

CIRCULAR DATED 12 MAY 2023

THIS CIRCULAR IS ISSUED BY LIAN BENG GROUP LTD (THE “COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF THE COMPANY AND THE ADVICE OF XANDAR CAPITAL PTE. LTD., THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT IN RELATION TO THIS CIRCULAR OR AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Offer Shares (as defined herein) held through The Central Depository (Pte) Limited (“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 Offer Shares represented by physical share certificate(s), you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any statements made, reports contained or opinions expressed in this Circular.



聯明集團有限公司
LIAN BENG GROUP LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199802527Z)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO
VOLUNTARY UNCONDITIONAL CASH OFFER

by

UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 193500026Z)

for and on behalf of

OSC CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 202312930Z)

to acquire the Offer Shares (as defined herein)

Independent Financial Adviser to the Independent Directors in respect of the Offer



XANDAR CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200002789M)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 26 MAY 2023 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR, BEING THE LAST DAY OF THE LODGEMENT OF ACCEPTANCES OF THE OFFER.

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DEFINITIONS

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

- “Acceptance Form(s)”** : The FAA and the FAT collectively, or any one of them, as the case may be
- “acting in concert”** : Has the meaning ascribed to it under the Code and references to **“concert parties”** shall be construed accordingly
- “AUD”** : Australian dollars, being the lawful currency of Australia
- “Board” or “Directors”** : The directors of the Company as at the Latest Practicable Date
- “Business Day”** : A day on which banks in Singapore are open for business in Singapore, other than a Saturday, Sunday or public holiday
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This Circular to Shareholders dated 12 May 2023 issued by the Company to Shareholders in respect of the Offer containing, amongst other things, the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors in respect of the Offer
- “Closing Date”** : 5.30 p.m. (Singapore time) on 26 May 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day of the lodgement of acceptances of the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : The Companies Act 1967 of Singapore, as amended or modified from time to time
- “Company”** : Lian Beng Group Ltd
- “Concert Party Group”** : Ong Sek Chong & Sons Pte Ltd, OSC Investments Capital Private Limited, Mr. Ong Pang Aik, Ms. Ong Lay Huan, Ms. Ong Lay Koon, Ms. Ong Lee Yap, Mr. Ong Phang Hoo, Mr. Ong Phang Hui, Mr. Ong Sek Chong (Estate), Mr. Chiew Hock You, Ms. Ng Siew Yan Delicia, Ms. Lee Ke Juan, Mr. Ong Eng Keong and Ms. Ong Sui Hui
- “Constitution”** : The constitution of the Company
- “CPF”** : Central Provident Fund
- “CPF Agent Banks”** : Agent banks included under the CPFIS
- “CPFIS”** : Central Provident Fund Investment Scheme
- “CPFIS Investors”** : Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
- “FAA”** : Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP

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| “FAT” | : | Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP |
| “Final Offer Consideration” | : | S\$0.68 in cash for each Offer Share |
| “FY” | : | Financial year ended 31 May |
| “Group” | : | The Company and its subsidiaries |
| “HY2023” | : | The six-month financial period ended 30 November 2022 |
| “HY2023 Results Announcement” | : | The unaudited HY2023 results announcement released on 12 January 2023 |
| “IFA” or “Xandar” | : | Xandar Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer |
| “IFA Letter” | : | Has the meaning ascribed to it in Section 8 of this Circular |
| “Independent Directors” | : | The Directors who are considered independent under the Code for the purposes of making the recommendation to the Shareholders in respect of the Offer, being Mr. Low Beng Tin, Mr. Ko Chuan Aun, Mr. Ang Chun Giap and Dr. Tan Khee Giap |
| “Latest Practicable Date” | : | 5 May 2023, being the latest practicable date prior to the issuance of this Circular |
| “Listing Manual” | : | The listing manual of the Main Board of the SGX-ST in force as at the Latest Practicable Date |
| “Market Day” | : | A day on which the SGX-ST is open for trading of securities |
| “Offer” | : | The voluntary unconditional cash offer by UOB, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document and the Acceptance Forms, as such Offer may be amended, extended and revised from time to time by or on behalf of the Offeror |
| “Offer Announcement” | : | The announcement dated 11 April 2023 issued by UOB, for and on behalf of the Offeror, in connection with the Offer in accordance with Rule 15 of the Code, as supplemented by the supplemental announcement issued by UOB, for and on behalf of the Offeror on 24 April 2023 |
| “Offer Consideration Revision Announcement” | : | The announcement dated 3 May 2023 issued by UOB, for and on behalf of the Offeror, in connection with the Final Offer Consideration and confirmation of no revision to the Final Offer Consideration |
| “Offer Document” | : | The document dated 28 April 2023 issued by UOB, for and on behalf of the Offeror, in respect of the Offer, together with the Acceptance Forms and any other document(s) which may be issued by the Offeror to amend, update, revise or supplement such offer document(s) from time to time |
| “Offer Period” | : | The period from the date of the Offer Announcement until the date the Offer is declared to have closed or lapsed |

DEFINITIONS

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| “Offer Shares” | : | All the Shares, other than the Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer |
| “Offeror” | : | OSC Capital Pte. Ltd. |
| “Overseas Person” | : | Shareholders whose mailing addresses are outside Singapore (as shown on the register of members of the Company kept by the Share Registrar or, as the case may be, in the records of CDP) |
| “related corporations” | : | Shall have the meaning ascribed to it in the Companies Act |
| “RMB” | : | Renminbi, being the lawful currency of the People’s Republic of China |
| “S\$” | : | Singapore dollars, being the lawful currency of Singapore |
| “Securities Account” | : | A securities account maintained by a Depositor with CDP, but does not include a securities sub-account |
| “SFA” | : | Securities and Futures Act 2001 of Singapore, as amended or modified from time to time |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “SGXNET” | : | Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the Exchange for the purpose of the SGX-ST making that information available to the market |
| “Share Registrar” | : | M & C Services Private Limited, in its capacity as the receiving agent of the Offeror and as the share registrar of the Company, as applicable |
| “Shareholders” | : | Persons who/which are registered as holders of Shares in the register of members of the Company, and persons whose/which Shares are deposited with CDP or who/which have purchased Shares on the SGX-ST, and the term “Shareholder” shall be construed accordingly |
| “Shares” | : | Issued and paid-up ordinary shares in the share capital of the Company, and the term “Share” shall be construed accordingly |
| “SIC” | : | Securities Industry Council of Singapore |
| “SLBD” | : | SLB Development Ltd., the Company’s subsidiary which is listed on the Catalist of the SGX-ST and is 77.60% owned by the Company as at the Latest Practicable Date |
| “SRS” | : | Supplementary Retirement Scheme |
| “SRS Agent Banks” | : | Agent banks included under the SRS |
| “SRS Investors” | : | Investors who have purchased Shares using their SRS contributions pursuant to the SRS |

DEFINITIONS

“Subject Properties” : The properties at the following locations:

Investment properties:

- (i) 32, 34 & 36 Mandai Estate, Westlite Mandai Dormitory, Singapore 729939, 729940 & 729941;
- (ii) 30 Tai Seng Street, BreadTalk IHQ, Singapore 534013;
- (iii) 4190 Ang Mo Kio Avenue 6, Broadway Plaza, Singapore 569841;
- (iv) 31 Harrison Road, Food Empire Building, Singapore 369649;
- (v) Block 451 Clementi Avenue 3, #01-309, Singapore 120451;
- (vi) Block 712 Ang Mo Kio Avenue 6, #01-4056, Singapore 560712;
- (vii) Block 192 Lorong 4 Toa Payoh, #01-674, Singapore 310192;
- (viii) Block 166 Bukit Merah Central, #01-3527, Singapore 150166;
- (ix) 25 Playfair Road, Singapore 367990;
- (x) 65 Cairnhill Road, #06-01 The Ritz–Carlton Residences, Singapore 229721;
- (xi) 221 Balestier Road, #02-05, #03-04 & #04-01 Rocca Balestier, Singapore 329928;
- (xii) 221 Boon Lay Place, #01-140 & #01-144 Boon Lay Shopping Centre, Singapore 640221; and
- (xiii) Unit 1503, Level 15, One Unit Block 10, Li Du Road 700, Gaoxin District, Chengdu City, People’s Republic of China;

Freehold and leasehold land and buildings under property, plant and equipment:

- (xiv) 24 Leng Kee Road, Leng Kee Autopoint, Singapore 159096;
- (xv) 29 Harrison Road, Lian Beng Building, Singapore 369648;
- (xvi) 20 Kranji Way, Singapore 739431;
- (xvii) 5 Tuas South Link 3, Singapore 636758;
- (xviii) 63 Senoko Drive, Singapore 758250;
- (xix) 2 Penjuru Close, Singapore 608611; and
- (xx) 2 Sungei Kadut Loop, Singapore 729449;

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Development properties:

(xxi) 2 Leng Kee Road, Thye Hong Centre, Singapore 159086;

(xxii) 30 & 31 North Canal Road, Singapore 059286 & 059287; and

(xxiii) 225 King Street, Melbourne VIC 3000, Australia.

- “subsidiary”** : Has the meaning ascribed to it under the Companies Act
- “UOB” or “UOB Bank”** : United Overseas Bank Limited, the financial adviser to the Offeror
- “Valuation Reports”** : The valuation reports issued by the Valuers in respect of the Subject Properties in connection with the Offer
- “Valuers”** : Savills Valuation and Professional Services (S) Pte. Ltd., SRE Global Pte. Ltd., Chengdu Jiuding Real Estate Exchange Evaluation Co., Ltd.*, and Cushman & Wakefield (Valuations) Pty Ltd being the independent valuers appointed by the Independent Directors for the purposes of carrying out the valuation of the Subject Properties in connection with the Offer
- *being the unofficial English translated name of 成都九鼎房地产土地资产评估有限公司*
- “%” or “per cent.”** : Percentage or per centum

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

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

Number of Shares. In this Circular, any reference to the total number of issued Shares is a reference to 499,689,200 Shares (excluding 30,070,800 Shares held by the Company in treasury) as at the Latest Practicable Date.

References. 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, where applicable, include corporations.

Rounding. Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, totals or sub-totals shown, as the case may be, may not be an arithmetic aggregation of the figures that precede them.

Sections. Any reference in this Circular to a section is a reference to a section of this Circular, unless otherwise stated.

Shareholders. References to “you”, “your” and “yours” in this Circular are, as the context so determines, to Shareholders (including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST).

Statutes or ordinances. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended, supplemented or re-enacted. Any word defined under the SFA, the Companies Act, the Code, the Listing Manual or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the respective enactment, as the case may be, unless the context otherwise requires.

DEFINITIONS

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

Statements which are reproduced in their entirety from the Offer Document and the IFA Letter are set out in this Circular in italics and all capitalised terms and expressions used within these reproduced statements shall have the same meanings ascribed to them in the Offer Document and the IFA Letter respectively.

CAUTIONARY NOTES ON FORWARD-LOOKING STATEMENTS

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

INDICATIVE TIMETABLE

Date of despatch of the Offer Document : 28 April 2023

Date of despatch of this Circular : 12 May 2023

Closing Date : 5.30 p.m. (Singapore time) on 26 May 2023⁽¹⁾ or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day of the lodgement of acceptances of the Offer.

Please refer to Paragraph 2.6 of the Offer Document, and Paragraph 1 of Appendix IV to the Offer Document, for further information.

Date of settlement of consideration for valid acceptances of the Offer : In respect of acceptances of the Offer which are complete and valid in all respects and in accordance with the instructions given in, *inter alia*, the Offer Document and Acceptance Forms which are received on or before the Closing Date, within seven (7) Business Days of the date of such receipt of acceptance.

Please refer to Paragraph 2 of Appendix IV to the Offer Document for further information.

Note:

⁽¹⁾ Pursuant to Rule 22.6 of the Code, as the Offeror has not stated in the Offer Document that the Offer will not be extended beyond the first closing date, the Offer will remain open for a period of not less than 14 days after the date on which the Offer would otherwise have closed.

LETTER TO SHAREHOLDERS

LIAN BENG GROUP LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199802527Z)

Directors

Mr. Ong Pang Aik BBM (L) (Chairman and Managing Director)
Ms. Ong Lay Huan (Executive Director)
Ms. Ong Lay Koon (Executive Director)
Mr. Low Beng Tin BBM (L) (Independent Director)
Mr. Ko Chuan Aun (Independent Director)
Mr. Ang Chun Giap PBM (Independent Director)
Dr. Tan Khee Giap (Independent Director)

Registered Office

29 Harrison Road
Lian Beng Building
Singapore 369648

12 May 2023

To: The Shareholders of Lian Beng Group Ltd

Dear Sir/Madam,

VOLUNTARY UNCONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE THE OFFER SHARES

1. INTRODUCTION

1.1. Offer Announcement

On 11 April 2023, UOB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary unconditional cash offer for the Offer Shares in accordance with Rule 15 of the Code.

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

1.2. Independent Directors

As at the Latest Practicable Date, Mr. Low Beng Tin, Mr. Ko Chuan Aun, Mr. Ang Chun Giap and Dr. Tan Khee Giap are independent for the purpose of the Offer and are required to make a recommendation to the Shareholders in respect of the Offer under the Code.

The SIC ruled on 29 March 2023 that Mr. Ong Pang Aik, Ms. Ong Lay Huan and Ms. Ong Lay Koon are exempted from the requirement to make a recommendation to the Shareholders on the Offer as they will face conflicts of interest in relation to the Offer that would render it inappropriate for them to join the remainder of the Board in making a recommendation to the Shareholders. Nevertheless, Mr. Ong Pang Aik, Ms. Ong Lay Huan and Ms. Ong Lay Koon must still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

1.3. Offer Document and Offer Consideration Revision Announcement

On 28 April 2023, the Offer Document was electronically despatched by the Offeror. The Offer Document set out, *inter alia*, the Offer by the Offeror for the Offer Shares, subject to the terms and conditions set out in the Offer Document.

The principal terms and conditions of the Offer are set out in Paragraph 2 of the Offer Document.

LETTER TO SHAREHOLDERS

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

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

On 3 May 2023, UOB announced in the Offer Consideration Revision Announcement, for and on behalf of the Offeror, that the offer price for each Offer Share would be increased to the Final Offer Consideration, and that the Offeror **does not** intend to revise the Final Offer Consideration. Save as aforesaid, all other terms and conditions of the Offer remain unchanged.

1.4. Independent Financial Adviser

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

1.5. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

Shareholders should carefully consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer set out in this Circular before deciding whether or not to accept the Offer.

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

2. THE OFFER

Based on the information set out in the Offer Document, the Offeror has made the Offer to acquire all the Offer Shares. The principal terms and conditions of the Offer, as extracted from Paragraph 2 of the Offer Document, are set out below. All terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

2.1. The Offer Terms

Paragraph 2.3 of the Offer Document states that the Offer is made on the following basis:

*“The Offer Shares will be acquired (a) fully paid-up; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the **“Encumbrances”**); and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital (**“Distributions”**), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date). As at the Latest Practicable Date, the Company has no outstanding unpaid Distributions.*

In the event that any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offeror may determine as follows:

- (i) *if the settlement date for the Offer Shares tendered in acceptance of the Offer by a Shareholder who validly accepts or has validly accepted the Offer (an **“Accepting Shareholder”**) falls on or before the record date for the determination of entitlements*

LETTER TO SHAREHOLDERS

to the Distribution (the "**Record Date**") and the Offeror is registered as the holder of such Offer Shares as at the Record Date, the Offer Consideration shall remain unadjusted for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and

- (ii) if the settlement date for the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls after the Record Date and the Offeror is not registered as the holder of such Offer Shares as at the Record Date, the Offer Consideration for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Distribution will be paid to the Accepting Shareholder and the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

In both scenarios (i) and (ii), the amount to be received by the Accepting Shareholders is the same¹."

2.2. Offer Shares and Consideration

Paragraph 2.1 of the Offer Document in respect of the Offer Shares states the following:

*"The Offer is extended, on the same terms and conditions, to all the Shares, other than Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (collectively, the "**Offer Shares**" and each, an "**Offer Share**")."*

Paragraph 2 of the Offer Consideration Revision Announcement in respect of the Final Offer Consideration states the following:

"UOB wishes to announce, for and on behalf of the Offeror, that the Offeror is revising the Offer Consideration as follows:

For each Offer Share: S\$0.68 in cash (the "**Final Offer Consideration**").

UOB wishes to announce, for and on behalf of the Offeror, that the Offeror does not intend to revise the Final Offer Consideration.

Shareholders who have earlier accepted the Offer are entitled to the Final Offer Consideration. Accordingly, no further action in respect of the Offer is required to be taken by Shareholders who have already validly accepted the Offer.

Save as disclosed in this Announcement, all other terms and conditions of the Offer as set out in the Offer Document remain unchanged."

2.3. Unconditional Offer

Paragraph 2.4 of the Offer Document states that the Offer is unconditional in all respects.

2.4. Warranty

Paragraph 2.5 of the Offer Document states the following:

"Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up; (b) free from Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital, if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date)."

¹ Overseas Persons shall be liable for any payable taxes, imposts, duties or other requisite payments."

LETTER TO SHAREHOLDERS

2.5. Closing Date

Paragraph 2.6 of the Offer Document states the following:

“Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances for a period of at least 28 days from the date of electronic despatch of this Offer Document.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 26 May 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.”

2.6. Further Details of the Offer

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

2.7. Procedures for Acceptance of the Offer

The procedures for acceptance of the Offer are set out in Appendix V to the Offer Document.

2.8. Irrevocable Undertakings

Paragraph 3 of the Offer Document states the following:

“3.1 Details of Irrevocable Undertakings

*On the Offer Announcement Date, the Ong Siblings, OSC and OSCI (collectively, the **“Undertaking Shareholders”**) have executed irrevocable undertakings (the **“Irrevocable Undertakings”**) in favour of the Offeror, pursuant to which each of them has undertaken to, inter alia:*

- (a) accept the Offer in respect of all Shares held or controlled by each of them;*
- (b) accept the Offer in respect of any other Shares or securities in the capital of the Company that each of them may acquire, or which may be allocated and issued to each of them on or after the date of the Irrevocable Undertakings; and*
- (c) (in respect of the Undertaking Shareholders other than Ms. Ong Lee Yap (the **“Sponsors”**) only) waive their rights to receive any settlement or payment of their acceptance of the Offer within the time period prescribed under Rule 30 of the Code. The Offer Consideration that would otherwise be payable to the Sponsors shall be referred to as the **“Excluded Amount”**.*

Such Irrevocable Undertakings have been given by:

- (i) Mr. Ong Pang Aik in respect of 28,649,300 Shares, such Shares representing approximately 5.73% of the total number of issued Shares²;*
- (ii) Ms. Ong Lay Huan in respect of 16,011,999 Shares, such Shares representing approximately 3.20% of the total number of issued Shares;*
- (iii) Ms. Ong Lay Koon in respect of 8,539,200 Shares, such Shares representing approximately 1.71% of the total number of issued Shares;*

² The percentage shareholding interest referred in this Offer Document is based on the total number of 499,689,200 issued Shares (excluding 30,070,800 Shares held by the Company in treasury) as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.”

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- (iv) *Ms. Ong Lee Yap in respect of 1,456,200 Shares, such Shares representing approximately 0.29% of the total number of issued Shares;*
- (v) *OSC in respect of 291,150,746 Shares, such Shares representing approximately 58.27% of the total number of issued Shares; and*
- (vi) *OSCI in respect of 1,786,300 Shares, such Shares representing approximately 0.36% of the total number of issued Shares.*

As at the Latest Practicable Date, the aggregate number of Shares under the Irrevocable Undertakings is 347,593,745 Shares, representing approximately 69.56% of the total number of issued Shares.

3.2 Termination of Irrevocable Undertakings

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect upon the Offer lapsing or being withdrawn for whatever reason other than as a result of a breach of any of the Undertaking Shareholders' obligations under the Irrevocable Undertakings.

3.3 No other irrevocable undertakings

Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor any person acting in concert with the Offeror has received any irrevocable undertaking from any other party to accept or reject the Offer."

3. INFORMATION ON THE OFFEROR

The information on the Offeror set out in italics below has been extracted from Paragraph 4 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"The Offeror is an investment holding company incorporated under the laws of Singapore on 4 April 2023. As at the Latest Practicable Date:

- (a) *the Offeror has an issued and paid-up share capital of S\$100.00, comprising 100 ordinary shares (the "**Offeror Shares**") which are held as follows:*
 - (i) *51 Offeror Shares are held by Mr. Ong Pang Aik, representing 51% of the Offeror Shares in issue;*
 - (ii) *30 Offeror Shares are held by Ms. Ong Lay Huan, representing 30% of the Offeror Shares in issue;*
 - (iii) *13 Offeror Shares are held by Ms. Ong Lay Koon, representing 13% of the Offeror Shares in issue; and*
 - (iv) *6 Offeror Shares are held by Ms. Ong Lee Yap, representing 6% of the Offeror Shares in issue;*
- (b) *the board of directors of the Offeror (the "**Offeror Directors**") comprises the following individuals:*
 - (i) *Mr. Ong Pang Aik BBM (L);*
 - (ii) *Ms. Ong Lay Huan;*
 - (iii) *Ms. Ong Lay Koon;*
 - (iv) *Ms. Ong Lee Yap;*

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- (v) *Mr. Ong Phang Hoo* PBM; and
- (vi) *Mr. Ong Phang Hui* PBM; and
- (c) *the Offeror does not own any Shares.*

APPENDIX I to this Offer Document sets out certain additional information on the Offeror.”

4. RATIONALE FOR THE OFFER

The rationale for the Offer (as amended by the Offer Consideration Revision Announcement) has been extracted from Paragraph 7 of the Offer Document (to the extent applicable), and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“7.1 Low trading liquidity of Shares

The trading volume of the Shares has remained generally low after the 2021 MGO, with an average daily trading volume³ of approximately 161,909 Shares, 105,021 Shares, 67,919 Shares and 94,330 Shares during the respective one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day. Each of these represents less than 0.04% of the total number of issued Shares for any of the aforementioned relevant periods.

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to liquidate and realise their investment in the Shares at a premium over the historical traded prices of the Shares.”

“7.2 Opportunity for Shareholders to realise their investments at a premium without incurring brokerage fees

The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in the Shares at a premium over the historical traded prices of the Shares, without incurring brokerage and other trading costs.”

“7.3 No necessity for access to equity capital markets

The Offeror is of the view that the Company is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future as the Company may tap on other funding sources such as bank borrowings. Accordingly, it is not necessary for the Company to maintain its listing on the SGX-ST.”

“7.4 Reduced compliance costs of maintaining listing

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.”

³ The average daily trading volume is based on data extracted from Bloomberg Finance L.P. and calculated using the total volume of Shares traded divided by the number of Market Days with respect to the relevant period up to and including the Last Trading Day.”

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5. OFFEROR'S INTENTIONS FOR THE GROUP

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

"It is currently the intention of the Offeror to ensure continuity in the operations of the Group. After the close of the Offer, the Offeror intends to undertake a review of the operations, management and financial position of the Group and will evaluate and pursue any opportunities arising in the ordinary course of business which it regards to be in the interests of the Offeror and/or the Group.

Save as disclosed, the Offeror does not currently have any intention to (a) make any major changes to the business of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business."

6. LISTING STATUS AND COMPULSORY ACQUISITION

Paragraph 9 of the Offer Document states the following:

9.1 Listing status

*Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of Shares (excluding any Shares held in treasury) is at all times held in public hands (the "**Free Float Requirement**"). Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and persons acting in concert with the Offeror to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public.*

Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

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

9.2 Compulsory acquisition

*Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at a price equal to the Offer Consideration.*

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held in treasury and Shares

LETTER TO SHAREHOLDERS

held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares, the Dissenting Shareholders will have a right to require the Offeror to acquire their Shares at the Offer Consideration. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

9.3 Offeror's intentions

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support or take any step (including the placing out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual."

7. FINANCIAL EVALUATION OF THE FINAL OFFER CONSIDERATION

Paragraph 3 of the Offer Consideration Revision Announcement states the following:

"The Final Offer Consideration of S\$0.68 represents an increase of S\$0.06 or approximately 9.7% over the initial Offer Consideration of S\$0.62 per Offer Share.

The Final Offer Consideration represents the following premia over the historical traded prices of the Shares:

| Description | Benchmark Price⁽¹⁾⁽²⁾ (S\$) | Premium over Benchmark Price⁽³⁾ (%) |
|---|---|---|
| <i>Last transacted price per Share as quoted on the SGX-ST on the Last Trading Day</i> | 0.570 | 19.3 |
| <i>VWAP of the Shares traded on the SGX-ST for the one (1)-month period up to and including the Last Trading Day</i> | 0.536 | 26.9 |
| <i>VWAP of the Shares traded on the SGX-ST for the three (3)-month period up to and including the Last Trading Day</i> | 0.529 | 28.5 |
| <i>VWAP of the Shares traded on the SGX-ST for the six (6)-month period up to and including the Last Trading Day</i> | 0.524 | 29.8 |
| <i>VWAP of the Shares traded on the SGX-ST for the 12-month period up to and including the Last Trading Day</i> | 0.522 | 30.3 |
| <i>Offer price pursuant to the mandatory conditional cash offer by OSC for the shares in the share capital of the Company in 2021</i> | 0.500 | 36.0 |

Notes:

- (1) *The figures set out in the table above are based on data extracted from Bloomberg Finance L.P. on 6 April 2023, being the last full trading day of the Shares prior of the Offer Announcement Date (the "**Last Trading Day**").*

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- (2) *Rounded to the nearest three (3) decimal places.*
- (3) *The premium over benchmark price is rounded to the nearest one (1) decimal place.”*

8. **ADVICE OF THE INDEPENDENT FINANCIAL ADVISER**

Xandar has been appointed as the independent financial adviser to advise the Independent Directors for the purpose of making a recommendation to the Shareholders in respect of the Offer. Shareholders should carefully consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether to accept or reject the Offer.

The advice of the IFA to the Independent Directors in respect of the Offer is set out in its letter dated 12 May 2023 as set out in **Appendix I** to this Circular (the “**IFA Letter**”).

After having regard to the considerations set out in the IFA Letter, and based on the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions as set out in the IFA Letter, the IFA has given its advice (an extract of which is reproduced in italics below) in respect of the Offer.

Shareholders should read the extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix I** to this Circular. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

“Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the “fairness” of the Offer:

Factors for the Final Offer Consideration

- (a) *the Final Offer Consideration is higher than the closing prices, trading prices and VWAPs of the Shares for the periods prior to and including the Last Trading Day set out in paragraphs 8.1.1(b) and 8.1.2 of this IFA Letter. In particular, the Final Offer Consideration represents a premium of 5.43% to the highest closing price of S\$0.645 per Share for the five (5)-year period prior to and including the Last Trading Day; and*
- (b) *the trailing P/NAV ratios of the Shares were generally below the P/NAV ratio implied by the Final Offer Consideration as set out in paragraph 8.2.2 of this IFA Letter.*

Factors against the Final Offer Consideration

- (A) *given that the market prices of the Shares may not be a fair representation of the value of the Shares due to the low liquidity of the Shares, the NAV of the Group is important in our consideration of the fair value of the Shares. The Final Offer Consideration represents a discount of 55.51% or a P/NAV ratio of 0.44 times. This P/NAV ratio implied by the Final Offer Consideration is (a) below the mean and median P/NAV ratios of the Property Comparable Companies; and (b) below the mean and median P/NAV ratios of the Construction Comparable Companies;*
- (B) *the Final Offer Consideration represents a discount of 57.24% or a P/RNAV ratio of 0.43 times. The P/RNAV ratio implied by the Final Offer Consideration is below the mean and median P/RNAV ratios of the Privatisation Transactions and Property Privatisation Transactions;*

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- (C) *the premia of the Final Offer Consideration over the VWAPs are lower than the corresponding mean premia of the Privatisation Transactions and Property Privatisation Transactions; and*
- (D) *the Final Offer Consideration is below our range of estimated values of the Shares set out in paragraph 8.7 of this IFA Letter.*

We set out below a summary of the key factors we have taken into our consideration when assessing the “**reasonableness**” of the Offer:

Factors for the Final Offer Consideration

- (i) *the Offer presents an exit opportunity for Shareholders, in particular, given the low liquidity of the Shares for the periods prior to and up to the Latest Practicable Date set out in paragraph 8.1.2 of this IFA Letter and that there is no alternative takeover offer for the Shares as at the Latest Practicable Date. Save for the period during the 2021 Offer, the average daily traded volumes of the Shares for all the periods prior to and including the Last Trading Day was less than 400,000 Shares as compared to the Company’s free float of 137,885,654 Shares. Total Shares traded (excluding CPG Market Acquisitions) for the five-(5) year period prior to and including the Last Trading Day was 441,613,700 Shares and represent only 3.2 times of the free float of the Company;*
- (ii) *while the Company has been paying dividend consistently since FY2005, based on the five (5)-year annualised average dividend per Share and the Final Offer Consideration, Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in the alternative investments set out in paragraph 8.4 of this IFA Letter; and*
- (iii) *with the 72.18% shareholding, the Concert Party Group can pass all resolutions on matters in which they do not have an interest at future general meetings of Shareholders including resolutions on dividend payments by the Company.*

Factors against the Final Offer Consideration

- (I) *the Group had generated revenue of over S\$500 million annually for FY2020, FY2021, FY2022 and LTM2023 and its annual profit attributable to owners of the Company had increased from S\$26.07 million for FY2021 to S\$50.59 million for LTM2023 as set out in paragraph 8.3 of this IFA Letter;*
- (II) *while the Group’s construction segment reported losses for FY2022 and LTM2023, losses from the construction segment were fully covered by profits from the other business segments of the Group. The Group also has strong order book which provide a sustainable flow of activity to the Group through FY2027;*
- (III) *the Company has been paying dividend consistently since FY2005; and*
- (IV) *while the P/NAV and P/RNAV ratio implied by the Final Offer Consideration are higher than that of the 2021 Offer, the P/E ratio and EV/EBITDA ratio implied by the Final Offer Consideration are lower than that of the 2021 Offer.*

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to reject the Offer.”

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9. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors, having considered carefully, amongst other things, the terms of the Offer and the advice given by Xandar to the Independent Directors in the IFA Letter, **CONCUR** with the advice of Xandar in respect of the Offer. Accordingly, the Independent Directors, recommend that Shareholders **REJECT** the Offer.

SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX I TO THIS CIRCULAR AND CONSIDER THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS CAREFULLY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER, AS THE CASE MAY BE. SHAREHOLDERS SHOULD NOTE THAT THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS AND THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS IN RESEPECT OF THE OFFER SHOULD NOT BE RELIED ON BY ANY SHAREHOLDER AS THE SOLE BASIS FOR DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER, AS THE CASE MAY BE.

Further, in rendering the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder.

As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

10. ACTION TO BE TAKEN BY THE SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than **5.30 p.m. (Singapore time) on 26 May 2023 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror), being the Closing Date**. Shareholders who wish to accept the Offer should refer to Appendix V to the Offer Document which sets out the procedures for acceptance of the Offer.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document (including the Acceptance Forms) which has been sent to them.

11. OVERSEAS PERSONS

Shareholders whose mailing addresses are outside of Singapore as shown on the register of members of the Company or, as the case may be, in the records of CDP should refer to Paragraph 11 of the Offer Document, the full text of which is set out in italics below.

*"The availability of the Offer to Shareholders whose mailing addresses are outside of Singapore (as shown on the register of members of the Company or, as the case may be, in the records of CDP) (each, an "**Overseas Person**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Person should inform himself about and observe any applicable legal requirements, and exercise caution in relation to the Offer, as this Offer Document, the Notification Letter, the Acceptance Forms and/or any related documents have not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Offer Document, the Notification Letter, the Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror, UOB, CDP and the Share Registrar each reserves the right not to send these documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom this Offer Document, the Notification Letter, the Acceptance Forms and/or any related documents have not been, or may not be, sent.***

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Copies of this Offer Document, the Notification Letter, the Acceptance Forms and/or any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, means, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility.

Overseas Persons may, nonetheless, obtain copies of, the Notification Letter, the Acceptance Forms and/or any related documents, during normal business hours and up to the Closing Date, from the Offeror through its receiving agent, (a) CDP (if he is a depositor) by submitting a request to CDP via phone (+65 6535 7511) or email services (asksqx@sgx.com); or (b) the Share Registrar (if he holds Offer Shares which are not deposited with CDP), M & C Services Private Limited at its office located at 112 Robinson Road, #05-01, Singapore 068902.

Alternatively, an Overseas Person may write to the Offeror through CDP (if he is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or the Share Registrar (if he holds Offer Shares which are not deposited with CDP) at the office address listed above, to request for the Notification Letter, the Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at the Overseas Person's own risk, up to five (5) Market Days prior to the Closing Date.

It is the responsibility of any Overseas Person who wishes to (i) request for the Notification Letter, the Acceptance Forms and/or any related documents; or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Person shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including UOB) shall be fully indemnified and held harmless by such Overseas Person for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including UOB) may be required to pay. In (A) requesting for the Notification Letter, the Acceptance Forms and/or any related documents; and/or (B) accepting the Offer, the Overseas Person represents and warrants to the Offeror and UOB that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

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

The Offeror and UOB each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Persons) by announcement on the website of the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Person) to receive or see such announcement, notice or advertisement."

LETTER TO SHAREHOLDERS

12. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Paragraphs 14.3 and 14.4 of the Offer Document state the following:

“14.3 Information pertaining to CPFIS Investors

CPFIS Investors will receive further information on how to accept the Offer from the CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks, which may be earlier than the Closing Date. CPFIS Investors who validly accept the Offer will receive the Offer Consideration payable in respect of their Offer Shares in their CPF investment accounts.

14.4 Information pertaining to SRS Investors

SRS Investors will receive further information on how to accept the Offer from the SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date. SRS Investors who validly accept the Offer will receive the Offer Consideration payable in respect of their Offer Shares in their SRS investment accounts.”

13. ELECTRONIC DESPATCH OF THIS CIRCULAR

Pursuant to the public statements issued by the SIC on 6 May 2020, 29 September 2020 and 29 June 2021 on the despatch of take-over documents under the Code, no printed copies of this Circular will be despatched to the Shareholders.

Instead, this Circular has been despatched electronically to the Shareholders through publication on the websites of the SGX-ST and the Company. In connection with the electronic despatch of this Circular, the hardcopy notification with instructions on how to access and retrieve this Circular electronically will be despatched by ordinary post to the Shareholders.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The recommendation of the Independent Directors set out in **Section 9** of this Circular is the responsibility of the Independent Directors.

Save for the foregoing, the Directors (including any Director who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular (other than those relating to the IFA Letter, the IFA, the Valuation Reports, the Offeror, Concert Party Group, the Offer, the Offer Announcement, the Offer Document, the Offer Consideration Revision Announcement and any other announcements made by or on behalf of the Offeror) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading.

In respect of the IFA Letter and the Valuation Reports, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (such as the IFA Letter and the Valuation Reports) or obtained from the Offeror (including, without limitation, the Offer Announcement, the Offer Document and the

LETTER TO SHAREHOLDERS

Offer Consideration Revision Announcement, and any other announcements made by or on behalf of the Offeror), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

The Directors jointly and severally accept responsibility accordingly.

15. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Circular which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
LIAN BENG GROUP LTD

Low Beng Tin BBM (L)
Independent Director

**APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD.
IN RESPECT OF THE OFFER**



12 May 2023

LIAN BENG GROUP LTD

29 Harrison Road
Lian Beng Building
Singapore 369648

Attention: The Independent Directors (as defined herein)

VOLUNTARY UNCONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED (“UOB”) FOR AND ON BEHALF OF OSC CAPITAL PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (“SHARES”) IN THE SHARE CAPITAL OF LIAN BENG GROUP LTD (THE “COMPANY”) OTHER THAN SHARES HELD IN TREASURY AND SHARES HELD, DIRECTLY OR INDIRECTLY, BY THE OFFEROR AS AT THE DATE OF THE OFFER (THE “OFFER SHARES”)

Unless otherwise defined, the terms used herein shall have the same meaning ascribed to them in the circular to shareholders of Lian Beng Group Ltd dated 12 May 2023 issued by the Company in connection with the Offer (the “Circular”).

1. INTRODUCTION

1.1 The Offer

On 11 April 2023 (the “**Offer Announcement Date**”), UOB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary unconditional cash offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”) at the offer consideration of S\$0.62 in cash (the “**Offer Consideration**”) for each Offer Share (the “**Offer Announcement**”).

On 28 April 2023, UOB, for and on behalf of the Offeror, issued the offer document dated 28 April 2023 (the “**Offer Document**”), in respect of the Offer.

On 3 May 2023 (the “**Revision Announcement Date**”), UOB announced, for and on behalf of the Offeror, that the Offeror is revising the Offer Consideration to S\$0.68 in cash (the “**Final Offer Consideration**”) for each Offer Share and that the Offeror does not intend to revise the Final Offer Consideration (the “**Offer Consideration Revision Announcement**”). Save as aforesaid, all other terms and conditions of the Offer remain unchanged.

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**APPENDIX I – LETTER FROM XANDAR CAPITAL PTE. LTD.
IN RESPECT OF THE OFFER**



On 11 May 2023, UOB announced, for and on behalf of the Offeror, the despatch of the notification letter in respect of the Final Offer Consideration.

1.2 This IFA Letter

In connection with thereof, the Company has appointed Xandar Capital Pte. Ltd. ("**Xandar Capital**") as the independent financial adviser (the "**IFA**") to the directors of the Company (the "**Directors**") who are considered independent under the Code for the purposes of making the recommendation to the Shareholders in respect of the Offer, namely Mr. Low Beng Tin, Mr. Ko Chuan Aun, Mr. Ang Chun Giap and Dr. Tan Khee Giap (collectively, the "**Independent Directors**"), to assess the terms of the Offer, and advise (a) whether the terms of the Offer are fair and reasonable; and (b) whether the holders of the Offer Shares (the "**Shareholders**") should accept or reject the Offer.

This letter sets out, *inter alia*, our evaluation and advice in respect of the Offer (this "**IFA Letter**"), and forms part of the Circular which provides, *inter alia*, the details of the Offer as well as the recommendation of the Independent Directors in respect of the Offer.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to advise the Independent Directors on (a) whether the terms of the Offer are fair and reasonable; and (b) whether the Shareholders should accept or reject the Offer, as the case may be.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer. We are not required nor authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Offer Shares, and therefore are not able to, and will not compare the Offer to any other alternative transaction. We are also not addressing the relative merits of the Offer as compared to any alternative transaction, or other alternatives, or whether such alternatives could be achieved, or are or will be available in future.

Our evaluation is limited to the terms of the Offer, and our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial and/or risks or merits (if any) of the Offer.

In the course of our evaluation, we have held discussions with certain Directors and management of the Company, and have examined publicly available information relating to the Company and its subsidiaries (the "**Group**") as well as information provided and representations made to us by the aforesaid parties, including information in the Circular. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy,

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completeness or adequacy of such information, representation and assurance. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

Our scope does not require us and we have not made any independent evaluation (including without limitation, market value or economic potential) or appraisal of the Group's assets and liabilities.

The Company has commissioned Savills Valuation and Professional Services (S) Pte. Ltd., SRE Global Pte Ltd, Chengdu Jiuding Real Estate Exchange Evaluation Co., Ltd. ⁽¹⁾ and Cushman & Wakefield (Valuations) Pty Ltd (collectively, the "**Valuers**") to determine the values of its investment properties, freehold and leasehold land and buildings under its property, plant and equipment, and development properties in connection with the Offer. The valuation reports (the "**Valuation Reports**") from the Valuers are documents available for inspection at the registered office of the Company for the period during which the Offer remains open for acceptance. We are not involved and assume no responsibility for the Valuation Reports. We have not made any independent verification of the matters and bases set out in the Valuation Reports. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of the Valuation Reports. Saved for the Valuation Reports, we have not been furnished with any evaluation or appraisal of any assets or liabilities of the Company or the Group.

Note:

(1) This is the unofficial English translation name of 成都九鼎房地产土地资产评估有限公司.

We also note from Section 14 of the Circular that, the Directors (including any Director who may have delegated detailed supervision of the Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in the Circular (other than those relating to the IFA Letter, the IFA, the Valuation Reports, the Offeror, Concert Party Group, the Offer, the Offer Announcement, the Offer Document, the Offer Consideration Revision Announcement and any other announcements made by or on behalf of the Offeror) are fair and accurate and that no material facts have been omitted from the Circular, the omission of which would make any statement in the Circular misleading.

In respect of the IFA Letter and the Valuation Reports, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (such as the IFA Letter and the Valuation Reports) or obtained

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from the Offeror (including, without limitation, the Offer Announcement, the Offer Document and the Offer Consideration Revision Announcement, and any other announcements made by or on behalf of the Offeror), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in the Circular.

The scope of our engagement does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group whether with or without the Offer. We have not reviewed any financial projections or forecasts of the Company or the Group and we do not express any view on the future growth prospects, financial position or earnings potential of the Company and/or the Group. Such evaluation shall remain the sole responsibility of the Directors, although we may draw upon their views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

Our advice is based upon economic, industry, market, monetary, regulatory and other relevant conditions subsisting and the information available to us as at 5 May 2023, being the latest practicable date prior to the issuance of the Circular (the "**Latest Practicable Date**"). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our advice in light of any subsequent development after the Latest Practicable Date that may affect our advice contained herein. Shareholders should take note of any announcements and/or events relevant to their consideration of the Offer which may be released or occur after the Latest Practicable Date.

In preparing this IFA Letter, we did not consider the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Shareholder, or any specific group of Shareholders. We recommend that Shareholders who may require specific advice in relation to their Shares, investment objectives or portfolios to consult their stockbroker, bank manager, legal, financial, tax or other professional advisers immediately.

This IFA Letter is for the use and benefit of the Independent Directors in connection with and for the purpose of their consideration of the Offer, and the recommendation made by the Independent Directors shall remain their responsibility.

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

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

We recommend that the Independent Directors advise the Shareholders to read these pages carefully.

3. THE OFFER

The Offer is made in accordance with Rule 15 of the Code, and subject to the terms and conditions set out in the Offer Document and the acceptance forms accompanying the Offer Document, for all the Offer Shares.

The detailed terms and conditions of the Offer are set out in Section 2 of, and Appendix IV to the Offer Document. Shareholders are advised to read the terms and conditions of the Offer as set out in the Offer Document carefully. We extract the following key information for your reference.

3.1 The Offer Shares

The Offer Shares refer to all the Shares, other than Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer.

The Offer is extended, on the same terms and conditions, to all the Offer Shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$83,666,121.52 comprising 499,689,200 Shares (excluding 30,070,800 Shares held by the Company in treasury) (the “**Existing Share Capital**”).

3.2 The Final Offer Consideration

For each Offer Share: S\$0.68 in cash

UOB has announced, for and on behalf of the Offeror, on the Revision Announcement Date that the Offeror does not intend to revise the Final Offer Consideration.

3.3 Rights and Encumbrances of the Offer Shares

The Offer Shares will be acquired:

- (a) fully paid-up;

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- (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the “**Encumbrances**”); and
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital (“**Distributions**”), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date.

In the event that any Distribution is declared, made or paid on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Final Offer Consideration by the amount of such dividends, rights, distributions or return of capital paid by the Company to the Shareholder who has validly accepts or has validly accepted the Offer.

As at the Latest Practicable Date, the Company has no outstanding unpaid Distributions.

3.4 Conditions to the Offer

The Offer is unconditional in all respects.

4. INFORMATION ON THE COMPANY

The Company was incorporated under the laws of Singapore on 25 May 1998 and its Shares have been quoted and listed on the Main Board of the SGX-ST since 15 April 1999.

The Group is involved in the following business segments:

- (a) Construction – The business of constructing residential, institutional, industrial and commercial properties, and civil engineering projects as the main contractor, and other construction-related activities;
- (b) Dormitory – The rental of dormitory units and provision of dormitory accommodation services;
- (c) Investment holding – The holding of investments in properties and quoted and unquoted securities for long-term capital appreciation, and recurring income such as rental, interest, dividend and distribution income; and
- (d) Property development – The development and sale of properties (residential, commercial and industrial), provision of development management services, as well

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as fund management services, and investment in funds managed by fund managers through the Company's listed subsidiary, SLB Development Ltd.

As at the Latest Practicable Date, the directors of the Company are:

- (i) Mr. Ong Pang Aik BBM (L) (Chairman and Managing Director);
- (ii) Ms. Ong Lay Huan (Executive Director);
- (iii) Ms. Ong Lay Koon (Executive Director);
- (iv) Mr. Low Beng Tin BBM (L) (Independent Director);
- (v) Mr. Ko Chuan Aun (Independent Director);
- (vi) Mr. Ang Chun Giap PBM (Independent Director); and
- (vi) Dr. Tan Khee Giap (Independent Director).

5. INFORMATION ON THE OFFEROR

5.1 ABOUT THE OFFEROR

The Offeror is an investment holding company incorporated under the laws of Singapore on 4 April 2023. As at 24 April 2023 (the "OD LPD"), being the latest practicable date for the Offer Document:

- (a) the Offeror has an issued and paid-up share capital of S\$100.00, comprising 100 ordinary shares (the "Offeror Shares") which are held as follows:
 - (i) 51 Offeror Shares are held by Mr. Ong Pang Aik, representing 51% of the Offeror Shares in issue;
 - (ii) 30 Offeror Shares are held by Ms. Ong Lay Huan, representing 30% of the Offeror Shares in issue;
 - (iii) 13 Offeror Shares are held by Ms. Ong Lay Koon, representing 13% of the Offeror Shares in issue; and
 - (iv) 6 Offeror Shares are held by Ms. Ong Lee Yap, representing 6% of the Offeror Shares in issue.

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- (b) the board of directors of the Offeror (the “**Offeror Directors**”) comprises the following individuals:
- (i) Mr. Ong Pang Aik _{BBM (L)};
 - (ii) Ms. Ong Lay Huan;
 - (iii) Ms. Ong Lay Koon;
 - (iv) Ms. Ong Lee Yap;
 - (v) Mr. Ong Phang Hoo _{PBM}; and
 - (vi) Mr. Ong Phang Hui _{PBM}.
- (c) the Offeror does not own any Shares.

Information on the Offeror is set out in Section 4 of, as well as Appendix I to, the Offer Document.

Shareholders may wish to note that Mr. Ong Pang Aik, Ms. Ong Lay Huan and Ms. Ong Lay Koon are Executive Directors of the Company and Ms. Ong Lee Yap, Mr. Ong Phang Hoo and Mr. Ong Phang Hui are executive officers of the Group.

5.2 IRREVOCABLE UNDERTAKINGS

As at the Offer Announcement Date, Mr. Ong Pang Aik, Ms. Ong Lay Huan, Ms. Ong Lay Koon, Ms. Ong Lee Yap (collectively, the “**Ong Siblings**”), Ong Sek Chong & Sons Pte Ltd (“**OSC**”) and OSC Investments Capital Private Limited (“**OSCI**”), and together with OSC and the Ong Siblings, the “**Undertaking Shareholders**”) have executed irrevocable undertakings (the “**Irrevocable Undertakings**”) in favour of the Offeror, pursuant to which each of them has undertaken to, *inter alia*:

- (a) accept the Offer in respect of all Shares held or controlled by each of them;
- (b) accept the Offer in respect of any other Shares or securities in the capital of the Company that each of them may acquire, or which may be allocated and issued to each of them on or after the date of the Irrevocable Undertakings; and
- (c) (in respect of the Undertaking Shareholders other than Ms. Ong Lee Yap only) waive their rights to receive any settlement or payment of their acceptance of the Offer within the time period prescribed under Rule 30 of the Code.

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We summarise the Shares under the Irrevocable Undertakings as follows:

| Names of Undertaking Shareholders | Shares | Percentage of the Existing Share Capital |
|--|--------------------|---|
| Mr. Ong Pang Aik | 28,649,300 | 5.73 |
| Ms. Ong Lay Huan | 16,011,999 | 3.20 |
| Ms. Ong Lay Koon | 8,539,200 | 1.71 |
| Ms. Ong Lee Yap | 1,456,200 | 0.29 |
| OSC | 291,150,746 | 58.27 |
| OSCI | 1,786,300 | 0.36 |
| TOTAL | 347,593,745 | 69.56 |

There is no change to the Undertaking Shareholders and the Irrevocable Undertakings between the Offer Announcement Date and the OD LPD.

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect upon the Offer lapsing or being withdrawn for whatever reason other than as a result of a breach of any of the Undertaking Shareholders' obligations under the Irrevocable Undertakings.

Save for the Irrevocable Undertakings, as at the OD LPD, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any other party to accept or reject the Offer.

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5.3 SHAREHOLDINGS OF THE CONCERT PARTY GROUP

“**Concert Party Group**” refer to the Offeror, the Offeror Directors and persons acting or deemed to be acting in concert with the Offeror as set out in Section 1.1 of Appendix III to the Offer Document.

We summarise their shareholding in the Company as at the Latest Practicable Date as follows:

| Names of Concert Party Group | Shares | Percentage of the Existing Share Capital |
|------------------------------|----------------------------|--|
| Offeror | 6,267,100 ⁽¹⁾ | 1.25 |
| Undertaking Shareholders | 347,593,745 ⁽²⁾ | 69.56 |
| Mr. Ong Phang Hoo | 1,333,200 ⁽²⁾ | 0.27 |
| Ms. Ong Sui Hui | 1,104,100 ⁽²⁾ | 0.22 |
| Mr. Ong Eng Keong | 750,000 ⁽²⁾ | 0.15 |
| Ms. Lee Ke Juan | 550,000 ⁽²⁾ | 0.11 |
| Mr. Ong Phang Hui | 309,200 ⁽²⁾ | 0.06 |
| Mr. Chiew Hock You | 61,000 ⁽²⁾ | 0.01 |
| Ms. Ng Siew Yan Delicia | 5,000 ⁽²⁾ | Not significant |
| Mr. Ong Sek Chong (Estate) | 1 ⁽²⁾ | Not significant |
| TOTAL | 357,973,346 | 71.64 ⁽³⁾ |

Notes:

- (1) Based on the dealings disclosure announcement made by UOB, for and on behalf of the Offeror on 4 May 2023 and 5 May 2023.
- (2) Based on information disclosed in the Offer Document.
- (3) Percentages do not add up due to rounding.

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We note from the dealings disclosure announcement made by UOB, for and on behalf of the Offeror on 5 May 2023 (being the Latest Practicable Date) that the Offeror has received valid acceptances amounting to 8,293,897 Shares, including acceptances from the Concert Party Group amounting in aggregate to 5,568,697 Shares. As Shares held by the Concert Party Group are already disclosed in the table above, the total shareholding of the Concert Party Group after adding valid acceptances of 2,725,000 Shares (being the difference between 8,293,897 Shares and 5,568,697 Shares) from independent Shareholders would be 360,698,546 Shares, representing 72.18% of the Existing Share Capital.

6. THE OFFEROR’S RATIONALE FOR THE OFFER

The Offeror’s rationale for the Offer set out in Section 7 of the Offer Document. We summarise as follows:

- (a) the trading volume of the Shares has remained generally low and represents less than 0.04% of the total number of the Existing Share Capital for the respective one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including 6 April 2023 (the “**Last Trading Day**”, being the last full trading day of the Shares prior to the Offer Announcement Date);
- (b) the Offer presents an opportunity for Shareholders to realise their investments at a premium without incurring brokerage fees as the Final Offer Consideration exceeds the highest closing price of the Shares in the four (4)-year period prior to and including the Last Trading Day;
- (c) the Offeror is of the view that the Company is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future as the Company may tap on other funding sources such as bank borrowings. Accordingly, it is not necessary for the Company to maintain its listing on the SGX-ST; and
- (d) the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

7. THE OFFEROR’S INTENTIONS

The Offeror’s intention for the Group is set out in Section 8 of the Offer Document. We extract in *italic* as follows:

“It is currently the intention of the Offeror to ensure continuity in the operations of the Group. After the close of the Offer, the Offeror intends to undertake a review of the operations, management and financial position of the Group and will evaluate and pursue any

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opportunities arising in the ordinary course of business which it regards to be in the interests of the Offeror and/or the Group.”

We also note from Section 9.3 of the Offer Document that:

“The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support or take any step (including the placing out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.”

8. EVALUATION OF THE OFFER

In our evaluation of the Offer, we have taken into account the following factors:

- (a) market performance of the Shares;
- (b) the financial position of the Group;
- (c) the financial performance of the Group;
- (d) the dividend track record of the Company;
- (e) comparison of the valuation ratios of the Company implied by the Final Offer Consideration against those of comparable companies;
- (f) comparison of the valuation ratios of the Company implied by the Final Offer Consideration with recently completed similar transactions for companies listed on the SGX-ST;
- (g) estimated range of values of the Shares; and
- (h) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

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8.1 MARKET PERFORMANCE OF THE SHARES

8.1.1 Historical closing prices of the Shares

(a) Historical closing prices of the Shares since the last change in the Company's share capital

The Shares were first traded on the Main Board of the SGX-ST on 15 April 1999.

There was no change to the Company's Existing Share Capital comprising 499,689,200 Shares (excluding 30,070,800 Shares held by the Company in treasury) between 22 March 2016 and the Latest Practicable Date. The Company last purchased its Shares on 21 March 2016 under the share buy back mandate granted by Shareholders.

We compare the Final Offer Consideration with the closing price of the Shares (as extracted from Bloomberg L.P.) for the period from 22 March 2016 up to and including the Latest Practicable Date as follows:



The Shares closed on or above the Final Offer Consideration for the following periods/dates: (i) 11 October 2017 to 9 February 2018 (both dates inclusive); (ii) 15 February 2018 to 21 February 2018 (both dates inclusive); (iii) 23 February 2018; (iv) 26 February 2018; (v) 28 February 2018; (vi) 13 March 2018 to 14 March 2018; and (vii) 4 May 2023 to 5 May 2023.

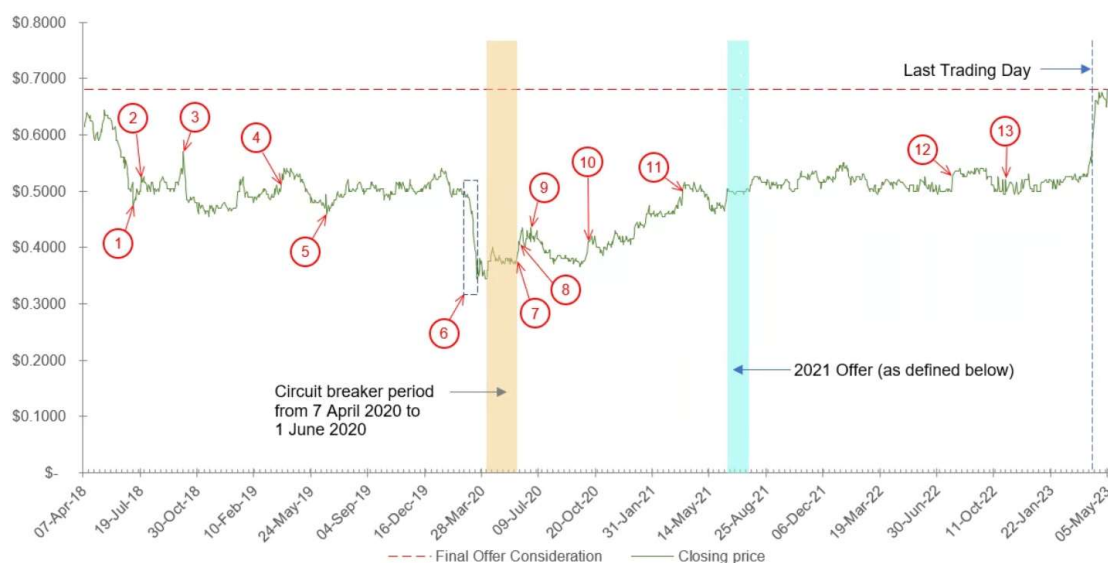
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(b) Historical closing prices of the Shares for the five (5)-year period prior to and including the Last Trading Day up to the Latest Practicable Date from 7 April 2018 to 5 May 2023, both dates inclusive (the “Reference Period”)

We note that one of the rationale for the Offer is that the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in the Shares at a premium over the historical traded prices of the Shares, without incurring brokerage and other trading costs, in particular, the Final Offer Consideration exceeds the highest closing price of the Shares in the four (4)-year period prior to and including the Last Trading Day.

We compare the Final Offer Consideration with the closing price of the Shares (as extracted from Bloomberg L.P.) for the Reference Period as follows:



As set out in the chart above, save for 4 May 2023 and 5 May 2023 (being the last two (2) market days where the Shares were traded after the Revision Announcement Date up to and including the Latest Practicable Date), the Shares had always closed below the Final Offer Consideration during the Reference Period.

The highest closing price of the Shares for the five (5)-year period prior to and including the Last Trading Day was S\$0.645 and it occurred on 15 May 2018. The Final Offer Consideration represents a premium of 5.43% to this highest closing price per Share. As a reference, the Shares traded at between S\$0.630 and S\$0.645 per Share on 15 May 2018 and a total of 1,438,800 Shares were traded on 15 May 2018.

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The highest closing price of the Shares for the period after the Offer Announcement Date up to the Revision Announcement Date was S\$0.675.

The highest closing price of the Shares for the period from 4 May 2023 (being the market day after the Revision Announcement Date) up to and including the Latest Practicable Date was S\$0.680. The Final Offer Consideration is the same as this latest highest closing price per Share.

In our review of the closing price of the Shares, we also note that the daily fluctuations in the closing prices of the Shares during the Reference Period generally did not exceed 5%, save for the following dates/period:

| Date/Period | Material (more than 5%) closing price fluctuations |
|----------------------------------|--|
| 6 July 2018 1 | Closing price of the Shares decreased by 7.77% from S\$0.515 on 5 July 2018 to S\$0.475 on 6 July 2018. The last announcement made by the Company prior to this material closing price fluctuation was on 26 June 2018, where the Company announced that it has completed the acquisition of 60% interest in United Tec Construction Pte. Ltd. for a cash consideration of S\$180,000 from an unrelated third party. |
| 20 July 2018 2 | Closing price of the Shares increased by 5.00% from S\$0.500 on 19 July 2018 to S\$0.525 on 20 July 2018. The last announcement made by the Company prior to this material closing price fluctuation was on 10 July 2018, where the Company announced that the Group's 20%-owned associated company has incorporated two subsidiaries (principally engaged in hotels and similar accommodation business) in England and Wales for an issued and paid-up share capital of £1.0 each. |
| 5 and 8 October 2018 3 | Closing price of the Shares increased by 5.56% from S\$0.540 on 4 October 2018 to S\$0.570 on 5 October 2018, then decreased by 7.02% to S\$0.530 on 8 October 2018. The last announcement made by the Company prior to this material closing price fluctuation was on 3 October 2018, where the Company, Heeton Holdings Limited and KSH Holdings Limited jointly published a press release in relation to the proposed acquisition of a 94-room hotel in Glasgow, Scotland. The Company has 20% effective interest in the acquisition consortium. |

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| Date/Period | Material (more than 5%) closing price fluctuations |
|--------------------------|---|
| 1 April 2019 4 | <p>Closing price of the Shares increased by 5.00% from S\$0.500 on 29 March 2019 to S\$0.525 on 1 April 2019.</p> <p>The last announcement made by the Company prior to this material closing price fluctuation was on 28 March 2019, where the Company announced that its listed subsidiary, SLB Development Ltd., has incorporated a wholly-owned subsidiary, Wealth Space Pte. Ltd.</p> |
| 21 June 2019 5 | <p>Closing price of the Shares decreased by 7.07% from S\$0.495 on 20 June 2019 to S\$0.460 on 21 June 2019.</p> <p>The last announcement made by the Company prior to this material closing price fluctuation was on 31 May 2019, where the Company announced that the Group had disposed of S\$42.5 million of quoted investments during the financial year ended 31 May 2019.</p> |
| March 2020 6 | <p>The material closing price fluctuations in March 2020 were as follows:</p> <ul style="list-style-type: none"> - a decrease of 5.15% from S\$0.485 on 6 March 2020 to S\$0.460 on 9 March 2020; - a decrease of 7.06% from S\$0.425 on 13 March 2020 to S\$0.395 on 16 March 2020; - a decrease of 11.54% from S\$0.390 on 18 March 2020 to S\$0.345 on 19 March 2020; - an increase of 8.70% from S\$0.345 on 19 March 2020 to S\$0.375 on 20 March 2020; - a decrease of 6.67% from S\$0.375 on 20 March 2020 to S\$0.350 on 23 March 2020; - an increase of 5.56% from S\$0.360 on 24 March 2020 to S\$0.380 on 25 March 2020; and - a decrease of 6.67% from S\$0.375 on 27 March 2020 to S\$0.350 on 30 March 2020. <p>The Company only made one announcement in March 2020 which is the members' voluntary liquidation of Lian Beng (HK) Limited, a wholly-owned subsidiary of the Company, incorporated in British Virgin Islands, on 16 March 2020.</p> <p>The fluctuation in the closing prices during March 2020 was probably due to the measures announced by the Singapore government to curb the spread of COVID-19 in March 2020. As a reference, the Straits Times Index declined 6.03%, 5.25% and 7.35% on 9 March 2020, 16 March 2020 and 23 March 2020</p> |

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| Date/Period | Material (more than 5%) closing price fluctuations |
|--|---|
| | <p>respectively, and rebounded 5.76% and 6.07% on 24 March 2020 and 25 March 2020 respectively.</p> <p>Between 2 March 2020 and 20 March 2020, there were announcements on market acquisitions of Shares by some members of the Concert Party Group. Total Shares which were the subject of the announcements amounted to 3,799,100 Shares.</p> |
| <p>1 June 2020</p> <p align="center">7</p> | <p>Closing price of the Shares increased by 5.41% from S\$0.370 on 29 May 2020 to S\$0.390 on 1 June 2020.</p> <p>The last announcement prior to this material closing price fluctuation was a disclosure of interest by Mr. Ong Pang Aik on 27 May 2020 that he has transferred some of the Shares he owned from his nominee account to his CDP account (the “27 May 2020 Announcement”).</p> |
| <p>11 June 2020</p> <p align="center">8</p> | <p>Closing price of the Shares decreased by 5.75% from S\$0.435 on 10 June 2020 to S\$0.410 on 11 June 2020.</p> <p>The last announcement prior to this material closing price fluctuation was the 27 May 2020 Announcement.</p> |
| <p>25 June 2020</p> <p align="center">9</p> | <p>Closing price of the Shares increased by 6.10% from S\$0.410 on 24 June 2020 to S\$0.435 on 25 June 2020.</p> <p>The last announcement prior to this material closing price fluctuation was the 27 May 2020 Announcement.</p> |
| <p>6 October 2020</p> <p align="center">10</p> | <p>Closing price of the Shares increased by 5.13% from S\$0.390 on 5 October 2020 to S\$0.410 on 6 October 2020.</p> <p>The last announcement made by the Company prior to this material closing price fluctuation was on 28 September 2020, where the Company announced the results of its annual general meeting and extraordinary general meeting.</p> <p>OSC also purchased Shares in the market in the days prior to and including 6 October 2020. Total Shares acquired between 24 September 2020 and 6 October 2020, both dates inclusive, was 1,233,400 Shares.</p> |
| <p>26 March 2021</p> <p align="center">11</p> | <p>Closing price of the Shares increased by 6.32% from S\$0.475 on 25 March 2021 to S\$0.505 on 26 March 2021.</p> <p>The last announcement made by the Company prior to this material closing price fluctuation was on 19 March 2021, where the Company announced that its 60%-owned subsidiary has secured a construction contract worth approximately S\$131 million for the proposed residential flat development at Canberra Drive, Singapore.</p> |

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| Date/Period | Material (more than 5%) closing price fluctuations |
|--|---|
| <p>28 July 2022</p> <p style="text-align: center;">12</p> | <p>Closing price of the Shares increased by 5.00% from S\$0.500 on 27 July 2022 to S\$0.525 on 28 July 2022.</p> <p>The Company announced its full year results for the financial year ended 31 May (“FY”) 2022 on 27 July 2022, reporting higher revenue (of S\$788.34 million for FY2022 as compared to S\$514.49 million for FY2021) and higher profit attributable to the owners of the Company (of S\$43.46 million for FY2022 as compared to S\$26.07 million for FY2021), and proposed a S\$0.02 final dividend per Share.</p> |
| <p>1 November 2022</p> <p style="text-align: center;">13</p> | <p>Closing price of the Shares increased by 5.05% from S\$0.495 on 31 October 2022 to S\$0.520 on 1 November 2022.</p> <p>The Company published its sustainability report for FY2022 on 31 October 2022.</p> |
| <p>12 April 2023</p> | <p>Closing price of the Shares increased by 14.04% from S\$0.570 on 6 April 2023 to S\$0.650 on 12 April 2023 (Wednesday). There was no trading on 7 April 2023 (which was Good Friday and a public holiday) and trading of the Shares were halted on 10 and 11 April 2023 for the announcement of the Offer.</p> |

Shareholders may also wish to note that OSC announced a mandatory conditional cash offer for the Shares at S\$0.50 for each Share (the “**2021 Offer**”) pursuant to Rule 14.1(b) of the Code on 14 June 2021. The 2021 Offer closed on 26 July 2021. We noted that the Shares closed between S\$0.495 and S\$0.505 per Share for the period of the 2021 Offer from 15 June 2021 to 26 July 2021.

Following the completion of the 2021 Offer, the Shares closed at a narrower range of between S\$0.495 and S\$0.570 per Share for the period from 27 July 2021 up to the Last Trading Day, as compared to a range of between S\$0.345 and S\$0.645 per Share for the period prior to the 2021 Offer from 7 April 2018 to 14 June 2021.

The Shares closed between S\$0.650 and S\$0.675 for the period after the Offer Announcement Date up to and including the Revision Announcement Date.

The Shares closed at S\$0.680 on 4 May 2023 and 5 May 2023 which is the same as the Final Offer Consideration announced on 3 May 2023.

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8.1.2 Trading statistics of the Shares

We tabulate below selected statistical information on the share price and trading liquidity of the Shares during the Reference Period:

| | VWAP ⁽¹⁾ (S\$) | Premium of Final Offer Consideration to VWAP (%) | Highest trading price (S\$) | Lowest trading price (S\$) | Average daily traded volume ⁽²⁾ | Average daily traded volume as percentage of free float ⁽³⁾ (%) |
|---|--|---|--|---|---|---|
| <u>Periods prior to and up to the Last Trading Day</u> | | | | | | |
| 60-month | 0.5000 | 36.00 | 0.645 | 0.310 | 399,223 | 0.29 |
| 48-month | 0.4775 | 42.41 | 0.570 | 0.310 | 307,995 | 0.22 |
| 36-month | 0.4738 | 43.52 | 0.570 | 0.345 | 270,214 | 0.20 |
| 24-month | 0.5089 | 33.62 | 0.570 | 0.450 | 218,435 | 0.16 |
| 12-month | 0.5215 | 30.39 | 0.570 | 0.480 | 109,178 | 0.08 |
| 6-month | 0.5237 | 29.85 | 0.570 | 0.480 | 75,803 | 0.05 |
| 3-month | 0.5290 | 28.54 | 0.570 | 0.505 | 114,233 | 0.08 |
| 1-month | 0.5356 | 26.96 | 0.570 | 0.510 | 161,909 | 0.12 |
| Last Trading Day | 0.5600 | 21.43 | 0.570 | 0.550 | 360,500 | 0.26 |
| Period during the 2021 Offer | 0.5001 | 35.97 | 0.505 | 0.495 | 1,208,607 | 0.88 |
| Period after the 2021 Offer up to the Last Trading Day | 0.5200 | 30.77 | 0.570 | 0.475 | 135,045 | 0.10 |
| <u>Periods after the Offer Announcement Date up to the Revision Announcement Date</u> | | | | | | |
| 12 April 2023 to the Revision Announcement Date ⁽⁴⁾ , both dates inclusive | 0.6540 | 3.98 | 0.680 | 0.640 | 875,387 | 0.63 |

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| | VWAP ⁽¹⁾ (S\$) | Premium of Final Offer Consideration to VWAP (%) | Highest trading price (S\$) | Lowest trading price (S\$) | Average daily traded volume ⁽²⁾ | Average daily traded volume as percentage of free float ⁽³⁾ (%) |
|---|------------------------------|--|--------------------------------------|-------------------------------------|--|--|
| <u>Periods after the Revision Announcement Date up to the Latest Practicable Date</u> | | | | | | |
| 4 May 2023 to 5 May 2023, both dates inclusive | 0.6800 | - | 0.685 | 0.680 | 3,557,150 | 2.58 |
| Latest Practicable Date | 0.6800 | - | 0.685 | 0.680 | 1,501,700 | 1.09 |

Source: Bloomberg L.P.

Notes:

- (1) "VWAP" means volume weighted average price and is rounded to four (4) decimal places in the above table.
- (2) The average daily traded volumes of the Shares are calculated based on the total number of Shares traded (excluding Shares transacted under married deals) and the total days where the Shares were traded ("**Trading Days**") during those periods.
- (3) Calculated based on 137,885,654 Shares, being the difference between (i) the Existing Share Capital of 499,689,200 Shares; and (ii) the 357,973,346 Shares held by the Concert Party Group, the 2,725,200 valid acceptances from independent Shareholders set out in paragraph 5.3 of this IFA Letter and the 1,105,000 Shares held by two Independent Directors.
- (4) Trading of the Shares were halted at 2:15 pm on 3 May 2023 and lifted for trading from 8:30 am on 4 May 2023.

We note the following with regards to the trading prices of the Shares:

- (a) the Final Offer Consideration is higher than the highest trading price of the Shares for respective periods prior to and including the Last Trading Day as set out in the table above;
- (b) the highest trading price for the 60-month period prior to and including the Last Trading Day was S\$0.645 per Share and it occurred on 13 April 2018, 16 April 2018, 15 May 2018, 17 May 2018 and 21 May 2018. The Final Offer Consideration represents a premium of 5.43% to this highest trading price per Share;

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- (c) the highest trading price for the 48-month period prior to and including the Last Trading Day was S\$0.570 per Share. The Final Offer Consideration represents a premium of 19.30% to this highest trading price per Share;
- (d) the Final Offer Consideration represents premia of 36.00%, 42.41%, 43.52%, 33.62%, 30.39%, 29.85%, 28.54% and 26.96% respectively to the VWAPs of the Shares for the 60-month, 48-month, 36-month, 24-month, 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day which ranged between S\$0.4738 and S\$0.5356 per Share;
- (e) the Shares traded at between S\$0.640 and S\$0.680 per Share for the period after the Offer Announcement Date up to the Revision Announcement Date;
- (f) the Shares traded at a narrower gap of between S\$0.680 and S\$0.685 per Share for the period after the Revision Announcement Date up to the Latest Practicable Date; and
- (g) the Final Offer Consideration is the same as the closing prices and VWAPs of the Shares on 4 May 2023 and 5 May 2023 respectively.

We note the following on the trading liquidity of the Shares:

- (i) save for the period during the 2021 Offer, the average daily traded volumes of the Shares for all the periods prior to and including the Last Trading Day represent less than 0.30% of the free float. Average daily traded volume of the Shares for the aforesaid periods was less than 400,000 Shares. This is very low as compared to the free float of 137,885,654 Shares calculated in footnote (3) above;
- (ii) in our review of the market performance of the Shares, we note that OSC, OSCI and Mr. Ong Pang Aik had made market acquisitions of Shares ("**CPG Market**

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Acquisitions) during the Reference Period. We tabulate the effects of the CPG Market Acquisitions (excluding married deals) as follows:

| | Total Shares acquired under the CPG Market Acquisitions⁽¹⁾ | Total number of Shares traded ⁽¹⁾ | Total Shares acquired under the CPG Market Acquisitions as a % of total number of Shares traded (%) | Average daily traded volume without CPG Market Acquisitions | Average daily traded volume as percentage of free float (%) |
|--|--|---|--|--|--|
| <u>Periods prior to and up to the Last Trading Day</u> | | | | | |
| 60-month | 37,852,800 | 479,466,500 | 7.89 | 367,705 | 0.27 |
| 48-month | 36,789,500 | 293,211,000 | 12.55 | 269,350 | 0.20 |
| 36-month | 30,058,100 | 189,419,900 | 15.87 | 227,335 | 0.16 |
| 24-month | 25,347,500 | 99,824,900 | 25.39 | 162,970 | 0.12 |
| 12-month | 3,290,600 | 23,582,500 | 13.95 | 93,944 | 0.07 |
| 6-month ⁽²⁾ | 159,300 | 8,489,900 | 1.88 | 74,380 | 0.05 |
| Period during the 2021 Offer | 22,056,900 | 33,841,000 | 65.18 | 420,861 | 0.31 |
| <u>Periods after the Revision Announcement Date ⁽³⁾</u> | | | | | |
| 4 and 5 May 2023 | 6,267,100 | 7,114,300 | 88.09 | 423,600 | 0.31 |

Notes:

- (1) Excludes married deals.
- (2) The market acquisition by OSC was on 10 October 2022.
- (3) There were no CPG Market Acquisitions for the period after the Offer Announcement Date up to the Revision Announcement Date.

As set out in the table above, liquidity of the Shares for the 60-month, 48-month, 36-month, 24-month and 12-month periods prior to and including the Last Trading Day and the period during the 2021 Offer were significantly contributed by the CPG

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Market Acquisitions. In particular, average daily trading volumes of the Shares for the 48-month, 36-month, 24-month and 12-month periods prior to and including the Last Trading Day as well as the period during the 2021 Offer would decrease by more than 10% without the CPG Market Acquisitions.

Total Shares traded (excluding CPG Market Acquisitions) for the five-(5) year period prior to and including the Last Trading Day was 441,613,700 Shares and represent only 3.2 times of the free float of the Company.

We calculate that there was no material impact to the VWAPs of the Shares during the aforesaid periods if the CPG Market Acquisitions were excluded.

- (iii) the average daily traded volume of the Shares for the period after the Offer Announcement Date up to the Latest Practicable Date increased to 1,190,888 Shares, or almost at the same level as the average daily traded volume of the Shares (of 1,208,607 Shares) for the period during the 2021 Offer. The trading volume for the period after the Offer Announcement Date up to the Latest Practicable Date was also substantially contributed by the market acquisition made by the Offeror on 4 May 2023 and 5 May 2023. Aggregate Shares purchased by the Offeror on 4 May 2023 and 5 May 2023 amounted to 6,267,100 Shares, representing (A) 88.09% of the Shares traded on 4 and 5 May 2023; and (B) 30.96% of the 20,245,100 Shares traded for the period after the Offer Announcement Date up to the Latest Practicable Date; and
- (iv) the Shares were traded on more than 80% of the market days which the SGX-ST were open for trading during the periods prior to and including the Last Trading Day and were traded on 100% of the market days for the period after the Offer Announcement Date up to the Latest Practicable Date (save for the two markets days where trading of the Shares was halted for the announcement of the Offer).

In summary, while the Shares were traded for more than 80% of the market days which the SGX-ST were open for trading during the Reference Period, the daily trading volumes of the Shares for the 48-month, 36-month, 24-month and 12-month periods prior to and including the Last Trading Day were less than 400,000 Shares, of which the CPG Market Acquisitions contributed more than 10% of the total trading volumes of the Shares for each respective period. Hence, the trading volume of the Shares can be considered illiquid and the market prices of the Shares may not be a fair representation of the value of the Shares.

Nevertheless, given the low liquidity of the Shares, the Offer presents an exit opportunity for Shareholders.

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Shareholders should note that there is no assurance that the market prices and trading volumes of the Shares will maintain at the level for the period after the Offer Announcement Date up to the Latest Practicable Date after the close of the Offer.

Shareholders are also advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

8.2 THE FINANCIAL POSITION OF THE GROUP

8.2.1 Net asset value (“NAV”) per Share

As set out in paragraph 8.1 above, the trading volume of the Shares can be considered illiquid and the market prices of the Shares may not be a fair representation of the value of the Shares. As such, the NAV of the Group is important in our consideration of the fair value of the Shares.

The NAV of the Group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the Group. The NAV approach may provide an estimate of the value of the Group assuming the hypothetical sale of all their assets over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group, and the balance proceeds, if any, be distributed to all shareholders. Therefore, the NAV is perceived as providing support for the value of the Shares.

The latest announced NAV attributable to Shareholders was approximately S\$768.66 million as at 30 November 2022. After adjusting for the interim dividend of S\$0.01 per Share paid to Shareholders on 6 February 2023 (the “**HY2023 Dividend**”), the adjusted NAV attributable to Shareholders amounted to approximately S\$763.66 million.

Based on the Existing Share Capital of 499,689,200 Shares as at the Latest Practicable Date, the adjusted NAV per Share is approximately S\$1.5283. The Final Offer Consideration represents a discount of approximately S\$0.8483 or 55.51% to the adjusted NAV per Share, or a P/NAV ratio of approximately 0.44 times.

8.2.2 Trailing P/NAV ratio of the Shares

We compare the P/NAV ratio of 0.44 times implied by the Final Offer Consideration with the trailing P/NAV ratio of the Shares (calculated based on the historical closing price extracted

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from Bloomberg L.P. and the NAV announced by the Company during the Reference Period) as follows:



We note from the chart above that:

- (a) the trailing P/NAV ratios of the Shares for the period between 7 April 2018 and 26 June 2018 (both dates inclusive) were above the P/NAV ratio of 0.44 times implied by the Final Offer Consideration;
- (b) the trailing P/NAV ratio of the Shares on 27 June 2018 was 0.45 times and slightly higher than the P/NAV ratio of 0.44 times implied by the Final Offer Consideration; and
- (c) the trailing P/NAV ratios of the Shares for the period between 19 April 2023 and 28 April 2023 (both dates inclusive) as well as the period between 4 May 2023 and 5 May 2023 (both dates inclusive) were the same as the P/NAV ratio implied by the Final Offer Consideration.

For the rest of the Reference Period, the trailing P/NAV ratios of the Shares were below the P/NAV ratio implied by the Final Offer Consideration.

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8.2.3 Revalued NAV (“RNAV”) per Share

In our evaluation of the NAV of the Group, we have considered whether there are any assets which may be valued at an amount that is materially different from that which was recorded in the latest announced balance sheet of the Group and whether there are any events in announcements made by the Company after the publication of the latest financial results that are likely to impact the NAV per Share.

(a) Assets which may be valued at an amount that is materially different from that which was recorded in the latest announced balance sheet of the Group

We set out in the table below the assets which accounted for more than 5% of the NAV of the Group as at 30 November 2022:

| | Unaudited as at 30 November 2022 | |
|--|---|--|
| | S\$'000 | As a percentage of the Group's NAV (before adjusting for HY2023 Dividend) |
| Investment properties (non-current assets) | 695,569 | 76.68 |
| Cash and cash equivalents (current assets) | 246,861 | 27.21 |
| Amount due from associates (current and non-current) | 240,127 | 26.47 |
| Property, plant and equipment (non-current assets) | 239,154 | 26.36 |
| Development properties (current assets) | 170,406 | 18.79 |
| Investment securities (current and non-current assets) | 169,220 | 18.65 |
| Trade receivables (current assets) | 83,136 | 9.16 |
| Contract assets (current assets) | 76,974 | 8.49 |
| Investments in associates (non-current assets) | 68,063 | 7.50 |
| Amount due from joint ventures (current assets) | 59,252 | 6.53 |

We review each of the material assets as follows:

(i) Investment properties (non-current assets)

The Group's investment properties consist of dormitory, commercial, industrial, retail and residential properties, which are held for long-term rental yields and/or capital appreciation. They are mainly leased to third parties under operating leases.

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The Group is in the process of completing the sale of an investment property and expects to recognise a net gain of S\$128,000 from the sale in May 2023 (the “Sale”). Save for the investment property which is the subject of the Sale, the Group has commissioned Valuers to provide the market values of its investment properties for purposes of the Offer.

The valuation approaches adopted by the Valuers comprise the direct comparison method (which was adopted for 12 out of the 13 investment properties under valuation), the income capitalisation method (which was adopted for seven (7) out of the 13 investment properties under valuation) and the discounted cash flow approach (which was adopted for one investment property). The valuation date of all investment properties was 21 April 2023, except for the investment property in the People’s Republic of China (“China”) which had a valuation date of 26 April 2023. Based on these valuations, the Group would record a revaluation surplus of approximately S\$2.07 million ⁽¹⁾ on its investment properties.

Note:

- (1) Including the valuation on the China investment property which was translated to Singapore dollars based on the closing exchange rate of S\$1.00 to RMB5.1871 on 26 April 2023, being the date of valuation.

(ii) Cash and cash equivalents (current assets)

Cash and cash equivalents as at 30 November 2022 comprised fixed deposits of S\$111.46 million and cash on hand and at banks of S\$135.40 million, out of which S\$11.97 million are fixed deposits and bank balances pledged for bank loans.

The cash and cash equivalent as at 30 November 2022 had not taken into account the cash movements arising from the following events announced by the Company subsequent to 30 November 2022:

| | S\$'000 |
|---|----------------|
| HY2023 Dividend | (4,997) |
| Net cash proceeds from the 381 Joo Chiat Disposal set out in paragraph 8.2.3(b)(ii) below (net of expenses and repayment of bank loan) | 20,221 |
| Net cash outlay (comprising share capital and shareholders’ loans) as at the Latest Practicable Date for tender awarded to Centurion-Lian Beng (Ubi) Pte. Ltd. (a 49%-owned associate company) announced on 15 January 2023 set out in paragraph (ix) below | (2,450) |

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Based on the above adjustments, the Group will have cash and cash equivalents of approximately S\$259.64 million. After excluding fixed deposits and bank balances pledged for bank loans, the Group's unrestricted cash and cash equivalents amounted to approximately S\$247.66 million or S\$0.4956 per Share.

Please also refer to paragraph 8.2.4 of this IFA Letter for our analysis of the ex-cash NAV of the Group.

(iii) Amount due from associates (current and non-current assets)

Amount due from associates comprised interest-bearing (at interest rates of between 1.25% and 5.35% per annum for FY2022) non-trade amounts due from associates and interest free trade amounts due from associates.

(iv) Property, plant and equipment (non-current assets)

Property, plant and equipment of the Group as at 30 November 2022 comprised freehold and leasehold land and buildings, plant and machinery, construction-in-progress, tugboats and barges, motor vehicles, furnitures & fittings, and workers' dormitory.

In particular, freehold and leasehold land and buildings as well as construction-in-progress collectively accounted for 72.19% of the Group's property, plant and equipment as at 30 November 2022. Items in the property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The Group reviewed the carrying values for impairment annually but did not take into account any of the unrealised fair value gain.

For purposes of the Offer, the Group has also commissioned Valuers to provide the market values of its freehold and leasehold land and buildings under its property, plant and equipment as at 21 April 2023.

The Valuers adopted mainly the direct comparison method for all seven (7) properties under valuation and an additional income capitalisation method for one of the seven (7) properties under valuation. Based on these valuations, the Group would record a revaluation surplus of approximately S\$28.20 million (after adding capital expenditure incurred between 1 December 2022 and the Latest Practicable Date and excluding non-controlling interests) on the properties under its property, plant and equipment.

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(v) Development properties (current assets)

As at 30 November 2022, development properties of the Group comprised (i) the Group's industrial building at 2 Leng Kee Road, Singapore, (ii) an office building in the central business district of Melbourne, Australia, and (iii) commercial buildings at North Canal Road, Singapore.

These development properties are stated at the lower of cost and net realisable value.

For purposes of the Offer, the Group has also commissioned Valuers to provide the market values of its development properties as at 21 April 2023.

The Valuers adopted the direct comparison method for the two (2) development properties in Singapore, an additional income capitalisation method for one of the two (2) Singapore development properties, and the capitalisation method and discounted cash flow method for the Australian development property. Based on these valuations, the Group would record a revaluation surplus of approximately S\$2.65 million ⁽¹⁾ on the properties under its development properties.

Note:

- (1) Including the valuation on the Australian development property which was translated to Singapore dollars based on the closing exchange rate of S\$1.00 to AUD1.1199 on 21 April 2023, being the date of valuation.

(vi) Investment securities (current and non-current assets)

Investment securities of the Group comprised quoted equity and debt investments as well as unquoted equity.

These investment securities are measured either at fair value through profit or loss or fair value through other comprehensive income.

The Group had disposed of, and recognised, net gain of S\$0.29 million from the disposal of its investment securities for the period between 1 December 2022 and the Latest Practicable Date.

For the remaining investment securities, the Group calculates its net fair value loss as at the Latest Practicable Date to be S\$1.64 million, based on the latest available statements of its securities accounts.

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(vii) Trade receivables (current assets)

Trade receivables comprised mainly progressive billings on the construction projects, sales of construction-related materials, rental of construction equipment, and progress billings on development units sold for INSPACE, an 8-storey multi-user industrial building located at 24 New Industrial Road, Singapore. The Group has fully sold the units in INSPACE as at 30 November 2022.

(viii) Contract assets (current assets)

Contract assets relate to unbilled work-in-progress and have substantially the same characteristics as the trade receivables for the same type of contracts. Contract assets become trade receivables when the Group made progressive billings for its construction projects.

(ix) Investments in associates (non-current assets)

The Group partners with other SGX-ST companies to hold investment properties (including dormitories) for long-term rental yields and/or capital appreciation, as well as to develop properties.

As at 30 November 2022, the Group's key investments in associates comprised its interest in Centurion-Lian Beng (Papan) Pte. Ltd., Oxley Bliss Pte Ltd and Rio Casa Venture Pte. Ltd.

No valuation is commissioned on the properties held by the Group's key associates as (a) they individually accounted for less than 3% of the Group's NAV as at 30 November 2022; and (b) the Group has less than 50% interests in these key associates. Nevertheless, we have reviewed and noted that there is no material change to the valuation of the properties held by these associates as at 31 May 2020, 31 May 2021 and 31 May 2022.

In addition, we note that the Group announced on 15 January 2023 that it had jointly invested in Centurion-Lian Beng (Ubi) Pte. Ltd. with Centurion Dormitory Venture Pte. Ltd. (a wholly-owned subsidiary of Centurion Corporation Limited listed on both the Mainboard of the SGX-ST and The Stock Exchange of Hong Kong Limited). The Group holds 49% in Centurion-Lian Beng (Ubi) Pte. Ltd. and Centurion Dormitory Venture Pte. Ltd. holds the remaining 51%. The Group also announced the award of a tender for lease of land to Centurion-Lian Beng (Ubi) Pte. Ltd. for development and use as a foreign workers' dormitory. Based on an announcement made by Centurion Corporation Limited on 15 January 2023, the total development costs for the land (include the award tender price) were estimated to be S\$85.0 million and shall be provided by the shareholders of Centurion-Lian Beng (Ubi) Pte. Ltd. on a pro rata

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basis in accordance with their respective interests in Centurion-Lian Beng (Ubi) Pte. Ltd. The Group intends to fund its portion through internal resources and bank borrowings.

(x) Amount due from joint ventures (current assets)

Amount due from joint ventures comprised mainly non-trade interest-free loans.

(b) Events in announcements made by the Company after the publication of the latest financial results

(i) HY2023 Dividends

We have made adjustments in relation to the HY2023 Dividends as set out in paragraph 8.2.1 of this IFA Letter. Accordingly, no further adjustment to the NAV per Share is required.

(ii) 381 Joo Chiat Disposal

On 8 September 2022, the Company announced the disposal of the Group's commercial property at 381 Joo Chiat Road for a consideration of S\$42 million (the "381 Joo Chiat Disposal"). The Company announced the completion of the 381 Joo Chiat Disposal on 14 December 2022. While completion only happened after 30 November 2022, the Group had already accounted for the gain on 381 Joo Chiat Disposal as 'fair value gain on investment property held for sale' of S\$13.64 million in its financial results for the six months ended 30 November 2022 ("HY2023") announced on 12 January 2023. Accordingly, no adjustment relating to the 381 Joo Chiat Disposal on the NAV per Share is required.

(iii) Centurion-Lian Beng (Ubi) Pte. Ltd.

On 15 January 2023, the Company announced the award of tender for lease of land to Centurion-Lian Beng (Ubi) Pte. Ltd. and the lease of land and proposed development of dormitory will be funded through internal resources and bank borrowings. On 28 March 2023, the Company announced that Centurion-Lian Beng (Ubi) Pte. Ltd. had capitalised amounts of S\$3 million due to its shareholders as capital. Capitalisation of loans does not affect the Group's NAV and no adjustment to the NAV per Share is required.

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(c) RNAV

Based on the above, we compute the Group's RNAV as follows:

| | S\$'000 |
|---|----------------|
| Unaudited adjusted NAV attributable to Shareholders as 30 November 2022 ⁽¹⁾ | 763,658 |
| Add: Net revaluation surplus arising from the revaluation of the Group's investment properties as well as the net gain on disposal set out in paragraph 8.2.3(a)(i) of this IFA Letter | 2,198 |
| Add: Net revaluation surplus arising from the revaluation of the Group's property, plant and equipment (after excluding non-controlling interests) set out in paragraph 8.2.3(a)(iv) of this IFA Letter | 28,204 |
| Add: Net revaluation surplus arising from the revaluation of the Group's development properties set out in paragraph 8.2.3(a)(v) of this IFA Letter | 2,648 |
| Less: Fair value loss on investment securities (net of gain on disposal) set out in paragraph 8.2.3(a)(vi) of this IFA Letter | (1,349) |
| Less: Potential tax liabilities arising from the hypothetical disposal of the properties at the valuation ascribed to them in the Valuation Reports ⁽²⁾ | (743) |
| RNAV | 794,616 |

Notes:

- (1) Adjusted for the HY2023 Dividend as set out in paragraph 8.2.1 of this IFA Letter.
- (2) Based on the 17.0% tax rate as disclosed by the Company in Section 10 of Appendix II to the Circular, and applied to the hypothetical profits attributable to the Group assuming the sale of the development properties in Singapore in the same financial year, subject to compliance with the relevant tax rules and regulations. No tax is applied to the development property in Melbourne, Australia as the Group has hypothetical loss from the sale of the development property in Melbourne, Australia.

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Save for as disclosed in paragraphs (a) and (b) above, the Company confirms that, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

- (1) there is no event subsequent to 30 November 2022 which would materially affect the NAV of the Group;
- (2) there are no material contingent liabilities, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the NAV of the Group as at 30 November 2022; and
- (3) there is no material change to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 30 November 2022.

Based on the Existing Share Capital of 499,689,200 Shares as at the Latest Practicable Date, the RNAV per Share is approximately S\$1.5902. The Final Offer Consideration represents a discount of approximately S\$0.9102 or 57.24% to the RNAV per Share, or a P/RNAV ratio of approximately 0.43 times.

8.2.4 Unrestricted cash and cash equivalents per Share

As set out in paragraph 8.2.3(a)(ii) of this IFA Letter, the Group had adjusted unrestricted cash and cash equivalents of S\$0.4956 per Share as at 30 November 2022.

We calculate the ex-cash P/NAV ratio of the Shares as follows:

| | As at 30 November 2022 (S\$'000) | On per Share basis (S\$) |
|---|---|---|
| Adjusted unrestricted cash and cash equivalents | 247,662 | 0.4956 |
| Ex-cash Final Offer Consideration | | 0.1844 |
| Ex-cash NAV | 515,996 | 1.0326 |
| Ex-cash P/NAV ratio | | 0.18 times |

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Nevertheless, the above analysis may not be meaningful as:

- (a) the Group had total borrowings (comprising bank loans and lease liabilities) of approximately S\$915.41 million as at 30 November 2022, of which S\$398.52 million were current. The Group's adjusted unrestricted cash and cash equivalents represent only 62.15% of the current total borrowings; and
- (b) the Company announced on 7 March 2023 that the Group's construction order book in Singapore stands at approximately S\$2.1 billion, which will provide a sustainable flow of activity to the Group through FY2027. The Group would need to maintain an adequate level of cash to fulfil its working capital needs and contractual obligations.

8.3 FINANCIAL PERFORMANCE OF THE GROUP

The market prices of the Shares are affected by the performance of the Group.

Given that we have presented the market performance of the Shares for the five (5)-years prior to and including the Last Trading Day in paragraph 8.1 of this IFA Letter, we summarise the financial results of the Group for the last five (5) financial years as well as for the six (6)-month periods ended 30 November 2021 (“**HY2022**”) and HY2023, and calculate the financial results of the Group for the last 12-month from 1 December 2021 to 30 November 2022 (“**LTM2023**”) (collectively, the “**Track Record Period**”) as follows:

| S\$'000 | Audited FY2018 ⁽¹⁾ | Audited FY2019 | Audited FY2020 | Audited FY2021 | Audited FY2022 | Unaudited HY2022 | Unaudited HY2023 | Unaudited LTM2023 |
|--|--|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|------------------------------|
| Revenue | 406,960 | 386,791 | 556,043 | 514,490 | 788,336 | 377,315 | 421,002 | 832,023 |
| Profit before tax | 119,959 | 44,487 | 41,496 | 42,398 | 74,713 | 26,661 | 35,623 | 83,675 |
| Profit attributable to owners of the Company | 82,546 | 32,863 | 28,654 | 26,068 | 43,460 | 14,876 | 22,010 | 50,594 |

Source: Annual reports and results announcements of the Company.

Note:

- (1) Extracted from the annual report for FY2019.

As set out in the table above, the Group had generated revenue of over S\$500 million annually for FY2020, FY2021, FY2022 and LTM2023 and its annual profit attributable to owners of the Company had increased from S\$26.07 million for FY2021 to S\$50.59 million for LTM2023.

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We note that, save for FY2018, the Group's construction segment had been the single largest contributor to the Group's revenue for the Track Record Period. We set out the segmental revenue and profit before tax of the Group as follows:

| S\$'000 | Audited FY2018 ⁽¹⁾ | Audited FY2019 | Audited FY2020 | Audited FY2021 | Audited FY2022 | Unaudited HY2022 | Unaudited HY2023 | Unaudited LTM2023 |
|--|----------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|----------------------|
| <u>Revenue by segments</u> | | | | | | | | |
| Construction | 174,539 | 291,719 | 460,511 | 427,461 | 639,486 | 310,134 | 353,983 | 683,335 |
| Dormitory | 22,302 | 23,108 | 23,284 | 19,225 | 21,970 | 10,339 | 12,060 | 23,691 |
| Investment holding | 20,271 | 24,319 | 26,082 | 25,417 | 34,062 | 16,960 | 16,727 | 33,829 |
| Property development | 189,848 | 47,645 | 46,166 | 42,387 | 92,818 | 39,882 | 38,232 | 91,168 |
| | <u>406,960</u> | <u>386,791</u> | <u>556,043</u> | <u>514,490</u> | <u>788,336</u> | <u>377,315</u> | <u>421,002</u> | <u>832,023</u> |
| <u>Profit/(Loss) before tax by segments ⁽²⁾</u> | | | | | | | | |
| Construction | 26,733 | 6,883 | 2,448 | 1,622 | (10,457) | (6,933) | (5,814) | (9,338) |
| Dormitory | 20,259 | 19,939 | 7,794 | 20,226 | 25,391 | 9,823 | 10,906 | 26,474 |
| Investment holding | 42,148 | 17,868 | 19,473 | 5,251 | 24,379 | 8,203 | 18,035 | 34,211 |
| Property development | 32,691 | (2,166) | 11,900 | 14,273 | 35,195 | 15,484 | 12,473 | 32,184 |

Notes:

- (1) Extracted from the annual report for FY2019.
(2) Does not include eliminations and adjustments.

As set out in the tables above, although revenue from the construction segment had increased annually from S\$174.54 million in FY2018 to S\$683.34 million for LTM2023, profit before tax of the construction segment had decreased annually from being a key profit contributor in FY2018 to losses for FY2022 and LTM2023. The Group's other business segments such as investment holding segment, dormitory segment and property development segment are the main profit contributors of the Group for the recent financial periods.

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8.3.1 Earnings per Share and price-to-earnings (“P/E”) ratio

As set out above, we calculate the profit attributable to owners of the Company for LTM2023 to be approximately S\$50.59 million. Based on the Existing Share Capital of 499,689,200 Shares as at the Latest Practicable Date, the earnings per Share is S\$0.1013 and the P/E ratio of the Company implied by the Final Offer Consideration is 6.72 times.

8.3.2 Earnings before interest, tax, depreciation and amortisation (“EBITDA”) and enterprise value (“EV”)-to-EBITDA (“EV/EBITDA”) ratio

We calculate the EBITDA of the Group for LTM2023 as follows:

| S\$'000 | Audited FY2022 | Unaudited HY2022 | Unaudited HY2023 | Unaudited LTM2023 |
|-----------------------|-------------------|---------------------|---------------------|----------------------|
| Profit before tax | 74,713 | 26,661 | 35,623 | 83,675 |
| Add: Depreciation | 18,348 | 8,458 | 11,104 | 20,994 |
| Add: Amortisation | 5,376 | 2,376 | 2,202 | 5,202 |
| Add: Finance cost | 13,886 | 6,974 | 14,764 | 21,676 |
| Less: Interest income | (11,398) | (5,788) | (6,272) | (11,882) |
| EBITDA | 100,925 | 38,681 | 57,421 | 119,665 |

The EBITDA is usually adopted to calculate the EV/EBITDA ratio of a company. EV is defined as the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts less its cash and cash equivalents.

We calculate the EV of the Group as follows:

| | S\$'000 |
|--|---------|
| Value of the Company as implied by the Final Offer Consideration | 339,789 |
| Add: Borrowings and lease liabilities ⁽¹⁾ | 915,413 |
| Add: Non-controlling interests ⁽¹⁾ | 138,478 |

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S\$'000

| | |
|---|-----------|
| Less: Adjusted cash and cash equivalents ⁽²⁾ | (259,635) |
| EV | 1,134,045 |

Notes:

- (1) As at 30 November 2022.
- (2) As set out in paragraph 8.2.3(a)(ii) of this IFA Letter.

Based on the above calculations, the EV/EBITDA ratio of the Group implied by the Final Offer Consideration is 9.48 times.

8.3.3 Prospects and order book

As mentioned in paragraph 8.2.4(b) of this IFA Letter, the Company announced on 7 March 2023 that the Group's construction order book in Singapore stands at approximately S\$2.1 billion, which will provide a sustainable flow of activity to the Group through FY2027.

The order book of the Group should be read together with the commentary of the significant trends and competitive conditions that may affect the Group in the next 12 months since 30 November 2022 disclosed by the Company in its results announcement for HY2023 announced on 12 January 2023 as follows:

"The Group expects operating conditions in the construction sector to remain challenging with pressure to complete existing projects amid rising labour and raw material cost. The current interest rate environment is also expected to impact the Group's cost of borrowing and, consequently, its margins."

We also extract the statements relating to the outlook of the Group's other business segments from the same results announcement as follows:

"On the Property Development Segment, with the gradual pick up of construction activities, supported in part by the relaxation of border restrictions on the inflow of migrant workers, the Group will continue to actively monitor the progress to ensure smooth development and completion of its projects."

Barring any unforeseen circumstances, the Group expects the Investment Holding and Dormitory Segments to continue generating stable recurring income."

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The Group is primarily in the property and construction industries, and more than 99% of the Group's revenue for FY2022 and LTM2023 was generated from Singapore. We set out some key observations of the outlook of the general economy as well as the property and construction industries in Singapore, based on publicly available information as at the Latest Practicable as follows:

- (a) Based on the press release entitled “*Consumer Price Developments in March 2023*” published by the Ministry of Trade and Industry of Singapore on 24 April 2023:

“On the domestic front, unit labour costs are expected to rise further in the near term. Businesses are expected to continue to pass through accumulated import, labour and other costs to consumer prices, albeit at a more moderate pace amid the slowdown in domestic economic activity. Meanwhile, car and accommodation cost increases could stay firm in the quarters ahead on the back of tight COE quotas for cars and strong demand for rental housing, respectively.

Taking into account all factors, MAS Core Inflation is expected to stay elevated in the next few months. Nonetheless, it will remain on a broad moderating path, before slowing more discernibly in H2 2023 as imported inflation falls further and the current tightness in the domestic labour market eases.

For 2023 as a whole, headline and core inflation are projected to average 5.5–6.5% and 3.5–4.5%, respectively. Excluding the transitory effects of the 1%-point increase in the GST to 8%, headline and core inflation are expected to come in at 4.5–5.5% and 2.5–3.5%, respectively. Upside risks remain, including from fresh shocks to global commodity prices and more persistent-than-expected tightness in the domestic labour market. At the same time, there are also downside risks such as a sharper-than-projected downturn in the advanced economies which could induce a general easing of inflationary pressures.”

- (b) Based on the press release entitled “*Release of 1st Quarter 2023 Real Estate Statistics*” published by the Urban Redevelopment Authority of Singapore on 28 April 2023:

“The Government has further ramped up the supply of private housing on the Confirmed List for the GLS Programme in 1st half of 2023 to cater to demand⁶.

The ramp-up in housing supply complements the increases to the ABSD rates, which took effect on 27 April 2023. The Government increased the ABSD rates for SCs and PRs purchasing their second and subsequent residential property, and foreigners, entities and trustees purchasing any residential property (except housing developers)⁷. These increases are to pre-emptively dampen the robust local and foreign investment demand to promote a more sustainable property market. The

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Government's priority is to support Singaporeans who need to buy residential property for owner-occupation.

The Government will continue to adjust its policies as necessary so that they remain relevant and calibrate housing supply, to promote a stable and sustainable property market."

- (c) Based on the press release entitled "Singapore's Construction Demand To Remain Strong In 2023" published by the Building and Construction Authority of Singapore on 12 January 2023:

"The public sector will continue to lead demand and is expected to contribute S\$14 billion to S\$18 billion per annum from 2024 to 2027, with about 60% of demand made up by building projects and the rest by civil engineering works. Besides public housing developments, public sector construction demand over the medium term will be supported by various major developments such as MRT projects including the Cross Island Line (Phases 2 & 3), Downtown Line Extension to Sungei Kadut and Brickland North South Line station, Toa Payoh Integrated Development and Woodlands Checkpoint redevelopment."

8.4 DIVIDEND TRACK RECORD OF THE COMPANY

We note that the Company has been paying dividend consistently since FY2005. We set out the dividend declared and paid by the Company since FY2018 as follows:

| Dividends declared and paid by the Company | Singapore cents |
|---|------------------------|
| FY2018 total dividend | 2.25 |
| FY2019 total dividend | 2.25 |
| FY2020 total dividend | 1.00 |
| FY2021 total dividend | 1.00 |
| FY2022 total dividend | 3.00 |
| HY2023 Dividend | 1.00 |

Based on the above dividend track record, we calculate the average annualised dividend per Share to be 1.91 Singapore cents, which represents a dividend yield of 2.81% based on the Final Offer Consideration.

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For the purpose of analysing the Offer, we have considered that the Shareholders who accept the Offer may re-invest the proceeds from the Offer in selected alternative investments such as a broad Singapore market index instrument such as the STI Exchange-Traded Fund (“**STI ETF**”) or Singapore treasury bills as follows:

| | % |
|---|------|
| Trailing 12-month dividend yield of the STI ETF as at the Latest Practicable Date | 4.83 |
| Cut-off yield for 6-month Singapore Government Securities (SGS) treasury bill closed on 26 April 2023 | 3.83 |

Source: Bloomberg L.P. and the website of the Monetary Authority of Singapore.

This suggests that Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in the above-mentioned alternative investments.

We wish to highlight that the above dividend track record analysis only serves as an illustrative guide and is not an indication of the Company’s future dividend pay-out nor an indication of the performance of STI ETF or cut-off yield of future SGS treasury bills. There is no assurance that the Company will continue the dividend pay-out or STI ETF and SGS treasury bills will continue to generate such returns in the future.

8.5 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE FINAL OFFER CONSIDERATION AGAINST THOSE OF COMPARABLE COMPANIES

8.5.1 Property Comparable Companies

As set out in paragraph 8.3 of this IFA Letter, although the construction segment contributed more than 50% of the Group’s revenue for LTM2023, the construction segment reported a loss before tax for LTM2023. The profit before tax of the Group for LTM2023 was contributed from its other business segments such as investment holding segment, property development segment and dormitory segment.

Comparison is therefore made to companies listed on the SGX-ST with property investment and development or dormitory business contributing more than 50% of its revenue and profit before tax for their last 12 months financial results (the “**Property Comparable Companies**”) to assess the valuation ratios implied by the Final Offer Consideration versus the valuation ratios of the Property Comparable Companies based on their last traded prices as at the

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Latest Practicable Date. For a more meaningful comparison, we have shortlisted companies with market capitalisation between S\$100 million and S\$1 billion.

We wish to highlight that the list of Property Comparable Companies is not exhaustive and none of the Property Comparable Companies is identical to the Group in terms of business activities, scale of operations, geographical markets, asset base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in the accounting policies adopted by companies from various countries. Our analysis has not adjusted for such differences. In view of the above, it should be noted that any comparison made with respect to the Property Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

For the comparison of Property Comparable Companies, we have referred to various valuation measures to provide an indication of current market expectations with regard to the valuation of these companies as below:

| Valuation measure | General description |
|--------------------------|---|
| P/E | P/E ratio illustrates the ratio of the market price of a company's share relative to its historical consolidated earnings per share. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation. |
| EV/EBITDA | EV/EBITDA ratio is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance. |
| P/NAV | P/NAV ratio illustrates the ratio of the market capitalisation of a company relative to its NAV as stated in its financial statements. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. |

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We set out in the table below the list of Property Comparable Companies, together with a brief description of their business activities described by Bloomberg L.P.:

| Property Comparable Companies | Business activities as per Bloomberg L.P. |
|--|--|
| Centurion Corporation Limited (“ Centurion ”) | Centurion provides purpose-built workers and student accommodation services. Centurion owns, develops, and manages quality and purpose-built workers accommodation assets. Centurion serves customers worldwide. |
| Oxley Holdings Ltd. (“ Oxley ”) | Oxley develops real estate. The company develops residential and commercial projects in accessible locations. Oxley also develops light industrial buildings that include swimming pools and other recreational amenities. |
| SLB Development Ltd. (“ SLB ”) | SLB operates as a property development company. The company develops industrial, commercial, and retail properties. SLB is a 77.6%-owned subsidiary of the Group. |
| Sing Holdings Ltd. (“ SHL ”) | SHL develops real estate. The company develops residential, commercial, and industrial properties and retains a stake in certain properties. |
| Tuan Sing Holdings Ltd (“ Tuan Sing ”) | Tuan Sing operates as a holding company. The company, through its subsidiaries, provides property development, property investment, and hotel ownership. Tuan Sing serves clients in Singapore, China, Indonesia, and Australia. |

Source: Bloomberg L.P. and the respective website of the Comparable Companies.

We set out in the table below the valuation ratios of the Property Comparable Companies as at the Latest Practicable Date:

| Property Comparable Companies | Market Capitalisation ⁽¹⁾ (S\$m) | Net Profit / (Loss) ⁽²⁾ (S\$m) | P/E ratio (times) | EV/EBITDA ⁽³⁾ ratio (times) | P/NAV ratio (times) |
|--------------------------------------|--|--|------------------------------|---|--------------------------------|
| Centurion | 302.7 | 71.42 | 4.24 | 7.97 | 0.44 |
| Oxley | 589.8 | (20.01) | Not meaningful | 17.21 | 0.60 |
| SLB | 109.6 | 22.33 | 4.91 | 6.35 | 0.53 |

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| Property Comparable Companies | Market Capitalisation ⁽¹⁾ (S\$m) | Net Profit / (Loss) ⁽²⁾ (S\$m) | P/E ratio (times) | EV/EBITDA ⁽³⁾ ratio (times) | P/NAV ratio (times) |
|-------------------------------|---|---|----------------------|--|---------------------|
| SHL | 146.4 | 10.84 | 13.50 | 21.41 | 0.46 |
| Tuan Sing | 401.9 | 4.59 | 87.55 ⁽⁴⁾ | 26.64 | 0.33 |
| Maximum | | | 87.55 | 26.64 | 0.60 |
| Minimum | | | 4.24 | 6.35 | 0.33 |
| Mean | | | 7.55 ⁽⁴⁾ | 15.92 | 0.47 |
| Median | | | 4.91 ⁽⁴⁾ | 17.21 | 0.46 |

| | | | | | |
|----------------------------|-------|-------|------|------|------|
| The Company ⁽⁵⁾ | 339.8 | 50.59 | 6.72 | 9.48 | 0.44 |
|----------------------------|-------|-------|------|------|------|

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

Notes:

- (1) Based on last traded prices of the respective counters on the SGX-ST as at the Latest Practicable Date.
- (2) Based on latest available 12 months or full year profits attributable to equity holders/EBITDA as announced by the respective Property Comparable Companies.
- (3) For a more meaningful comparison, we have adopted the same approach to calculate the EBITDA of these Property Comparable Companies.
- (4) Excludes the P/E ratio of Tuan Sing as statistical outlier.
- (5) Please refer to paragraphs 8.3.1, 8.3.2 and 8.2.1 of this IFA Letter for our calculations of the Company's P/E ratio, EV/EBITDA ratio and P/NAV implied by the Final Offer Consideration.

We note from the table above that:

- (a) the P/E ratio implied by the Final Offer Consideration is within the range, higher than the median but lower than the mean P/E ratios of the Property Comparable Companies;

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- (b) the EV/EBITDA ratio implied by the Final Offer Consideration is also within the range but below the mean and median EV/EBITDA ratios of the Property Comparable Companies; and
- (c) the P/NAV ratio implied by the Final Offer Consideration is also within the range but below the mean and median P/NAV ratios of the Property Comparable Companies.

As mentioned above the table, SLB is a 77.6%-owned subsidiary of the Group. The Group, which generated higher revenue and profits, and had stronger financial position as compared to SLB as at 30 November 2022, has higher P/E ratio and EV/EBITDA ratio but lower P/NAV ratio as compared to SLB.

8.5.2 Construction Comparable Companies

While the Group's construction segment reported a loss before tax for LTM2023, we calculate that the NAV of the Group's construction segment accounted for 33.20% of the Group's NAV as at 30 November 2022.

Accordingly, comparison is made to companies listed on the SGX-ST with construction business contributing more than 50% of its revenue for their last 12 months financial results (the "**Construction Comparable Companies**") to assess the P/NAV ratio implied by the Final Offer Consideration versus the P/NAV ratios of the Construction Comparable Companies based on their last traded prices as at the Latest Practicable Date. Earnings ratios are excluded since there was no profit from the Group's construction segment for LTM2023. For a more meaningful comparison, we have shortlisted companies with market capitalisation above S\$100 million.

Similarly, the list of Construction Comparable Companies is not exhaustive and none of the Construction Comparable Companies is identical to the Group in terms of business activities, scale of operations, geographical markets, asset base, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in the accounting policies adopted by companies from various countries. Our analysis has not adjusted for such differences. In view of the above, it should be noted that any comparison made with respect to the Construction Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

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We set out in the table below the list of Construction Comparable Companies, together with a brief description of their business activities:

| Construction Comparable Companies | Business Activities |
|--|--|
| KSH Holdings Limited (“KSH”) | KSH constructs, develops, and manages various properties in Singapore, Malaysia, and China. |
| Lum Chang Holdings Limited (“Lum Chang”) | Lum Chang is an investment holding company whose subsidiaries provide services such as property development and management, building construction, and investment dealing. The company also provides home and office improvement services via the Internet for home and office owners. Lum Chang also owns and manages hotels and serviced residences. |
| Wee Hur Holdings Ltd (“Wee Hur”) | Wee Hur provides building construction services and acts as the management or main contractor in construction projects for both private and public sectors. The company's clients from the private sector include property owners and developers, and those from the public sector comprise government bodies and statutory boards. |

We set out in the table below the P/NAV ratios of the Construction Comparable Companies as at the Latest Practicable Date:

| Construction Comparable Companies | Market Capitalisation ⁽¹⁾ (S\$m) | Net Profit / (Loss) ⁽²⁾ (S\$m) | P/NAV ratio (times) |
|--|--|--|--------------------------------|
| KSH | 191.6 | 24.41 | 0.57 |
| Lum Chang | 131.8 | (14.72) | 0.66 |
| Wee Hur | 181.1 | 67.92 | 0.37 |
| The Company ⁽³⁾ | 339.8 | 50.59 | 0.44 |

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

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Notes:

- (1) Based on last traded prices of the respective counters as at the Latest Practicable Date.
- (2) Based on latest available 12 months or full year profits attributable to equity holders as announced by the respective Construction Comparable Companies.
- (3) Please refer to paragraph 8.2.1 of this IFA Letter for our calculations of the Company's P/NAV implied by the Final Offer Consideration.

As set out in the table, the P/NAV ratios of the Construction Comparable Companies range from 0.37 times to 0.66 times and the P/NAV ratio implied by the Final Offer Consideration is within the range of the P/NAV ratios of the Construction Comparable Companies.

The mean and median P/NAV ratios of the Construction Comparable Companies are 0.53 times and 0.57 times respectively, and the P/NAV ratio implied by the Final Offer Consideration is below the mean and median P/NAV ratios of the Construction Comparable Companies.

8.6 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE FINAL OFFER CONSIDERATION WITH RECENTLY COMPLETED SIMILAR TRANSACTIONS FOR COMPANIES LISTED ON THE SGX-ST

As disclosed in paragraph 9.3 of the Offer Document, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company.

Therefore, in our assessment on the fairness and reasonableness of the Final Offer Consideration, we have compared the valuation statistics implied by the Final Offer Consideration with the recently completed privatisation transactions where the offeror has indicated its intention to privatise and delist the offeree company (the "**Privatisation Transactions**"). These Privatisation Transactions are carried out either by way of voluntary delisting exit offers under Rule 1307 of the listing manual of the SGX-ST (the "**Listing Manual**"), offers being made by way of a scheme of arrangement under Section 210 of the Companies Act 1967 of Singapore or general takeover offers under the Code where the offeror has stated its intentions to delist the listed company from the SGX-ST, whether in cash or otherwise, which were announced since 1 January 2021 and successfully privatised as at the Latest Practicable Date.

The comparison serves as a general indication of the premium/discount of offer prices over the last transacted prices and VWAPs of shares in privatisation offers without having regard to their specific industry characteristics or other considerations.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the

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target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in the Privatisation Transactions set out in the analysis below are not directly comparable with the Group in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Offer with the Privatisation Transactions set out below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Group.

The statistics of the Privatisation Transactions are as follows:

| Name of companies | Date of announcement ⁽¹⁾ | Type ⁽²⁾ | Premium / (Discount) of offer price over/(to): | | | | Offer price-to-NAV or RNAV ⁽³⁾ (times) |
|--------------------------------------|-------------------------------------|---------------------|--|------------------|------------------|------------------|---|
| | | | Last transacted price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | |
| Global Dragon Limited | 10-Feb-23 | VGO | 14.3 | 15.4 | 22.4 | 17.6 | 0.73 |
| Chip Eng Seng Corporation Ltd. | 24-Nov-22 | MGO | 5.6 | 13.1 | 26.5 | 33.7 | 0.56 |
| Colex Holdings Limited | 17-Oct-22 | SOA | 25.0 | 13.9 | 13.3 | (14.5) | 1.62 |
| Asian Healthcare Specialists Limited | 6-Oct-22 | VGO | 17.5 | 18.3 | 21.3 | 22.3 | 2.07 |
| MS Holdings Limited | 03-Oct-22 | VGO | 16.7 | - | 25.2 | 25.5 | 0.48 |
| Moya Holdings Asia Limited | 14-Sep-22 | VD | 41.5 | 43.8 | 48.4 | 48.4 | 1.39 |
| Singapore Medical Group Limited | 13-Sep-22 | VGO | 23.1 | 28.1 | 28.9 | 25.8 | 1.14 |
| Memories Group Ltd | 12-Sep-22 | VD | 34.3 | 67.3 | 72.2 | 74.7 | 1.02 |
| Silkroad Nickel Ltd. | 9-Sep-22 | VGO | 2.4 | 5.4 | 5.1 | (5.5) | 5.07 ⁽⁵⁾ |
| SP Corporation Limited | 20-Aug-22 | SOA | 169.5 | 163.7 | 162.8 | 156.9 | 1.00 |

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Premium / (Discount) of offer price over/(to):

| Name of companies | Date of announcement⁽¹⁾ | Type⁽²⁾ | Last transacted price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | Offer price-to-NAV or RNAV⁽³⁾ (times) |
|---------------------------------|---|---------------------------|----------------------------------|-------------------------|-------------------------|-------------------------|---|
| GYP Properties Limited | 09-Jul-22 | VGO | 34.2 | 37.9 | 33.3 | 28.2 | 0.69 |
| Allied Technologies Limited | 17-Jun-22 | VGO | n.a. ⁽⁴⁾ | n.a. ⁽⁴⁾ | n.a. ⁽⁴⁾ | n.a. ⁽⁴⁾ | 0.35 |
| T T J Holdings Limited | 20-May-22 | VGO | 36.1 | 33.6 | 28.8 | 28.0 | 0.63 |
| Hwa Hong Corporation Limited | 17-May-22 | VGO | 37.9 | 36.1 | 32.0 | 22.0 | 0.79 |
| Excelpoint Technology Ltd | 13-Apr-22 | SOA | 21.4 | 36.6 | 31.3 | 45.9 | 1.58 |
| Singapore O&G Ltd | 7-Mar-22 | VGO | 18.0 | 14.8 | 12.2 | 11.3 | 3.55 |
| Shinvest Holding Ltd. | 16-Feb-22 | VGO | 12.9 | 8.5 | 10.2 | 10.1 | 0.66 |
| Koufu Group Limited | 29-Dec-21 | VGO | 15.8 | 14.5 | 13.6 | 15.1 | 3.21 |
| Roxy-Pacific Holdings Limited | 15-Dec-21 | VGO | 19.8 | 21.0 | 23.5 | 30.3 | 0.64 |
| United Global Limited | 10-Dec-21 | VGO | 12.5 | 16.7 | 16.7 | 16.2 | 1.06 |
| Starburst Holdings Limited | 10-Nov-21 | VGO | 5.8 | 3.9 | 9.2 | 12.8 | 1.84 |
| SingHaiyi Group Ltd. | 9-Nov-21 | VGO | 8.3 | 7.0 | 10.7 | 18.3 | 0.60 |
| Fragrance Group Limited | 9-Jul-21 | VGO | 16.9 | 19.0 | 19.0 | 20.0 | 0.70 |
| Dutech Holdings Limited | 28-May-21 | VGO | 74.0 | 73.3 | 74.7 | 73.3 | 0.74 |
| Cheung Woh Technologies Limited | 6-May-21 | VGO | 90.0 | 90.0 | 92.6 | 109.6 | 1.10 |
| Top Global Limited | 30-Apr-21 | VGO | 122.9 | 133.6 | 146.8 | 148.7 | 0.32 |
| Sin Ghee Huat Corporation Ltd | 29-Apr-21 | VGO | 25.6 | 68.2 | 68.2 | 68.8 | 0.57 |

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Premium / (Discount) of offer price over/(to):

| Name of companies | Date of announcement⁽¹⁾ | Type⁽²⁾ | Last transacted price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | Offer price-to-NAV or RNAV⁽³⁾ (times) |
|---|---|---------------------------|----------------------------------|-------------------------|-------------------------|-------------------------|---|
| Singapore Press Holdings Limited | 30-Mar-21 | SOA | 57.3 | 71.5 | 80.3 | 94.8 | 1.05 |
| Neo Group Limited | 30-Mar-21 | VGO | 20.0 | 17.9 | 14.5 | 15.4 | 1.22 |
| Singapore Reinsurance Corporation Limited | 19-Mar-21 | VGO | 17.8 | 20.6 | 20.8 | 21.8 | 0.79 |
| World Class Global Limited | 12-Mar-21 | SOA | 112.1 | 107.9 | 107.9 | 89.2 | 0.83 |
| International Press Softcom Limited | 28-Jan-21 | VGO | 12.5 | 25.4 | 32.0 | 21.6 | 1.08 |
| GL Limited | 15-Jan-21 | VGO | 42.9 | 46.6 | 52.4 | 45.8 | 0.74 |
| CEI Limited | 11-Jan-21 | VGO | 15.0 | 18.1 | 20.5 | 23.6 | 1.89 |
| Maximum | | | 169.5 | 163.7 | 162.8 | 156.9 | 5.07 |
| Minimum | | | 2.4 | - | 5.1 | (14.5) | 0.32 |
| Mean | | | 35.7 | 39.1 | 41.7 | 41.1 | 1.23 ⁽⁵⁾ |
| Median | | | 20.0 | 21.0 | 26.5 | 25.5 | 0.92 ⁽⁵⁾ |

The Company **11-Apr-23** **VGO** **19.3** **27.0** **28.5** **29.9** **0.43⁽⁶⁾**

Source: Offeree circulars of the respective companies.

Notes:

- (1) Date of announcement refer to the date of announcement of offers.
- (2) VD – Voluntary Delisting; VGO – Voluntary General Offer; SOA – Scheme of Arrangement; and MGO – Mandatory General Offer.
- (3) Based on the NAV per share or adjusted NAV or RNAV per share, where available, as published in the independent financial adviser's letter set out in respective circular of the companies.

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- (4) “n.a.” means not applicable as the shares of Allied Technologies Limited were suspended for more than three years prior to its offer.
- (5) Excluded the P/NAV of Silkroad Nickel Ltd as statistical outlier.
- (6) Based on the P/RNAV ratio set out in paragraph 8.2.3 of this IFA Letter.

Based on the above, we note that:

- (a) the premium of the Final Offer Consideration over the last transacted price prior to the Offer is within the range but lower than the corresponding mean and median premia of the Privatisation Transactions;
- (b) the premia of the Final Offer Consideration over the VWAPs for the respective periods set out in the table are within the range, higher than the corresponding median premia but lower than the corresponding mean premia of the Privatisation Transactions; and
- (c) the P/RNAV ratio implied by the Final Offer Consideration is within the range but below the mean and median P/RNAV ratios of the Privatisation Transactions.

8.6.1 Privatisation statistics of comparable companies

Some of the above Privatisation Transactions involves the privatisation of property development companies. We set out the privatisation statistics of these property development companies (the “**Property Privatisation Transactions**”) as follows:

| Name of companies | Date of announcement | Type | Premium of offer price over: | | | | Offer price-to-NAV or RNAV (times) |
|--------------------------------|----------------------|------|------------------------------|------------------|------------------|------------------|------------------------------------|
| | | | Last transacted price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | |
| Global Dragon Limited | 10-Feb-23 | VGO | 14.3 | 15.4 | 22.4 | 17.6 | 0.73 |
| Chip Eng Seng Corporation Ltd. | 24-Nov-22 | MGO | 5.6 | 13.1 | 26.5 | 33.7 | 0.56 |
| GYP Properties Limited | 09-Jul-22 | VGO | 34.2 | 37.9 | 33.3 | 28.2 | 0.69 |
| Hwa Hong Corporation Limited | 17-May-22 | VGO | 37.9 | 36.1 | 32.0 | 22.0 | 0.79 |

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Premium of offer price over:

| Name of companies | Date of announcement | Type | Last transacted price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | Offer price-to-NAV or RNAV (times) |
|-------------------------------|-----------------------------|-------------|----------------------------------|-------------------------|-------------------------|-------------------------|---|
| Roxy-Pacific Holdings Limited | 15-Dec-21 | VGO | 19.8 | 21.0 | 23.5 | 30.3 | 0.64 |
| SingHaiyi Group Ltd. | 9-Nov-21 | VGO | 8.3 | 7.0 | 10.7 | 18.3 | 0.60 |
| Fragrance Group Limited | 9-Jul-21 | VGO | 16.9 | 19.0 | 19.0 | 20.0 | 0.70 |
| Top Global Limited | 30-Apr-21 | VGO | 122.9 | 133.6 | 146.8 | 148.7 | 0.32 |
| World Class Global Limited | 12-Mar-21 | SOA | 112.1 | 107.9 | 107.9 | 89.2 | 0.83 |
| Maximum | | | 122.9 | 133.6 | 146.8 | 148.7 | 0.83 |
| Minimum | | | 5.6 | 7.0 | 10.7 | 17.6 | 0.32 |
| Mean | | | 41.3 | 43.4 | 46.9 | 45.3 | 0.65 |
| Median | | | 19.8 | 21.0 | 26.5 | 28.2 | 0.69 |
| The Company | 11-Apr-23 | VGO | 19.3 | 27.0 | 28.5 | 29.9 | 0.43 |

Source: Offeree circulars of the above-mentioned companies.

Based on the above, we note that:

- (a) the premia of the Final Offer Consideration over the VWAPs for the respective periods set out in the table are within the range, higher than the corresponding median premia but lower than the corresponding mean premia of the Property Privatisation Transactions; and
- (b) the P/RNAV ratio implied by the Final Offer Consideration is within the range but below the mean and median P/RNAV ratios of the Property Privatisation Transactions.

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8.7 ESTIMATED RANGE OF VALUES OF THE SHARES

We have analysed the market prices of the Shares, the financial performance and financial position of the Group in the preceding paragraphs of this IFA Letter.

As set out in paragraph 8.1.2 of this IFA Letter, save for the period during the 2021 Offer, the average daily traded volumes of the Shares for all the periods prior to and including the Last Trading Day represent less than 0.30% of the free float. Average daily traded volume of the Shares for the aforesaid periods was less than 400,000 Shares. In addition, the liquidity of the Shares during the Reference Period was also supported by CPG Market Acquisitions.

Accordingly, we will be relying principally on the ratios of the Property Comparable Companies and Construction Comparable Companies in our consideration of the estimated range of values of the Shares.

In determining the maximum and minimum value of the Shares, we have applied the mean P/NAV ratio of the Property Comparable Companies and the mean P/NAV ratio of the Construction Comparable Companies to the Group's RNAV.

This gives us a range of value of between S\$0.75 and S\$0.85 per Share.

The Final Offer Consideration is below our range of estimated values of the Shares.

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8.8 OTHER CONSIDERATIONS

8.8.1 The 2021 Offer

OSC was the Offeror in the 2021 Offer. OSC has given the Irrevocable Undertaking to the Offeror to accept the Offer and waive its rights to receive any settlement or payment of its acceptance of the Offer within the time period prescribed under Rule 30 of the Code.

We compare the statistics of the Offer with the 2021 Offer as follows:

| Premium / (Discount) of offer price over/(to): | | | | | | | |
|--|-------------------------|------------|------------------------------------|------------------------|------------------------|------------------------|---------------------------------------|
| | Date of announcement | Type | Last transacted price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | Offer price-to- RNAV (times) |
| 2021 Offer | 14-Jun-21 | MGO | 6.4 | 7.1 | 1.6 | 6.6 | 0.33 |
| The Offer | 11-Apr-23 | VGO | 19.3 | 27.0 | 28.5 | 29.9 | 0.43 |

As set out above, the premia represented by the Final Offer Consideration over the VWAPs of the Shares are higher than those in the 2021 Offer.

We also compare the valuation ratios implied by the Final Offer Consideration with the valuation ratios of the 2021 Offer as follows:

| | Market Capitalisation ⁽¹⁾ (S\$m) | Net Profit / (Loss) ⁽²⁾ (S\$m) | P/E ratio (times) | EV/EBITDA ratio (times) | P/NAV ratio (times) | P/RNAV ratio (times) |
|------------------|---|---|----------------------|----------------------------|------------------------|----------------------------|
| 2021 Offer | 249.8 | 27.70 | 9.02 | 10.56 | 0.34 | 0.33 |
| The Offer | 339.8 | 50.59 | 6.72 | 9.48 | 0.44 | 0.43 |

The P/E ratio and EV/EBITDA ratio implied by the Final Offer Consideration are lower than that of the 2021 Offer while the P/NAV ratio and P/RNAV ratio implied by the Final Offer Consideration are higher than that of the 2021 Offer.

8.8.2 Offeror's intention relating to the listing status of the Company

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled,

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intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support or take any step (including the placing out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

As at the Latest Practicable Date, the total shareholding of the Concert Party Group after adding valid acceptances from independent Shareholders would be 360,698,546 Shares, representing 72.18% of the Existing Share Capital. The Offeror will need another 89,021,734 Shares for the trading of the Shares to be suspended at the close of the Offer.

Nevertheless, Shareholders should note that, with the 72.18% shareholding, the Concert Party Group can pass all resolutions on matters in which they do not have an interest at future general meetings of Shareholders including resolutions on dividend payments by the Company.

8.8.3 Alternative takeover offer

The Directors confirm that (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

8.8.4 Transaction costs in connection with the disposal of the Shares

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open markets which will incur expenses such as brokerage commission and/or other trading costs.

9. OUR ADVICE

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

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We set out below a summary of the key factors we have taken into our consideration when assessing the “**fairness**” of the Offer:

Factors for the Final Offer Consideration

- (a) the Final Offer Consideration is higher than the closing prices, trading prices and VWAPs of the Shares for the periods prior to and including the Last Trading Day set out in paragraphs 8.1.1(b) and 8.1.2 of this IFA Letter. In particular, the Final Offer Consideration represents a premium of 5.43% to the highest closing price of S\$0.645 per Share for the five (5)-year period prior to and including the Last Trading Day; and
- (b) the trailing P/NAV ratios of the Shares were generally below the P/NAV ratio implied by the Final Offer Consideration as set out in paragraph 8.2.2 of this IFA Letter.

Factors against the Final Offer Consideration

- (A) given that the market prices of the Shares may not be a fair representation of the value of the Shares due to the low liquidity of the Shares, the NAV of the Group is important in our consideration of the fair value of the Shares. The Final Offer Consideration represents a discount of 55.51% or a P/NAV ratio of 0.44 times. This P/NAV ratio implied by the Final Offer Consideration is (a) below the mean and median P/NAV ratios of the Property Comparable Companies; and (b) below the mean and median P/NAV ratios of the Construction Comparable Companies;
- (B) the Final Offer Consideration represents a discount of 57.24% or a P/RNAV ratio of 0.43 times. The P/RNAV ratio implied by the Final Offer Consideration is below the mean and median P/RNAV ratios of the Privatisation Transactions and Property Privatisation Transactions;
- (C) the premia of the Final Offer Consideration over the VWAPs are lower than the corresponding mean premia of the Privatisation Transactions and Property Privatisation Transactions; and
- (D) the Final Offer Consideration is below our range of estimated values of the Shares set out in paragraph 8.7 of this IFA Letter.

We set out below a summary of the key factors we have taken into our consideration when assessing the “**reasonableness**” of the Offer:

Factors for the Final Offer Consideration

- (i) the Offer presents an exit opportunity for Shareholders, in particular, given the low liquidity of the Shares for the periods prior to and up to the Latest Practicable Date

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set out in paragraph 8.1.2 of this IFA Letter and that there is no alternative takeover offer for the Shares as at the Latest Practicable Date. Save for the period during the 2021 Offer, the average daily traded volumes of the Shares for all the periods prior to and including the Last Trading Day was less than 400,000 Shares as compared to the Company's free float of 137,885,654 Shares. Total Shares traded (excluding CPG Market Acquisitions) for the five-(5) year period prior to and including the Last Trading Day was 441,613,700 Shares and represent only 3.2 times of the free float of the Company;

- (ii) while the Company has been paying dividend consistently since FY2005, based on the five (5)-year annualised average dividend per Share and the Final Offer Consideration, Shareholders who accept the Offer may potentially have better returns if they reinvest the proceeds from the Offer in the alternative investments set out in paragraph 8.4 of this IFA Letter; and
- (iii) with the 72.18% shareholding, the Concert Party Group can pass all resolutions on matters in which they do not have an interest at future general meetings of Shareholders including resolutions on dividend payments by the Company.

Factors against the Final Offer Consideration

- (I) the Group had generated revenue of over S\$500 million annually for FY2020, FY2021, FY2022 and LTM2023 and its annual profit attributable to owners of the Company had increased from S\$26.07 million for FY2021 to S\$50.59 million for LTM2023 as set out in paragraph 8.3 of this IFA Letter;
- (II) while the Group's construction segment reported losses for FY2022 and LTM2023, losses from the construction segment were fully covered by profits from the other business segments of the Group. The Group also has strong order book which provide a sustainable flow of activity to the Group through FY2027;
- (III) the Company has been paying dividend consistently since FY2005; and
- (IV) while the P/NAV and P/RNAV ratio implied by the Final Offer Consideration are higher than that of the 2021 Offer, the P/E ratio and EV/EBITDA ratio implied by the Final Offer Consideration are lower than that of the 2021 Offer.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Offer, on balance, are not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to reject the Offer.

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This IFA Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Offer, and the recommendation made by them to the Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors or the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Offer, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

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

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

1. DIRECTORS

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

| Name | Address | Designation in the Company |
|---|--|-----------------------------------|
| Mr. Ong Pang Aik <small>BBM (L)</small> | c/o 29 Harrison Road Lian Beng Building Singapore 369648 | Chairman and Managing Director |
| Ms. Ong Lay Huan | c/o 29 Harrison Road Lian Beng Building Singapore 369648 | Executive Director |
| Ms. Ong Lay Koon | c/o 29 Harrison Road Lian Beng Building Singapore 369648 | Executive Director |
| Mr. Low Beng Tin <small>BBM (L)</small> | c/o 29 Harrison Road Lian Beng Building Singapore 369648 | Independent Director |
| Mr. Ko Chuan Aun | c/o 29 Harrison Road Lian Beng Building Singapore 369648 | Independent Director |
| Mr. Ang Chun Giap <small>PBM</small> | c/o 29 Harrison Road Lian Beng Building Singapore 369648 | Independent Director |
| Dr. Tan Khee Giap | c/o 29 Harrison Road Lian Beng Building Singapore 369648 | Independent Director |

2. PRINCIPAL ACTIVITIES

The Company was incorporated under the laws of Singapore on 25 May 1998 and its shares have been quoted and listed on the Main Board of the SGX-ST since 15 April 1999.

The Group is involved in the following business segments:

- (a) Construction – The business of constructing residential, institutional, industrial and commercial properties, and civil engineering projects as the main contractor, and other construction-related activities;
- (b) Dormitory – The rental of dormitory units and provision of dormitory accommodation services;
- (c) Investment holding – The holding of investments in properties and quoted and unquoted securities for long-term capital appreciation, and recurring income such as rental, interest, dividend and distribution income; and
- (d) Property development – The development and sale of properties (residential, commercial and industrial), provision of development management services, as well as fund management services, and investment in funds managed by fund managers through the Company's listed subsidiary, SLBD.

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

3. SHARE CAPITAL

3.1. Authorised and issued share capital of the Company

The Company has only one class of shares, being ordinary shares, all fully-paid or credited as fully-paid, with equal ranking rights to dividend, voting at general meetings and return of capital. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$83,666,121.52, comprising 499,689,200 Shares (excluding 30,070,800 Shares held by the Company in treasury).

Pursuant to the Companies (Amendments) Act 2005, companies incorporated in Singapore no longer have an authorised share capital and there is no concept of par value in respect of issued shares.

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

Since the end of FY2022 and up to the Latest Practicable Date, the Company has not issued any new Shares nor has there been any alteration in the share capital of the Company.

3.2. Convertible securities

As at the Latest Practicable Date, the Company does not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, and the Company has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

3.3. Rights of Shareholders in respect of capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. For ease of reference, selected texts of the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced in **Appendix III** to this Circular.

4. SUMMARY OF FINANCIAL INFORMATION

4.1. Consolidated statements of comprehensive income

A summary of the consolidated statements of comprehensive income of the Group for FY2020, FY2021, FY2022 and HY2023 is set out in **Appendix IV** to this Circular.

4.2. Consolidated statements of financial position

A summary of the audited consolidated statements of financial position of the Group as at 31 May 2022 and 31 May 2021 are set out in **Appendix IV** to this Circular.

4.3. Material changes in financial position

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Company (including, without limitation, announcements released on SGXNET such as the HY2023 Results Announcement), there has not been, within the knowledge of the Company, any material change in the financial position or prospects of the Company since 31 May 2022, being the date on which the last published audited consolidated financial statements of the Group were made up.

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

4.4. Significant accounting policies

The summary of significant accounting policies of the Group are disclosed in Note 2 to the audited consolidated financial statements of the Group for FY2022 as set out in the Group's annual report for FY2022.

Save as disclosed in this Circular and save for information on the Group which is publicly available (including, without limitation, the audited consolidated financial statements of the Group for FY2020, FY2021 and FY2022 and unaudited HY2023 Results Announcement), there were no significant accounting policies or any point from the notes of the accounts of the Group which are of major relevance for the interpretation of the accounts.

4.5. Changes in accounting policies

In FY2020, the Group has adopted the accounting standard SFRS(I) 16 *Leases* from 1 June 2019. Details of the adoption of SFRS(I) 16 *Leases* are set out in Note 2.2 to the audited consolidated financial statements of the Group for FY2020.

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

5. DISCLOSURE OF INTERESTS UNDER THE CODE

5.1. Interests of the Company in shares of the Offeror

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries owns any shares, securities which carry voting rights, or convertible securities, warrants, options or derivatives in respect of shares or securities which carry voting rights (collectively, "**Relevant Securities**") of the Offeror, whether directly or indirectly.

5.2. Dealings in shares and Relevant Securities of the Offeror by the Company

Neither the Company nor any of its subsidiaries have dealt for value in the shares and Relevant Securities of the Offeror during the three (3) months prior to the date of the Offer Announcement and ending on the Latest Practicable Date ("**Relevant Period**").

5.3. Interests of Directors in shares and Relevant Securities of the Offeror

As at the Latest Practicable Date, save as disclosed below, none of the Directors has any direct or deemed interest in any of the shares or Relevant Securities of the Offeror:

| Director | No. of ordinary shares held in the Offeror | Approximate shareholding ⁽¹⁾ |
|------------------|--|---|
| Mr. Ong Pang Aik | 51 | 51% |
| Ms. Ong Lay Huan | 30 | 30% |
| Ms. Ong Lay Koon | 13 | 13% |

Note:

⁽¹⁾ The percentage shareholding is based on 100 ordinary shares in the capital of the Offeror.

5.4. Dealings in shares and Relevant Securities of the Offeror by the Directors

As at the Latest Practicable Date, none of the Directors has dealt for value in any of the shares or Relevant Securities of the Offeror during the Relevant Period.

5.5. Interests of Directors in Shares and Relevant Securities of the Company

As at the Latest Practicable Date, based on information available to the Company and save as disclosed below, none of the Directors has any direct or deemed interest in any of the Shares or Relevant Securities of the Company:

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

| | Direct Interest | | Deemed Interest | | Total | |
|-------------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|
| | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ |
| Directors | | | | | | |
| Mr. Ong Pang Aik ^{(2),(6)} | 1 | NM ⁽⁷⁾ | 321,586,345 | 64.36 | 321,586,346 | 64.36 |
| Ms. Ong Lay Huan ^{(3),(6)} | 1 | NM ⁽⁷⁾ | 308,949,044 | 61.83 | 308,949,045 | 61.83 |
| Ms. Ong Lay Koon ⁽⁴⁾ | 1 | NM ⁽⁷⁾ | 8,539,199 | 1.71 | 8,539,200 | 1.71 |
| Mr. Low Beng Tin ⁽⁵⁾ | - | - | 900,000 | 0.18 | 900,000 | 0.18 |
| Mr. Ko Chuan Aun | 205,000 | 0.04 | - | - | 205,000 | 0.04 |
| Mr. Ang Chun Giap | - | - | - | - | - | - |
| Dr. Tan Khee Giap | - | - | - | - | - | - |

Notes:

- (1) Based on 499,689,200 Shares (excluding 30,070,800 Shares held by the Company in treasury) as at the Latest Practicable Date.
- (2) Mr. Ong Pang Aik is deemed interested in (a) 292,937,046 Shares in which Ong Sek Chong & Sons Pte Ltd is interested, and (b) 28,649,299 Shares registered in the name of nominee account(s).
- (3) Ms. Ong Lay Huan is deemed interested in (a) 292,937,046 Shares in which Ong Sek Chong & Sons Pte Ltd is interested, and (b) 16,011,998 Shares registered in the name of nominee account(s).
- (4) Ms. Ong Lay Koon is deemed interested in 8,539,199 Shares registered in the name of nominee account(s).
- (5) Mr. Low Beng Tin is deemed interested in 900,000 Shares registered in the name of nominee account(s).
- (6) Excluding valid acceptances of the Offer for the purpose of the above disclosure up to the Latest Practicable Date.
- (7) The percentage of shareholding is not meaningful when rounded to two decimal places.

5.6. Dealings in Shares and Relevant Securities of the Company by the Directors

As at the Latest Practicable Date, save as disclosed in Paragraph 1 of Appendix III to the Offer Document and any information on the Group which is publicly available (including without limitation the dealings disclosures made by the Offeror, announcements, financial statements and annual reports released by the Company on SGXNET), none of the Directors has dealt for value in any of the Shares or Relevant Securities of the Company during the Relevant Period.

5.7. Interests of the IFA in Shares and Relevant Securities of the Company

As at the Latest Practicable Date, the IFA, its other related corporations and funds whose investments are managed by the IFA on a discretionary basis do not own or control any of the Shares or Relevant Securities of the Company as at the Latest Practicable Date.

5.8. Dealings in Shares and Relevant Securities of the Company by the IFA

Neither the IFA, its other related corporations and funds whose investments are managed by the IFA on a discretionary basis have dealt for value in the Shares or Relevant Securities of the Company during the Relevant Period.

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5.9. Directors' Intentions

- (a) Each of Mr. Ong Pang Aik, Ms. Ong Lay Huan and Ms. Ong Lay Koon (including Ong Sek Chong & Sons Pte Ltd and OSC Investments Capital Private Limited which hold shares of the Company that Mr. Ong Pang Aik and Ms. Ong Lay Huan are deemed interested in) have executed irrevocable undertakings in favour of the Offeror, pursuant to which each of them has undertaken to, *inter alia*, accept the Offer in respect of all Shares held or controlled by each of them.
- (b) Mr. Low Beng Tin intends to reject the Offer in respect of the Shares he is deemed interested.
- (c) Mr. Ko Chuan Aun intends to reject the Offer in respect of the Shares held by him.

Save as disclosed above, none of the Directors has any other direct or deemed interest in the Shares.

6. ARRANGEMENTS WITH DIRECTORS

6.1. Directors' Service Contracts

As at the Latest Practicable Date, there are no service contracts between any of the Directors with the Company or any of its subsidiaries which have more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation, and there are no such service contracts entered into or amended by the Company or any of its subsidiaries during the Relevant Period.

6.2. Arrangements Affecting Directors

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director, or any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has any material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

7. VIEWS OF THE BOARD ON THE OFFEROR'S INTENTIONS FOR THE GROUP

The Board refers Shareholders to the rationale for the Offer and the Offeror's intentions for the Group as produced from the Offer Document in **Sections 4 and 5** of this Circular. The Board is willing to render reasonable co-operation with the Offeror to maintain the existing business and operations of the Group which is in the interests of the Company and the Shareholders as a whole.

8. MATERIAL CONTRACTS

Disclosure under the Code

Save as disclosed in publicly available information on the Company (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), neither the Company nor its subsidiaries has entered into any material contract (other than in the ordinary course of business) with interested persons during the period commencing three (3) years prior to the commencement of the Offer Period and ending on the Latest Practicable Date.

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

An "interested person", as defined in the Note on Rule 24.6 read with the Note on Rule 23.12 of the Code, means:

- (a) a director, chief executive officer, or Substantial Shareholder of the Company;
- (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the Company;
- (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) of the Company and his/her immediate family is a beneficiary;
- (d) any company in which a director, the chief executive officer or a Substantial Shareholder (being an individual) of the Company and his/her immediate family together (directly or indirectly) have an interest of 30% or more;
- (e) any company that is the subsidiary, holding company or fellow subsidiary of a Substantial Shareholder (being a company); or
- (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

For the purpose of this section, "Substantial Shareholder" shall mean a person (including a corporation) who has an interest in not less than 5% of the total Shares.

9. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (a) no member of the Group is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of any member of the Group, taken as a whole; and
- (b) the Directors are not aware of any litigation, claim or proceeding pending or threatened against any member of the Group or to which any member of the Group may become a party or of any fact likely to give rise to any litigation, claims or proceeding which might materially and adversely affect the financial position of any member of the Group.

10. VALUATION REPORTS

The Company has commissioned the Valuers to conduct independent valuations of the Subject Properties.

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

| S/N | Subject Property | Market value based on the Valuation Reports (\$) | Date of Valuation |
|------|---|--|-------------------|
| (i) | 32, 34 & 36 Mandai Estate, Westlite Mandai Dormitory, Singapore 729939, 729940 & 729941 | 268,000,000 | 21 April 2023 |
| (ii) | 30 Tai Seng Street, BreadTalk IHQ, Singapore 534013 | 119,000,000 | 21 April 2023 |

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

| S/N | Subject Property | Market value based on the Valuation Reports (\$) | Date of Valuation |
|------------|--|---|--------------------------|
| (iii) | 4190 Ang Mo Kio Avenue 6, Broadway Plaza, Singapore 569841 | 62,000,000 | 21 April 2023 |
| (iv) | 31 Harrison Road, Food Empire Building, Singapore 369649 | 49,700,000 | 21 April 2023 |
| (v) | Block 451 Clementi Avenue 3, #01-309, Singapore 120451 | 42,000,000 | 21 April 2023 |
| (vi) | Block 712 Ang Mo Kio Avenue 6, #01-4056, Singapore 560712 | 40,000,000 | 21 April 2023 |
| (vii) | Block 192 Lorong 4 Toa Payoh, #01-674, Singapore 310192 | 38,000,000 | 21 April 2023 |
| (viii) | Block 166 Bukit Merah Central, #01-3527, Singapore 150166 | 36,000,000 | 21 April 2023 |
| (ix) | 25 Playfair Road, Singapore 367990 | 16,300,000 | 21 April 2023 |
| (x) | 65 Cairnhill Road, #06-01 The Ritz–Carlton Residences, Singapore 229721 | 10,300,000 | 21 April 2023 |
| (xi) | 221 Balestier Road, #02-05, #03-04 & #04-01 Rocca Balestier, Singapore 329928 | 8,070,000 | 21 April 2023 |
| (xii) | 221 Boon Lay Place, #01-140 & #01-144 Boon Lay Shopping Centre, Singapore 640221 | 3,500,000 | 21 April 2023 |
| (xiii) | Unit 1503, Level 15, One Unit Block 10, Li Du Road 700, Gaoxin District, Chengdu City, People's Republic of China ⁽¹⁾ | 470,648.34 ⁽²⁾ | 26 April 2023 |
| (xiv) | 24 Leng Kee Road, Leng Kee Autopoint, Singapore 159096 | 93,000,000 | 21 April 2023 |
| (xv) | 29 Harrison Road, Lian Beng Building, Singapore 369648 | 26,800,000 | 21 April 2023 |
| (xvi) | 20 Kranji Way, Singapore 739431 | 21,000,000 | 21 April 2023 |
| (xvii) | 5 Tuas South Link 3, Singapore 636758 | 8,450,000 | 21 April 2023 |
| (xviii) | 63 Senoko Drive, Singapore 758250 | 6,050,000 | 21 April 2023 |
| (xix) | 2 Penjuru Close, Singapore 608611 | 2,450,000 | 21 April 2023 |
| (xx) | 2 Sungei Kadut Loop, Singapore 729449 | 1,700,000 | 21 April 2023 |
| (xxi) | 2 Leng Kee Road, Thye Hong Centre, Singapore 159086 | 126,400,000 | 21 April 2023 |

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

| S/N | Subject Property | Market value based on the Valuation Reports (S\$) | Date of Valuation |
|---------|---|---|-------------------|
| (xxii) | 30 & 31 North Canal Road, Singapore 059286 & 059287 | 14,380,000 | 21 April 2023 |
| (xxiii) | 225 King Street, Melbourne VIC 3000, Australia | 33,038,664.17 ⁽³⁾ | 21 April 2023 |

Notes:

- (1) This property is held by Mr. Ong Pang Aik on trust for the Group.
- (2) Based on the valuation amount of RMB2,441,300 and a currency exchange rate of RMB5.1871 : S\$1 as extracted from Bloomberg L.P. as at 26 April 2023, and rounded to the nearest two decimal places.
- (3) Based on the valuation amount of AUD37,000,000 and a currency exchange rate of AUD1.1199 : S\$1 as extracted from Bloomberg L.P. as at 21 April 2023, and rounded to the nearest two decimal places.

Copies of the Valuation Reports issued by the Valuers are available for inspection at the registered address of the Company at 29 Harrison Road, Lian Beng Building, Singapore 369648 during normal business hours until the Closing Date.

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

Based on information provided to the Company by the Valuers, in a hypothetical scenario where the Subject Properties are sold on an “as is” basis, the Company expects that there would not be any potential tax liabilities (excluding the Subject Properties (a) 2 Leng Kee Road, Thye Hong Centre, Singapore 159086, (b) 30 & 31 North Canal Road, Singapore 059286 & 059287, and (c) 225 King Street, Melbourne VIC 3000, Australia) as they are held for long-term capital appreciation and for the Group’s own-use (as the case may be).

In respect of the Subject Properties (a) 2 Leng Kee Road, Thye Hong Centre, Singapore 159086 and (b) 30 & 31 North Canal Road, Singapore 059286 & 059287, which are development properties held by SLBD, the potential tax liabilities will be 17.0% of the profits from the disposal of the aforementioned Subject Properties at the current valuation, crystallising as and when the Group disposes of its interests in these Subject Properties or when they are redeveloped, sold and handed over to the purchasers. No tax liability is expected to arise from the sale of the Subject Property at 225 King Street, Melbourne VIC 3000, Australia as the Group would incur a loss if it is sold at the current valuation.

11. GENERAL INFORMATION

- (a) **Costs and Expenses.** All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) **Consent of IFA.** Xandar has given and confirmed that it has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the IFA Letter, the advice given to the Independent Directors and the references to its name in the form and context in which they appear in this Circular.
- (c) **Consent of Valuers.** Each of the Valuers have given and confirmed that they have not withdrawn their respective written consent to the issue of this Circular with the inclusion

APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE COMPANY

herein of its name and the references to its name and the Valuation Reports in the form and context in which they appear in this Circular.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company (by prior appointment) at 29 Harrison Road, Lian Beng Building, Singapore 369648 during normal business hours for the period during which the Offer remains open for acceptances:

- (a) the Constitution of the Company;
- (b) the annual reports of the Group for FY2020, FY2021 and FY2022;
- (c) the HY2023 Results Announcement;
- (d) the IFA Letter;
- (e) the Valuation Reports; and
- (f) the letters of consent as referred to in **Sections 11(b) and (c) of Appendix II** to this Circular.

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced below. Please see the definitions in the Constitution for terms used in the extracts below.

Rights in respect of capital

ISSUE OF SHARES

7. Subject to the Act, the Listing Manual and this Constitution, no shares may be issued by the Directors without the prior sanction of an ordinary resolution of the Company in General Meeting but subject thereto and to Regulation 51, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors.
- 8(1). Preference shares may be issued subject to such limitations thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed and the rights attaching to shares other than ordinary shares shall be expressed in this Constitution. The total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, financial statements and balance sheets' and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposition to be submitted to the General Meeting directly affects their rights and privileges or when the dividend on the preference shares is in arrears for more than six (6) months.
- 8(2). The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.
9. The Company shall not exercise any rights (including the right to attend and vote at General Meetings) in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

VARIATION OF RIGHTS

- 10(1). If at any time the share capital is divided into different classes of shares, the repayment of preference capital other than redeemable preference capital and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a special resolution passed at a separate General Meeting of the holders of shares of the class and to every such special resolution, the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting, the provisions of this Constitution relating to General Meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll, Provided always that where the necessary majority for such a special resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the General Meeting shall be as valid and effectual as a special resolution carried at the General Meeting.

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

- 10(2). The repayment of preference capital other than redeemable preference or any other alteration of preference shareholder rights may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

SHARES

12. Unless otherwise specified or restricted by law, the Company may pay any expenses (including commissions or brokerage) on any issue or purchase of its shares, or sale, disposal or transfer of treasury shares at such rate or amount and in such manner as the Directors may deem fit. Such expenses may be satisfied by the payment of cash out of the new share issue proceeds or out of the Company's share capital (and such payment shall not be taken as reduction of the amount of share capital of the Company) or the allotment of fully or partly paid shares, or partly in one way and partly in the other.
13. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.
15. No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share.
16. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

SHARE CERTIFICATES

- 17(1). The share certificate of title to shares or debentures in the capital of the Company shall be issued under the seal or as an alternative to sealing, executed by the signatures of the relevant persons prescribed by the Act, in such form as the Directors shall from time to time prescribe, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid-up and the amount (if any) unpaid on the shares. No certificate shall be issued representing shares of more than one class.

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

- 17(2). The provisions in this Regulation and Regulations 18 to 20 (so far as they are applicable) shall not apply to transfer of book-entry securities.
- 18(1). The Company shall not be bound to register more than three (3) persons as the joint holders of any share except in the case of executors, trustees or administrators of the estate of a deceased Member.
- 18(2). Only one certificate shall be issued in respect of any share.
- 18(3). If two (2) or more persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.
- 18(4). Only the person whose name stands first in the Register of Members as one (1) of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders. Only the person whose name stands first in the Depository Register shall be entitled to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.
- 19(1). Shares must be allotted and certificates despatched within ten (10) market days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to receive certificates within ten (10) market days after lodgement of any transfer or on a transmission of shares (as the case may be). Every Member shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S\$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed). Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding S\$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) for each such new certificate as the Directors may determine. Where the member is a Depositor, the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.
- 19(2). The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six (6) years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with Regulations 40, 43, 44, 48 and 49, *mutatis mutandis*.
- 20(1). Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member company of the Exchange or on behalf of its / their client(s) as the Directors of the Company shall require, and in the case of defacement or wearing out on delivery of the old certificate and in any case on payment of such sum not exceeding S\$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) as the Directors

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

- 20(2). When any shares under the powers in this Constitution herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

TRANSFER OF SHARES

21. Subject to this Constitution and the Statutes, any Member may transfer all or any of his shares but every instrument of transfer of the legal title in shares must be in writing and in the form for the time being approved by the Directors and the Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the Exchange.
22. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, Provided Always that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall not be ineffective by reason of it not being signed or witnessed for by or on behalf of the Depository or its nominee (as the case may be). The transferor (excluding the Depository or its nominee, as the case may be) shall be deemed to remain the holder of the share until the name of the transferee (whether a Depositor or otherwise but excluding the Depository or its nominee, as the case may be) is duly entered in the Depository Register (in the case of book-entry securities as defined in the Statutes) or the Register of Members maintained by the Company.
23. No share shall in any circumstances be transferred to any infant, bankrupt or person who becomes mentally disordered and incapable of managing himself or his affairs.
- 24(1). Subject to this Constitution, there shall be no restriction on the transfer of fully paid up shares except where required by law or by Listing Manual but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve (to the extent permitted by the Listing Manual). If the Directors shall decline to register any such transfer of shares, they shall give to both the transferor and the transferee written notice of their refusal to register as required by the Act and the listing rules of the Exchange.
- 24(2). The Directors may decline to register any instrument of transfer unless: -
- (i) such fee not exceeding S\$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) as the Directors may from time to time require, is paid to the Company in respect thereof;
 - (ii) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors appoint, accompanied by a certificate of payment of stamp duty (if any is payable), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (iii) the instrument of transfer is in respect of only one (1) class of shares.
- 25(1). All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

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- 25(2). Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall be conclusively presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided that:-
- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Regulation; and
 - (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.
26. The Register of Members and the Depository Register may be closed, and the registration of transfers may be suspended, at such times and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty (30) days in the aggregate in any year. The Company shall give prior notice of such closure as may be required to the Exchange, stating the period and purpose or purposes for which the closure is made.
- 27(1). Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- 27(2). Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

TRANSMISSION OF SHARES

- 28(1). In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the legal representatives of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him.
- 28(2). In the case of the death of a Depositor, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole

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holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the share; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him.

- 29(1). Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs or by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing (in a form as may be approved by the Directors from time to time) signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer executed by such Member. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.
- 29(2). The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other monies payable in respect of the share until the requirements of the notice have been complied with.
30. Save as otherwise provided in the Constitution or the Statutes, a person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other monies payable in respect of the share, but he shall not be entitled in respect of it to receive notices of or to attend or vote at meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a Member, unless and until he shall become registered as a shareholder or have his name entered in the Depository Register as a Depositor in respect of the share.
31. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share, such fee not exceeding S\$2 (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require or prescribe.

CALL ON SHARES

32. The Directors may from time to time make such calls as they think fit upon the Members in respect of any monies unpaid on their shares, subject to the terms of the issue thereof. Each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
33. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

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34. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight (8) per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
35. Any sum which by the terms of issue and allotment of a share becomes payable upon allotment or at any fixed date shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
36. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.
37. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the monies uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the monies so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in General Meeting eight (8) per cent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.

FORFEITURE AND LIEN

38. If any Member fails to pay in full any call or instalment of a call on or before the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expense which may have accrued by reason of such non-payment.
39. The notice shall name a further day (not earlier than the expiration of seven (7) days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
40. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. The Directors may accept a surrender of any share liable to be forfeited hereunder.
41. When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or in the Depository Register (as the case may be) opposite to the share; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

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42. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.
43. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.
44. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all monies which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at eight (8) per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.
45. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all unpaid calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Regulation.
46. No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
- 47(1). The Directors may sell in such manner as the Directors think fit any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of seven (7) days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the Member for the time being in relation to the share or the person entitled thereto (if any) entitled to effect a transmission of the shares and who shall have produced to the Company satisfactory evidence of such capacity and default in payment shall have been made by him or them for seven days after such notice. Provided Always that if a Member shall have died or become mentally disordered and incapable of managing himself or his affairs or bankrupt and no person shall have given to the Company satisfactory proof of his right to effect a transmission of the shares held by such Member the Directors may exercise such power of sale without serving any such notice. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.
- 47(2). In the event of a forfeiture of shares or a sale of shares to satisfy the Company's lien thereon the Member or other person who prior to such forfeiture or sale was entitled thereto shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited or sold.
48. The net proceeds of sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the unpaid call and accrued interest and expenses and the

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residue (if any) paid to the Member entitled to the share at the time of sale or his executors, administrators or assigns or as he may direct.

49. A statutory declaration in writing made by a Director of the Company that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under seal for the share delivered to a purchaser (or where the purchaser is the Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share.

ALTERATION OF CAPITAL

50. Subject to any special rights for the time being attached to any existing class of shares, all new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.
- 51(1). Subject to any direction to the contrary that may be given by the Company in General Meeting, or except as permitted under the Listing Manual, all new shares shall, before issue, be offered to the Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of the aforesaid time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such a manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.
- 51(2). Notwithstanding Regulation 51(1) above but subject to the Act and the byelaws and listing rules of the Exchange, the Company may by ordinary resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution to:
- (i) issue shares (whether by way of rights, bonus or otherwise); and/or
 - (ii) make or grant Instruments; and/or
 - (iii) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force;

provided that:

- (a) the aggregate number of shares or Instruments to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution but excluding shares which may be issued pursuant to any adjustments effected under the terms of any relevant Instrument) does not exceed any applicable limits prescribed by the Exchange;

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- (b) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the Listing Manual for the time being in force (unless such compliance is waived by the Exchange) and this Constitution; and
 - (c) (unless revoked or varied by the Company in General Meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting next following the passing of the ordinary resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
- 51(3). Notwithstanding Regulations 51(1) and 51(2) above but subject to the Act, the Directors shall not be required to offer any new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but may sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.
- 51(4). Except as herein provided, no person shall exercise any rights or privileges of a Member until he is registered in the Register of Members or (as the case may be) the Depository Register as a Member and shall have paid all calls and other monies due for the time being on every share held by him.
- 51(5). The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.
- 51(6). The Company may issue shares for which no consideration is payable to the Company.
- 52. Except so far as otherwise provided by the conditions of issue or by this Constitution, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
- 53(1). The Company may by ordinary resolution alter its share capital in the manner permitted under the Act including without limitation: -
 - (i) consolidate and divide all or any of its shares;
 - (ii) cancel the number of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish its share capital in accordance with the Act;
 - (iii) subdivide its shares or any of them (subject to the provisions of the Act and this Constitution), Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and / or
 - (iv) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.
- 53(2). The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes (including the Act), the Listing Manual and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time (collectively, the "Relevant Laws"), on such terms and in such manner as it may from time to time think fit, and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid may be cancelled or held as treasury shares and dealt with in accordance with the Relevant Laws. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other

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instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

- 53A. The Company may by special resolution, subject to and in accordance with the Act, convert one class of shares into another class of shares.
54. The Company may by special resolution reduce its share capital or any other undistributable reserve in any manner subject to any requirements and consents required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

STOCK

55. The Company may by ordinary resolution convert any or all its paid up shares into stock and may from time to time by resolution reconvert any stock into paid up shares of any denomination.
56. The holders of stock may transfer the same or any part thereof in the same manner and subject to this Constitution as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.
57. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.
58. All provisions of this Constitution applicable to paid up shares shall apply to stock and the words **share** and **shareholder** or similar expression herein shall include **stock** or **stockholder**.

Rights in respect of voting

GENERAL MEETINGS

- 59(1). Subject to the provisions of the Act, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting. The Annual General Meeting shall be held at such time and place as the Directors shall appoint (subject to the Listing Manual). The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months or such other period as may be prescribed by the Act, the Listing Manual, or other legislation applicable to the Company from time to time. If required by the Listing Manual, all General Meetings shall be held in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation, or unless such requirement is waived by the Exchange.
- 59(2). All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
60. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting

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of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. All general meetings shall be held in Singapore, unless prohibited by the Statutes or such requirement is waived by the Exchange.

NOTICE OF GENERAL MEETINGS

- 61A. (1) Subject to the provisions of the Act as to the calling of meetings at short notice, at least fourteen (14) clear days' notice in writing of every General Meeting shall be given in the manner hereinafter mentioned to all members and such persons (including the auditors) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen (14) clear days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Exchange and any other stock exchange on which the Company is listed. Where notices contain special resolutions, they must be given to members and such persons entitled to receive the notice at least twenty-one (21) clear days before the General Meeting. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-
- (a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
 - (b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all members having a right to vote at that meeting.
- (2) The accidental omission to give notice to, or the non-receipt by any person entitled thereto shall not invalidate the proceedings at any General Meeting.
- 61B. (1) Every notice calling a General Meeting shall specify the place, day and hour of the General Meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and to vote instead of him and that a proxy need not be a Member of the Company.
- (2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (3) In the case of any General Meeting at which business other than routine business is to be transacted ("special business"), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a special resolution or as requiring special notice, the notice shall contain a statement to that effect.
62. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-
- (a) declaring dividends;
 - (b) receiving and adopting the financial statements, the Directors' Statement and the Auditors' Report and other documents required to be attached or annexed to the financial statements;
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (d) appointing auditors or re-appointing the retiring auditors (unless they were last appointed otherwise than by the Company in General Meeting);
 - (e) fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed; and

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- (f) fixing the Directors' fees proposed to be paid under Regulation 89.

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

PROCEEDINGS AT GENERAL MEETINGS

63. No business shall be transacted at any General Meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purpose of this Regulation, Member includes a person attending by proxy or by attorney or by a corporate representative in the case of a corporation which has appointed a corporate representative, Provided that (i) a proxy representing more than one (1) Member shall only count as one (1) Member for the purpose of determining the quorum; (ii) where a Member is represented by more than one (1) proxy such proxies shall count as only one (1) Member for the purpose of determining the quorum; and (iii) joint holders of any share shall be treated as one (1) Member.
64. If within half an hour from the time appointed for the General Meeting a quorum is not present, the General Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine. At the adjourned meeting, any one or more Members present in person or by proxy shall be a quorum.
65. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an ordinary resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one (1) or more of such Members.
66. The Chairman of the Board of Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or Deputy Chairman or if at any General Meeting he is not present within fifteen minutes after the time appointed for holding the General Meeting or is unwilling to act, the Directors present shall choose a Director amongst them to be Chairman of the General Meeting or, if no Director is present or if all the Directors present are unwilling to take the Chair, or otherwise fail to choose a Director amongst them to be Chairman of the meeting, the Members present shall choose a Member present to be Chairman.
- 67(1). The Chairman may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the General Meeting), adjourn the General Meeting from time to time and from place to place, but no business shall be transacted at any adjourned General Meeting except business which might lawfully have been transacted at the General Meeting from which the adjournment took place. When a General Meeting is adjourned for fourteen (14) days or more, notice of the adjourned General Meeting shall be given as in the case of the original General Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.
- 67(2). If required by the Listing Manual, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Exchange).
68. Subject to Regulation 67(2), at any General Meeting a resolution put to the vote of the General Meeting shall be decided on a show of hands by the Members present in person and entitled to vote unless a poll is (before or on the declaration of the result of the show of hands) demanded: -
- (i) by the Chairman of the General Meeting; or

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- (ii) not less than five (5) Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative and entitled to vote thereat; or
- (iii) by any Member or Members present in person or by proxy (where a Member has appointed more than two or more proxies, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than five per cent (5%) of the total voting rights of all the Members having the right to vote at the General Meeting.

Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn only with the approval of the meeting.

- 69. If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the General Meeting at which the poll was required. The Chairman may, and if required by the Listing Manual or if so requested shall, appoint at least one scrutineer who shall be independent of the persons undertaking the polling process, and may adjourn the General Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 70. If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same General Meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude.
- 71. Subject to the Act and the requirements of the Exchange, in the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the General Meeting at which the show of hands takes place or at which the poll is required shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member
- 72. A poll required on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the General Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.
- 73(1). The demand for a poll shall not prevent the continuance of a General Meeting for the transaction of any business, other than the question on which the poll has been demanded.
- 73(2). After the chairman of any meeting shall have declared the General Meeting to be over and shall have left the chair no business or question shall under any pretext whatsoever be brought forward or discussed.

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

VOTES OF MEMBERS

- 74(1). Subject and without prejudice to any special rights, privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company and to Regulation 9, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.
- 74(2). On a show of hands every Member who is present in person or by proxy (including every proxy appointed by the Depository) or attorney, or in the case of a corporation by a representative, shall have one (1) vote provided that if a Member who is not a relevant intermediary and who is represented by two (2) proxies, only one of the proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands and in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.
- 74(3). On a poll, every Member who is present in person or by proxy, attorney or representative shall have one (1) vote for each share which he holds or represents.
- 74(4). Notwithstanding anything contained in this Constitution and except as required by the Statutes or law, a Depositor shall not be entitled to attend any General Meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than seventy two (72) hours (or any such time prescribed under the Statutes and the Listing Manual) before the time of the relevant General Meeting (the **cut-off time**) as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy or proxies may cast on a poll, the Depositor or his proxy or proxies shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between such number of proxies, to apportion the said number of shares between the proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant General Meeting, if the instrument is dealt with in such manner as aforesaid.
75. Where there are joint holders of any share any one (1) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one (1) of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.
76. If a Member becomes mentally disordered, he may vote whether on a show of hands or on a poll by his committee, legal representative or such other person as properly has the management of his estate and any such committee, legal representative or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy two (72) hours before the time appointed for holding the meeting.
77. Subject to the provisions of this Constitution, every Member either personally or by proxy or by attorney or in the case of a corporation by a representative shall be entitled to be present and to vote at any General Meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. In

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

the event a member has appointed more than one (1) proxy, only one (1) proxy is counted in determining the quorum.

78. If: -

- (1) any objection shall be raised as to the qualification of any voter; or
- (2) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (3) any votes are not counted which ought to have been counted.

the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the chairman of the meeting on such matters shall be final and conclusive.

79. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

80. (1) Unless otherwise provided by the Act, a Member who is not a relevant intermediary may appoint not more than two (2) to attend, speak and vote at the same General Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and

(2) A Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(3) In any case where a Member is a Depositor, the Company shall be entitled and bound: -

- (i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at seventy-two (72) hours (or any such time prescribed under the Statutes and the Listing Manual) before the time of the relevant General Meeting as certified by the Depository to the Company; and
- (ii) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in its Securities Account of that Depositor as at seventy-two (72) hours (or any such time prescribed under the Statutes and the Listing Manual) before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(4) Where a Member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

(5) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant General Meeting by the member personally or by his attorney, or in the case of a corporation by its representative.

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(6) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members or, in the case of a Depositor, standing to the credit of that Depositor's Securities Account as at the cut-off time as certified by the Depository to the Company, such proxy may not exercise any of the votes or rights of the shares not registered in the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as at the cut-off time, as the case may be.

(7) If the Chairman is appointed as proxy, he may authorise any other person to act as proxy in his stead. Where the Chairman has authorised another person to act as proxy, such other person shall be taken to represent all Members whom the Chairman represented as proxy.

(8) Where a person present at a General Meeting represents by proxy, attorney or representative more than one (1) Member on a show of hands:

- (i) the person is entitled to one (1) vote only despite the number of Members the person represents; and
- (ii) that vote will be taken as having been cast for all the Members the person represents; and
- (iii) if the person has been appointed as a proxy under two (2) or more instruments that specify different ways to vote on a resolution, the person may not vote as a proxy on a show of hands, however, if the person is a Member, the person may vote on a show of hands without regard to the proxies the person holds.

(9) The Company shall be entitled and bound in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(10) A Member who has deposited an instrument appointing any number of proxies to vote on his behalf at a General Meeting shall not be precluded from attending, speaking and voting in person at that General Meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant General Meeting.

81. A Proxy or attorney need not be a Member.

82. (1) If the appointor is an individual member, any instrument appointing a proxy shall be in writing in the common form or any other form approved by the Directors from time to time (a) executed under the hand of the appointor or his attorney duly authorised in writing if the instrument of proxy is delivered personally or sent by post; or (b) authorised by the Member through such method and in such manner as may be approved by the Directors, if the instrument of proxy is submitted by electronic communication; and, if the appointor is a corporation, (i) executed under seal or such alternative to sealing as is valid under the law of its jurisdiction of incorporation, or under the hand of its attorney duly authorised or in such manner as appropriate under applicable laws and the Company shall accept as valid in all respects the form of proxy approved by the Directors for use at the date relevant to the General Meeting in question, if the instrument of proxy is delivered personally or sent by post; or (ii) authorised by the Member through such method and in such manner as may be approved by the Directors, if the instrument of proxy is submitted by electronic communication.

The Directors may, for the purposes of this Regulation, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(2) An instrument of proxy shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer to move any resolution or amendment thereto and to speak at the meeting. Unless otherwise instructed, a proxy or an attorney shall vote as he thinks fit. The signature on or authorisation of, an instrument appointing a proxy need not be witnessed.

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(3) The Directors may, in their absolute discretion:

- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
- (b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in Regulation 82(1)(b) and 82(1)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 82(1)(a) and/or (as the case may be) Regulation 82(1)(i) shall apply.

83. (1). The original instrument appointing a proxy, together with the original power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the original instrument of proxy and (a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the meeting or (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of a note to the notice convening the General Meeting or in any document accompanying the notice convening the General Meeting, and in either case not less than seventy-two (72) hours (or any such time prescribed under the Act and the Listing Manual) before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used failing which the instrument may be treated as invalid. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that an instrument of proxy relating to more than one (1) meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(2). The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communication, as contemplated in Regulation 83(1)(b). Where the Directors do not specify in relation to a Member (whether of a class or otherwise), Regulation 83(1)(a) shall apply.

84. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

84A. Subject to this Constitution and the Act, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

85. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company. The Company shall be entitled to treat an original certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation.

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Rights in respect of dividends

DIVIDENDS AND RESERVES

127. The Directors may, with the sanction of the Company by ordinary resolution, declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company.
128. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise provided by the Act:
- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
 - (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

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

129. Without the need for sanction of the Company under Regulation 127, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends thereon of such amounts, on such dates and in respect of such periods as they may think fit.
130. No dividend or other monies payable on or in respect of a share shall bear interest against the Company.
131. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith, or any other account which the Company is required by law to withhold or deduct.
132. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
133. The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.
134. (1) The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company, but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depository returns any such dividend or money to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or money

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against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other money was first payable.

(2) A payment by the Company to the Depository of any dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

135. The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
136. (1) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Directors;
 - (ii) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such election or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation;
 - (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion;
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the elected ordinary shares) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Regulation 140, the Directors shall (a) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

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- (2) (i) The ordinary shares allotted pursuant to the provisions of Regulation 136(1) shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of Regulation 136(1), with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned).
- (3) The Directors may, on any occasion when they resolve as provided in Regulation 136(1), determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Regulation shall be read and construed subject to such determination.
- (4) The Directors may, on any occasion when they resolve as provided in Regulation 136(1), further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register are outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlement of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (5) Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions of Regulation 136(1) in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of Regulation 136(1).
137. Any dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct provided that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque and warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque and warrant shall be sent at the risk of the person entitled to the money represented thereby.

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138. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.
139. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund, any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it not prudent to divide.

CAPITALISATION OF PROFITS AND RESERVES

- 140(1). The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Regulation 51(2):
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:
 - (i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an ordinary resolution passed pursuant to Regulation 51(2)) such other date as may be determined by the Directors,in proportion to their then holdings of shares; and/or
 - (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
 - (i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an ordinary resolution passed pursuant to Regulation 51(2)) such other date as may be determined by the Directors,in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.
- 140(2). In addition and without prejudice to the powers provided for by Regulation 140(1) and 141, the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up such shares in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

141. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation with full power to the Directors to make such provision for the satisfaction of the right of the holders of such shares in the Register of Members or in the Depository Register as the case may be and as they think fit for any fractional entitlements which would arise including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned. The Directors may authorise any person to enter, on behalf of all the members interested, into an agreement with the Company providing for any such capitalisation and matters incidental thereto, and any agreement made under such authority shall be effective and binding on all concerned.

APPENDIX IV – FINANCIAL INFORMATION OF THE GROUP

1. SUMMARY OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

A summary of the financial information of the Group for FY2020, FY2021 and FY2022 (based on the audited consolidated financial statements of the Group for each of FY2020, FY2021 and FY2022 respectively) and the unaudited consolidated financial information for HY2023 (based on the HY2023 Results Announcement) are set out below.

| | HY2023 (unaudited) S\$'000 | FY2022 (audited) S\$'000 | FY2021 (audited) S\$'000 | FY2020 (audited) S\$'000 |
|---|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Revenue | 421,002 | 788,336 | 514,490 | 556,043 |
| Fair value gain/(loss) on investment property held for sale/investment properties | 13,637 | 6,702 | (1,647) | (667) |
| Profit before taxation | 35,623 | 74,713 | 42,398 | 41,496 |
| Profit for the period/year | 31,601 | 65,292 | 35,155 | 33,646 |
| Profit attributable to non-controlling interests | 9,591 | 21,832 | 9,087 | 4,992 |
| Earnings per Share (Cents) | 4.40 | 8.70 | 5.22 | 5.73 |
| Dividends per Share (Cents) | 1.00 | 3.00 | 1.00 | 1.00 |

The financial information for FY2020, FY2021 and FY2022 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual reports for FY2020, FY2021 and FY2022 respectively.

The financial information for HY2023 should be read in conjunction with the HY2023 Results Announcement.

Copies of the aforesaid documents are available on the website of the SGX-ST at <https://www.sgx.com>, the Company's corporate website at <http://www.lianbeng.com.sg>, and for inspection at the Company's registered office during normal business hours up to the Closing Date.

2. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The consolidated statements of financial position as extracted from the Group's annual report for FY2022 is set out below.

| | FY2022 (audited) S\$'000 | FY2021 (audited) S\$'000 |
|----------------------------------|--------------------------------|--------------------------------|
| <u>Non-current assets</u> | | |
| Property, plant and equipment | 227,019 | 180,190 |
| Investment properties | 674,201 | 681,485 |
| Investment in joint ventures | 24,107 | 13,695 |
| Investment in associates | 56,008 | 31,478 |
| Investment securities | 170,567 | 155,012 |
| Amounts due from associates | 35,066 | 38,667 |
| Deferred tax assets | – | 768 |
| | 1,186,968 | 1,101,295 |

APPENDIX IV – FINANCIAL INFORMATION OF THE GROUP

| | FY2022 (audited) S\$'000 | FY2021 (audited) S\$'000 |
|--|--------------------------------|--------------------------------|
| <u>Current assets</u> | | |
| Contract assets | 113,333 | 85,814 |
| Capitalised contract costs | 2,662 | 1,381 |
| Development properties | 120,062 | 180,892 |
| Inventories | 17,228 | 15,675 |
| Trade receivables | 66,529 | 62,344 |
| Other receivables and deposits | 21,804 | 18,891 |
| Prepayments | 13,718 | 10,041 |
| Tax recoverable | – | 22 |
| Amounts due from joint ventures | 59,548 | 68,447 |
| Amounts due from associates | 199,034 | 188,629 |
| Investment property held for sale | 5,243 | – |
| Investment securities | 19,910 | 12,090 |
| Cash and cash equivalents | 228,893 | 208,632 |
| | 867,964 | 852,858 |
| <u>Current liabilities</u> | | |
| Contract liabilities | 52,689 | 44,011 |
| Trade and other payables | 237,555 | 226,664 |
| Accruals | 25,006 | 21,552 |
| Provisions | 947 | 4,156 |
| Lease liabilities | 10,765 | 3,722 |
| Amounts due to associates | 1,554 | 1,199 |
| Amounts due to joint ventures | 950 | 950 |
| Bank loans | 306,589 | 298,057 |
| Provision for taxation | 6,865 | 8,974 |
| | 642,920 | 609,285 |
| Net current assets | 225,044 | 243,573 |
| <u>Non-current liabilities</u> | | |
| Refundable rental deposits | 3,127 | 2,828 |
| Lease liabilities | 51,320 | 12,055 |
| Bank loans | 457,404 | 470,957 |
| Deferred tax liabilities | 3,169 | 2,187 |
| | 515,020 | 488,027 |
| Net assets | 896,992 | 856,841 |
| <u>Equity attributable to owners of the Company</u> | | |
| Share capital | 82,275 | 82,275 |
| Treasury shares | (17,777) | (17,777) |
| Retained earnings | 706,720 | 673,247 |
| Other reserves | (4,718) | 2,299 |
| | 766,500 | 740,044 |
| Non-controlling interests | 130,492 | 116,797 |
| Total equity | 896,992 | 856,841 |