26	0.18	0.17

2.15.3 Loss per Share

	As at 31 December 2023	After completion of the Proposed Rights Issue	
		Maximum Scenario	Minimum Scenario
Net loss attributable to Shareholders (S\$'000)	(464)	(664)	(664)
Weighted average number of Shares ('000)	1,080,457	4,374,087	4,348,978
Loss per Share (cents)	(0.04)	(0.02)	(0.02)

2.15.4 Gearing

	As at 31 December 2023	After completion of the Proposed Rights Issue	
		Maximum Scenario	Minimum Scenario
Total borrowings (S\$'000)	-	-	-
Shareholders' equity (S\$'000)	2,800	7,719	7,503
Gearing (times)	-	-	-

2.16 Financial Information and Review of Past Performance

Selected audited consolidated financial information of the Group for FY2023, FP2023 and selected unaudited consolidated financial information of the Group for HY2023 and HY2024 are set out in **Appendix A** to this Circular. Such selected financial information include the Group's income statements, statement of financial position, statement of cash flow and the working capital as well as a review thereof, and should be read together with the annual reports, the consolidated audited accounts and consolidated financial statements of the Group for the relevant periods and the related notes thereto, which are available on the website of the SGX-ST at www.sgx.com.

3. THE PROPOSED WHITEWASH RESOLUTION

3.1 General Offer Requirement under the Code

Pursuant to Rule 14.1 of the Code, except with the SIC's consent, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or

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- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately, on the basis set out in Rule 14, to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

3.2 Takeover Implications arising from the Irrevocable Undertaking

As at the Latest Practicable Date, Xinlong directly holds 155,555,555 Shares representing approximately 14.28% of the Existing Issued Share Capital and is not holding to any instrument convertible into, right to subscribe for, or option in respect of Shares in the Company.

Pursuant to the terms of the Irrevocable Undertaking, Xinlong will, *inter alia*, subscribe for and/or procure the subscription of its *pro rata* entitlement to the Rights Shares and make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue.

Depending on the level of subscription by the Entitled Shareholders, Xinlong and parties acting in concert with it may incur an obligation under Rule 14.1 of the Code to undertake a general offer for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue.

For illustration,

- (a) in a Minimum Scenario:
- (i) if Entitled Shareholder(s) elect to partially apply for an aggregate 2,116,020,420 Rights Shares, comprising (i) their respective *pro rata* entitlement of the Rights Shares; and/or (ii) Excess Rights Shares (“**Takeover Scenario I**”), pursuant to the Irrevocable Undertaking, Xinlong will be required to subscribe an aggregate 1,152,501,024 Rights Shares; and
 - (ii) if Entitled Shareholders elect **not to** apply for any of their respective *pro rata* entitlement of the Rights Shares or Excess Rights Shares (“**Takeover Scenario II**”), then pursuant to the Irrevocable Undertaking, Xinlong will be required to subscribe an aggregate 3,268,521,444 Rights Shares; and
- (b) in a Maximum Scenario:
- (i) if Entitled Shareholder(s) elect to partially apply for an aggregate 2,127,967,298 Rights Shares, comprising (i) their respective *pro rata* entitlement of the Rights Shares; and/or (ii) Excess Rights Shares (“**Takeover Scenario III**”), pursuant to the Irrevocable Undertaking, Xinlong will be required to subscribe an aggregate 1,159,385,608 Rights Shares; and
 - (ii) if Entitled Shareholders elect **not to** apply for any of their respective *pro rata* entitlement of the Rights Shares or Excess Rights Shares (“**Takeover Scenario IV**”), then pursuant to the Irrevocable Undertaking, Xinlong will be required to subscribe an aggregate 3,287,352,906 Rights Shares.

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3.3 Illustration of Shareholding Interest of Xinlong pursuant to the Takeover Scenarios

The shareholding of Xinlong (a) as at the Latest Practicable Date; and (b) immediately upon completion of the Proposed Rights Issue for each of Takeover Scenario I, Takeover Scenario II, Takeover Scenario III and Takeover Scenario IV are as follows:

	Number of Shares held by Xinlong	Approximate percentage of the Existing Issued Share Capital ⁽²⁾	Approximate percentage of the enlarged issued share capital ⁽²⁾
As at the Latest Practicable Date	155,555,555 ⁽¹⁾	14.28%	-
Immediately upon completion of the Proposed Rights Issue:			
- Assuming Takeover Scenario I	1,308,056,579	-	30.00% ⁽³⁾
- Assuming Takeover Scenario II	3,424,076,999	-	78.57% ⁽³⁾
- Assuming Takeover Scenario III	1,314,941,163	-	30.00% ⁽⁴⁾
- Assuming Takeover Scenario IV	3,442,908,461	-	78.55% ⁽⁴⁾

Notes:

- (1) Held directly by Xinlong. As at the Latest Practicable Date, Xinlong does not hold any indirect interest in the Company.
- (2) Percentage figures are rounded down to the nearest two decimal places.
- (3) Based on an enlarged issued share capital of the Company comprising 4,358,028,592 Shares in the event of the Minimum Scenario.
- (4) Based on an enlarged issued share capital of the Company comprising 4,383,137,208 in the event of the Maximum Scenario.

As illustrated above, depending on the level of subscription by Entitled Shareholders, the subscription of Rights Shares by Xinlong pursuant to the Irrevocable Undertaking may cause Xinlong's holding of Shares to increase from approximately 14.28% of the Existing Issued Share Capital to 30.0% or more of the enlarged issued share capital of the Company. Accordingly, the fulfilment of the obligations under the Irrevocable Undertaking by Xinlong may result in Xinlong incurring an obligation to make a mandatory general offer for all the Shares not already owned or controlled by Xinlong and its concert parties pursuant to Rule 14.1 of the Code unless such obligation is waived by the SIC on such terms and conditions as it may impose.

In view of the above, an application was made, on behalf of the Company and Xinlong to the SIC for the Whitewash Waiver.

3.4 Potential Dilution

Assuming all of the Entitled Shareholders subscribe in full for their *pro rata* entitlements of the Rights Shares, there is no dilutive effect on all Shareholders in the Minimum Scenario or the Maximum Scenario.

Assuming none of the Entitled Shareholders (other than Xinlong) apply for their *pro rata* entitlements of the Rights Shares, having regard to the Irrevocable Undertaking, the aggregate shareholding interests of Shareholders (other than Xinlong) may be diluted from:

- 85.72% to 21.43% (in the Minimum Scenario); and
- 85.80% to 21.45% (in the Maximum Scenario),

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immediately after completion of the Proposed Rights Issue. Details of the aggregate shareholding interests of Xinlong and other Shareholders in each of the Minimum Scenario and the Maximum Scenario are set out in the table below.

Shareholder	Minimum Scenario				Maximum Scenario				
	Prior to the Proposed Rights Issue		Immediately After Completion of the Proposed Rights Issue		Prior to the Proposed Rights Issue		Immediately After Completion of the Proposed Rights Issue		
	No. of Shares	(%) ⁽¹⁾	No. of Rights Shares subscribed for	Resultant No. of Shares	No. of Shares	(%) ⁽³⁾	No. of Rights Shares subscribed for	Resultant No. of Shares	(%) ⁽⁴⁾
Xinlong	155,555,555	14.28	3,268,521,444	3,424,076,999	155,555,555	14.20	3,287,353,906	3,442,908,461	78.55
Other Shareholders	933,951,593	85.72	-	933,951,593	940,228,747	85.80	-	940,228,747	21.45
TOTAL	1,089,507,148	100	3,268,521,444	4,358,028,592	1,095,784,302	100	3,287,353,906	4,383,137,208	100

Notes:

- (1) Based on the Existing Issued Share Capital of the Company comprising 1,089,507,148 Shares as at the Latest Practicable Date.
- (2) Based on an enlarged issued share capital of the Company comprising 4,358,028,592 Shares in the event of the Minimum Scenario.
- (3) Based on an issued share capital of the Company comprising 1,095,784,302 Shares assuming the Options are fully exercised.
- (4) Based on an enlarged issued share capital of the Company comprising 4,383,137,208 Shares in the event of the Maximum Scenario.

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3.5 Whitewash Waiver

3.5.1 Granting of Waiver

The SIC had on 10 October 2024 granted Xinlong and its concert parties a waiver of the requirement to make a mandatory general offer for all the Shares not already owned or controlled by them under Rule 14 of the Code as a result of the Proposed Rights Issue, subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approving the Whitewash Resolution at the EGM, before the Proposed Rights Issue, by way of a poll to waive their rights to receive a mandatory general offer from Xinlong and its concert parties;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) Xinlong, its concert parties, as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) Xinlong and its concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which will be disclosed in this circular to Shareholders) in relation to the Proposed Rights Issue:
 - (i) during the period between the date of the Announcement (the “**Announcement Date**”) and the date Independent Shareholders’ approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Rights Issue;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in this Circular:
 - (i) details of the Proposed Rights Issue;
 - (ii) the dilution effect to existing holders of voting rights upon the issue of the Rights Shares;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by Xinlong and its concert parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by Xinlong and its concert parties as a result of the Proposed Rights Issue; and
 - (v) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from Xinlong at the highest price paid by Xinlong and its concert parties for the Shares in the six (6) months preceding the Announcement Date; and
- (g) the Circular states that the Whitewash Waiver granted by SIC to Xinlong and its concert parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at paragraphs 3.5.1(a) to (f) above;

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- (h) the Company obtains the SIC's approval in advance for those parts in this Circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within three (3) months of the date of the SIC's letter on 10 October 2024 granting the Whitewash Waiver, and the issuance of Shares pursuant to the Proposed Rights Issue must be completed within three (3) months of the date of the approval of the Whitewash Resolution,

(collectively, the "**SIC Conditions**").

3.5.2 Fulfilment of SIC Conditions

As at the Latest Practicable Date, save for conditions set out in Sections 3.5.1(a), (b), (c), (d) and (i) of this Circular, all the other SIC Conditions set out above have been satisfied. The SIC Conditions set out in Sections 3.5.1(a), (b), (c), (d) and (i) of this Circular will be satisfied upon the holding of the EGM.

3.6 Implications of the Proposed Whitewash Resolution

INDEPENDENT SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE WHITEWASH RESOLUTION, INDEPENDENT SHAREHOLDERS ARE WAIVING THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FOR THEIR SHARES FROM XINLONG AND PARTIES ACTING IN CONCERT WITH IT AT THE HIGHEST PRICE PAID BY THEM IN THE PAST SIX (6) MONTHS PRECEDING THE DATE OF THE ANNOUNCEMENT (BEING 28 JUNE 2024).

INDEPENDENT SHAREHOLDERS SHOULD FURTHER NOTE THAT THE COMPLETION OF THE PROPOSED RIGHTS ISSUE MAY RESULT IN XINLONG HOLDING SHARES CARRYING MORE THAN 49.0% OF THE VOTING RIGHTS IN THE COMPANY, AND HENCEFORTH BE FREE TO ACQUIRE FURTHER SHARES WITHOUT INCURRING ANY OBLIGATION UNDER RULE 14.1 OF THE CODE TO MAKE A GENERAL OFFER FOR SHARES NOT ALREADY OWNED OR CONTROLLED BY XINLONG AND ITS CONCERT PARTIES.

INDEPENDENT SHAREHOLDERS SHOULD ALSO NOTE THAT, HAVING APPROVED THE WHITEWASH RESOLUTION, INDEPENDENT SHAREHOLDERS COULD BE FORGOING THE OPPORTUNITY TO RECEIVE A MANDATORY GENERAL OFFER FROM ANOTHER PERSON WHO MAY BE DISCOURAGED FROM MAKING A MANDATORY GENERAL OFFER IN VIEW OF THE POTENTIAL DILUTION EFFECT OF THE PROPOSED RIGHTS ISSUE.

The Independent Shareholders are asked to vote, by way of a poll, on the Whitewash Resolution set out as Ordinary Resolution 2 in the Notice of EGM.

3.7 Advice from the IFA

Asian Corporate Advisors Pte. Ltd. has been appointed as the IFA to the Recommending Directors in relation to the Whitewash Resolution. A copy of the IFA Letter, setting out its advice to the Recommending Directors, is reproduced in full in **Appendix B** of this Circular.

Having regard to the analysis and consideration set out in the IFA Letter (including, *inter alia*, the limitations and constraints) and after having considered carefully the information available to the IFA and based on the market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to the IFA's terms of reference, as well as the representations and confirmation from the Directors, **the IFA is of the opinion that the terms of the Proposed Rights Issue, being the subject of the Whitewash Resolution, is fair and reasonable, and the Whitewash Resolution, when considered in the context of the Proposed Rights Issue, is not prejudicial to the interests of the Company and the Independent Shareholders.** Accordingly, the IFA has advised the Recommending Directors to recommend that Independent Shareholders vote in favour of the Whitewash Resolution to be proposed at the EGM.

LETTER TO SHAREHOLDERS

Independent Shareholders are advised to read and consider the IFA Letter set out in Appendix B of this Circular in full and consider carefully the IFA's advice (including, *inter alia*, the IFA's limitation in analysis, evaluation, comments and opinion in the IFA Letter) and recommendations of the Directors set out in Section 5.2 of this Circular. In addition, Independent Shareholders are recommended to exercise caution in their decision in voting in favour of or against the Whitewash Resolution.

4. THE POTENTIAL TRANSFER OF CONTROLLING INTEREST TO XINLONG

4.1 Rationale for Potential Transfer of Controlling Interest

The Company has obtained the Irrevocable Undertaking from Xinlong pursuant to which Xinlong covenanted to, *inter alia*, subscribe for and pay in full for and/or procure the subscription of and payment in full for its *pro rata* entitlement to the Rights Shares under the Proposed Rights Issue in relation to Shares held by it and make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for. The Proposed Rights Issue may potentially lead to a transfer a Controlling Interest in the Company to Xinlong. Shareholders should take note that the outcome of the Proposed Rights Issue is not certain. If other Entitled Shareholders subscribe to their *pro rata* entitlement and/or apply to Excess Rights Shares and taking into account other Shareholders rank higher in priority in the Excess Rights Shares' application, there is no assurance that the transfer of Controlling Interest to Xinlong will occur.

4.2 The Potential Transfer of Controlling Interest to Xinlong

Pursuant to Rule 803 of the Catalist Rules, the Company cannot issue securities to transfer a Controlling Interest without prior approval of Shareholders in a general meeting.

As at the Latest Practicable Date, Xinlong directly holds 155,555,555 Shares representing approximately 14.28% of the Existing Issued Share Capital.

For illustrative purposes only, based on the terms of the Proposed Rights Issue and the Irrevocable Undertaking, and assuming that no Entitled Shareholder elects to apply for any of their respective pro-rata entitlement of the Rights Shares or Excess Rights Shares, the shareholding interest of Xinlong upon completion of the Proposed Rights Issue will be as follows:

	Maximum Scenario		Minimum Scenario	
	Number of Shares	%	Number of Shares	%
Shareholding as at Latest Practicable Date	155,555,555	14.20%	155,555,555	14.28%
After the Proposed Rights Issue	3,442,908,461	78.55%	3,424,076,999	78.57%

As such, depending on the level of subscription for the Rights Shares and/or Excess Rights Shares by Entitled Shareholders, Xinlong may potentially become a Controlling Shareholder pursuant to the Proposed Rights Issue as its shareholding interest may increase to 15.0% or more (and up to 78.57%, as set out in the table above).

In view of Xinlong potentially acquiring a Controlling Interest in the Company, Shareholders' approval is sought for the Potential Transfer of Controlling Interest to Xinlong at the EGM.

Xinlong and its Associates will abstain from voting on Ordinary Resolution 3 relating to the Potential Transfer of Controlling Interest to Xinlong at the EGM.

LETTER TO SHAREHOLDERS

As set out in Section 1.3 above, Shareholders should note that the passing of the Ordinary Resolution 1 and Ordinary Resolution 3 is inter-conditional. This means that if Ordinary Resolution 3 in relation to the Potential Transfer of Controlling Interest is not passed, the Company will not proceed with the Proposed Rights Issue.

Shareholders should note that Xinlong does not become a Controlling Shareholder upon the passing of Ordinary Resolution 3 in relation to the Potential Transfer of Controlling Interest. Depending on the level of subscription of the Rights Shares and/or the Excess Rights Shares by Entitled Shareholders, Xinlong will become a Controlling Shareholder only where its shareholding interest increases to 15.0% or more of the enlarged issued share capital of the Company immediately upon completion of the Proposed Rights Issue.

5. DIRECTORS' STATEMENTS AND RECOMMENDATIONS

5.1 Proposed Rights Issue

Interest of the Group, Issue Price and Discount

The Directors, having considered, amongst others, the rationale for the Proposed Rights Issue as set out in Section 2.1 of this Circular, are of the opinion that the Proposed Rights Issue is in the best interests of the Group. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Rights Issue, including the allotment and issue of the Rights Shares pursuant to the Rights Issue, to be proposed at the EGM.

In determining the discount as set out in Section 2.2 of this Circular, the Directors had taken into consideration the closing price of the Shares as at the Last Trading Day (i.e., 27 June 2024) and the theoretical ex-rights price computed on the same.

Working Capital

The Directors are of the opinion that after taking into consideration the Group's internal resources and present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Rights Issue will strengthen the financial position and capital base of the Group and provide the Group additional funds to repay the amounts due to Shareholder and the funds to meet its financial commitments outside of the PRC in a timely manner.

5.2 Proposed Whitewash Resolution

The Recommending Directors, having considered, amongst others, the rationale for the Proposed Rights Issue as set out in Section 2.1 of this Circular and the advice of the IFA as set out in the IFA Letter, are of the opinion that the Proposed Rights Issue taken as a whole are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Rights Issue, is in the best interests of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, the Recommending Directors recommend that the Independent Shareholders vote in favour of the Whitewash Resolution to be proposed at the EGM.

5.3 Potential Transfer of Controlling Interest to Xinlong

The Recommending Directors, having considered, amongst others, the rationale for the Potential Transfer of Controlling Interest to Xinlong, are of the opinion that the Potential Transfer of Controlling Interest to Xinlong is in the best interests of the Company and the Shareholders. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Potential Transfer of Controlling Interest to Xinlong, to be proposed at the EGM.

LETTER TO SHAREHOLDERS

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Xinlong, a substantial Shareholder holding 14.28% interest in the issued share capital of the Company, is wholly-owned by Xinlong Development Limited, an investment holding company incorporated in the British Virgin Islands. Xinlong Development Limited is wholly-owned by Mr. Yang Ran, a substantial Shareholder and Executive Director of the Company.

Save as disclosed in this Circular, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the Proposed Rights Issue other than through their respective shareholding interests, direct and/or indirect, in the Company (if any). The interests of the Directors and the substantial Shareholders of the Company as at the Latest Practicable Date are set out in Appendix C.

7. CONSENTS

7.1 Consent of Legal Adviser

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

7.2 Consent of IFA

Asian Corporate Advisors Pte. Ltd., named as the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA letter (containing the IFA opinion in full) and all references thereto, in the form and context in which they appear in this Circular.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's polling agent, **Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903**, or via email to bacui-egm@complete-corp.com, not less than seventy-two (72) hours before the time fixed for holding the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him or her from attending and voting in person at the EGM in place of his or her proxy if he or she so wishes.

When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than seventy-two (72) hours before the time fixed for holding the EGM.

Abstention from Voting

Any Shareholder who is interested in the Proposed Corporate Actions should abstain from voting at the EGM in respect of the Ordinary Resolutions. Such Shareholders should also not accept nominations as proxies in respect of the Ordinary Resolutions, unless specific instructions have been given in the Proxy Form by the Shareholders appointing them on how they wish their votes are to be cast for each of the Ordinary Resolutions.

LETTER TO SHAREHOLDERS

Xinlong and its Associates shall abstain from voting at the EGM on Ordinary Resolution 2 in relation to the Whitewash Resolution. Xinlong and its Associates shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution 2, unless the Shareholder concerned has given specific instruction in the Proxy Form as to the manner in which his or her votes are to be cast in respect of the said Ordinary Resolution.

Xinlong and its Associates shall abstain from voting at the EGM on Ordinary Resolution 3 in relation to the Potential Transfer of Controlling Interest to Xinlong. Xinlong and its Associates shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution 3, unless the Shareholder concerned has given specific instruction in the Proxy Form as to the manner in which his or her votes are to be cast in respect of the said Ordinary Resolution.

The Company will disregard any votes cast on Ordinary Resolutions by any Shareholder required to abstain from voting by the Catalist Rules or pursuant to a court order where such court order is served on the Company.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at 137 Cecil Street #04-01 Cecil Building Singapore 069537 on Friday, 22 November 2024 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

Copies of this Circular, the Notice of EGM, the Proxy Form together with a request form (for Shareholders to request for a printed copy of the Circular) have been uploaded on SGXNet at <https://www.sgx.com/securities/company-announcements>. A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNet.

Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against or abstain from voting in respect of the Ordinary Resolutions set out in the Notice of EGM.

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 Corporate Actions, 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 the 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 the Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 138 Robinson Road #26-03 Oxley Tower Singapore 068906 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the Annual Report for FP2023;
- (c) the Irrevocable Undertaking referred to in Section 2.14 of this Circular;

LETTER TO SHAREHOLDERS

- (d) the IFA Letter; and
- (e) the consent letters referred to in Section 7 of this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to info.bacui@bcjy.cn to make an appointment in advance, the Company will arrange a date on which each Shareholder may come for inspection of the documents accordingly.

Yours faithfully,

For and on behalf of the Board of Directors of
BACUI TECHNOLOGIES INTERNATIONAL LTD.

Mr. Yeo Kan Yen
Independent Non-Executive Chairman

APPENDIX A – FINANCIAL INFORMATION OF THE GROUP

1. Consolidated Income Statements

- 1.1 The audited consolidated income statements of the Group for the FY2023 (*i.e.* financial year ended 31 March 2023), FP2023 (*i.e.* 9-month financial period ended 31 December 2023), unaudited consolidated financial information of the Group for HY2023 (*i.e.* 6-month financial period ended 30 September 2023) and HY2024 (*i.e.* 6-month financial period ended 30 June 2024) are set out below:

	AUDITED		UNAUDITED	
	FY2023	FP2023	HY2023	HY2024
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	-	39,942	25,800	26,401
Other Income	1,848	387	152	174
Total Expenses	(1,097)	(40,345)	(25,955)	(26,154)
Profit/ (loss) after income tax from continuing operations	745	(377)	(225)	85
Loss after tax from discontinued operations	(310)	(83)	(26)	-
Profit/ (loss) attributable to equity holders of the Company	435	(464)	(253)	82

- 1.2 A review of the operations, business and financial performance of the Group is set out below:

HY2024 vs HY2023

The Group recorded a slight increase in revenue from approximately S\$25.8 million for HY2023 to approximately S\$26.4 million for HY2024, mainly due to a 53.9% increase in revenue from catering outsourcing.

The slight decrease in total expenses were attributable to the increase in (a) materials and consumables which was attributable to the increase in revenue from catering outsourcing; (b) depreciation which was attributable to the purchase of office equipment during HY2024; (c) other expenses which was attributable to higher office expenses incurred during HY2024 and (d) expected credit loss on trade and other receivables corresponded to the increase in trade and contract assets during HY2024.

This increase was offset by a decrease in (a) professional fees was due to the fewer corporate actions undertaken by the Company during HY2024 and (b) lower rental expenses due to a decrease in the rental of vehicles required for projects during HY2024.

FP2023 vs FY2023

The Group recorded revenue of approximately S\$39.9 million for FP2023, as compared to nil for FY2023, mainly due to the contribution from the China operations of Bacui Elitist Technology Limited (together with its subsidiaries, the “**Bacui Group**”) (which was consolidated with the Group with effect from 1 April 2023).

The reduction in other income from approximately S\$1.8 million for FY2023 to approximately S\$0.4 million for FP2023 was due to a one-off gain on bargain purchase from the acquisition of the Bacui Group as mentioned above.

The overall increase in total expenses from approximately S\$1.1 million for FY2023 to approximately S\$40.3 million for FP2023 was attributable to the acquisition of the Bacui Group as mentioned above.

APPENDIX A – FINANCIAL INFORMATION OF THE GROUP

As a result, the Group recorded a net loss attributable to owners of the Company of approximately S\$0.5 million for FP2023 as compared to a net profit attributable to owners of the Company of approximately S\$0.4 million for FY2023 (which was largely due to a one-off gain on bargain purchase arising from the acquisition of the Bacui Group).

2. Statement of Financial Position and Working Capital

The statement of financial position and working capital of the Group as at 31 March 2023, 31 December 2023 and 30 June 2024 are set out below:

	AUDITED		UNAUDITED
	FY2023	FP2023	HY2024
	S\$'000	S\$'000	S\$'000
Non-current assets	310	63	272
Current assets	15,364	13,084	13,119
Non-current liabilities	6	4	3
Current liabilities	13,276	10,238	10,392
Shareholders' equity	2,390	2,800	2,888
Net current assets/ Working capital	2,088	2,846	2,727

Review of statement of financial position as at 30 June 2024

The increase in trade and other receivables in HY2024 is due to an (i) increase in receivables as a result of an increase in catering outsourcing revenue, (ii) project deposits placed for new projects bids and (iii) increase in contract assets relating to revenue earned upon completion of performance obligations.

Decrease in trade and other payables as at 30 June 2024 is due to a decrease in accrual for operating expense as a result of payment of performance and year-end bonuses and other employees' compensation accrued as at 31 December 2023 during the period.

The increase in amounts due to shareholder as at 30 June 2024 is due to working capital support to the Group by the executive director, Mr Yang Ran.

Cash and cash equivalents decreased by S\$1.64 million due to the utilisation of cash for operating and investing activities.

Review of statement of financial position as at 31 December 2023

The decrease in trade and other receivables, other current assets, intangible assets and non-current other receivables is mainly due to the deconsolidation of the publishing and moneylending businesses with effect from 30 September 2023.

The decrease in amounts due to shareholder is due to repayment during FP2023. The amounts due to shareholder are interest free, unsecured and repayable on demand.

Cash and cash equivalents decreased by S\$0.85 million due largely to cash used in financing activity of S\$3.04 million, partially offset by cash generated from operating activities of S\$2.06 million and investing activities of S\$0.27 million.

APPENDIX A – FINANCIAL INFORMATION OF THE GROUP

3. Consolidated Statement of Cash Flows

The consolidated statement of cash flow of the Group for FY2023, FP2023, HY2023 and HY2024 are set out below:

	AUDITED		UNAUDITED	
	FY2023	FP2023	HY2023	HY2024
	S\$'000	S\$'000	S\$'000	
Net cash (used in)/ generated from operating activities	(1,586)	2,056	471	(4,093)
Net cash generated from/ (used in) investing activities	9,522	268	56	(242)
Net cash generated from/ (used in) financing activities	727	(3,035)	(1,613)	2,687

HY2024

Cash used in operating activities was S\$4.09 million as compared to cash generated from operating activities of S\$0.47 million in HY2023. The cash used in operating activities was S\$4.09 million due to an increase in trade and other receivables and a decrease in trade and other payables.

Cash used in investing activities was S\$0.24 million in HY2024 attributable to investment in joint-venture company as announced by the Company on 29 February 2024 amounting to S\$0.18 million and additions to office equipment of S\$59,000.

Cash generated from financing activities was due to increase in amounts due to shareholder.

FP2023

Cash generated from operating activities was S\$2.06 million in FP2023. The net operating cash inflow was due to operating loss before working capital changes of S\$0.3 million adjusted for working capital inflows of S\$1.96 million which were mainly attributable to a decrease in trade and other receivables during the period.

Cash generated from investing activities was S\$0.27 million in FP2023 mainly due to the disposal of subsidiary corporations.

Cash used in financing activities was S\$3.04 million due to the repayment of amounts due to shareholder/director of S\$3.03 million.

FY2023

Cash used in operating activities was S\$1.59 million in FY2023. The net operating cash outflow was due to operating loss before working capital changes of S\$1.36 million adjusted for working capital outflows of S\$0.23 million which were mainly attributable to a decrease in trade and other receivables during the period.

Cash generated from investing activities was S\$9.52 million in FY2023 due to the acquisition of Bacui Group.

Cash generated from financing activities was S\$0.73 million due to the interest-free loan from a director.

APPENDIX B – IFA LETTER

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE RECOMMENDING DIRECTORS OF BACUI TECHNOLOGIES INTERNATIONAL LTD.

ASIAN CORPORATE ADVISORS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200310232R)

160 Robinson Road #21-05
SBF Center
Singapore 068914

The Recommending Directors (as hereinafter defined)
Bacui Technologies International Ltd.
138 Robinson Road
#26-03 Oxley Tower
Singapore 068906

7 November 2024

THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FROM XINLONG INVESTMENT HOLDING LIMITED AND PARTIES ACTING IN CONCERT WITH IT (THE "PROPOSED WHITEWASH RESOLUTION")

Unless otherwise defined or where the context otherwise requires, all terms used herein shall have the same meanings as defined in the circular dated 7 November 2024 (the "Circular") issued by the Company.

1. INTRODUCTION

On 28 June 2024 (the "**Announcement Date**"), the board of directors (the "**Board**") of Bacui Technologies International Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") announced that the Company is proposing a non-renounceable, non-underwritten rights issue (the "**Proposed Rights Issue**") of up to 3,287,352,906 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.0015 for each Rights Share (the "**Issue Price**") on the basis of three (3) Rights Shares for every one (1) existing ordinary share in the capital of the Company (the "**Share**") held by Entitled Shareholders (as defined in the Circular) as at the Books Closure Date (as defined in the Circular), fractional entitlements to be disregarded (the "**Announcement**").

As at 24 October 2024 (the "**Latest Practicable Date**"), Xinlong Investment Holding Limited ("**Xinlong**" or the "**Undertaking Shareholder**") has direct interest in an aggregate of 155,555,555 Shares, equivalent to approximately 14.28% of the issued and paid up share capital of the Company of 1,089,507,148 Shares (the "**Existing Issued Share Capital**"). The Undertaking Shareholder is wholly-owned by Xinlong Development Limited, which in turn is wholly-owned by Mr. Yang Ran, a substantial Shareholder and Executive Director of the Company. Accordingly, Mr. Yang Ran is deemed interested in the 155,555,555 Shares held by the Undertaking Shareholder.

Pursuant to the terms of the Irrevocable Undertaking (defined later), Xinlong will, *inter alia*, subscribe for and/or procure the subscription of its *pro-rata* entitlement to the Rights Shares and make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue.

Depending on the level of subscription by the Entitled Shareholders, Xinlong and parties acting in concert with it may incur an obligation under Rule 14.1 of the Singapore Code on Take-overs and

APPENDIX B – IFA LETTER

Mergers (the “**Code**”) to undertake a general offer for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue.

An application was made, on behalf of the Company and Xinlong to the Securities Industry Council of Singapore (the “**SIC**”) to waive the requirement for Xinlong and any party acting in concert with it to make a mandatory general offer under Rule 14 of the Code for Shares not held by them in connection with the proposed issuance and allotment of Rights Shares and Excess Rights Shares (as defined in the Circular) pursuant to the Irrevocable Undertaking (the “**Whitewash Waiver**”).

The SIC had on 10 October 2024 granted Xinlong the Whitewash Waiver subject to the SIC Conditions (defined hereafter) set out in Section 3.5.1 of the Circular.

Asian Corporate Advisors Pte. Ltd. (“**ACA**”), has been appointed as the independent financial adviser (the “**IFA**”) to advise the directors of the Company (the “**Directors**”), who are regarded as independent for the purpose of the Proposed Whitewash Resolution (the “**Recommending Directors**”). We note from the Circular that the Recommending Directors for the Proposed Whitewash Resolution are namely Mr. Yeo Kan Yen, Mr. Heng Victor Ja Wei, and Professor Peng Lei Qing.

This letter (the “**Letter**” or “**IFA Letter**”) and any other documents, which may be issued by ACA, in respect of the Proposed Whitewash Resolution as an ordinary resolution in the notice of the extraordinary general meeting (the “**EGM**”) of the Company as set out in the Circular to the registered holders (the “**Shareholders**”) of the Shares in the capital of the Company, which if passed by Shareholders other than (i) the Undertaking Shareholder and the parties acting in concert with it, namely Xinlong Development Limited and Mr. Yang Ran; and (ii) parties not independent of the parties mentioned in (i) (the “**Independent Shareholders**”) would result in a waiver by the Independent Shareholders of their rights to receive a mandatory general offer from the Undertaking Shareholder and parties acting in concert with it in connection with the Proposed Rights Issue. Likewise, it contains our recommendations to the Recommending Directors in relation to the Proposed Whitewash Resolution.

This Letter is prepared for inclusion in the Circular in connection with, *inter alia*, the Proposed Whitewash Resolution. Unless otherwise defined or where the context otherwise requires, the definition used in the Circular shall apply throughout this Letter. Certain figures and computations as enumerated or set out in this Letter are based on approximations and their accuracies are subjected to rounding.

2. TERMS OF REFERENCE

ACA has been appointed by the Company to advise the Recommending Directors in respect of the Proposed Whitewash Resolution. We were neither a party to the negotiations entered into by the Company in relation to the Proposed Rights Issue and the Proposed Whitewash Resolution, nor were we involved in the deliberation leading up to the decision on the part of the Directors of the Company to enter into the Proposed Rights Issue, the Proposed Whitewash Resolution, and the Irrevocable Undertaking and we do not, by this Letter or otherwise, advise or form any judgment on the merits of the transactions contemplated in the Circular (the “**Proposed Transactions**”) for the Group or the purpose for the Proposed Rights Issue or the use of proceeds from the Proposed Rights Issue or the possibilities or feasibilities of the completion of the Proposed Rights Issue or the determination of the parties acting in concert or the decision for undertaking a rights issue on a non-renounceable basis, for the purposes of the Proposed Whitewash Resolution other than to form an opinion, strictly and solely on the bases set out herein on whether the terms of the Proposed Rights Issue (being the subject of the Proposed Whitewash Resolution) are fair and reasonable, and not prejudicial to the interests of the Independent Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of or the terms of the Proposed Rights Issue as may have been issued by the Company or to compare its relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future including, where applicable, an interested person transaction for the capitalization of shareholders advances or loans, and we have not made such evaluation or comment. In addition, our

APPENDIX B – IFA LETTER

scope of assessment does not include any evaluation of the going concern assumption or the sufficiency of working capital or the financial affairs or position of the Company or the Group or the use of proceeds or the ability of the Group to fulfil all its obligations or the adequacy of the proceeds from the Proposed Rights Issue to fulfill the same or the resolutions to be approved at the EGM other than the Proposed Whitewash Resolution. Such evaluation or comment, if any, remains the sole responsibility of the Directors and/or the management of the Company (the “**Management**”) although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with Directors and Management, *inter alia*, regarding their assessment of the rationale for the Proposed Rights Issue and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by Directors and Management, including information contained in the Circular. We have not independently verified such information but have made such enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the accuracy and the reliability of the information used for the purposes of our evaluation. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy or completeness or adequacy of such information or the manner it has been classified or presented or the basis of any valuations which may have been included in the Circular or announced by the Company.

We have relied upon the assurance of the Directors and Management that all statements of fact, belief, opinion and intention made by the Directors and the Management in the Circular as well as their announcements for the financial results have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty, expressed and implied, is made and no responsibility is accepted by us concerning the accuracy or completeness or adequacy of such information or statements of facts or belief or opinion or intention.

Our evaluation is based solely on publicly available information and other information provided by the Company as well as the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after the financial period six (6) months ended 30 June 2024 (“**HY2024**”) for the Company and the Group. Accordingly, we have not commented on or assessed the expected future performance or prospects of the Company or the Group after the completion of the Proposed Rights Issue or, where applicable, other transactions stipulated in the Circular. We are not required under our scope and terms of reference nor are we able to discuss, comment, opine, or advise on the Group’s financial performance, position and conditions after 30 June 2024. Accordingly, we have not commented on or assessed the expected future performance or prospects of the Company or the Group after 30 June 2024 or the completion of the transactions stipulated in the Circular or the sufficiency of the Group’s working capital. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group, and neither are we responsible for it. Accordingly, estimates or analysis or evaluation of the merits of the Company or the Group or the Proposed Rights Issue or the Proposed Whitewash Resolution, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety. Neither are we required to provide opinions on the going concern assumption, or the adequacy of the working capital, or the use of the proceeds, or the sufficiency of the Proposed Rights Issue to address the concerns of the Company or the Group, or the possibility or probability that the Group can improve their profitability after the Proposed Rights Issue or the level of subscriptions for the Proposed Rights Issue.

Our scope does not require us and we have not made any independent evaluation or appraisal of the Group’s assets and liabilities (including without limitation, property, plant and equipment and investment in joint-venture company) or contracts entered into or to be entered into by the Group (where applicable), and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into (where applicable) by the Group.

With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, property, plant and equipment, and investment in joint-venture company) including, *inter alia*, the contracts or agreements that the Group has embarked upon or are

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about to embark upon (where applicable) and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

The Directors are of the opinion that the values of the assets and liabilities as well as the financial performance, position, and condition of the Company and the Group as reflected in the audited financial statements for the Company and the Group as at 31 December 2023 and the unaudited financial statements for the Company and the Group as at 30 June 2024 are true and fair. In addition, the Directors confirmed that to the best of their knowledge and belief, such information is true, complete and accurate in all respects and that there is no other information or fact *inter alia* the valuation or appraisal of assets and liabilities including, *inter alia*, the contracts that the Group has embarked upon or are about to embark upon, the omission of which would render those statements or information to be untrue, inaccurate, incomplete or misleading. Our views, opinion and recommendations are thus limited and subject to these matters as well as others mentioned in the Letter.

The Directors further confirmed that as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter and the audited financial statements for the Group for 31 December 2023 and the unaudited financial statements for the Group for HY2024, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

Our opinion in this Letter is based on economic, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as of the Latest Practicable Date. Accordingly, the bases or assumptions and likewise our views or opinion or recommendation may and do change in the light of these developments which, *inter alia*, include general as well as company specific or industry specific conditions or sentiments or factors.

Recommending Directors as well as Independent Shareholders should note that our evaluation is based solely on publicly available information and other information provided by the Company, the Directors as well as those disclosed in the Circular as well as the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance for the Company or the Group after 30 June 2024 or developments both macro and company specific and that these factors do and will necessarily affect the evaluation of the Proposed Whitewash Resolution and our recommendation or opinion or views. Likewise, this Letter outlines some of the matters or bases or factors or assumptions which we have used in our assessment and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in our assessment.

The Directors have jointly and severally accepted full responsibility, as set out in the Circular, for the truth, accuracy and completeness of the information and representations as provided by the Directors and contained therein. The Directors have confirmed to ACA that all material information including but not limited to shareholding or concert parties or plans or prospects or proposals or rationale involving the Proposed Rights Issue, the Proposed Whitewash Resolution, or the Company or Group or the transactions stipulated in the Circular or issue or changes to its capital structure, available to them and the Management in connection with the Company and the Group has been disclosed to ACA and included in the Circular, that such information is true, complete and accurate in all material respects and that there is no other information or fact including the expected future performance or future growth prospects or plans of the Company or the Group (including the use of the proceeds from the Proposed Rights Issue), the omission of which would result in the facts stated and the opinions expressed by the Directors in the Circular to be untrue, inaccurate or incomplete in any respect or misleading. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by ACA concerning the truth, accuracy, completeness or adequacy of such information or facts.

The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group before and after the transactions stipulated in the Circular or the Proposed Whitewash Resolution or the sufficiency of the Group's working capital or the ability of the Group to continue as a going concern. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the Proposed Rights Issue or the Proposed Whitewash Resolution or the other transactions or resolutions stipulated in the Circular where applicable or voting for or voting against the Proposed Rights Issue, Proposed

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Whitewash Resolution or the other transactions or resolutions stipulated in the Circular where applicable or on the future financial performance of the Company or the Group or the plans (if any) for each of them.

In rendering our opinion and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Independent Shareholder. As different Independent Shareholders would have different investment profiles and objectives, we would advise the Recommending Directors to recommend that any individual Independent Shareholder who may require advice in the context of his specific investment portfolio, including his investment in the Company, consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Letter or the Proposed Rights Issue or the Proposed Whitewash Resolution or the Company or the Group or the Shares or the Right Shares which we used or may have used may differ from the relative emphasis accorded by any individual Independent Shareholder or Recommending Director, and as such the Recommending Directors are advised to highlight to Independent Shareholders as well as note for themselves that any reliance on our opinion or view or assessment, is subject to the contents of this Letter in its entirety. In addition, ACA will not be responsible or required to provide an updated assessment or opinion or views of the Proposed Whitewash Resolution or its recommendation, following the date of the issue of this Letter.

This Letter is addressed to the Recommending Directors in connection with and for the sole purposes of their evaluation of the Proposed Whitewash Resolution. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor the Shareholders, may reproduce, disseminate or quote from this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case, except that the Company and the Directors and the Shareholders may reproduce, disseminate or quote the IFA Letter for the sole purpose of the Proposed Whitewash Resolution and/or at the forthcoming EGM. In addition, any references to our Letter or opinion or views or recommendation, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of this Letter in its entirety, *inter alia*, the matters, conditions, assumptions, limitations, factors and bases as well as our terms of reference for this Letter.

3. THE PROPOSED RIGHTS ISSUE

3.1 KEY TERMS OF THE PROPOSED RIGHTS ISSUE

The detailed terms of the Proposed Rights Issue are set out in Section 2 of the Circular. The key terms of the Proposed Rights Issue are set out below.

The Proposed Rights Issue is made on a non-renounceable, non-underwritten basis of three Rights Shares for every one Share held by Entitled Shareholders as the Books Closure Date, fractional entitlements to be disregarded.

Based on the Existing Issued Share Capital of as at the Latest Practicable Date, the Company is proposing to issue up to 3,287,352,906 Rights Shares at the Issue Price of S\$0.0015 for each Rights Share. By way of illustration, an Entitled Shareholder who holds 100 Shares and subscribes for his full rights entitlements, will be entitled to 300 Rights Shares.

The Rights Shares are payable in full upon acceptance of the provisional allotments of the Rights Shares and/or application in excess of the provisional allotments of Entitled Shareholders to the extent that they are not subscribed by Entitled Shareholders (the “**Excess Applications**”). The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments, or other distributions, the record date for which falls on or after the date of issue of the Rights Shares.

The Issue Price of S\$0.0015 represents a discount of approximately 50.0% to the closing price of S\$0.003 per Share on the Catalist on 27 June 2024 (being the last Market Day on which the Shares were transacted on the Catalist immediately prior to the Announcement) and a discount of

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approximately 21.1% to the theoretical ex-rights price (the “**TERP**”) of S\$0.0019 (being the theoretical market price of each Share assuming the completion of the Proposed Rights Issue, and which is computed based on the closing price of S\$0.003 per Share for trades done on the Catalist on 27 June 2024, being the last Market Day prior to the Announcement).

As at the Latest Practicable Date, the Existing Issued Share Capital comprised 1,089,507,148 Shares (excluding treasury shares) and the Company has 6,277,154 options (the “**Options**”) outstanding pursuant to the Employee Shares Option Scheme of the Company (formerly known as “**Arion Entertainment Singapore Limited**”), which are exercisable between 13 July 2017 and 13 July 2025 at an exercise price of S\$0.03 per Share (the “**Exercise Price**”).

In the event that all the Options are exercised, the Company will issue 6,277,154 new Shares (“**Option Shares**”) and the issued Share capital of the Company will increase to 1,095,784,302 Shares. Based on the foregoing share capital, the aggregate number of Shares proposed to be issued under the Proposed Rights Issue is up to 3,287,352,906 Rights Shares.

3.2 CONDITIONS FOR THE PROPOSED RIGHTS ISSUE

The conditions for the Proposed Rights Issue are extracted from Section 2.4 of the Circular, and have been reproduced in italics below. Independent Shareholders are advised to read Section 2.4 of the Circular carefully and its entirety.

“2.4. CONDITIONS FOR THE PROPOSED RIGHTS ISSUE

Shareholders should note that the Proposed Rights Issue is subject to, inter alia, the following conditions:

(a) *the Whitewash Waiver having been granted by the SIC of the requirement on the part of Xinlong and parties acting in concert with it to make a mandatory general offer pursuant to Rule 14 of the Code for all the Shares not already owned or controlled by them as result of:*

(i) *Xinlong subscribing for its pro rata entitlement of the Rights Shares and applying for Excess Rights Shares pursuant to the Irrevocable Undertaking; and*

(ii) *the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue,*

and all conditions (if any) of the Whitewash Waiver being satisfied and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue;

(b) *approval having been obtained from the Shareholders at a general meeting for:*

(i) *the Proposed Rights Issue, including the allotment and issue of the Rights Shares; and*

(ii) *the waiver of the rights of the Independent Shareholders of the Company to receive a mandatory general offer from Xinlong and parties acting in concert with it for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue (being the Whitewash Resolution); and*

(c) *the LQN having been granted by the SGX-ST for the listing and quotation of the Rights Shares on the Catalist Board of the SGX-ST, all conditions (if any) of the LQN being satisfied and the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company.*

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The Company has received SIC's Whitewash Waiver on 10 October 2024. Please refer to Section 3.5 of this Circular for more information on the Whitewash Waiver. Separately, the Company has, on 1 November 2024, obtained the LQN from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST. The LQN granted by the SGX-ST is not an indication of the merits of the Proposed Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

The Company retains the right and discretion to waive the condition set out in paragraph (b)(ii) above, subject to applicable laws, rules, regulation, including the Code."

3.3 IRREVOCABLE UNDERTAKING

Xinlong, a substantial Shareholder, has provided the Company with the irrevocable undertaking dated 28 June 2024 (the "**Irrevocable Undertaking**") that, *inter alia*:

- (a) as at the Books Closure Date , the number of Shares held by Xinlong will not be less than the number of Shares held by it as at the date of the Irrevocable Undertaking;
- (b) it shall, not later than the last day for acceptance and payment of the Rights Shares, subscribe for and pay in full for and/or procure the subscription of and payment in full for its *pro-rata* entitlement to the Rights Shares under the Proposed Rights Issue in relation to Shares held by it as at the Books Closure Date , in accordance with the terms and conditions of the Proposed Rights Issue;
- (c) it shall make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue after satisfaction of all valid applications and excess applications (if any) for the Rights Shares;
- (d) it shall not sell, transfer or otherwise deal with any of the Shares that it owned or controlled as at the date of the Irrevocable Undertaking, during the period commencing from the date of the Irrevocable Undertaking and ending on the completion of the Proposed Rights Issue; and
- (e) it shall vote all its Shares in favour of the Proposed Rights Issue at the EGM to be convened by the Company to seek Shareholders' approval for the Proposed Rights Issue, including the allotment and issue of the Rights Shares (if allowed).

The Irrevocable undertaking is subject to and conditional upon:

- (a) the Whitewash Waiver having been granted by the Council of the requirement on the part of Xinlong and parties acting in concert with it to make a mandatory general offer pursuant to Rule 14 of the Code for all the Shares not already owned or controlled by them as result of:
 - (i) Xinlong subscribing for its *pro-rata* entitlement of the Rights Shares and applying for excess Rights Shares pursuant to the Irrevocable Undertaking; and
 - (ii) the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue,and all conditions (if any) of the Whitewash Waiver being satisfied and not having been withdrawn or revoked on or prior to the completion of the Proposed Rights;
- (b) approval having been obtained from the Shareholders at the EGM for:
 - (i) the Proposed Rights Issue, including the allotment and issue of the Rights Shares; and
 - (ii) the Proposed Whitewash Resolution;

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- (c) The listing and quotation notice (the “LQN”) for dealing in, listing of and quotation for the Rights Shares on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) having been granted by the SGX-ST for the Rights Shares on the Catalist Board of the SGX-ST, all conditions (if any) of the LQN being satisfied and the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (d) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights Issue.

4. THE PROPOSED WHITEWASH RESOLUTION

4.1 Rule 14 of the Code

Under Rule 14 of the Code, except with the SIC’s consent, where (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1.0% of the voting rights, such person must extend a mandatory general offer immediately, on the basis set out in Rule 14, to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

As at the Latest Practicable Date, Xinlong directly holds 155,555,555 Shares representing approximately 14.28% of the Existing Issued Share Capital and is not holding to any instrument convertible into, right to subscribe for, or option in respect of Shares in the Company.

Pursuant to the terms of the Irrevocable Undertaking, Xinlong will, *inter alia*, subscribe for and/or procure the subscription of its *pro-rata* entitlement to the Rights Shares and make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue.

Depending on the level of subscription by the Entitled Shareholders, Xinlong and parties acting in concert with it may incur an obligation under Rule 14.1 of the Code to undertake a general offer for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue.

As illustrated in the Circular, depending on the level of subscription by Entitled Shareholders, the subscription of Rights Shares by Xinlong pursuant to the Irrevocable Undertaking may cause Xinlong’s holding of Shares to increase from approximately 14.28% of the Existing Issued Share Capital to 30.0% or more of the enlarged issued share capital of the Company. Accordingly, the fulfilment of the obligations under the Irrevocable Undertaking by Xinlong may result in Xinlong incurring an obligation to make a mandatory general offer for all the Shares not already owned or controlled by Xinlong and its concert parties pursuant to Rule 14.1 of the Code unless such obligation is waived by the SIC on such terms and conditions as it may impose.

In view of the above, an application was made, on behalf of the Company and Xinlong to the SIC for the Whitewash Waiver.

4.2 Whitewash Waiver

The SIC had on 10 October 2024 granted Xinlong and its concert parties a waiver of the requirement to make a mandatory general offer for all the Shares not already owned or controlled by them under Rule 14 of the Code as a result of the Proposed Rights Issue, subject to the following conditions:

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- (a) a majority of holders of voting rights of the Company approving the Proposed Whitewash Resolution at the EGM, before the Proposed Rights Issue, by way of a poll to waive their rights to receive a mandatory general offer from Xinlong and its concert parties;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;
- (c) Xinlong, its concert parties, as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (d) Xinlong and its concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which will be disclosed in the Circular to Shareholders) in relation to the Proposed Rights Issue:
 - (i) during the period between the Announcement Date and the date Independent Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the six (6) months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Rights Issue;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the Proposed Rights Issue;
 - (ii) the dilution effect to existing holders of voting rights upon the issue of the Rights Shares;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by Xinlong and its concert parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by Xinlong and its concert parties as a result of the Proposed Rights Issue; and
 - (v) specific and prominent reference to the fact that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from Xinlong at the highest price paid by Xinlong and its concert parties for the Shares in the six (6) months preceding the Announcement Date; and
- (g) the Circular states that the Whitewash Waiver granted by SIC to Xinlong and its concert parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated in paragraphs (a) to (f) above;
- (h) the Company obtains the SIC's approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution, the approval of the Proposed Whitewash Resolution must be obtained within three (3) months of the date of the SIC's letter on 10 October 2024 granting the Whitewash Waiver, and the issuance of Shares pursuant to the Proposed Rights Issue must be completed within three (3) months of the date of the approval of the Proposed Whitewash Resolution,

(collectively, the “**SIC Conditions**”).

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We note from the Circular that as at the Latest Practicable Date, save for conditions set out in (a), (b), (c), (d) and (i) above, all the other SIC Conditions set out above have been satisfied. The SIC Conditions set out in (a), (b), (c), (d) and (i) above will be satisfied upon the holding of EGM.

Xinlong and its Associates shall abstain from voting at the EGM on Ordinary Resolution 2 in relation to the Proposed Whitewash Resolution. Xinlong and its Associates (as defined in the Circular) shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution 2, unless the Shareholder concerned has given specific instruction in the Proxy Form as to the manner in which his or her votes are to be cast in respect of the said Ordinary Resolution.

Independent Shareholders are requested to vote by way of a poll, on the Proposed Whitewash Resolution set out in the Notice of EGM, waiving their rights to receive the mandatory general offer from the Undertaking Shareholder for the remaining Shares not already owned or controlled by the Undertaking Shareholder and its concert parties as a result of the Proposed Rights Issue.

Independent Shareholders should note that:

- (a) by voting in favour of the Proposed Whitewash Resolution, Independent Shareholders are waiving their rights to receive a mandatory general offer from the Undertaking Shareholder and parties acting in concert with it at the highest price paid by them for the Shares in the past six months preceding the Announcement Date;**
- (b) the completion of the Proposed Rights Issue may result in Xinlong holding Shares carrying more than 49.0% of the voting rights in the Company, and henceforth be free to acquire further Shares without incurring any obligation under Rule 14.1 of the Code to make a general offer for Shares not already owned or controlled by Xinlong and its concert parties; and**
- (c) having approved the Proposed Whitewash Resolution, Independent Shareholders could be forgoing the opportunity to receive a mandatory general offer from another person who may be discouraged from making a mandatory general offer in view of the potential dilution effect of the Proposed Rights Issue.**

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5. EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION

For the purposes of evaluating the financial terms of the Proposed Whitewash Resolution, we have relied upon the following general bases as well as others set out in this Letter:

- (a) As at the Latest Practicable Date, the Company had issued and paid up ordinary Share capital of approximately S\$147,289,501.56 comprising of 1,089,507,148 Shares.
- (b) As at Latest Practicable Date, the Company has 6,277,154 Options outstanding, which are exercisable between 13 July 2017 and 13 July 2025 at an Exercise Price of S\$0.03 per Share.

In the event that all the Options are exercised, the Company will issue 6,277,154 Option Shares and the aggregate number of Shares proposed to be issued under the Proposed Rights Issue is up to 3,287,352,906 Rights Shares. We note that the Options are “out-of-the money” as at the Announcement Date and the Latest Practicable Date.

As at the Latest Practicable Date, the Company does not hold any treasury shares and subsidiary holdings and save for the Options, the Company has no existing warrants or other convertibles.

In our evaluation of the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors:

- (i) Rationale, non-underwritten basis and use of proceeds for the Proposed Rights Issue;
- (ii) Historical financial performance and position of the Group;
- (iii) The Rights Shares being offered to Entitled Shareholders on a *pro-rata* basis;
- (iv) Conditionality of the resolutions;
- (v) Assessment of the Issue Price;
- (vi) Potential financial effects of the Proposed Rights Issue;
- (vii) Dilution impact of the Proposed Rights Issue; and
- (viii) such other relevant considerations which may have significant bearing on our assessment.

These factors are discussed in greater in the ensuing sections.

5.1 RATIONALE, NON-UNDERWRITTEN BASIS, AND USE OF PROCEEDS FOR THE PROPOSED RIGHTS ISSUE

The rationale, non-underwritten basis, and use of proceeds for the Proposed Rights Issue have been extracted from Sections 2.1, 2.8 and 2.11 of the Circular respectively and are set out in italics below. We recommend that Recommending Directors advise Independent Shareholders to read these Sections of the Circular carefully. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise stated.

“2.1 Rationale

As at the end of the financial period ended 31 December 2023, the Group’s audited cash and cash equivalents stood at approximately S\$9.932 million, of which S\$9.743 million was maintained in accounts held by the Group with banks and financiers situated in the PRC. Funds flowing out of and into the PRC are firmly regulated as the PRC has adopted a strict system of foreign exchange controls. Accordingly, the Group’s cash within the PRC may not be readily accessible to the Company outside of the PRC.

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While the Group's main operations are based in the PRC, the Company also incurs, periodically and from time to time, operational, administrative and regulatory costs outside of the PRC. These comprise and include directors' fee and professional fees (such as those payable to its external and internal auditors and its legal advisors), as well as annual fees payable to the SGX-ST and the Company's continuing sponsor.

Separately, as at the Latest Practicable Date, there are amounts owing to Mr. Yang Ran, a substantial shareholder and Executive Director of the Company, aggregating approximately S\$5.45 million. The amounts outstanding are unsecured, interest-free and repayable on demand.

The Proposed Rights Issue has been proposed to strengthen and improve the Group's general working capital position (particularly funding accessible to the Group outside of the PRC), so as to enable the Group to meet its ongoing financial commitments. In particular, the additional funding will allow the Group to partially repay the amounts due to Mr. Yang Ran, and to have access to funds to meet its financial commitments outside of the PRC in a timely manner. The partial repayment of the amounts due to Shareholder will also improve the Group's net asset position.

In addition, the Proposed Rights Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to maintain their equity participation in the Company."

"2.8 Non-underwritten basis of the Proposed Rights Issue

The Proposed Rights Issue will not be underwritten. In the reasonable opinion of the Directors, there is no minimum amount which must be raised from the Proposed Rights Issue. After taking into consideration the aforementioned, the Irrevocable Undertaking, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not feasible nor practical for the Proposed Rights Issue to be underwritten by a financial institution."

"2.11 Use of Proceeds

The gross proceeds from the Proposed Rights Issue under the Maximum Scenario and Minimum Scenario are approximately S\$4.931 million and S\$4.903 million, respectively. After taking into consideration estimated expenses of approximately S\$0.2 million, the estimated net proceeds from the Proposed Rights Issue under the Maximum Scenario and Minimum Scenario are expected to be approximately S\$4.731 million and S\$4.703 million, respectively.

The Company intends to use the net proceeds as follows:

Use of net proceeds	Maximum Scenario		Minimum Scenario	
	Amount (S\$ million)	Percentage of net proceeds	Amount (S\$ million)	Percentage of net proceeds
Repayment of amounts due to Shareholder	4.20	88.78	4.20	89.30
General working capital purposes	0.531	11.22	0.503	10.70
Total	4.731	100	4.703	100

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.

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The Company will make periodic announcements on the utilisation of such proceeds, as and when such funds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report, in accordance with the Catalist Rules. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of net proceeds for working capital in its announcement and the annual report.

Where there is any material deviation from the stated use of the net proceeds, the Company will announce the reasons for such deviation."

5.2 HISTORICAL FINANCIAL PERFORMANCE AND POSITION OF THE GROUP

The Group was formerly engaged in advertisements, publishing of magazines, exhibition and events, media publishing and moneylending business.

The Company completed the acquisition of Bacui Elitist Technology Limited and its subsidiaries (collectively, the "**Bacui Group**") on 29 March 2023 at a purchase consideration of approximately S\$0.98 million, which was satisfied by the issuance and allotment of 155,555,555 new Shares (the "**Consideration Shares**") at an issue price of S\$0.0063 for each Consideration Share (the "**Acquisition Issue Price**"). The Bacui Group is engaged in the provision of human resources, labour outsourcing related services, infrastructure management services and food distribution service. The financials of the Bacui Group was consolidated with the Group with effect from 1 April 2023. At the extraordinary general meeting dated 31 July 2023, the Shareholders of the Company had approved, *inter alia*, the change of the Company's name from Arion Entertainment Singapore Limited to Bacui Technologies International Ltd; and the change of core business to that of provision of labour/talent (mainly blue-collar contract workers) to local governments and businesses in the People's Republic of China (the "**PRC**") and elsewhere and related services.

The Group has disposed of its publishing and money lending business in Hong Kong under Fame Harvest Limited and its subsidiary corporations (the "**FHL Group**") for a cash consideration of approximately S\$0.3 million on 27 September 2023. The Group also completed its disposal of its publishing business in Malaysia under Inovatif Media Asia Sdn Bhd ("**IMA**") on 12 October 2023 for a cash consideration of approximately S\$8,700 and the repayment sum of RM750,000 (approximately S\$218,000) owing from IMA to the Company, thus aggregating to S\$226,700.

Shareholders should note that as announced on 5 November 2023, the Company has changed its financial year end from 31 March to 31 December.

Shareholders should note that given the above developments, the historical comparison of the Group's financial performance and position is necessary limited.

The following are extracts from the audited consolidated financial statements of the Group for the financial year ended 31 March 2023 ("**FY2023**") and the financial period nine (9) months ended 31 December 2023 ("**FP2023**"), as well as the unaudited consolidated financial statements of the Group for the financial period ended 30 September 2023 ("**HY2023**") and 30 June 2024 ("**HY2024**").

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Summary of consolidated income statements

Figures in S\$'000 ⁽¹⁾	Unaudited HY2024	Unaudited HY2023	Audited FP2023	Audited FY2023
Revenue	26,401	25,800	39,942	-
Other income ⁽²⁾	174	152	387	1,848
Total expenses ⁽³⁾	(26,154)	(25,955)	(40,345)	(1,097)
Profit / (loss) after income tax from continuing operations	85	(225)	(377)	745
Loss after income tax from discontinued operations	-	(26)	(83)	(310)
Profit / (loss) after tax attributable to owners of the Company	82	(253)	(464)	435

Summary of consolidated statements of financial position

Figures in S\$'000 ⁽¹⁾	Unaudited HY2024	Audited FP2023	Audited FY2023
Non-current assets	272	63	310
Current assets	13,119	13,084	15,364
Non-current liabilities	3	4	6
Current liabilities	10,392	10,238	13,276
Total borrowings	-	-	-
Shareholders' equity	2,888	2,800	2,390
Net current assets ⁽⁴⁾	2,727	2,846	2,088

Summary of consolidated statements of cash flows

Figures in S\$'000 ⁽¹⁾	Unaudited HY2024	Unaudited HY2023	Audited FP2023	Audited FY2023
Net cash flows (used in) / generated from operating activities	(4,093)	471	2,056	(1,586)
Net cash flows (used in) / generated from investing activities	(242)	56	268	9,522
Net cash flows generated from / (used in) financing activities	2,687	(1,613)	(3,035)	727
Net (decrease) / increase in cash and cash equivalents	(1,648)	(1,086)	(711)	8,663
Cash and cash equivalents at end of period/ financial year	8,292	9,583	9,932	10,784

Notes:

- (1) The figures included herein and discrepancies between the listed and total amounts thereof are subject to rounding.
- (2) Other income comprised, inter alia, interest income, reversal of expected credit loss on trade and other receivables, government subsidies, gain on disposal of property, plant and equipment and others.
- (3) Total expenses comprised, inter-alia, materials and consumables, employee compensation, depreciation, rental expenses, professional fees, expected credit loss on trade and other receivables and others.
- (4) Net current assets are defined as current assets less current liabilities.

(i) Financial performance for HY2024 and HY2023

The Group recorded a slight increase in revenue from approximately S\$25.8 million for HY2023 to approximately S\$26.4 million for HY2024, mainly due to a 53.9% increase in revenue from catering outsourcing.

Total expenses for HY2024 comprised employee compensation of approximately S\$22.9 million (HY2023: approximately S\$22.9 million); materials and consumables of approximately S\$2.0 million

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(HY2023: approximately S\$1.9 million); professional fees of approximately S\$0.1 million (HY2023: approximately S\$0.3 million); expected credit loss on trade and other receivables of approximately S\$0.3 million (HY2023: approximately S\$78.0 thousand); rental expenses of approximately S\$90.0 thousand (HY2023: approximately S\$0.2 million), depreciation of approximately S\$24.0 thousand (HY2023: approximately S\$18.0 thousand) and other expenses of approximately S\$0.7 million (HY2023: approximately S\$0.6 million).

We understand from the Directors that:

- (a) The increase in materials and consumables was attributable to the increase in revenue from catering outsourcing.
- (b) The decline in professional fees was due to the fewer corporate actions undertaken by the Company during HY2024.
- (c) The increase in expected credit loss on trade and other receivables corresponded to the increase in trade and contract assets during HY2024.
- (d) The rental expenses declined due to a decrease in the rental of vehicles required for project during HY2024.
- (e) The increase in depreciation was attributable to the purchase of office equipment during HY2024.
- (f) The increase in other expenses was mainly due to higher office expenses incurred during HY2024.

The Group recorded profit attributable to owners of the Company of approximately S\$82.0 thousand for HY2024 as compared to the loss attributable to owners of the Company of approximately S\$0.3 million for HY2023 (inclusive of the loss from the discontinued operations).

(ii) Financial performance for FP2023 and FY2023

The Group recorded revenue of approximately S\$39.9 million for FP2023, as compared to nil for FY2023, mainly due to the contribution from the Bacui Group (which was consolidated with the Group with effect from 1 April 2023).

The reduction in other income from approximately S\$1.8 million for FY2023 to approximately S\$0.4 million for FP2023 was due to a one-off gain on bargain purchase from the acquisition of the Bacui Group as mentioned above.

The overall increase in total expenses from approximately S\$1.1 million for FY2023 to approximately S\$40.3 million for FP2023 was attributable to the acquisition of the Bacui Group as mentioned above.

As a result, the Group recorded a net loss attributable to owners of the Company of approximately S\$0.5 million for FP2023 as compared to a net profit attributable to owners of the Company of approximately S\$0.4 million for FY2023 (which was largely due to a one-off gain on bargain purchase arising from the acquisition of the Bacui Group).

(iii) Assets and liabilities

As at 30 June 2024, the Group's total assets amounted to approximately S\$13.4 million, of which approximately S\$13.1 million is current assets; comprising mainly cash and cash equivalents of approximately S\$8.3 million (of which approximately S\$8.2 million was maintained in accounts held by the Group with banks and financiers situated in the PRC), and trade and other receivables of approximately S\$4.8 million.

The remaining S\$0.3 million of non-current assets, consists of investment in a joint venture; as well as property, plant and equipment of approximately S\$0.2 million and S\$0.1 million respectively.

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As at 30 June 2024, the Group's total liabilities of approximately S\$10.4 million are mostly current, of which amounts due to a Shareholder comprised approximately S\$5.5 million, trade and other payables of approximately S\$3.0 million as well as current income tax liabilities of approximately S\$1.3 million. It is noted that the amounts due to a Shareholder relates to advances from Mr. Yang Ran (the Executive Director and the controlling Shareholder of the Company) for the Group's working capital requirements and the said amounts are unsecured, interest-free, and repayable on demand.

(iv) Net current assets and shareholders' equity

The Group was in net current assets position of approximately S\$2.8 million as at 30 June 2024,

The Shareholders' equity of the Group increased slightly from approximately S\$2.8 million as at 31 December 2023 to approximately S\$2.9 million as at 30 June 2024 due to, *inter alia*, the net profit recorded during HY2024.

(v) Net cash flow from operating activities

The Group recorded net cash outflow from operating activities of approximately S\$4.1 million for HY2024 mainly due to the increase in trade and other receivables and the decline in trade and other payables. It is noted that the Group recorded net cash inflow from financing activities of approximately S\$2.7 million mainly attributable to the increase in amounts due to Shareholder.

For FP2023, the Group registered net cash inflow from operating activities of approximately S\$2.1 million as compared to the net cash outflow from operating activities of approximately S\$1.6 million for FY2023.

(vi) Outlook

In the Group's results announcement for HY2024, the Company stated the following commentary on the significant trends and competitive conditions of the industry in which the Group operates and factors or events that may affect the Group in the next reporting period and the next 12 months:

"The Board and management of the Group remain committed to strengthening our market share through regional expansion and partnerships in order to increase revenue. We will continue to focus our resources to grow our operations in China and are cautiously optimistic on the economy for the next twelve months in view of the slight improvement in the performance of the Group's China operations for HY2024".

The Directors confirmed that:

- (a) to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the audited financial statements for the Group for FP2023, the unaudited financial statements for HY2024, and the Company's announcements on the SGXNET, there have been no material changes to the Group's assets and liabilities, financial position, condition and performance.
- (b) after taking into consideration the Group's internal resources, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Rights Issue will strengthen the financial position and capital base of the Group and provide the Group with the additional funds to partially repay the amounts due to Mr. Yang Ran, and to fund its financial commitments outside of the PRC in a timely manner.

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5.3 THE RIGHTS SHARES BEING OFFERED TO ENTITLED SHAREHOLDERS ON A *PRO-RATA* BASIS

The Proposed Rights Issue is being offered on a *pro-rata* basis, subject to rounding, to all Entitled Shareholders. Entitled Shareholders (including the Undertaking Shareholder) are at liberty to accept or decline their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.

As the Proposed Rights Issue is made on a non-renounceable basis, Entitled Shareholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of the Rights Shares or (b) eligibility to apply for Excess Rights Shares.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in general meeting.

Hence, Independent Shareholders will be entitled to their full *pro-rata* allocation to the Proposed Rights Issue and will not be prejudiced in their subscription of Rights Shares or, where applicable, the allocation of their applications for the Excess Rights Shares. Likewise, the rights of Shareholders' ability to accept or decline their provisional allotment of Rights Shares or apply for Excess Rights Shares is not affected or varied after approval of the Proposed Whitewash Resolution.

We note from Section 2.10 of the Circular that for practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Instructions Booklet (as described in the Circular) and its accompanying documents will not be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and accordingly, the Rights Shares will not be offered to Foreign Shareholders.

5.4 CONDITIONALITY OF THE RESOLUTIONS

As set out in Section 1.3 of the Circular Shareholders should note that:

- (a) the passing of Ordinary Resolution 1 (the Proposed Rights Issue) is conditional upon the passing of Ordinary Resolution 3 (Potential Transfer of Controlling Interest to Xinlong). If Ordinary Resolution 3 (Potential Transfer of Controlling Interest to Xinlong) is not passed at the EGM, Ordinary Resolution 1 will not be carried;
- (b) the passing of Ordinary Resolution 2 (the Proposed Whitewash Resolution) is conditional upon the passing of Ordinary Resolution 1 (the Proposed Rights Issue). If Ordinary Resolution 1 (The Proposed Rights Issue) is not passed at the EGM, Ordinary Resolution 2 will not be tabled; and
- (c) the passing of Ordinary Resolution 3 (Potential Transfer of Controlling Interest to Xinlong) is conditional upon the passing of Ordinary Resolution 1 (The Proposed Rights Issue). If Ordinary Resolution 1 (The Proposed Rights Issue) is not passed at the EGM, Ordinary Resolution 3 will not be tabled.

For the avoidance of doubt, in the event that Ordinary Resolution 2 (the Proposed Whitewash Resolution) is not approved, the Company may still proceed with the Proposed Rights Issue except that the number of Rights Shares to be allotted and issued will be dependent on the level of subscription of the Proposed Rights Issue so as to ensure that that Xinlong will not hold 30.0% or more interest in the Company after the completion of the Proposed Rights Issue. For further information in relation to scaling down of subscription, please refer to Section 2.6 of the Circular.

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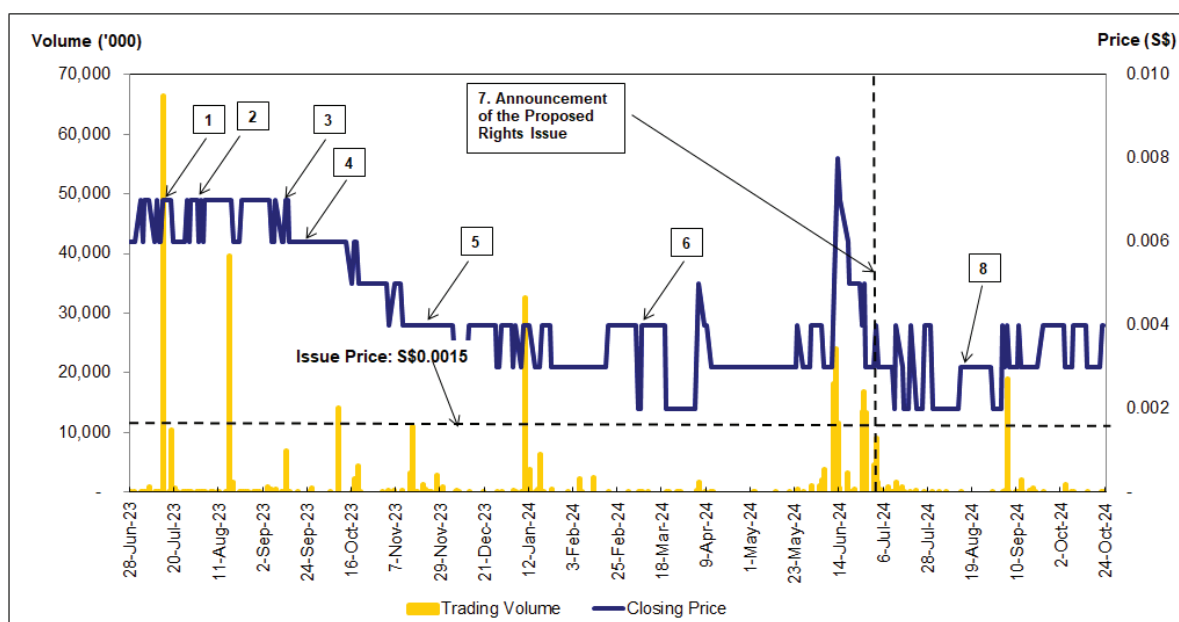
5.5 ASSESSMENT OF THE ISSUE PRICE

In assessing the Issue Price for the Rights Shares, we have considered the historical trading performance of the Shares, the Group’s net assets value (“NAV”) or net tangible assets (“NTA”), and such other salient statistics of selected non-renounceable rights issues by companies listed on the SGX-ST.

(a) Historical trading performance of the Shares

The Announcement was released on 28 June 2024 and the last Trading Day when the Shares were traded prior to the release of the Announcement was 27 June 2024 (the “Last Trading Day”). The trading of the Shares was halted on 28 June 2024.

The historical price and volume charts for the Shares (based on the closing prices together with the number of Shares traded on a daily basis) for the period commencing from 28 June 2023 (being the Market Day 12 months prior to the Last Trading Day) and ending on the Latest Practicable Date is set out below:



Source: www.shareinvestor.com

No.	Date	Announcement
1	13 July 2023	Release of the Company’s Annual Report for FY2023.
2	31 July 2023	Shareholders’ approval obtained at the extraordinary general meeting for, <i>inter alia</i> , change of the Company’s name and change of core business.
3	7 September 2023	Entry into sale and purchase agreement for the disposal of its publishing and money lending business in Hong Kong under the FHL Group. The disposal was completed on 27 September 2023.
4	20 September 2023	Entry into sale and purchase agreement for the disposal of publishing business in Malaysia under IMA. The disposal was completed on 12 October 2023.
5	14 November 2023	Release of the financial results for 6 months period ended 30 September 2023.

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No.	Date	Announcement
6	29 February 2024	Entry into a joint venture agreement between the Company's indirectly owned subsidiary, Foshan Shunde District Human Resources Co., Ltd., and Foshan Talent Development Co., Ltd. for the incorporation of a JV company in the PRC for the purpose of undertaking the business of human resources outsourcing.
7	28 June 2024	Announcement of the Proposed Rights Issue.
8	12 August 2024	Release of the financial results for 6 months period ended 30 June 2024.

For the period commencing from 28 June 2023 and ending on 27 June 2024, being the Last Trading Day prior to the Announcement Date (both dates inclusive), we note that the Shares were traded for 138 Market Days out of a total 250 Market Days (or approximately 55.2%). During the said period, the closing prices for the Shares during the said period were always above the Issue Price.

For the period commencing on the Market Day immediately after the Announcement Date to the Latest Practicable Date, we note that the Shares were traded for 39 Market Days out of a total 83 Market Days (or approximately 47.0%). During the said period, the closing prices of the Shares were always above the Issue Price.

As a general market comparison and observation, the FTSE Straits Times Catalist Index (the "**Catalist Index**") decreased by approximately 19.4% for the period commencing from 28 June 2023 and ending on 27 June 2024, being the Last Trading Day. Thereafter, the Catalist Index declined by approximately 0.1% for the period commencing from the Market Day immediately after the Announcement Date and ending on 24 October 2024, being the Latest Practicable Date. For the same period commencing from 28 June 2023 and ending on 27 June 2024, being the Last Trading Day, the closing price for the Shares declined by approximately 50.0%. Subsequently, the closing price for the Shares increased by approximately 33.3% for the period commencing from the Market Day immediately after the Announcement Date and ending on 24 October 2024, being the Latest Practicable Date. We observed that the Shares appeared to have underperformed the Catalist Index for the 12-month period up to and including the Last Trading Day but outperformed the Catalist Index for the period commencing immediately after the Announcement Date till the Latest Practicable Date.

The above chart and the analysis below are presented for illustrative purposes only, and they are by no means representative of the future trading performance or prices of the Shares.

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The volume-weighted average price (“VWAP”), the highest and lowest transacted prices and the average daily trading volume for the Shares, for the period commencing from 28 June 2023 to the Latest Practicable Date are set out below:

	VWAP per Share (S\$) ⁽¹⁾	Discount of the Issue Price to the VWAP per Share (%)	Lowest transacted price (S\$)	Highest transacted price (S\$)	Average daily trading volume ⁽²⁾	Average daily trading volume as % of free-float ⁽³⁾ (%)
For the period prior to the Announcement Date						
Last 12 months	0.006	75.2%	0.002	0.008	1,342,713	0.26%
Last 6 months	0.005	66.7%	0.002	0.008	1,318,759	0.25%
Last 3 months	0.005	67.3%	0.002	0.008	1,842,143	0.35%
Last 1 month	0.005	67.5%	0.003	0.008	4,983,236	0.96%
Last transacted price on 27 June 2024 (being the Last Trading Day) ⁽⁴⁾	0.003	50.0%	0.003	0.004	13,289,300	2.56%
For the period commencing on the Market Day immediately after the Announcement Date up to the Latest Practicable Date						
Till the Latest Practicable Date	0.004	58.3%	0.002	0.005	538,323	0.10%
Last transacted price on 23 October 2024, being the Trading Day immediately prior to the Latest Practicable Date ⁽⁵⁾	0.004	62.5%	0.004	0.004	10,000	0.002%

Source: www.shareinvestor.com

Notes:

- (1) The VWAP had been computed using the average prices of traded Shares and weighted by the volumes traded for the relevant trading days for each of the periods.
- (2) The average daily trading volume of the Shares is calculated based on the total number of Shares traded during the relevant period divided by the number of Market Days during that period.
- (3) Free float refers to approximately 519,752,953 Shares or approximately 47.7% of the issued Shares held by Shareholders, other than the Directors and the substantial Shareholders (including the Undertaking Shareholder) as at the Latest Practicable Date.
- (4) This represents the last transacted price instead of VWAP for the Shares on 27 June 2024, being the Last Trading Day.
- (5) This represents the last transacted price instead of VWAP for the Shares on 23 October 2024, being the last Trading Day immediately prior to the Latest Practicable Date.

Based on a general observation of the chart above and after taking into account the summary of the transacted prices for the Shares, we note the Issue Price:

- (i) represents a discount of approximately 50.0% from the last transacted price of S\$0.003 per Share for the Shares on the Catalist on 27 June 2024, being the Last Trading Day;
- (ii) represents a discount of approximately 75.2%, 66.7%, 67.3% and 67.5% from the VWAP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively;
- (iii) represents a discount of approximately 58.3% from the VWAP for the Shares for the period commencing from the Market Day immediately after the Announcement Date till the Latest Practicable Date; and

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- (iv) represents a discount of approximately 62.5% from the last transacted price of S\$0.004 per Share on the Catalyst on 23 October 2024, being the Trading Day immediately prior to the Latest Practicable Date.

For illustrative purpose only, based on the number of Shares traded on a daily basis during the period commencing from 28 June 2023 and ending on the Latest Practicable Date, we note that:–

- (i) from 28 June 2023 to 27 June 2024, being the Announcement Date, Shares were traded on 138 Trading Days out of the total 250 Market Days during the period, with the total number of Shares traded being approximately 335.7 million Shares and an average daily trading volume (based on a total of 250 Market Days) of approximately 1.3 million Shares, which represents approximately 0.12% of the issued Share capital as at the Latest Practicable Date or approximately 0.26% of the issued Share capital held by Shareholders other than the Directors and the substantial Shareholders (including the Undertaking Shareholder) as at the Latest Practicable Date.
- (ii) for the period commencing from 1 July 2024, being the Market Day immediately following the Announcement Date till the Latest Practicable Date, Shares were traded on 39 Trading Days out of the total 83 Market Days during the period, with the total number of Shares traded being approximately 44.7 million Shares and an average daily trading volume of approximately 0.5 million Shares, which represents approximately 0.05% of the issued Share capital as at the Latest Practicable Date or approximately 0.10% of the issued Share capital held by Shareholders other than the Directors and the substantial Shareholders (including the Undertaking Shareholder) as at the Latest Practicable Date. We note that the average daily trading volume of Shares as a percentage of the issued Share capital held by Shareholders other than the Directors and the substantial Shareholders (including the Undertaking Shareholder) for the periods prior to and after the Announcement were both relatively low and erratic.
- (iii) We also note that the trading volume for the Shares were exceptionally high (whereby trading volume exceeded 30 million Shares) on the following dates: (1) approximately 66.6 million Shares were traded on 14 July 2023 following the issuance of the notice of extraordinary general meeting for, *inter alia*, the change of name and change of core business on 6 July 2023 and the Company's Annual Report for the financial year ended 31 March 2023 and the Company's notice of annual general meeting on 13 July 2023, (2) approximately 39.6 million Shares were traded on 16 August 2023, and (3) approximately 32.7 million Shares were traded on 10 January 2024. We noted that the Company did not release any announcement immediately prior to the significant trading volume on 16 August 2023 and 10 January 2024.

In the event that the number of traded Shares for the above dates were excluded, the discount implied by the Issue Price from the VWAP for the period 12-month prior to and including the Last Trading Day, would have been lower at approximately 68.9% for the Shares as compared to a discount of 75.2% if such trades were not excluded.

We note that trading for the Shares appear to be relatively erratic and that the number of Shares traded during the 12-month period analyzed prior to and after the Announcement Date is relatively low as compared to the number of issued Shares (excluding treasury Shares) as at the Latest Practicable Date. However, the trading activities for the Shares appear to be relatively active in the context of number of Market Days wherein Shares were traded as it is noted that for the 12-month period prior to the Announcement Date, the Shares were traded on 138 Trading Days out of the 250 Market Days. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller. Whilst historical transacted prices for the Shares may not be a meaningful indicator of its fundamental value in view of the lack of liquidity for the Shares (in terms of number of Shares traded on daily basis), they nonetheless represent the prices for transactions between willing buyer and willing seller.

We also note that the prices for the Shares have increased by approximately 33.3% from the Announcement Date till the Latest Practicable Date and the number of Shares that were traded on a daily basis for the period commencing on the Market Day after the Announcement Date till the Latest Practicable Date is significantly lower as compared to the number of Shares that were traded on a

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daily basis during the 12-month period prior to the Last Trading Day. It is likely that for the period after the Announcement Date, the movements in the prices for the Shares and the significantly lower number of Shares traded on daily basis may have been attributed to or is in anticipation of the Proposed Rights Issue and/or the Irrevocable Undertaking. The relatively weaker performance of the Shares as compared to the Catalyst Index may, *inter alia*, be a reflection of the prospects or demand for the Shares after the Announcement Date.

Recommending Directors should note that there is no assurance that the average number of Shares traded on a daily basis subsequent to the Announcement Date will be maintained or that the transacted prices after the completion of the Proposed Rights Issue (or if the Proposed Rights Issue lapses) will be at the same levels (or the theoretical ex-rights levels) and this may, *inter alia*, due to the fact that economic and market conditions as well as the Group or the Company's financial performance, position and prospects may change or perceived differently.

Recommending Directors should note that past trading performance for the Shares may not be relied upon as an indication or promise or prospects of its trading performance in the future.

(b) Net Asset value (“NAV”) and net tangible asset (“NTA”) analysis of the Group

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

The NTA based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities, minority interest (or non-controlling interests) and intangible assets of the company. The NTA based approach is meaningful as it shows the extent to which the value of each share is backed by tangible assets and would be relevant in the event that the company or the group decides to realise or convert the use of all or most of its assets. The NTA based approach in valuing a company may provide an estimate of the value of a company or a group assuming the hypothetical sale of all its assets (other than intangible assets) in an orderly manner over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, the proceeds of which are used to settle the liabilities, minority interest (or non-controlling interests) and obligation of the company or group, with the balance to be distributed to its shareholders. However, the NTA based approach does not take into account or consideration of the presence of any intangible assets including but not limited to (where applicable) goodwill, trademarks and brand names nor does it take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. It does not illustrate the values of which assets may actually be realised or disposed of.

NAV and NTA of the Group

In assessing the Issue Price, in relation to the NAV and NTA per Share of the Group as at 30 June 2024, we have reviewed the unaudited consolidated statement of financial position of the Group as at 30 June 2024 to determine whether there are any assets that are of an intangible nature and as such would not appear in a valuation based on the NTA approach, but would be included in the NAV approach. Save as disclosed in the unaudited balance sheet of the Group as at 30 June 2024 as well as the Circular, the Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible

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assets or tangible assets which ought to be disclosed in such unaudited statement of financial position as at 30 June 2024 in accordance with Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Group as at Latest Practicable Date.

The Directors have also confirmed that as at the Latest Practicable Date, there were, *inter alia*, no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Group as at 30 June 2024, save as disclosed in the unaudited financial statements of the Group as at 30 June 2024 and the Circular. In addition, the Directors are of the opinion that save as disclosed in the Circular, the values of the assets (other than those for which valuation has been conducted, where applicable), and liabilities as well as financial performance or condition of the Group as disclosed and reflected in the unaudited financial statements of the Group as at 30 June 2024 are true and fair. Lastly, the Directors confirmed that, to the best of their knowledge or belief, such information is true, complete and accurate in all respects and that there is no other information or fact, the omission of which would render those statements or information, including our references, as well as analysis of such information to be untrue, inaccurate or incomplete or misleading in any respect.

Unaudited Consolidated Statements of Financial Position for the Group as at 30 June 2024 ⁽¹⁾	S\$'000
<u>Non-current assets</u>	
Property, plant and equipment	98
Investment in a joint venture	174
	272
<u>Current assets</u>	
Trade and other receivables	4,790
Other current assets	37
Cash and cash equivalents	8,292
	13,119
<u>Non-current liabilities</u>	
Lease liabilities	3
	3
<u>Current liabilities</u>	
Trade and other payables	2,952
Contract liabilities	649
Amount due to shareholder	5,451
Lease liabilities	2
Current income tax liabilities	1,338
	10,392
NAV including non-controlling interests as at 30 June 2024	2,996
Non-controlling interests	(108)
NAV attributable to equity holders of the Company as at 30 June 2024	2,888
Less: Intangible asset	-
NTA attributable to equity holders of the Company as at 30 June 2024	2,888
NAV and/or NTA per Share (S\$)⁽²⁾	0.0027
Issue Price (S\$)	0.0015
Discount of the Issue Price from the Group's NAV and/or NTA per Share (S\$)⁽²⁾	(43.4)%

Notes:

(1) The figures above are based on the Group's unaudited financial statements for HY2024. Figures and computations above are subject to rounding.

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(2) *Figures are computed based on the Company's Existing Issued Share Capital of 1,089,507,148 Shares as at the Latest Practicable Date.*

From the above table, we note that the Group had NAV and/or NTA attributable to equity holders of the Company is approximately S\$2.9 million (excluding non-controlling interests) based on the unaudited consolidated financial statements as at 30 June 2024 or approximately S\$0.0027 per Share (based on the Company's Existing Issued Share Capital as at the Latest Practicable Date). The Issue Price of S\$0.0015 represents a discount of approximately 43.4% from the Group's NAV and/or NTA per Share as at 30 June 2024.

Adjusted NAV and NTA

We have also considered the following scenarios:

- (i) **Minimum Scenario ("Minimum Scenario")** – This scenario is based on the Existing Issued Share Capital, and assumes that none the Options are exercised, and after taking into account the Irrevocable Undertaking. The Company will allot and issue 3,268,521,444 Rights Shares under the Proposed Rights Issue.
- (ii) **Maximum Scenario ("Maximum Scenario")** – This scenario is based on the Existing Issued Share Capital, and assumes that all of the Options are exercised in full and the Option Shares are allotted and issued on or prior to the Books Closure Date, and after taking into account the Irrevocable Undertaking. The Company will allot and issue 3,287,352,906 Rights Shares under the Proposed Rights Issue.

The table below presents the Group's NAV and/or NTA adjusted with the effects of the Proposed Rights Issue under the two scenarios (the "**Adjusted NAV**" and the "**Adjusted NTA**" respectively) and the respective discounts represented by the Issue Price from the Adjusted NAV and/or NTA:

Adjusted NAV and/or Adjusted NTA ⁽¹⁾	Minimum Scenario	Maximum Scenario
NAV and/or NTA as at 30 June 2024	2,888	2,888
Add: Net Proceeds from the Proposed Rights Issue (S\$'000)	4,703	4,731
Add: Net proceeds from exercise of the Options	-	188
Adjusted NAV and/or NTA (S\$'000)	7,591	7,807
Number of Shares after issuance of the Right Shares and the Option Shares (where applicable)	4,358,028,592	4,383,137,208
Adjusted NAV and/or NTA per Share (S\$)⁽²⁾	0.0017	0.0018
Discount of the Issue Price from the Group's Adjusted NAV and/or NTA per Share (S\$)	(13.9)%	(15.8)%
TERP⁽³⁾	0.0019	0.0019
Premium of the TERP over the Group's Adjusted NAV and/or NTA per Share (S\$)	7.6%	5.3%

Notes:

- (1) *The figures above are based on the Group's unaudited financial statements for HY2024. Figures and computations above are subject to rounding.*
- (2) *Figures are computed based on the Company's enlarged Issued Share Capital of 4,358,028,592 Shares and 4,383,137,208 Shares for the Minimum Scenario and the Maximum Scenario, respectively.*
- (3) *Based on the TERP of S\$0.0019 per Share.*

From the table above and for illustrative purposes only, we note that the Issue Price represents:

- (i) a discount of approximately 13.9% from the Adjusted NAV and/or NTA per Share (after the Proposed Rights Issue and assuming none of the Options are exercised) under the Minimum Scenario; and

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- (ii) a discount of approximately 15.8% from the Adjusted NAV and/or NTA per Share (after the Proposed Rights Issue and assuming all of the Options are exercised) under the Maximum Scenario.

We note that as the Proposed Rights Issue allows all Entitled Shareholders to participate in accordance to their shareholdings, the discount of the Issue Price from the Group's Adjusted NAV and/or Adjusted NTA per Share after completion of the Proposed Rights Issue is similar for all Entitled Shareholders and therefore, Independent Shareholders are not prejudiced. In addition, we note that the TERP are at premiums of approximately 7.6% and 5.3% over the Adjusted NAV and/or NTA under the Minimum and Maximum Scenarios respectively.

The above computations and analysis are meant as an illustration and it does not necessarily mean or imply that the net realisable value of the Group is as stated above. It also does not imply that the assets or properties of the Group can be disposed of at the estimated values indicated above and that after payment of all liabilities and obligations, the values or amounts as indicated is realisable or distributable to Shareholders.

It should be noted that the NTA basis of valuation provides an estimate of the value of a hypothetical sale of all its tangible assets over a reasonable period of time and is only relevant in the event that the Group decides to change the nature of its business or to release or convert the use for all its assets. The NTA basis of valuation, however, does not necessarily reflect the value of the Group as a going concern, nor can it capture or illustrate any value for the Group's goodwill or branding. In addition, it does not illustrate the values at which the assets may actually be realized or disposed.

(c) Statistics of Selected Non-Renounceable Rights Issues of Shares

In assessing the Issue Price, we have reviewed the salient statistics of selected completed precedent rights issues of shares announced by companies listed on the SGX-ST (whether Catalist or Mainboard) from January 2019 to the Latest Practicable Date where the rights issues are non-renounceable (the "**Selected Non-Renounceable Rights Issues**").

Our comparisons are based on the then existing issued and paid-up share capital of the relevant companies as at the date of announcement and does not take into account any potential issuance of shares arising from the exercise or conversion of any warrants or options or other convertible securities. The details are listed below:

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Company	Announcement date	Terms of Rights Issue	Issue price (S\$)	TERP (S\$) ⁽¹⁾	Discount to TERP (%) ⁽¹⁾	Last trading price prior to announcement (S\$)	Discount to last trading price prior to announcement (%)	Gross proceeds to market capitalization (%)
Alpha Energy Holdings Limited ⁽²⁾	26-Jun-19	2 for 1	0.0140	0.0273	48.8%	0.054	74.1	51.9
Courage Investment Group Limited ("CIGL")	24-Jul-20	1 for 1	0.0230	0.0230	0.0%	0.023	0.0%	100.0
Addvalue Technologies Ltd	29-Nov-20	1 for 3	0.0225	0.0236	4.8%	0.024	6.3	31.3
Valuemax Group Limited	09-Apr-21	1 for 5	0.3600	0.3865	6.9%	0.392	8.1%	18.4
Asiatic Group ⁽²⁾ (Holdings) Limited ("AGL")	31-Mar-23	13 for 10	0.0027	0.0028	4.6%	0.003	10.0%	117.0
Soilbuild Construction Group Ltd	28-Apr-23	1 for 4	0.0380	0.0410	7.2%	0.042	8.9%	22.8
The Trendlines Group Ltd. ⁽²⁾	26-Mar-24	1 for 14	0.0600	0.0760	21.1%	0.083	27.7%	5.2
Maximum					48.8%		74.1%	117.0
Minimum					0.0%		0.0%	5.2
Median (excluding outlier)					7.0% ⁽³⁾		9.4% ⁽³⁾	27.0
Simple Average (excluding outlier)					15.5% ⁽³⁾		22.5% ⁽³⁾	41.1
The Group	28-Jun-24	3 for 1	0.0015	0.0019	21.1%	0.003	50.0%	150.0

Source: SGX-ST announcements, offer information statements and circulars to shareholders in relation to the respective transactions listed above.

Notes:

- (1) TERP is calculated based on the share price on the last trading day immediately prior to the date of announcement of the respective Selected Rights Issue and the number of Shares following completion of the Selected Rights Issue but prior to exercise of any options.
- (2) These are companies listed on the Catalist.
- (3) CIGL's shares are listed on both the Hong Kong Stock Exchange and the SGX-ST. The rights issue for CIGL was priced in HK\$. We note from the announcement by CIGL dated 24 July 2020 that based on the prices quoted on the Hong Kong Stock Exchange, the issue price represents a discount of approximately 32.6% and 20.7% from the last closing price prior to the announcement and the TERP respectively.

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For illustrative purpose only, we noted the following from the above table:

- (i) The issue size for the Proposed Rights Issue (in terms of ratio of number of Rights Shares to the existing Shares) is higher than any of the Selected Non-Renounceable Rights Issues. The gross proceeds of approximately up to S\$4.9 million based on the Irrevocable Undertaking from the Undertaking Shareholder is substantial as compared to the Company's market capitalization of approximately S\$3.3 million as at the Last Trading Day. In fact, we note that all the Selected Non-Renounceable Rights Issues (save for CIGL and AGL) had proposed to raise gross proceeds which are smaller than their respective market capitalization as at the relevant announcement dates.
- (ii) The discount of approximately 21.1% as implied by the Issue Price from the TERP is within the range, and higher than the median and the simple average for the Selected Non-Renounceable Rights Issues. It is comparable and reasonable given the size of the Proposed Rights Issue.
- (iii) The discount of approximately 50.0% as implied by the Issue Price to the last transacted price for Shares on the Last Trading Day is within the range, and higher than the median and the simple average for the Selected Non-Renounceable Rights Issues. It is comparable and reasonable given the size of the Proposed Rights Issue.

In summary, the discount implied by the Issue Price from the TERP and the last transacted price for Shares on the Last Trading Day, is fairly comparable with the Selected Non-Renounceable Rights Issues considering the fact that the issue size for the Proposed Rights Issue (in terms of both the ratio of number of Rights Shares to the existing number of Shares, and the gross proceeds to be raised as a percentage of market capitalization) is higher than any of the Selected Non-Renounceable Rights Issues.

The above comparison should also be assessed in conjunction with the following:

- (i) The Proposed Rights Issue is being offered on a *pro-rata* basis to all Entitled Shareholders (including the Undertaking Shareholder) on the same terms and conditions (including, *inter alia*, the pricing). In the event that all Entitled Shareholders (including the Undertaking Shareholder) subscribe validly for their full respective entitlements, the Undertaking Shareholder will not be allocated any additional Rights Shares save for its own entitlements;
- (ii) Entitled Shareholders (including the Undertaking Shareholder) are at liberty to accept or decline their provisional allotment of Rights Shares and will be able to apply for additional Rights Shares in excess of their provisional allotment. In the event that the number of Rights Shares validly subscribed for is less than the number of Rights Shares available, and Entitled Shareholders (other than the Undertaking Shareholder and its concert parties, Directors, and substantial Shareholders) apply for such number of Excess Rights Shares to satisfy the deficit in subscriptions based on their provisional allotments, they will (subject to provisions for scaling down to avoid placing a shareholder in a position to make a general offer and/or a transfer of controlling interests (the "**Scaling Down Provisions**")) rank ahead of the Undertaking Shareholder and its concert parties, Directors, and substantial Shareholders, in terms of allocation of such number of Rights Shares which are available for excess applications. Accordingly, the Undertaking Shareholder may only be allotted additional Rights Shares pursuant to the Irrevocable Undertaking and its excess applications only in the event that the aggregate number of Rights Shares subject to the Scaling Down Provisions, that Entitled Shareholders subscribed for pursuant to their provisional allotments and applications from Entitled Shareholders (other than the Undertaking Shareholder and its concert parties, Directors, and substantial Shareholders) for excess Rights Shares is less than the total number of Rights Shares available;
- (iii) The non-renounceable feature of the Proposed Rights Issue applies to all Shareholders (including the Undertaking Shareholder and its concert parties). As the Proposed Rights Issue is made on a non-renounceable basis, Entitled Shareholders (including the Undertaking Shareholder) are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of the Rights Shares or (b) eligibility to apply for

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Excess Rights Shares. Thus, the possibility and ability of any and every Entitled Shareholders (including the Undertaking Shareholder) to increase their shareholdings interests in the enlarged Share capital of the Company is via applications for Excess Rights Shares wherein SGX Rules for allocation of excess Rights Shares provides that preference be given to Shareholders for the rounding of odd lots, whereas the Directors, and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board will rank last;

- (iv) The Irrevocable Undertaking provides assurances that the Proposed Rights Issue will be fully subscribed in the event that Entitled Shareholders (other than the Undertaking Shareholder) do not take up their provisional allotments of Rights Shares fully or do not apply for such number of Excess Rights Shares which are not subscribed for by Entitled Shareholders (other than the Undertaking Shareholder) pursuant to their provisional allotments; and
- (v) The underlying transaction for which the Proposed Whitewash Resolution is sought, is a rights issue whereby it is generally accepted that the pricing for such rights issue would generally be at discount.

As the Exercise Price for each Option Share is S\$0.03, the theoretical ex-rights price for holders of the Option holders who are eligible to exercise will be approximately S\$0.0086, higher than the TERP, and are substantial premium of 475.0% over the Issue Price.

We wish to highlight that any inference made from the discount as implied by the issue prices of the Selected Non-Renounceable Rights Issues may not be heavily relied upon in making any comparisons with the premium and/or discount implied by the Issue Price and are included for illustrative purposes only as the circumstances, terms and basis for the Selected Non-Renounceable Rights Issues may be different from the Proposed Rights Issue in terms of, *inter-alia*, market conditions then prevailing and the type of industries that the issuers for the Selected Non-Renounceable Rights Issues may operate in. Accordingly, no comparative analysis for, *inter-alia*, premium/discount of the relevant issue price or theoretical ex-rights price over/from the NAV and/or NTA or earnings per share (or such other trading statistics) has been provided.

The above table(s) which are by no means representative of the market, capture only the premium over/ discount to the issue price for the rights shares *vis-à-vis* the market share price for the Selected Non-Renounceable Rights Issues and does not highlight the bases other than market price in determining an appropriate level of discount to be set in a rights issue in order to induce shareholders to subscribe for the rights shares. Moreover, as the Company may not be directly comparable to the companies under the Selected Non-Renounceable Rights Issues in terms of the basis for the rights issue of shares, size, market capitalization, volume of shares traded, business activities, cash flow requirement, track record and prospects, financial position and performance, and relevant trading statistics, the above comparison merely serves as an illustration.

We have not considered the requirement of the relevant companies to raise equity capital, or its financial position or performance or prospects. Furthermore, from a general observation of the tables above, the amount of discounts implied in rights issues (if any) may be affected or influenced by, *inter alia*, factors such as the financial condition and performance of the companies listed under the Selected Non-Renounceable Rights Issues, share price, the equity capital markets condition, the relative demand and supply conditions for the shares, the general economic conditions and other prevailing conditions at or about the time of the rights issue.

We advise Recommending Directors to note that the business activities, size of operations, risk profile, geographical spread, operating and financial leverage, market capitalization, composition of business activities, cash flow requirement, track record, future prospects and other relevant criteria of each of the selected companies above are not identical to the Group and/or the Company. Accordingly, any inference that can be drawn from the comparison of the relevant discount to last trading price prior to the announcement and the theoretical ex-rights price may not be directly comparable to the Proposed Rights Issue and should not be conclusively relied upon.

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5.6 POTENTIAL FINANCIAL EFFECTS OF THE PROPOSED RIGHTS ISSUE

The pro-forma financial effects of the Proposed Rights Issue and its underlying assumptions are set out in Section 2.15 of the Circular. We recommend that Independent Shareholders read those pages of the Circular carefully and in its entirety.

We note that the potential financial effects of the Proposed Rights Issue under the Minimum and Maximum Scenarios are:

(i) Issued Share capital of the Company

The Proposed Rights Issue, if fully subscribed, will result in an increase in the number of issued Shares from 1,089,507,148 Shares to 4,358,028,592 Shares (under the Minimum Scenario) and 4,383,137,208 Shares (under the Maximum Scenario). Therefore, the issued Share capital of the Company will be strengthened and increased by the Net Proceeds raised from the Proposed Rights Issue.

(ii) NTA per Share

The potential financial effect of the Proposed Rights Issue is unfavourable for the Group's NTA per Share as the Issue Price is at a discount to the Group's NTA as at 31 December 2023. Accordingly, the Group's NTA per Share would decrease from approximately 0.26 cents as at 31 December 2023 to approximately 0.17 cents (under the Minimum Scenario) and 0.18 cents (under the Maximum Scenario) upon completion of the Proposed Rights Issue. Notwithstanding, we note that the Proposed Rights Issue is on a *pro-rata* basis and at the same Issue Price for all Entitled Shareholders.

(iii) Loss per Share ("LPS")

The potential financial effect of the Proposed Rights Issue is favourable for the Group's loss per Share ("LPS") as the Group's LPS for FP2023 would be reduced from approximately 0.04 cents to approximately 0.02 cents after the issuance of the Rights Shares upon completion of the Proposed Rights Issue (under both the Minimum and Maximum Scenarios).

(iv) Gearing and Shareholders' equity

The Group had no borrowings as at 31 December 2023.

The shareholders' equity of the Group would be increased and strengthened from approximately S\$2.8 million as at 31 December 2023 to approximately S\$7.5 million (under the Minimum Scenario) and S\$7.7 million (under the Maximum Scenario) after completion of the Proposed Rights Issue. Notwithstanding, we note that approximately S\$4.20 million out of the total outstanding amounts due to Mr. Yang Ran as at the Latest Practicable Date of approximately S\$5.45 million would be repaid, and the Group will have additional net cash proceeds of approximately S\$0.50 million (under the Minimum Scenario) and S\$0.53 million (under the Maximum Scenario) to finance its general working capital requirements.

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5.7 DILUTION IMPACT OF THE PROPOSED RIGHTS ISSUE

In evaluating the dilution impact of the Proposed Rights Issue on the Independent Shareholders, we have considered both the Minimum and Maximum Scenarios and assumed that (a) the Undertaking Shareholder subscribes for its *pro-rata* entitlement of the Rights Shares and makes excess application(s) to take up any and all Excess Rights Shares pursuant to the Irrevocable Undertaking; and (b) no other Independent Shareholders take up their *pro-rata* entitlements and/or apply for any Excess Rights Shares under the Proposed Rights Issue. These are shown below under the headings Minimum Scenario Takeover Scenario I and Maximum Scenario Takeover Scenario II respectively.

In addition, we have also considered both the Minimum and Maximum Scenarios and assumed that (a) if Independent Shareholder(s) (other than the Undertaking Shareholder) elect to partially apply for an aggregate 2,116,668,421 (or 2,134,244,453) Rights Shares under the Minimum Scenario (or Maximum Scenario), comprising (i) their respective *pro-rata* entitlement of the Rights Shares; and/or (ii) Excess Rights Shares (being Takeover Scenario III under the Minimum Scenario or Takeover Scenario IV under the Maximum Scenario); and (b) the Undertaking Shareholder subscribes for its *pro-rata* entitlement of the Rights Shares and makes such number of excess application(s) to take up the balance of any Excess Rights Shares which are not subscribed for or applied for pursuant to the Irrevocable Undertaking. These are shown below under the headings Minimum Scenario Takeover Scenario III and Maximum Scenario Takeover Scenario IV respectively.

	As at the Latest Practicable Date ⁽¹⁾		Minimum Scenario Takeover Scenario I ⁽²⁾		Maximum Scenario Takeover Scenario II ⁽³⁾	
	Total interests	%	Total interests	%	Total interests	%
Undertaking Shareholder						
Xinlong ⁽⁴⁾	155,555,555	14.28	3,424,076,999	78.57	3,442,908,461	78.55
Directors						
Yeo Kan Yen	-	0.00	-	0.00	-	0.00
Yang Ran ⁽⁴⁾	155,555,555	14.28	3,424,076,999	78.57	3,442,908,461	78.55
Yang Li ⁽⁴⁾	155,555,555	14.28	3,424,076,999	78.57	3,442,908,461	78.55
Heng Victor Ja Wei	-	0.00	-	0.00	-	0.00
Prof. Peng Lei Qing	-	0.00	-	0.00	-	0.00
Independent Shareholders	933,951,593	85.72	933,951,593	21.43	933,951,593	21.31
TOTAL	1,089,507,148	100.00	4,358,028,592	100.00	4,383,137,208	100.00

	As at the Latest Practicable Date ⁽¹⁾		Minimum Scenario Takeover Scenario III ⁽⁵⁾		Maximum Scenario Takeover Scenario IV ⁽⁶⁾	
	Total interests	%	Total interests	%	Total interests	%
Undertaking Shareholder						
Xinlong ⁽⁴⁾	155,555,555	14.28	1,307,408,578	30.00	1,314,941,162	30.00
Directors						
Yeo Kan Yen	-	0.00	-	0.00	-	0.00
Yang Ran ⁽⁴⁾	155,555,555	14.28	1,307,408,578	30.00	1,314,941,162	30.00
Yang Li	-	0.00	-	0.00	-	0.00
Heng Victor Ja Wei	-	0.00	-	0.00	-	0.00
Prof. Peng Lei Qing	-	0.00	-	0.00	-	0.00
Independent Shareholders	933,951,593	85.72	3,050,620,014	70.00	3,068,196,046	70.00
TOTAL	1,089,507,148	100.00	4,358,028,592	100.00	4,383,137,208	100.00

Notes:

(1) Calculated based on the Company's Existing Issued Share Capital comprising 1,089,507,148 Shares as at the Latest Practicable Date.

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- (2) *Calculated based on the enlarged issued Share capital comprising 4,358,028,592 Shares assuming the Minimum Scenario and that (a) the Undertaking Shareholder subscribes for its pro-rata entitlement of the Rights Shares and makes excess application(s) to take up any and all Excess Rights Shares pursuant to the Irrevocable Undertaking; and (b) no other Independent Shareholders take up their pro-rata entitlements and/or apply for any Excess Rights Shares under the Proposed Rights Issue.*
- (3) *Calculated based on the enlarged issued Share capital comprising 4,383,137,208 Shares assuming the Maximum Scenario, and that (a) the Undertaking Shareholder subscribes for its pro-rata entitlement of the Rights Shares and makes excess application(s) to take up any and all Excess Rights Shares pursuant to the Irrevocable Undertaking; and (b) no other Independent Shareholders take up their pro-rata entitlements and/or apply for any Excess Rights Shares under the Proposed Rights Issue.*
- (4) *Yang Ran is deemed interested in the 155,555,555 Shares currently held by Xinlong and such other Shares which may be allotted pursuant to the Proposed Rights Issue and the Irrevocable Undertaking by virtue of Section 7 of the Companies Act.*
- (5) *Calculated based on the enlarged issued Share capital comprising 4,358,028,592 Shares assuming the Minimum Scenario and that (a) the Undertaking Shareholder subscribes for its pro-rata entitlement of the Rights Shares and makes such excess application(s) to take up such number of Excess Rights Shares pursuant to the Irrevocable Undertaking such that 1,151,853,023 Rights Shares are allocated to it; and (b) Independent Shareholders take up partially their pro-rata entitlements and/or apply for such number of Excess Rights Shares under the Proposed Rights Issue such that 2,116,668,421 Rights Shares are allocated to them.*
- (6) *Calculated based on the enlarged issued Share capital comprising 4,383,137,208 Shares assuming the Maximum Scenario and that (a) the Undertaking Shareholder subscribes for its pro-rata entitlement of the Rights Shares and makes such excess application(s) to take up such number of Excess Rights Shares pursuant to the Irrevocable Undertaking such that 1,159,385,607 Rights Shares are allocated to it; and (b) Independent Shareholders take up partially their pro-rata entitlements and/or apply for such number of Excess Rights Shares under the Proposed Rights Issue such that 2,134,244,453 Rights Shares are allocated to them.*

Based on the table, we note the following:

- (i) The Undertaking Shareholder's shareholding interest in the Company will increase significantly from approximately 14.28% to approximately 78.57% and 78.55% under the Minimum Scenario Takeover Scenario I and the Maximum Scenario Takeover Scenario II respectively after the completion of the Proposed Rights Issue.
- (ii) The Independent Shareholders will have their aggregate percentage shareholding interest in the Company reduced significantly from approximately 85.72% to approximately 21.43% and 21.31% under the Minimum Scenario Takeover Scenario I and the Maximum Scenario Takeover Scenario II respectively after the completion of the Proposed Rights Issue.
- (iii) Minimum Scenario Takeover Scenario III (or Maximum Scenario Takeover Scenario IV) shows the resultant shareholding wherein if Independent Shareholder(s) (other than the Undertaking Shareholder) elect to partially apply for such aggregate number of Rights Shares under the Minimum Scenario (or Maximum Scenario), comprising (i) their respective *pro-rata* entitlement of the Rights Shares; and/or (ii) Excess Rights Shares (being Takeover Scenario III under the Minimum Scenario or Takeover Scenario IV under the Maximum Scenario); and (b) the Undertaking Shareholder subscribes for its *pro-rata* entitlement of the Rights Shares and makes such number of excess application(s) to take up the balance of any Excess Rights Shares which are not subscribed for or applied for pursuant to the Irrevocable Undertaking, such that the resultant shareholdings of Independent Shareholder(s) (other than the Undertaking Shareholder) and the Undertaking Shareholder is approximately 70.0% and 30.0% of the enlarged Share capital after the Proposed Rights Issue respectively.

Furthermore, in the event that (a) the existing substantial Shareholders (other than the Undertaking Shareholder), being Dong Ling Electrical Group Co., Ltd. ("**Dong Ling**") and Landford Holding Pte. Ltd. ("**Landford**") who holds 193,799,000 and 220,400,000 Shares as at the Latest Practicable Date representing approximately 17.79% and 20.23% of the Existing Issue Share Capital respectively subscribe for their provisional allotment of the Proposed Rights Issue; (b) Independent Shareholder(s) (other than the Undertaking Shareholder and the other two substantial Shareholders described above) do not subscribe for their provisional allotments of Rights Shares or apply for Excess Rights Shares; and (c) the Undertaking Shareholder subscribes for its *pro-rata* entitlement of the Rights Shares and makes such number of excess application(s) to take up the balance of any Excess Rights Shares which are not subscribed for or applied for pursuant to the Irrevocable Undertaking, the resultant percentage shareholding interests in the enlarged Share capital of the Company after the

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Rights Issue for Dong Ling and Landford will be approximately 17.79% and 20.23% respectively for the Minimum Scenario (or approximately 17.69% and 20.11% respectively for the Maximum Scenario), the Undertaking Shareholder percentage interests will increase significantly to approximately 50.06% for the Minimum Scenario (or approximately 50.34% for the Maximum Scenario) and Independent Shareholders (other than Dong Ling, Landford and the Undertaking Shareholder) will decrease significantly to approximately 11.93% for the Minimum Scenario (or approximately 11.86% for the Maximum Scenario).

Whilst the percentage of the Shareholding interests in the enlarged Share Capital after the Proposed Rights Issue for the Undertaking Shareholder had increased significantly from approximately 14.28% to slightly above 50%, and those for Dong Ling and Landford have been maintained for the Minimum Scenario (with slight declines under the Maximum Scenario), the shareholding percentage of Independent Shareholder(s) (other than the Undertaking Shareholder, Dong Ling and Landford) after the Proposed Rights Issue will decline significantly.

Consequently, under the Minimum and Maximum Scenarios, after completion of the Proposed Rights Issue and assuming that (a) the Undertaking Shareholder subscribes for its *pro-rata* entitlement of the Rights Shares and makes excess application(s) to take up any and all Excess Rights Shares pursuant to the Irrevocable Undertaking; and (b) no other Independent Shareholders take up their *pro-rata* entitlements and/or apply for any Excess Rights Shares under the Proposed Rights Issue, the Undertaking Shareholder will be in a position to exercise super majority control of the Company. Super majority control will put the Undertaking Shareholder and its concert parties in a position to be able to pass all special and ordinary resolutions on matters in which the Undertaking Shareholder and its associates do not have an interest in and which are tabled for Shareholders' approval at general meetings to be convened by the Company. Accordingly, the ability of the Independent Shareholders to vote and veto resolutions (with approvals of at least 75%) and influence the outcome of such resolutions are significantly reduced.

We note that the Proposed Rights Issue will not result in any dilution impact on the Independent Shareholders' percentage shareholdings in the Company in the event that all Entitled Shareholders subscribe in full for their respective Rights Shares entitlements under the Proposed Rights Issue. In this regard, the dilution impact or a reduction in the percentage of shareholding interest will only occur for Independent Shareholders who do not subscribe in full their respective Rights Shares entitlement under the Proposed Rights Issue.

However, the percentage shareholding interest of the Undertaking Shareholder and its concert parties in the Company, will increase and consequently, the Independent Shareholders' percentage of aggregate shareholding interest in the Company will be reduced in the event that none or an insufficient number of Independent Shareholders (other than the Undertaking Shareholder and its concert parties), subscribe in full for their respective Rights Shares entitlement under the Proposed Rights Issue.

We note that as disclosed in the Circular, save for Mr. Yang Ran and Mr. Yang Li, none of the Directors nor, to the best of the Directors' knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the Proposed Rights Issue other than through their respective shareholding interests, direct and/or indirect, in the Company (if any).

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6. OTHER CONSIDERATIONS IN RELATION TO THE PROPOSED WHITEWASH RESOLUTION

The following factors should also be considered together with the other comments and issues raised in this Letter and the contents of the Circular.

6.1 OBLIGATIONS OF THE UNDERTAKING SHAREHOLDER TO MAKE MANDATORY GENERAL OFFER

As set out in Section 3.2 of the Circular, as at the Latest Practicable Date, the Undertaking Shareholder, Xinlong, directly holds 155,555,555 Shares representing approximately 14.28% of the Existing Issued Share Capital and is not holding to any instrument convertible into, right to subscribe for, or option in respect of the Shares in the Company.

Pursuant to the terms of the Irrevocable Undertaking, Xinlong will, *inter alia*, subscribe for and/or procure the subscription of its *pro-rata* entitlement to the Rights Shares and make excess application(s) to effectively take up any and all Rights Shares which are not validly subscribed and/or applied for at the close of the Proposed Rights Issue.

Depending on the level of subscription by the Entitled Shareholders, Xinlong and parties acting in concert with it may incur an obligation under Rule 14.1 of the Code to undertake a general offer for all the Shares not already owned or controlled by them as a result of the Proposed Rights Issue.

We note from Section 3.3 of the Circular that the subscription of Rights Shares by Xinlong pursuant to the Irrevocable Undertaking may cause Xinlong's holding of the Shares to increase from approximately 14.28% of the Existing Issued Share Capital to 30.0% or more of the enlarged issued Share capital of the Company. Accordingly, the fulfilment of the obligations under the Irrevocable Undertaking by Xinlong may result in Xinlong incurring an obligation to make a mandatory general offer for all the Shares not already owned or controlled by Xinlong and its concert parties pursuant to Rule 14.1 of the Code unless such obligation is waived by the SIC on such terms and conditions as it may impose.

In view of the above, an application was made, on behalf of the Company and Xinlong to the SIC for the Whitewash Waiver.

Further, we note from Section 3.5 of the Circular that, on 10 October 2024, the SIC had granted Xinlong a waiver of the requirement to make a mandatory general offer for all the Shares not already owned or controlled by Xinlong and its concert parties under Rule 14 of the Code as a result of the Proposed Rights Issue, subject to the satisfaction of the SIC Conditions.

Independent Shareholders should note that:

- (a) by voting in favour of the Proposed Whitewash Resolution, Independent Shareholders are waiving their rights to receive a mandatory general offer from the Undertaking Shareholder and parties acting in concert with it at the highest price paid by them for the Shares in the past six months preceding the Announcement Date;**
- (b) the completion of the Proposed Rights Issue may result in Xinlong holding Shares carrying more than 49.0% of the voting rights in the Company, and henceforth be free to acquire further Shares without incurring any obligation under Rule 14.1 of the Code to make a general offer for Shares not already owned or controlled by Xinlong and its concert parties; and**
- (c) having approved the Proposed Whitewash Resolution, Independent Shareholders could be forgoing the opportunity to receive a mandatory general offer from another person who may be discouraged from making a mandatory general offer in view of the potential dilution effect of the Proposed Rights Issue.**

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6.2 POTENTIAL TAKEOVER OFFER FROM A THIRD PARTY

Independent Shareholders should note that in the event the Proposed Whitewash Resolution is approved, after the completion of the Proposed Rights Issue, the Undertaking Shareholder and its concert parties would have an interest of more than 50% in the Company. In such a scenario, the Company will be in a relatively less favourable position, in the context of interest from potential parties seeking control for the Company or who may have intentions to acquire a significant interest or control of the Company. Thus, it may be less likely for a third party to make a takeover offer for the Company without the support of the Undertaking Shareholder and its concert parties.

6.3 IMPLICATIONS OF THE UNDERTAKING SHAREHOLDER AND ITS CONCERT PARTIES' CONTROLLING INTEREST IN THE COMPANY

We wish to highlight that as at the Latest Practicable Date, the Undertaking Shareholder and its concert parties have an aggregate interest in 155,555,555 Shares which represents approximately 14.28% of the voting rights of the Company. Depending on the level of subscriptions or applications or acceptances, the Undertaking Shareholder and its concert parties' percentage shareholding interest may increase beyond 50%. In such an event, the Undertaking Shareholder and its concert parties will be in a position to exercise "statutory control" of the Company, which will place the Undertaking Shareholder and its concert parties in a position to be able to pass all ordinary resolutions on matters in which the Undertaking Shareholder and its concert parties do not have an interest in and which are tabled for Shareholders' approval at general meetings to be convened by the Company. Accordingly, the ability of the Independent Shareholders to vote and influence the outcome of such resolutions are significantly reduced.

6.4 PRE-EMPTIVE RIGHTS

As the process for the Proposed Rights Issue requires an "offer" first to all Shareholders, Independent Shareholders should note that they have a "pre-emptive" right with respect to their ability to subscribe for such Rights Shares. Recommending Directors should highlight to Independent Shareholders that voting for or against the Proposed Whitewash Resolution individually does not preclude them (on the basis that they are Entitled Shareholders for the Proposed Rights Issue) from accepting or declining their provisional allotment of Rights Shares or applying (for that matter) additional Rights Shares in excess of their provisional allotments of Rights Shares.

It should be noted that the passing of Ordinary Resolution 2 (the Proposed Whitewash Resolution) is conditional upon the passing of Ordinary Resolution 1 (the Proposed Rights Issue). If Ordinary Resolution 1 (the Proposed Rights Issue) is not passed at the EGM, Ordinary Resolution 2 will not be tabled. In the event that Ordinary Resolution 2 (the Proposed Whitewash Resolution) is not approved, the Company may still proceed to with the Proposed Rights Issue except that the number of Rights Shares to be allotted and issued will be dependent on the level of subscription of the Proposed Rights Issue so as to ensure that the Undertaking Shareholder will not hold 30.0% or more interest in the Company after the completion of the Proposed Rights Issue.

Recommending Directors should note that the ability of the Undertaking Shareholder and its concert parties to subscribe for Excess Rights Shares will only arise after satisfaction of all the acceptances for the Rights Shares and the application for Excess Rights Shares from Independent Shareholders.

6.5 FUNDING ALTERNATIVE

We understand from the Directors that they had considered other funding alternatives, including external borrowings from financial institutions, before eventually deciding to proceed with the Proposed Rights Issue.

The Directors note that the Group's existing weak financial performance and position makes it difficult to seek any meaningful amount of external borrowing from financial institutions or to obtain underwriting for the rights issue.

We note from the discussion with the Directors that as it may be costly to obtain underwriting for the Proposed Rights Issue and in view of the Group's existing weak financial performance and position,

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the Irrevocable Undertaking present a realistic opportunity for the Company to raise amount of funding, and will ensure that there will be a minimum S\$4.7 million in Net Proceeds to be available for the Group upon the completion of the Proposed Rights Issue. Such minimum amount to be raised will further strengthen the financial position and improve the equity base of the Group, and enable it to reduce its indebtedness by partially repaying the amounts due to Mr. Yang Ran; thus improving its net asset position.

In view of, *inter alia*, the Irrevocable Undertaking by the Undertaking Shareholder and the Board's view that there is no minimum amount which must be raised from the Proposed Rights Issue, and the Company, the Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis.

6.6 DIRECTORS' RECOMMENDATION

We note from Section 5 of the Circular that the Directors, having considered, amongst others, the rationale for the Proposed Rights Issue, are of the opinion that the Proposed Rights Issue and the Proposed Whitewash Resolution, when considered in the context of the Proposed Rights Issue, are in the best interests of the Group and not prejudicial to the interests of the Independent Shareholders and accordingly recommend that Shareholders vote in favour of the Ordinary Resolutions 1 and 2 relating to the Proposed Rights Issue and the Proposed Whitewash Resolution respectively at the EGM.

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7. OPINION AND RECOMMENDATION

In arriving at our recommendation, we have reviewed and examined all factors set out in Sections 5 and 6 of this Letter as well as others elaborated elsewhere in this Letter which we have considered to be pertinent in our assessment of the Proposed Whitewash Resolution, including, *inter alia*, the views of and representations by the Directors. Our recommendation or opinion is by no means an indication of the merits, prospects, financial performance and position of the Company or the Group after the completion of the Proposed Rights Issue, or whether the Company or the Group can improve their financial position and performance, and cash flow or whether the Company or the Group can continue to operate as a going concern or the ability to meet its liabilities when due or the prices at which the Shares would trade after completion of the Proposed Rights Issue.

Our recommendation or opinion is not a recommendation from us for further investments in the Company or the Group or for the Independent Shareholders to subscribe for or apply for any Rights Shares. Our analysis, comments and opinion in this Letter are subject to confirmation from the Directors that notwithstanding the values of the Group's assets (other than those for which valuation has been conducted, where applicable), and liabilities as well as financial performance or position or condition of the Group as disclosed and reflected in the unaudited financial statements of the Group as at 30 June 2024 are true and fair; and all material information including but not limited to plans or prospects or proposals or rationale involving the Proposed Whitewash Resolution or the Proposed Rights Issue stipulated in the Circular or issue or changes to its capital structure, available to them and the Management in connection with the Proposed Whitewash Resolution or such other parties has been disclosed to ACA and included in the Circular, that such information is true, complete and accurate in all material respects and that there is no other information or fact including the expected future performance or future growth prospects or plans of the Company or the Group, the omission of which would result in the facts stated and the opinions expressed by the Directors in the Circular to be untrue, inaccurate or incomplete in any respect or misleading.

Shareholders are advised to read this Letter carefully and in its entirety. Our views, recommendation and opinion are necessarily limited and subject to the matters stated in this IFA Letter. The following should be read in conjunction with, and in the context of, the full text of this IFA Letter.

In summary, having regard to our analysis and the consideration in this Letter (including, *inter alia*, its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the representation and confirmation from the Directors, we are of the opinion that the terms of the Proposed Rights Issue, being the subject of the Proposed Whitewash Resolution, is **FAIR and REASONABLE**, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Rights Issue, is **NOT PREJUDICIAL** to the interest of the Company and the Independent Shareholders.

For the purposes of evaluation of the Proposed Rights Issue, being the subject of the Proposed Whitewash Resolution, from a financial point of view, we have adopted the approach that the term "fair and reasonable" should be regarded as comprising two distinct concepts:

- (i) Whether a rights issue is "fair" relates to an opinion on the value of the issue price which is based strictly on the evaluation of the issue price (i.e. by looking at the financial analyses of the Issue Price as set out in Section 5) and taking into account the fact that the underlying transaction for which the Proposed Whitewash Resolution is sought is a rights issue, wherein it is generally accepted that a rights issue is usually priced such that the Rights Shares are at a discount to the existing market prices of the Shares as well as on a theoretical rights issue basis and the ability of the Undertaking Shareholder to subscribe or accept or apply or be allotted for Rights Shares in excess of its *pro-rata* entitlements is subject to, *inter alia*, existing Shareholders' rights to subscribe, accept or apply for Rights Shares.
- (ii) Whether a rights issue is "reasonable", after taking into consideration, *inter alia*, the actual and potential financial impact of other circumstances surrounding the Proposed Rights Issue and the Company which we consider relevant (being quantitative and qualitative factors).

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We are of the view that the terms of the Proposed Rights Issue, being the subject of the Proposed Whitewash Resolution, is **FAIR, REASONABLE, and NOT PREJUDICIAL** to the interest of the Company and the Independent Shareholders after considering, *inter alia*, the following factors:

- (i) The rationale for the Proposed Rights Issue and use of proceeds as outlined in Sections 2.1 and 2.11 of the Circular. In particular, we note that the Company is undertaking the Proposed Rights Issue to strengthen and improve the Group's general working capital position (particularly funding accessible to the Group outside of the PRC), so as to enable the Group to meet its ongoing financial commitments. In addition, the Proposed Rights Issue will allow the Group to partially repay the amounts due to Mr. Yang Ran, and thus will improve the Group's net asset position.
- (ii) The historical financial performance, position and condition of the Group after considering the amounts due to Mr. Yang Ran and the Group's cash and cash equivalents, which is predominantly situated in the PRC.
- (iii) Fair comparison against the Selected Non-Renounceable Rights Issues – the discount implied by the Issue Price from the TERP and the last transacted price for Shares on the Last Trading Day, is fairly comparable with the Selected Non-Renounceable Rights Issues considering the fact that the issue size for the Proposed Rights Issue (in terms of both the ratio of number of Rights Shares to the existing Shares and the gross proceeds raised as a percentage of market capitalization) is higher than any of the Selected Non-Renounceable Rights Issues.
- (iv) The Issue Price is at a discount of approximately 13.9% and 15.8% from the Adjusted NAV and/or NTA per Share under the Minimum Scenario and the Maximum Scenario respectively.
- (v) The pre-emptive rights accorded to all Entitled Shareholders – The Proposed Rights Issue is being offered on a *pro-rata* basis to all Entitled Shareholders (including the Undertaking Shareholder) and the Issue Price is the same for all Entitled Shareholders (including the Undertaking Shareholder). Entitled Shareholders (including the Undertaking Shareholder) are at liberty to accept or decline their provisional allotment of Rights Shares and will be able to apply for additional Rights Shares in excess of their provisional allotment. In the event that the number of Rights Shares validly subscribed for is less than the number of Rights Shares available, and Entitled Shareholders (other than the Undertaking Shareholder and its concert parties, Directors, and substantial Shareholders) apply for such number of Excess Rights Shares to satisfy the deficit in subscriptions based on provisional allotments, they will (subject to the Scaling Down Provisions) rank ahead of the Undertaking Shareholder and its concert parties, Directors, and substantial Shareholders, in terms of allocation of such number of Rights Shares which are available for excess applications. Accordingly, the Undertaking Shareholder may only be allotted additional Rights Shares pursuant to the Irrevocable Undertaking and its excess applications only in the event that the aggregate number of Rights Shares subject to Scaling Down Provisions, that Entitled Shareholders subscribed for pursuant to their provisional allotments and applications from Entitled Shareholders (other than the Undertaking Shareholder and its concert parties, Directors, and substantial Shareholders) for excess Rights Shares is less than the total number of Rights Shares available.
- (vi) The non-renounceable feature of the Proposed Rights Issue applies to all Shareholders (including the Undertaking Shareholder and its concert parties). As the Proposed Rights Issue is made on a non-renounceable basis, Entitled Shareholders (including the Undertaking Shareholder) are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of the Rights Shares or (b) eligibility to apply for Excess Rights Shares. Thus, the possibility and ability of any and every Entitled Shareholder (including the Undertaking Shareholder) to increase their shareholding interests in the enlarged Share capital of the Company is via applications for Excess Rights Shares wherein the Catalyst Rules for allocation of excess Rights Shares provides that preference be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board will rank last;

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- (vii) The Irrevocable Undertaking provides assurances that the Proposed Rights Issue will be fully subscribed in the event that Entitled Shareholders (other than the Undertaking Shareholder) do not take up their provisional allotments of Rights Shares fully or do not apply for such number of Excess Rights Shares which are not subscribed for by Entitled Shareholders (other than the Undertaking Shareholder) pursuant to their provisional allotments.
- (viii) The potential favourable financial effects of the Proposed Rights Issue as outlined in Section 2.15 of the Circular on the Group's LPS and shareholders' equity position whilst noting the less favourable financial effects of the Proposed Rights Issue on the Group's NTA per Share.
- (ix) The Proposed Whitewash Resolution may facilitate the Proposed Rights Issue in raising Net Proceeds of approximately S\$4.7 million based on the Irrevocable Undertaking from the Undertaking Shareholder, which is substantial as compared to the Company's market capitalization of approximately S\$3.3 million as at the Last Trading Day.
- (x) The Directors' confirmation and representation that they had considered other funding alternatives, including external borrowing from financial institutions, before eventually deciding to proceed with the Proposed Rights Issue, and in view of, *inter alia*, the Irrevocable Undertaking by the Undertaking Shareholder and the Board's view that there is no minimum amount which must be raised from the Proposed Rights Issue, the Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis.
- (i) The Directors' opinion as set out in Section 5 of the Circular that the Directors, having considered, amongst others, the rationale for the Proposed Rights Issue, are of the opinion that the Proposed Rights Issue and the Proposed Whitewash Resolution, when considered in the context of the Proposed Rights Issue, are in the best interests of the Group and not prejudicial to the interests of the Independent Shareholders.

ACA's recommendation

Based on our assessment of the Proposed Rights Issue being the subject of the Proposed Whitewash Resolution as set out above, we advise the Recommending Directors to recommend that Independent Shareholders vote in favour of the Proposed Whitewash Resolution to be proposed at the EGM. We advise the Recommending Directors to highlight to Independent Shareholders the matters as stated in our Letter, including, *inter alia*, our limitation in the analysis, evaluation, comments and opinion in this Letter. In addition, we advise Recommending Directors to recommend to Independent Shareholders to exercise caution in their decision in voting in favour of or against the Proposed Whitewash Resolution.

In performing our evaluation, we have not been provided with, and have not had access to, any financial projections or future plans or corporate actions (if any) of the Company or the Group. The opinion set forth herein is based solely on publicly available information and information provided by the Directors and the Management and therefore does not reflect any projections or future financial performance of the Company after the completion of the Proposed Rights Issue and is based on the economic and market conditions prevailing as of the date of this opinion. Our advice is solely confined to our views on the Proposed Whitewash Resolution.

Matters to highlight

We would also wish to highlight the following matters which may affect the decisions or actions of the Independent Shareholders:

- (1) **Independent Shareholders should note that:**
 - (a) **by voting in favour of the Proposed Whitewash Resolution, Independent Shareholders are waiving their rights to receive a mandatory general offer from the Undertaking Shareholder at the highest price paid by the Undertaking Shareholder and its concert parties for the Shares in the past six months preceding the Announcement Date;**

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- (b) **the completion of the Proposed Rights Issue may result in Xinlong holding Shares carrying more than 49.0% of the voting rights in the Company, and henceforth be free to acquire further Shares without incurring any obligation under Rule 14.1 of the Code to make a general offer for Shares not already owned or controlled by Xinlong and its concert parties; and**
 - (c) **having approved the Proposed Whitewash Resolution, Independent Shareholders could be forgoing the opportunity to receive a mandatory general offer from another person who may be discouraged from making a mandatory general offer in view of the potential dilution effect of the Proposed Rights Issue.**
- (2) Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment and investment in joint-venture company) or contracts entered into or to be entered into by the Group (where applicable), and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into (where applicable) by the Group.

With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, property, plant and equipment, and investment in joint-venture company) including, *inter alia*, the contracts or agreements that the Group has embarked upon or are about to embark upon (where applicable) and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

- (3) The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group before and after the transactions stipulated in the Circular or the Proposed Rights Issue or the Proposed Whitewash Resolution or the sufficiency of the Group's working capital or the ability of the Group to continue as a going concern. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the Proposed Rights Issue or the Proposed Whitewash Resolution or the other transactions or resolutions stipulated in the Circular where applicable or voting for or voting against the Proposed Rights Issue, the Proposed Whitewash Resolution or the other transactions or resolutions stipulated in the Circular where applicable or on the future financial performance of the Company or the Group or the plans (if any) for each of them.

Specific objectives

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular or individual needs and constraints of any individual Independent Shareholder. As each Independent Shareholder or group of Independent Shareholders would have different investment objectives and profiles, we would advise the Recommending Directors to advise any individual Shareholder or group of Shareholders who may require specific advice in the context of investments in unlisted shares or his or their specific investment objectives or portfolio should consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

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8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's polling agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903, or via email to bacui-egm@complete-corp.com, not less than seventy-two (72) hours before the time fixed for holding the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him or her from attending and voting in person at the EGM in place of his or her proxy if he or she so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than seventy-two (72) hours before the time fixed for holding the EGM.

This Letter is addressed to the Recommending Directors in connection with and for the sole purpose of their evaluation of the Proposed Whitewash Resolution and is not meant or intended to be an evaluation of the other resolutions to be proposed or alternatives. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor any other party, may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case, except that the Company and the Directors and the Shareholders may reproduce, disseminate or quote the IFA Letter for the sole purpose of the Proposed Whitewash Resolution at the forthcoming EGM. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters and the scope of our appointment stated herein and does not apply by implication to any other matter. Save as disclosed herein, nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act Chapter 53B and any re-enactment thereof shall not apply.

The recommendations made by the Recommending Directors to the Independent Shareholders in relation to the Proposed Whitewash Resolution and the issue of the Circular (as well as any information therein) shall remain the sole responsibility of the Recommending Directors and the Directors respectively.

Yours faithfully,
For and on behalf of

ASIAN CORPORATE ADVISORS PTE. LTD.

H.K. LIAU
MANAGING DIRECTOR

FOO QUEE YIN
MANAGING DIRECTOR

APPENDIX C – INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

1. Directors' Interests

As at the Latest Practicable Date, the Directors' interests in the Shares and the Options based on information in the Register of Directors' Shareholdings maintained by the Company pursuant to Section 164 of the Companies Act are as follows:

No.	Name of Director	Direct Interest		Deemed Interest	
		Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
1.	Mr. Yeo Kan Yen	-	-	-	-
2.	Mr. Yang Ran ⁽³⁾	-	-	155,555,555	14.28
3.	Mr. Yang Li	-	-	-	-
4.	Mr. Heng Victor Ja Wei	-	-	-	-
5.	Prof. Peng Lei Qing	-	-	-	-

2. Substantial Shareholders' Interests

As at the Latest Practicable Date, the interests of the substantial Shareholders (other than Directors) in the Shares based on information in the Register of Substantial Shareholders maintained by the Company pursuant to Section 88 of the Companies Act are as follows:

No.	Name of substantial Shareholder (other than Directors)	Direct Interest		Deemed Interest	
		Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
1.	Dong Ling Electrical Group Co., Ltd.,	193,799,000	17.79	-	-
2.	Ever Sino Industrial Ltd ⁽²⁾	-	-	193,799,000	17.79
3.	Guangdong Donlim Kitchen Group Co., Ltd., ⁽²⁾	-	-	193,799,000	17.79
4.	Mr. Guo Jiangang ⁽²⁾	-	-	193,799,000	17.79
5.	Mr. Guo Jianqiang ⁽²⁾	-	-	193,799,000	17.79
6.	Xinlong	155,555,555	14.28	-	-
7.	Xinlong Development Limited ⁽³⁾	-	-	155,555,555	14.28
8.	Landford Holding Pte. Ltd.	220,400,000	20.23	-	-
9.	Mr. Chen Jiantao ⁽⁴⁾	-	-	220,400,000	20.23

Notes:

- (1) Based on 1,089,507,148 issued Shares as at the Latest Practicable Date.
- (2) The following entities or individuals are deemed interested in 193,799,999 Shares held by Dong Ling Electrical Group., Ltd., by virtue of Section 7 of the Companies Act:
- (a) Ever Sino Industrial Ltd;
 - (b) Guangdong Donlim Kitchen Group Co., Ltd.;
 - (c) Mr. Guo Jiangang; and
 - (d) Mr. Guo Jianqiang.
- (3) The following entities or individuals are deemed interested in 155,555,555 Shares held by Xinlong by virtue of Section 7 of the Companies Act:
- (a) Xinlong Development Limited; and
 - (b) Mr. Yang Ran.
- (4) Mr. Chen Jiantao is deemed interested in the 220,400,000 Shares held by Landford Holding Pte. Ltd. by virtue of Section 7 of the Companies Act.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BACUI TECHNOLOGIES INTERNATIONAL LTD.

(Company Registration Number: 199407135Z)
(Incorporated in the Republic of Singapore)

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular to shareholders dated 7 November 2024 issued by Bacui Technologies International Ltd. (“Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Bacui Technologies International Ltd. (the “**Company**”) will be held at 137 Cecil Street #04-01 Cecil Building Singapore 069537 on Friday, 22 November 2024 at 10.30 a.m for the purpose of considering and, if thought fit, passing (with or without any modifications) the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED RIGHTS ISSUE

THAT subject to and contingent upon the passing of Ordinary Resolution 3 herein in this Notice of EGM:

- (1) the non-renounceable non-underwritten rights issue of up to 3,287,352,906 new ordinary shares (“**Rights Shares**”) of the Company at an issue price of S\$0.0015 (“**Issue Price**”) on the basis of three (3) Rights Shares for every one (1) existing ordinary share of the Company (“**Shares**”) held as at the Books Closure Date to be determined, fractional entitlements to be disregarded, and the allotment and issue of the Rights Shares, be and is hereby approved; and
- (2) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give full effect to this Ordinary Resolution 1 and implement any of the foregoing as the Directors may in their absolute discretion deem fit and in the interests of the Company.

ORDINARY RESOLUTION 2: THE PROPOSED WHITEWASH RESOLUTION

THAT subject to and contingent upon the passing of Ordinary Resolution 1 herein in this Notice of EGM and subject to the satisfaction of all the conditions set out in the Securities Industry Council’s letter of 10 October 2024, the Independent Shareholders (other than Xinlong Investment Holding Limited (“**Xinlong**”) – as defined in the Circular to Shareholders dated 7 November 2024, as well as parties not independent of Xinlong) do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from Xinlong and parties acting in concert with it under Rule 14 of the Singapore Code on Take-Overs and Mergers for all the Shares not already owned or controlled by them, as a result of the Proposed Rights Issue.

ORDINARY RESOLUTION 3: THE POTENTIAL TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO XINLONG INVESTMENT HOLDING LIMITED

That subject to and contingent upon the passing of Ordinary Resolution 1 herein in this Notice of EGM:

- (1) approval be and is hereby given for the allotment and issuance by the Company of Rights Shares and Excess Rights Shares to Xinlong on and subject to the terms of the Rights Issue, the issuance of such Rights Shares and Excess Rights Shares constituting a transfer of Controlling Interest in the Company to Xinlong pursuant to Rule 803 of the Catalist Rules; and
- (2) the Directors and each of them be and are hereby authorised to complete, enter and do all such acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give full effect to this Ordinary Resolution 3 and implement any of the foregoing as the Directors may in their absolute discretion deem fit and in the interests of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

By Order of the Board

Mr. Yeo Kan Yen
Independent Non-Executive Chairman
7 November 2024

NOTES:

The EGM is being convened, and will be held physically at 137 Cecil Street #04-01 Cecil Building Singapore 069537 on 22 November 2024 at 10.30 a.m.. **There will be no option for Shareholders to participate virtually.**

Printed copies of this Circular will not be despatched to Shareholders. Instead, printed copies of the Notice of EGM, the accompanying Proxy Form together with a request form (to request for a printed copy of the Circular) ("**Request Form**") will be mailed to Shareholders. Shareholders can also access this Circular, the Notice of EGM, and accompanying Proxy Form electronically via the Company's website at the URL <http://yyb.bcyj.cn/news.php> and on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders who wish to request for a printed copy of the Circular may complete and sign the Request Form and submit the Request Form to the Company via email to info.bacui@bcjy.cn no later than Friday, 15 November 2024.

Physical Participation in the EGM

- a. Members of the Company, including Central Provident Fund Investment Scheme investors ("**CPF Investors**") and Supplementary Retirement Scheme investors ("**SRS Investors**"), may participate in the EGM by:-
 - (i) attending the EGM in person;
 - (ii) submitting questions in relation to any agenda item in this Notice of EGM in advance of, or at the EGM; and/or
 - (iii) voting at the EGM by (1) themselves personally; or (2) through duly appointed proxy(ies).
- b. CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM (and not third-party proxy(ies) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m., on Tuesday, 12 November 2024, being at least seven (7) working days before the EGM. Please refer to Proxy Voting under item (c) below for details.
- c. Members, including CPF Investors and SRS Investors, or, where applicable, their appointed proxy(ies) who are attending the EGM in person should bring along their NRIC/passport to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the EGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appoint/appoint a proxy(ies) to attend the EGM.

Submission of Questions

- a. Members may raise questions at the EGM or submit questions in advance of the EGM by 10.30 a.m. on Wednesday, 13 November 2024, in the following manner:-
 - (i) by email, to Complete Corporate Services Pte Ltd at bacui-egm@complete-corp.com; or
 - (ii) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

For verification purpose, when submitting any questions by post or via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the Company shall be entitled to regard the submission as invalid.

- b. Members are strongly encouraged to submit their questions by email in advance of the EGM. The Company will publish its responses to the substantial and relevant questions submitted by members prior to the abovementioned deadline by Friday, 17 November 2024, which is at least 48 hours before the proxy form deadline.
- c. For questions received after 13 November 2024, the Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. For questions addressed during the EGM, the Company will publish the responses to such questions together with the minutes of the EGM on SGXNet and the Company's website within one (1) month after the date of the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Proxy Voting

- a. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her/its behalf. A member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.
- b. Duly completed Proxy Forms must be submitted in the following manner:-
 - (i) by email, to Complete Corporate Services Pte Ltd at bacui-egm@complete-corp.com; or
 - (ii) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

in either case, by 10.30 a.m. on Tuesday, 19 November 2024 (being not less than seventy-two (72) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

- c. A member who wishes to submit an instrument appointing proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the SGXNet and the Company's corporate website and subsequently, to complete and sign the Proxy Form before submitting it by (i) post to the address provided above, or (ii) scanning and sending it to the email address provided above.
- d. If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
- e. Where a member appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/its discretion, as he/she/it may on any other matter arising at the EGM.
- f. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of a proxy(ies) for the EGM shall be deemed to be revoked if the member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the EGM. Please refer to the detailed instructions set out in the Proxy Form.
- g. Persons who hold Shares through relevant intermediaries, other than CPF Investors and SRS Investors, and who wish to participate in the EGM should contact the relevant intermediary through which they hold such Shares as soon as possible. Persons who hold shares through relevant intermediaries, other than CPF Investors and SRS Investors, may (i) vote at the EGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to/arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.
- h. In addition, CPF Investors and SRS Investors may (a) vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators, and should contact their respective CPF Agent Banks and SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to/arrange for their votes to be submitted with their respective CPF Agent Banks and SRS Operators, and should approach their respective CPF Agent Banks and SRS Operators by 10.30 a.m. on Tuesday, 12 November 2024, being at least seven (7) working days before the date of the EGM, to ensure their votes are submitted.
- i.
 - (i) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage as a whole) shall be specified in the form of proxy.
 - (ii) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). Where such member appoints more than one proxy, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed in the proxy form.

"Relevant intermediary" has the meaning as ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore (the "**Act**");

- (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (ii) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity;
- (iii) or the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- j. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies. In addition, 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 a proxy or proxies lodged if the 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 meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder'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) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guideline (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder 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 shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

**BACUI TECHNOLOGIES
INTERNATIONAL LTD.**
(Registration No. 199407135Z)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

Important:

1. A member who is a relevant intermediary (as defined in Section 181(6) of the Companies Act 1967) may appoint more than 2 proxies to attend, speak and vote at the Extraordinary General Meeting but each proxy must be appointed to exercise the rights attached to a different share or shares held by the member (which number and class of shares must be specified).
2. For CPF/SRS investors who have used their CPF monies to buy Bacui Technologies International Ltd.'s shares, 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 them. CPF/SRS investors should approach their relevant intermediaries (including their respective CPF/SRS approved banks) if they have any queries regarding appointment of their proxies.
3. By submitting an instrument appointing proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 7 November 2024.

I/We, _____ (Name) NRIC/Passport/Co. Reg No. _____
of _____ (Address)
being a member/members* of Bacui Technologies International Ltd. (the “**Company**”) hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholding	
			No. of Shares	%

*and/or

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or failing him/her/them*, the Chairman of the Extraordinary General Meeting (“**EGM**” or the “**Meeting**”), as my/our* proxy/proxies to attend and vote for me/us* on my/our* behalf at the EGM of the Company to be held at 137 Cecil Street #04-01 Cecil Building Singapore 069537 on **22 November 2024 at 10.30 a.m.** (Singapore time) and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against, or abstain from voting on the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion. Where the Chairman of the EGM is appointed as proxy and the absence of specific directions as to voting, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid. The Resolutions proposed at the EGM as indicated hereunder will be put to vote at the EGM by way of poll.

(Voting will be conducted by poll. If you wish to exercise all your shares to be voted “For” or “Against” the relevant resolutions, please indicate with a “√” in the space provided under “For” or “Against” accordingly. If you wish to abstain from voting on a resolution, please indicate with a “√” in the space provided under “Abstain”. Alternatively, please indicate number of shares to be voted “For” and/or “Against” or to abstain from voting for each resolution in the space provided. If no specific direction as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/her/their discretion.)

No.	Ordinary Resolutions	For ⁽¹⁾	Against ⁽¹⁾	Abstain ⁽¹⁾
1.	Ordinary Resolution 1: To approve the Proposed Rights Issue			
2.	Ordinary Resolution 2: To approve the Proposed Whitewash Resolution			
3.	Ordinary Resolution 3: To approve the Potential Transfer of Controlling Interest to Xinlong Investment Holding Limited			

* Delete where inapplicable

Dated this _____ day of _____ 2024

Total Number of Shares in:	No. of Shares
(i) CDP Register	
(ii) Register of Members	
Total	

.....
Signature(s) of Member(s) or Common Seal

*delete if not applicable



IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. Please insert the total number of ordinary shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy shall be deemed to relate to all the Shares held by you.
2. The Proxy Form appointing the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as proxy to vote on the Member’s behalf at the EGM, duly executed, must be submitted through any of the following means to the Company in the following manner:–
 - (a) by email, to the Company’s Polling Agent, Complete Corporate Services Pte Ltd at bacui-egm@complete-corp.com or
 - (b) by post, to be deposited with the Company’s Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road International Plaza #29-07 Singapore 079903,

in either case, by 10.30 a.m. on Tuesday, 19 November 2024 (being not less than seventy-two (72) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument appointing proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the SGXNet or the Company’s corporate website, and subsequently complete and sign the Proxy Form before submitting it by post to the address provided above, or scanning and sending it to the email address provided above.

3. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of a proxy(ies) for the EGM shall be deemed to be revoked if the member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the EGM.
4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
 - (a) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
 - (b) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. A member of the Company entitled to attend and vote at the EGM of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a member of the Company.
6. A member who is a relevant intermediary entitled to attend and vote at the EGM of the Company is entitled to appoint more than one (1) proxy to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one (1) proxy, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

7. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it was an individual.
8. CPF Investors and SRS Investors may attend and vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators and should contact their respective CPF Agent banks and SRS Operators if they have any queries regarding their appointment as proxies. For CPF Investors and SRS investors who wish to appoint the Chairman of the EGM as their proxy, they should approach their respective CPF Agent banks and SRS Operators to submit their votes no later than 10.30 a.m. on Tuesday, 12 November 2024 (being not less than seven (7) working days before the AGM).
9. Any reference to a time of day is made by reference to Singapore time.

Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder’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) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guideline (collectively, the “**Purposes**”), (ii) warrants that where the shareholder discloses the personal data of the shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder 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 shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder’s breach of warranty.