

CIRCULAR DATED 20 JANUARY 2025

THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF HG METAL MANUFACTURING LIMITED AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER, XANDAR CAPITAL PTE. LTD. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by HG Metal Manufacturing Limited (the “**Company**”). 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, accountant, solicitor, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Please note that no printed copies of this Circular will be sent to Shareholders (as defined herein). Only printed copies of the Notification (as defined herein) regarding the electronic dissemination of this Circular will be despatched to Shareholders.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Circular.



HG METAL MANUFACTURING LIMITED

(Company Registration Number: 198802660D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY CONDITIONAL GENERAL CASH OFFER

by

GREEN ESTEEL PTE. LTD.

(Company Registration Number: 201723571G)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than treasury shares and those shares already owned, controlled or agreed to be acquired by Green Esteeel Pte. Ltd. and its concert parties

Independent Financial Adviser to the Independent Directors of the Company



XANDAR CAPITAL PTE. LTD.

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

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 3 FEBRUARY 2025 (THE “CLOSING DATE”). THE OFFEROR (AS DEFINED HEREIN) DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE.

ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

TABLE OF CONTENTS

	Page
DEFINITIONS.....	2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS.....	8
SUMMARY TIMETABLE.....	9
LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS.....	10
1. INTRODUCTION	10
2. THE OFFER.....	11
3. INFORMATION ON THE OFFEROR	14
4. RATIONALE FOR THE OFFER	15
5. OFFEROR'S INTENTIONS FOR THE COMPANY	15
6. COMPULSORY ACQUISITION AND LISTING STATUS.....	15
7. FINANCIAL ASPECTS OF THE OFFER	17
8. DISCLOSURES OF HOLDINGS, DEALINGS IN COMPANY SECURITIES AND OTHER ARRANGEMENTS.....	18
9. CONFIRMATION OF FINANCIAL RESOURCES	19
10. DIRECTORS' INTEREST	19
11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER.....	19
12. ACTION TO BE TAKEN BY SHAREHOLDERS	22
13. ELECTRONIC DISSEMINATION OF THE CIRCULAR.....	22
14. OVERSEAS SHAREHOLDERS	23
15. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS	26
16. DIRECTORS' RESPONSIBILITY STATEMENT	26
APPENDIX I LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS	I-1
APPENDIX II ADDITIONAL GENERAL INFORMATION	II-1
APPENDIX III RELEVANT EXTRACTS OF THE COMPANY'S CONSTITUTION	III-1

DEFINITIONS

GENERAL

<i>“Business Day”</i>	:	A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
<i>“Circular”</i>	:	This circular to Shareholders in relation to the Offer setting out, <i>inter alia</i> , the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer
<i>“Closing Date”</i>	:	5.30 p.m. (Singapore time) on 3 February 2025 , being the last day for the lodgement of acceptances of the Offer
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified, or supplemented from time to time
<i>“Companies Act”</i>	:	The Companies Act 1967 of Singapore, as may be amended, modified, or supplemented from time to time
<i>“Company Securities”</i>	:	(i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company
<i>“Concert Parties”</i>	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
<i>“Constitution”</i>	:	The constitution of the Company
<i>“CPF Agent Banks”</i>	:	Agent banks included under the CPFIS
<i>“CPFIS”</i>	:	Central Provident Fund Investment Scheme
<i>“CPFIS Investors”</i>	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
<i>“Directors”</i>	:	The directors of the Company as at the Latest Practicable Date, namely Mr. Ong Hwee Li, Ms. Xiao Xia, Ms. Ong Lizhen, Daisy and Ms. Ng Chuey Peng
<i>“Distribution”</i>	:	Shall have the meaning ascribed to it in Section 2.1(c) of this Circular
<i>“Encumbrances”</i>	:	Shall have the meaning ascribed to it in Section 2.1(c) of this Circular
<i>“FAA”</i>	:	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

“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
“FY2021”	:	Financial year ended 31 December 2021
“FY2022”	:	Financial year ended 31 December 2022
“FY2023”	:	Financial year ended 31 December 2023
“IFA Letter”	:	The letter dated 20 January 2025 from the IFA to the Directors in respect of the Offer as set out in Appendix I to this Circular
“in scrip form”	:	Offer Shares which are not deposited with CDP
“Independent Directors”	:	The directors of the Company who are considered to be independent for the purposes of the Offer, being Mr. Ong Hwee Li, Ms. Xiao Xia, Ms. Ong Lizhen, Daisy and Ms. Ng Chuey Peng
“Interested Person”	:	As defined in the Note on Rule 24.6 of the Code and read with Note 1 on Rule 23.12 of the Code, an interested person is: <ul style="list-style-type: none"> (i) a director, chief executive officer, or substantial shareholder of the company; (ii) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (iii) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (iv) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (v) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (vi) any company in which a substantial shareholder (being a company) and any of the companies listed in (v) above together (directly or indirectly) have an interest of 30% or more

<i>“Irrevocable Undertaking”</i>	:	The irrevocable undertaking dated 11 October 2024 by the Offeror in favour of the Company in connection with the Rights Issue
<i>“Latest Practicable Date”</i>	:	9 January 2025, being the latest practicable date prior to the electronic dissemination of this Circular, save that where parts of the Offer Document are reproduced, references to the “Latest Practicable Date” in such reproduction shall mean the Offer Document LPD
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST
<i>“Market Day(s)”</i>	:	A day or days on which the SGX-ST is open for trading in securities
<i>“Minimum Acceptance Condition”</i>	:	Shall have the meaning ascribed to it in Section 2.1(e) of this Circular
<i>“Notification”</i>	:	The printed notification despatched to Shareholders on the date of this Circular containing, <i>inter alia</i> , instructions on how the Shareholders can locate this Circular electronically on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements and on the Company’s corporate website at https://hgmatal.listedcompany.com/newsroom.html
<i>“Offer”</i>	:	The mandatory conditional general cash offer by the Offeror for all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
<i>“Offer Announcement”</i>	:	The announcement in connection with the Offer released by the Offeror on the Offer Announcement Date
<i>“Offer Announcement Date”</i>	:	16 December 2024, being the date of the Offer Announcement
<i>“Offer Document”</i>	:	The offer document dated 6 January 2025 and any other document(s) which may be issued, for and on behalf of the Offeror, to amend, revise, supplement or update the offer document from time to time
<i>“Offer Document Despatch Date”</i>	:	6 January 2025, being the date of despatch of the notification of electronic despatch of the Offer Document and the FAA and FAT, and electronic despatch of the Offer Document and any related documents
<i>“Offer Document LPD”</i>	:	30 December 2024, stated in the Offer Document to be the latest practicable date prior to the electronic dissemination of the Offer Document
<i>“Offer Price”</i>	:	Shall have the meaning ascribed to it in Section 2.1(a) of this Circular

<i>“Offer Settlement Date”</i>	:	Shall have the meaning ascribed to it in Section 2.1(d) of this Circular
<i>“Offer Shares”</i>	:	All the Shares in issue (excluding treasury Shares and the Shares owned, controlled or agreed to be acquired by the Offeror Concert Party Group)
<i>“Offer Unconditional Date”</i>	:	The date on which the Offer has become or is declared unconditional in all respects in accordance with its terms
<i>“Offeror Concert Party Group”</i>	:	The Offeror and its Concert Parties
<i>“Offeror Securities”</i>	:	(i) securities which carry voting rights in the Offeror; or (ii) convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in the Offeror
<i>“Overseas Shareholder”</i>	:	A Shareholder whose address is outside Singapore as shown in the Register or in the Depository Register (as the case may be)
<i>“Record Date”</i>	:	Shall have the meaning ascribed to it in Section 2.1(c) of this Circular
<i>“Reference Period”</i>	:	The period commencing six (6) months prior to the Rights Issue Announcement Date and ending on the Latest Practicable Date
<i>“Register”</i>	:	The register of members of the Company, as maintained by the Share Registrar
<i>“Relevant Persons”</i>	:	(i) the Offeror and its Directors and (ii) the Offeror Concert Party Group
<i>“Rights Issue”</i>	:	The Company’s renounceable non-underwritten rights issue of 74,254,237 Rights Shares at the issue price of S\$0.266 for each Rights Share which was announced on the Rights Issue Announcement Date
<i>“Rights Issue Announcement Date”</i>	:	11 October 2024, being the date of announcement of the Rights Issue and the Offeror potentially incurring an obligation to make a mandatory general offer for the Company as a result of the fulfilment by the Offeror of its obligations under the Irrevocable Undertaking
<i>“Rights Shares”</i>	:	The 74,254,237 new Shares in the Company allotted and issued pursuant to the Rights Issue
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account

“SFA”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified, or supplemented from time to time
“Shareholders”	:	Holders of Shares (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST)
“Shares”	:	Ordinary shares in the capital of the Company, and each a “Share”
“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
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Percentage or per centum
“1H2024”	:	Six months period ended 30 June 2024

COMPANIES/ORGANISATIONS

“CDP”	:	The Central Depository (Pte) Limited
“Company” or “Offeree”	:	HG Metal Manufacturing Limited
“CPF”	:	Central Provident Fund
“Dhu Holding”	:	Dhu Holding Pte. Ltd.
“Group”	:	The Company and its subsidiaries, collectively
“IFA” or “Xandar Capital”	:	Xandar Capital Pte. Ltd., the appointed independent financial adviser to the Independent Directors in respect of the Offer
“Offeror”	:	Green Steel Pte. Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services, in its capacity as the share registrar of the Company
“SIC”	:	Securities Industry Council of Singapore

Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

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

References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

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

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

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

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

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

References in this Circular to the total number of issued Shares are based on 274,740,678 Shares as at the Latest Practicable Date, unless otherwise stated.

Capitalised terms used in extracts of the Offer Document, the IFA Letter and the Constitution shall have the same meanings as ascribed to them in the Offer Document, the IFA Letter and the Constitution, respectively.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the Offer.

CAUTIONARY NOTE 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”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” or “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Offer Document Despatch Date	:	6 January 2025
Date of electronic dissemination of this Circular	:	20 January 2025
Closing Date in respect of the Offer ⁽¹⁾⁽²⁾	:	5.30 p.m. (Singapore time) on 3 February 2025
Date of settlement of consideration for valid acceptances of the Offer	:	In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within seven (7) Business Days of the Offer Unconditional Date
		In respect of valid and complete acceptances received after the Offer Unconditional Date but on or before the Closing Date, within seven (7) Business Days of the date of receipt of each such acceptance

Notes:

- (1) The Offer must initially be open for at least 28 days from the Offer Document Despatch Date.
- (2) SRS Investors and other investors who hold Shares through finance companies or Depository Agents will receive notification letter(s) from their respective SRS Agent Banks, finance companies and Depository Agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective SRS Agent Banks, finance companies and Depository Agents in order to accept the Offer.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

HG METAL MANUFACTURING LIMITED

(Company Registration Number: 198802660D)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Ong Hwee Li (Independent Non-Executive Chairman)
Ms. Xiao Xia (Executive Director and Chief Executive Officer)
Ms. Ong Lizhen, Daisy (Independent Non-Executive Director)
Ms. Ng Chuey Peng (Independent Non-Executive Director)

Registered Office:

28 Jalan Buroh
Singapore 619484

20 January 2025

To: The Shareholders of HG Metal Manufacturing Limited

Dear Sir/Madam

MANDATORY CONDITIONAL GENERAL CASH OFFER BY THE OFFEROR FOR ALL THE OFFER SHARES

1. INTRODUCTION

1.1. Offer Announcement

On the Offer Announcement Date, the Offeror announced that the Offeror had been issued in aggregate 63,950,426 Rights Shares pursuant to its obligations under the Irrevocable Undertaking in connection with the Rights Issue.

Under Rule 14.1 of the Code, where any person (defined to include any body corporate) who, together with persons acting in concert with that person, holds not less than 30% but not more than 50% of the voting rights of a company and such person, or any person acting in concert with him, acquires, in any period of six (6) months, additional shares carrying more than 1% of the voting rights of the company, such person is required to make a mandatory general offer for all the shares in the company which the person and/or persons acting in concert do not already own or control.

As a consequence of the Rights Issue, the number of Shares held by the Offeror Concert Party Group increased from 58,140,000 Shares, representing approximately 29% of the total issued Shares, to 122,090,426 Shares, representing approximately 44.44% of the total issued Shares.

Accordingly, the Offeror Concert Party Group has increased its shareholding in the Company by more than 1% and has incurred an obligation to make the Offer for all the Offer Shares in accordance with Rule 14 of the Code.

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

1.2. Offer Document

Shareholders should have by now received a notice of electronic dissemination of the Offer Document and its related documents, which contains the instructions for the electronic retrieval of the Offer Document disseminated on 6 January 2025, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

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

1.3. Independent Financial Adviser

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

1.4. Purpose of Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining 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 read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1. Offer Terms

Based on the information set out in the Offer Document, the Offeror has made the Offer for all the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, on the following basis:

(a) **Offer Price**

For each Offer Share: S\$0.266 in cash (the “Offer Price”).

The Offer Price is final and the Offeror will not revise the Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

(b) **Offer Shares**

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

- (c) **No Encumbrances.** The Offer Shares will be acquired:
- (i) fully paid-up;
 - (ii) 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
 - (iii) together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company in respect of the Shares (each a “**Distribution**” and collectively, the “**Distributions**”) the Record Date for which falls on or after the Offer Announcement Date. For the purpose of this Circular, “**Record Date**” means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such Distributions.
- (d) **Adjustments for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution, the Record Date for which falls on or after the Offer Announcement Date. In the event of any such Distribution, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer (the “**Offer Settlement Date**”) falls:
- (i) if the Offer Settlement Date falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and
 - (ii) if the Offer Settlement Date falls after the Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.
- (e) **Minimum Acceptance Condition.** Pursuant to Rule 14.2 of the Code, if the Offeror Concert Party Group does not hold more than 50% of the issued Shares when the Offer is made, the Offer is required to be made conditional upon the Offeror Concert Party Group receiving such number of acceptances which would result in the Offeror Concert Party Group holding more than 50% of the voting rights attributable to the share capital of the Company.

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with any Shares owned, controlled, acquired or agreed to be acquired by the Offeror Concert Party Group (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror Concert Party Group carrying more than 50% of the total number of issued Shares (excluding treasury Shares) as at the close of the Offer (the “**Minimum Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled, acquired or agreed to be acquired by the Offeror Concert Party Group (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror Concert Party Group holding such number of Shares carrying more than 50% of the total voting rights attributable to the total number of issued Shares (excluding treasury Shares).

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

- (f) **No convertible securities.** Based on the latest information available to the Offeror as at each of the Offer Announcement Date and the Offer Document LPD, there are no outstanding instruments convertible into, rights to subscribe for, and options or derivatives in respect of, the Shares or securities which carry voting rights in the Company and the Company does not have any employee share incentive scheme in place. In view of the foregoing, the Offeror will not make an offer to acquire any options or derivatives.

2.2. Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to have unconditionally and irrevocably warranted that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) that may be announced, declared, made or paid thereon by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

2.3. Duration of the Offer

The Offer is open for acceptance by Shareholders for the period commencing on the Offer Document Despatch Date and ending on the Closing Date, being the day falling 28 days after the Offer Document Despatch Date. The Offer will remain open for acceptance for such period unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. **The Offeror does not intend to extend the Offer beyond the Closing Date.**

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 3 February 2025.

2.4. Details of the Offer

Appendix A to the Offer Document sets out further details on (a) duration of the Offer, (b) the settlement of the consideration for the Offer, (c) the requirements relating to the announcement(s) of level of acceptances of the Offer, and (d) the right of withdrawal of acceptances of the Offer.

2.5. Procedures for Acceptance

The procedures for acceptance of the Offer are set out in Appendix B to the Offer Document, the FAA and the FAT.

3. INFORMATION ON THE OFFEROR

3.1. Information on the Offeror

The information on the Offeror set out in italics below has been extracted from Section 5 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.

“5. INFORMATION ON THE OFFEROR

5.1. ***Offeror.*** *The Offeror, a private company limited by shares incorporated on 18 August 2017 under the laws of Singapore, is an investment holding company with sizeable steel industry-related investments, and is majority controlled by Mr. You Zhenhua, a Singapore businessman.*

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$695,042,937 comprising 734,725,000 ordinary shares.

The shareholders of the Offeror as at the Latest Practicable Date are:

- (i) Mr. You Zhenhua (holding 39.52%);*
- (ii) Advance Venture Investments Limited (“AVIL”) (a company incorporated under the laws of the British Virgin Islands) (holding 36.81%);*
- (iii) Theme International Holdings Limited (“TIHL”) (a company incorporated under the laws of Bermuda) (holding 20.42%);*
- (iv) T&J Industrial Holding Limited (a company incorporated under the laws of Hong Kong) (holding 2.26%);*
- (v) Hanwa Singapore (Private) Limited (a company incorporated under the laws of Singapore) (holding 0.43%);*
- (vi) Nuocheng International Trading & Investment Pte. Ltd. (a company incorporated under the laws of Singapore) (holding 0.27%);*
- (vii) ZNL Holdings Ltd (a company incorporated under the laws of the Marshall Islands) (holding 0.14%);*
- (viii) Mr. Yang Jiangyong (holding 0.09%); and*
- (ix) Jianyou International Trade Co., Limited (a company incorporated under the laws of Hong Kong) (holding 0.07%).*

The directors of the Offeror as at the Latest Practicable Date (the “Directors”) are Mr. You Zhenhua, Mr. Jiang Hairong and Mr. Wu Lei.

AVIL is a special purpose vehicle of Mr. You Zhenhua and is primarily engaged in the business of investment holding. TIHL is listed on the Stock Exchange of Hong Kong Limited, and is majority owned by Wide Bridge Limited (“WBL”), with the balance owned by public shareholders. WBL is in turn 100% beneficially owned by Mr. You Zhenhua.

5.2. ***Additional Information.*** *Appendix C to this Offer Document sets out additional information on the Offeror.”*

4. RATIONALE FOR THE OFFER

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

“7. RATIONALE FOR THE OFFER

As set out in Section 1.1 (Offer Announcement) above, the Offeror is making the Offer in compliance with the requirements of Rule 14 of the Code.

As a consequence of the Offeror’s participation in the Rights Issue, the Offeror Concert Party Group has acquired Shares which resulted in it owning more than 30% of the Shares in the Offeree Company and has incurred an obligation to make the Offer for all the Offer Shares in accordance with Rule 14 of the Code.”

5. OFFEROR’S INTENTIONS FOR THE COMPANY

The full text of Offeror’s intentions for the Company has been extracted from Section 8 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“8. OFFEROR’S INTENTIONS FOR THE OFFEREE COMPANY

The Offeror intends for the Offeree Company to continue to develop and to grow the existing businesses of the Group. The Offeror currently has no intention to (i) introduce any major changes to the existing business or management of the Group, (ii) discontinue the employment of any of the existing employees of the Group, or (iii) re-deploy any of the fixed assets of the Group, other than in the ordinary course of business. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Group which may present themselves and which the Offeror may regard to be in the best interests of the Group.”

6. COMPULSORY ACQUISITION AND LISTING STATUS

The full text of the intentions of the Offeror relating to the compulsory acquisition and listing status of the Company has been extracted from Sections 9 and 10 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“9. COMPULSORY ACQUISITION

9.1. *Compulsory Acquisition Rights.* Pursuant to Section 215(1) of the Companies Act 1967 of Singapore (“**Companies Act**”), if the Offeror receives valid acceptances pursuant to the Offer or otherwise acquires Shares during the period when the Offer is open for acceptance in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees and any person or body corporate falling within the meaning of Section 215(9A)⁽²⁾ of the Companies Act as at the date of the Offer and excluding, for the avoidance of doubt, treasury shares) as at the close of the Offer, the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) at a price equal to the Offer Price.

9.2. **Dissenting Shareholders' Rights.** Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such that the number of Shares which, together with Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.

9.3. **It is the present intention of the Offeror to preserve the listing status of the Offeree Company on the Mainboard of the SGX-ST. However, the Offeror reserves the right to re-evaluate its position, including its right of compulsory acquisition (if applicable) under Section 215(1) of the Companies Act, depending on, inter alia, the ultimate level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.**

10. **LISTING STATUS**

10.1. Pursuant to Rule 1105 of the Listing Manual of the SGX-ST (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 Concert Party Group to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) 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 treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

10.2. Rule 723 of the Listing Manual requires the Offeree Company to ensure that at least 10% of the total number of Shares in issue (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Offeree 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 Offeree Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to at least 10%, failing which the Offeree Company may be removed from the Official List of the SGX-ST.

10.3. **The Offeror currently intends to preserve the listing status of the Offeree Company on the Mainboard of the SGX-ST, but maintains the flexibility to assess its options in the event the public float of the Offeree Company falls below 10%.**

2 For the purpose of section 9.1 above, any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act refers to, inter alia:

- (a) a person who is accustomed or is under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of the Offeror in respect of the Offeree Company;
- (b) a person whose directions, instructions or wishes the Offeror is accustomed or is under an obligation whether formal or informal to act in accordance with, in respect of the Offeree Company; or
- (c) a body corporate that is controlled by the Offeror or a person mentioned in paragraph (a) or (b) above."

7. FINANCIAL ASPECTS OF THE OFFER

The full text of the financial aspects of the Offer has been extracted from Section 11 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

“11. FINANCIAL ASPECTS OF THE OFFER		
<i>The Offer Price of S\$0.266 represents the following (discounts)/premiuma over certain historical market prices of the Shares on the SGX-ST:</i>		
<i>Description</i>	<i>Benchmark Price (S\$)⁽¹⁾</i>	<i>(Discount)/Premium over Benchmark Price (%)⁽²⁾⁽³⁾</i>
<i>(a) Last transacted price per Share on 13 December 2024, being the last full Market Day on which the Shares were transacted on the SGX-ST before the trading halt on the Shares and prior to the Offer Announcement Date (the “Last Trading Day (Before Offer Announcement)”)</i>	<i>0.265</i>	<i>0.4</i>
<i>(b) Last transacted price per Share on 7 October 2024, being the last full trading day on which the Shares were traded on the SGX-ST before the trading halt on Shares and prior to the Rights Issue Announcement Date (the “Last Trading Day”)⁽⁴⁾</i>	<i>0.305</i>	<i>(12.8)</i>
<i>(c) Volume weighted average price per Share (“VWAP”) of the Shares for the one (1)-month period up to and including the Last Trading Day</i>	<i>0.312</i>	<i>(14.7)</i>
<i>(d) VWAP of the Shares for the three (3)-month period up to and including the Last Trading Day</i>	<i>0.313</i>	<i>(15.0)</i>
<i>(e) VWAP of the Shares for the six (6)-month period up to and including the Last Trading Day</i>	<i>0.307</i>	<i>(13.4)</i>
<i>Source: Bloomberg L.P.</i>		
Notes:		
<i>(1) Based on data extracted from Bloomberg L.P.. Figures rounded to the nearest three (3) decimal places.</i>		
<i>(2) Figures rounded to the nearest one (1) decimal place.</i>		
<i>(3) Based on the Offer Price, i.e. S\$0.266 per Offer Share.</i>		
<i>(4) There were no trades on the Shares on the SGX-ST on 8 October 2024, 9 October 2024 and 10 October 2024.”</i>		

8. DISCLOSURES OF HOLDINGS, DEALINGS IN COMPANY SECURITIES AND OTHER ARRANGEMENTS

The full text of the disclosure of shareholdings, dealings and other arrangements of the Offeror, its directors and other parties acting in concert with the Offeror as set out in Section 12 of the Offer Document has been extracted from the Offer Document and is set out in italics below.

“12. DISCLOSURES OF HOLDINGS, DEALINGS IN COMPANY SECURITIES AND OTHER ARRANGEMENTS

12.1. *Shareholdings and Dealings in Company Securities.* *Appendix E to this Offer Document sets out the latest information available to the Offeror as at the Latest Practicable Date, (i) the number of Company Securities (as defined in Section 12.2 below) owned, controlled or agreed to be acquired as at the Latest Practicable Date; and (ii) the dealings in the Company Securities during the Reference Period, by:*

(a) the Offeror and its Directors; and

(b) the Offeror Concert Party Group,

(collectively, the “Relevant Persons”) as at the Latest Practicable Date.

12.2. *No Other Holdings and Dealings in Company Securities.* *Save as disclosed in this Offer Document (in particular, but without limitation, Appendix E), based on the latest information available to the Offeror, as at the Latest Practicable Date, none of the Relevant Persons:*

(i) owns, controls or has agreed to acquire any:

(a) Shares;

(b) securities which carry voting rights in the Offeree Company; or

(c) convertible securities, warrants, options, awards or derivatives in respect of the Shares or securities which carry voting rights in the Offeree Company,

(collectively, the “Company Securities”); and

(ii) has dealt for value in any Company Securities during the Reference Period.

12.3. *Other Arrangements in respect of Company Securities.* *As at the Latest Practicable Date and save as disclosed in this Offer Document (in particular, but without limitation, Appendix E), none of the Relevant Persons:*

(i) has received any irrevocable commitment to accept or reject the Offer in respect of any Company Securities;

(ii) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to Company Securities or the shares of the Offeror which might be material to the Offer;

- (iii) *has granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise;*
- (iv) *has borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or*
- (v) *has lent any Company Securities to another person.”*

9. CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources by Oversea-Chinese Banking Corporation Limited as set out in Section 13 of the Offer Document has been extracted from the Offer Document and is set out in italics below.

“13. CONFIRMATION OF FINANCIAL RESOURCES

Oversea-Chinese Banking Corporation Limited has confirmed that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by holders of the Offer Shares on the basis of the Offer Price. For the avoidance of doubt, Oversea-Chinese Banking Corporation Limited is not acting as financial adviser to the Offeror for the Offer.”

10. DIRECTORS' INTEREST

Details of the Directors including, *inter alia*, the Directors' direct and deemed interest in the Company Securities as at the Latest Practicable Date are set out in Appendix II to this Circular.

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

11.1. Appointment of IFA

Xandar Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer.

11.2. Evaluation of the Offer by the IFA

The IFA Letter setting out the advice and recommendations of the IFA to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular. The key considerations relied upon by the IFA in arriving at its advice to the Independent Directors are set out in paragraph 6 of the IFA Letter.

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Independent Directors, in conjunction with, and in the context of the full text of the IFA Letter.

11.3. Advice of the IFA to the Independent Directors on the Offer

Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, the IFA has given its advice to the Independent Directors, the extracts of paragraph 7 of the IFA Letter is reproduced in italics below. The advice set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

“7. 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.

7.1 “FAIRNESS” OF THE OFFER

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

7.1.1 Factors for the Offer

The following factors substantiate the “fairness” of the Offer:

- (a) the P/E ratio of the Company implied by the Offer Price is at the higher end of the range of P/E ratios of the Comparable Companies as set out in paragraph 6.4 of this IFA Letter; and*
- (b) the P/NAV ratio of the Company as implied by the Offer Price is within the range, same as the mean and higher than the median corresponding ratios of the Comparable Companies.*

7.1.2 Factors against the Offer

The following factors undermine the “fairness” of the Offer:

- (a) the Offer Price is below the closing prices of the Shares for most of the Trading Days during the Reference Period as set out in paragraph 6.1.1 of this IFA Letter and at discounts to the VWAP of the Shares for most of the periods set out in the table in paragraph 6.1.2 of this IFA Letter;*
- (b) the Offer Price represents significant discounts to the NAV per Share and RNAV per Share as set out in paragraph 6.3 of this IFA Letter;*
- (c) excluding the adjusted cash and cash equivalents per Share set out in paragraph 6.3.4 of this IFA Letter, the ex-cash P/NAV ratio will only be 0.39 times;*

- (d) *the EV/EBITDA ratio of the Company implied by the Offer Price is below the mean and median EV/EBITDA ratios of the Comparable Companies;*
- (e) *the discounts to the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares represented by the Offer Price are higher than the average of the corresponding ratios of the Precedent Non-Privatisation Offers and the P/RNAV ratio of the Company implied by the Offer Price is lower than the range of the P/NAV or P/RNAV ratios of the Precedent Non-Privatisation Offers as set out in paragraph 6.5.1 of this IFA Letter;*
- (f) *the Offer Price is at a discount to the last transacted price, 1-month VWAP and 3-month VWAP of the Shares whereas the offer prices of the Precedent Privatisation Offers are at premium to the corresponding prices and the discounts to the 6-month VWAP of the Shares and RNAV per Share represented by the Offer Price are lower than the mean and median corresponding ratios of the Precedent Privatisation Offers as set out in paragraph 6.5.2 of this IFA Letter; and*
- (g) *the Offer Price is below the estimated range of values for the Shares as set out in paragraph 6.6 of this IFA Letter.*

7.2 “REASONABLENESS” OF THE OFFER

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

7.2.1 Factors for the Offer

The following factors substantiate the “reasonableness” of the Offer:

None.

7.2.2 Factors against the Offer

The following factors undermine the “reasonableness” of the Offer:

- (a) *the Group’s financial performance seems to be improving as reflected by its increasing revenue from the Manufacturing segment from S\$102.54 million for FY2021 to S\$138.92 million for LTM30Jun2024, and improved profit attributable to Shareholders for LTM30Jun2024 as compared to the loss attributable to Shareholders for FY2022 and FY2023 as set out in paragraph 6.2 of this IFA Letter; and*
- (b) *the Group had disposed of its loss-making subsidiary in February 2024 and the positive outlook for the Singapore’s economy as set out in paragraph 6.2.4 of this IFA Letter.*

7.3 OUR OPINION

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.”

11.4. Recommendation of the Independent Directors

The Independent Directors, having considered carefully the terms of the Offer and the advice and recommendations given by the IFA to the Independent Directors in the IFA Letter, concur with the advice and recommendation of the IFA in respect of the Offer. Accordingly, the Independent Directors adopt the recommendations in respect of the Offer as set out in Section 11.3 above and recommend that Shareholders REJECT the Offer.

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are also advised to read and consider carefully the recommendation of the Independent Directors and the IFA Letter set out in Appendix I to this Circular in their entirety before deciding whether or not to accept the Offer. Shareholders should note that the IFA's advice to the Independent Directors and the recommendations of the Independent Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by the IFA on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of the IFA's review.

In rendering the above advice and making the above recommendation, the IFA and the Independent Directors have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. **As different Shareholders would have different investment profiles and objectives, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio or objectives and/or the Offer should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders may accept the Offer in respect of all or any part of their holdings of Shares. Shareholders who wish to accept the Offer must do so not later than **5.30 p.m. (Singapore time) on 3 February 2025**. There are different procedures for acceptance for Depositors whose Securities Accounts are or will be credited with Shares and for Shareholders who hold Shares in scrip form. Shareholders who wish to accept the Offer should take note of the "Procedures for Acceptance" set out in Appendix B to the Offer Document.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document and the FAA and/or FAT which have been sent to them.

13. ELECTRONIC DISSEMINATION OF THE CIRCULAR

Pursuant to the SIC's Public Statement on the Further Extension of the Temporary Measure to Allow for Electronic Dissemination of Take-over Documents under the Singapore Code on Take-overs and Mergers issued on 29 June 2021, the Company has opted to electronically disseminate this Circular through publication on the SGXNET announcement page of the Company and the Company's corporate website. Accordingly, please note that no printed copies of this Circular will be despatched to Shareholders.

The Notification containing instructions on how the Shareholders can locate this Circular electronically has been despatched by ordinary post to the Shareholders.

Electronic versions of this Circular are available on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <https://hgmetal.listedcompany.com/newsroom.html>.

14. OVERSEAS SHAREHOLDERS

Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the Depository Register (each, an "**Overseas Shareholder**") should refer to Section 14 of the Offer Document, an extract of which is set out in italics below.

"14. OVERSEAS JURISDICTIONS AND SHAREHOLDERS

14.1. Overseas Jurisdictions.

This Offer Document, the Notification, the Acceptance Forms and/or any related documents do not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the Notification, the Acceptance Forms and/or any related documents in any jurisdiction, in contravention of applicable law.

The release, publication or distribution of this Offer Document, the Notification, the Acceptance Forms and/or any related documents in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.

*Copies of this Offer Document, the Notification, the Acceptance Forms and/or 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 laws of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

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

14.2. Overseas Shareholders. *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (collectively, the "**Overseas Shareholders**" and each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located, and caution should be exercised in relation to the Offer, as this Offer Document, the Notification, the Acceptance Forms and/or any related documents have not been reviewed by any regulatory authority in any overseas jurisdiction. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. **For the avoidance of doubt, the Offer is open to all***

Shareholders, including those to whom the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/or any related documents have not been, or may not be, sent.

It is the responsibility of Overseas Shareholders who wish to: (i) request for the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/or any related documents; and/or (ii) accept the Offer, to satisfy themselves as to the full observances of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, CDP, the Share Registrar and/or any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, CDP, the Share Registrar and/or any person acting on their behalf may be required to pay. In (i) requesting for the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and that he is in full observance and compliance 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 Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

- 14.3. **Copies of the Notification and the relevant Acceptance Forms.** *Where there are potential restrictions on sending the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/or any related documents to any overseas jurisdiction, the Offeror, CDP and the Receiving Agent each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions.*

*Shareholders (including Overseas Shareholders) may, subject to compliance with applicable laws, obtain electronic copies of this Offer Document, the Notification, the Acceptance Forms and/or any related documents from the website of the SGX-ST at <https://www.sgx.com>. To obtain an electronic copy of this Offer Document, please select the section "Securities", select "Company Information" and then "Company Announcements" from the dropdown menu list and type the name of the Offeree Company: **"HG Metal Manufacturing Limited"** in the box titled "Filter by Company/Security Name". **"HG Metal Manufacturing Limited"** will appear as a drop-down item below the filter box.*

*Thereafter, please select the announcement dated 6 January 2025 titled **"Mandatory Conditional General Cash Offer – Electronic Despatch of Offer Document"**. This Offer Document, the Acceptance Forms and/or any related documents can be accessed by clicking on the link under the section titled "Attachments" at the bottom of the announcement.*

Overseas Shareholders may, nonetheless, obtain copies of the Notification, the Acceptance Forms and/or any related documents, during normal business hours and up to the Closing Date, from the Share Registrar, Tricor Barbinder Share Registration Services, at its office located at 9 Raffles Place #26-01, Republic Plaza Tower I, Singapore 048619. Alternatively, an Overseas Shareholder may write to the Share Registrar at the address listed above, to request for the Notification, the Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at such Overseas Shareholder's own risk, up to the five (5) Market Days prior to the close of the Offer. Electronic copies of this Offer Document, the Notification, the Acceptance Forms and/or any related documents are also available on the website of the Offeree Company at <https://hgmetal.listedcompany.com>.

- 14.4. **Notice.** *The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all of the Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been made and communicated to all Shareholders (including Overseas Shareholders), notwithstanding any failure by any Shareholder (including any Overseas Shareholder) to receive or see such announcement, notice or advertisement."*

The Constitution provides that any notice or document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally or by sending it through the post in a prepaid cover addressed to such Shareholder at his Singapore registered address appearing in the Register or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company as his address for the service of notices, or by delivering it to such address as aforesaid. The Constitution further provides that a Shareholder who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) CDP an address within Singapore for the service of notices shall not be entitled to receive notices from the Company.

Accordingly, due to potential restrictions on sending this Circular and the Notification to overseas jurisdictions and the electronic dissemination of this Circular, this Circular has not been and will not be sent to any Overseas Shareholder who has not provided, and will not provide, the Company with an address within Singapore at which notices or documents may be served upon him. Any affected Overseas Shareholder may, nonetheless (subject to compliance with applicable laws), download electronic copies of this Circular on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <https://hgmetal.listedcompany.com/newsroom.html>.

In downloading this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

15. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

As set out in Section 15 of the Offer Document, CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their CPF Agent Banks or SRS Agent Banks (as the case may be) directly. CPFIS Investors and SRS Investors are advised to consult their CPF Agent Banks or SRS Agent Banks (as the case may be) should they require further information, and if they are in any doubt as to the action they should take, they should seek independent professional advice.

CPFIS Investors and SRS Investors, who wish to accept the Offer, are to reply to their CPF Agent Banks or SRS Agent Banks (as the case may be) by the deadline stated in the letter from their CPF Agent Banks or SRS Agent Banks (as the case may be), which may be earlier than the Closing Date. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Offer through their appropriate intermediaries will receive the payment for the Offer Price in respect of their Offer Shares validly tendered in acceptance of the Offer, in their CPF investment accounts or SRS investment accounts (as the case may be).

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than the information in the Offer Document, the IFA Letter and any information relating to or opinions expressed by the Offeror and its Concert Parties and the IFA), are fair and accurate and that no material facts have been omitted from this Circular, and they jointly and severally accept responsibility accordingly.

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

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

Yours faithfully

For and on behalf of the Board of Directors of
HG Metal Manufacturing Limited

Xiao Xia
Executive Director and Chief Executive Officer

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS



20 January 2025

HG METAL MANUFACTURING LIMITED

28 Jalan Buroh
Singapore 619484

Attention: The Board of Directors, all of whom are considered independent for the purposes of the Offer (hereinafter also known as "**Independent Directors**")

MANDATORY CONDITIONAL GENERAL CASH OFFER (THE "OFFER") BY GREEN ESTEEL PTE. LTD. (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES ("SHARES") IN THE CAPITAL OF HG METAL MANUFACTURING LIMITED (THE "COMPANY") OTHER THAN TREASURY SHARES AND THOSE SHARES ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND ITS CONCERT PARTIES (THE "OFFER SHARES")

*Unless otherwise defined, the terms used herein shall have the same meaning ascribed to them in the Company's circular to its shareholders (the "**Shareholders**") dated 20 January 2025 in connection with the Offer (the "**Circular**").*

1. INTRODUCTION

On 16 December 2024 (the "**Offer Announcement Date**"), the Offeror announced the Offer to be undertaken in compliance with Rule 14 of The Singapore Code on Take-overs and Mergers (the "**Code**").

The Offeror incurred the obligation to make the Offer for all the Offer Shares as a consequence of the Offeror's participation in the Company's renounceable non-underwritten rights issue of up to 74,254,237 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.266 for each Rights Share (the "**Rights Issue**") announced on 11 October 2024 (the "**Rights Issue Announcement Date**"). In connection with the Rights Issue, the Offeror had entered into an irrevocable undertaking dated 11 October 2024 (the "**Irrevocable Undertaking**") in favour of the Company, pursuant to which it irrevocably undertook to the Company, *inter alia*, to subscribe for its provisional allotment of Rights Shares and, by way of excess application, subscribe for all other Rights Shares which are not taken up by the other Shareholders. With the allotment and issue of the Rights Shares on 16 December 2024, the Offeror's interest in the capital of the Company increased from 29.00% to 44.44% which resulted in the Offeror acquiring and owning more than 30% or more of the voting rights of the Company and incurring the obligation to make the Offer in accordance with Rule 14.1 of the Code.

In connection with thereof, the Company has appointed Xandar Capital Pte. Ltd. ("**Xandar Capital**") as the independent financial adviser (the "**IFA**") to 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.

Page 1 of 36

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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.

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 had discussions with certain directors of the Company (“**Directors**”) and management of the Company and its subsidiaries (the “**Group**”), and have examined publicly available information relating to 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, 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. For financing purposes, the Company has commissioned valuer to determine the value of its property in Singapore and has shared the valuation report with us. We have not made any independent verification of the assumptions and bases set out in the valuation report. 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 report. Saved for the valuation report, we have not been furnished with any evaluation or appraisal of any assets or liabilities of the Company or the Group.

We also note from the Circular that the Directors (including any who may have delegated detailed supervision of the Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Circular (other than the information in the Offeror’s offer document dated 6 January 2025 (the “**Offer Document**”), this IFA Letter and any

information relating to or opinions expressed by the Offeror and parties acting or presumed to be acting in concert with the Offeror in connection with the Offer (the “**Offeror Concert Party Group**”) and Xandar Capital), are fair and accurate and that no material facts have been omitted from the Circular, and they jointly and severally accept responsibility accordingly.

Where any information in the Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement and/or the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in the Circular in its proper form and context.

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

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 Board of 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 9 January 2025, being the latest practicable date for 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).

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 compliance with the requirements of Rule 14 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 Sections 2 and 3 of, and Appendix A to the Offer Document.

3.1 The Offer Shares

The Offer is for all the Shares other than treasury shares and those Shares already owned, controlled or agreed to be acquired by the Offeror Concert Party Group.

As at the Latest Practicable Date, the Company had an issued and paid-up capital comprising 274,740,678 issued Shares (the “**Existing Share Capital**”, which excludes 5,314,330 Shares held in treasury (the “**Treasury Shares**”)).

As at 30 December 2024, being the latest practicable date prior to the despatch of the Offer Document, the Offeror Concert Party Group had interest in 122,090,426 Shares.

The Offer Shares comprise the 152,650,252 Shares not held by the Offeror Concert Party Group.

3.2 The Offer Price

We extract the following in *italics* for your reference.

*Under the Code, the Offeror is required to make the Offer for the Offer Shares at not less than the highest price at which the Offeror Concert Party Group has acquired Shares in the period commencing six (6) months prior to the Rights Issue Announcement Date and ending on the Latest Practicable Date (the “**Reference Period**”). The Offeror has determined S\$0.266 to be such applicable highest price.*

For each Offer Share: S\$0.266 in cash.

The Offer Price is final and the Offeror will not revise the Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

3.3 Encumbrances of the Offer Shares

We extract the following in *italics* for your reference.

The Offer Shares are to be acquired:

- (i) *fully paid-up;*
- (ii) *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*
- (iii) *together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Offeree Company in respect of the Shares (each a “Distribution” and collectively, the “Distributions”) the Record Date for which falls on or after the Offer Announcement Date. For the purpose of this Offer Document, “Record Date” means, in relation to any Distributions, the date on which Shareholders must be registered with the Offeree Company or with CDP, as the case may be, in order to participate in such Distributions.*

We note that no such Distribution has been announced, declared, paid or made by the Company for the period from the Offer Announcement Date up to the Latest Practicable Date.

3.4 Conditions to the Offer

We extract the following in *italics* for your reference.

Pursuant to Rule 14.2 of the Code, if the Offeror Concert Party Group does not hold more than 50% of the issued Shares when the Offer is made, the Offer is required to be made conditional upon the Offeror Concert Party Group receiving such number of acceptances which would result in the Offeror Concert Party Group holding more than 50% of the voting rights attributable to the share capital of the Offeree Company.

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with any Shares owned, controlled, acquired or agreed to be acquired by the Offeror Concert Party Group (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror Concert Party Group carrying more than 50% of the total number of issued Shares (excluding treasury shares) as at the close of the Offer (the “Minimum Acceptance Condition”).

As at the Latest Practicable Date, 50% of the Existing Share Capital is 137,370,339 Shares. We calculate that the Offeror will need to receive valid acceptances for 15,279,913 Shares for the Offer to be unconditional.

4. INFORMATION ON THE COMPANY AND THE GROUP

The following information on the Company and the Group is extracted from the Circular as well as the public documents of the Company, including the Company's annual report for the financial year ended 31 December ("FY") 2021, FY2022 and 2023, as well as the Company's results announcement for the half year ended 30 June ("1H") 2024.

The Company

The Company was listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") Dealing and Automated Quotation System (SESDAQ) board (now known as Catalyst board) of the SGX-ST on 21 March 2002 and was transferred to the Mainboard of the SGX-ST on 7 May 2004.

As at the Latest Practicable Date, the Company has issued and paid-up share capital comprising 274,740,678 Shares (excluding 5,314,330 Treasury Shares).

We set out the following changes to the Company's issued share capital (excluding Treasury Shares) for the period from 1 January 2021 up to the Latest Practicable Date:

Date/Period	Number of Shares	Resultant Share Capital
As at 1 January 2021		127,417,735 Shares
FY2021	The Company made share buybacks aggregating 1,123,400 Shares	126,294,335 Shares
FY2022	The Company made share buybacks aggregating 997,300 Shares	125,297,035 Shares
19 September 2023	Allotment and issue of 25,059,406 placement shares at S\$0.278 for each placement share	150,356,441 Shares
28 June 2024	Allotment and issue of 16,130,000 placement shares at S\$0.266 for each placement share	166,486,441 Shares
15 August 2024	Allotment and issue of 34,000,000 placement shares at S\$0.266 for each placement share	200,486,441 Shares

Date/Period	Number of Shares	Resultant Share Capital
16 December 2024	Allotment and issue of 74,254,237 Rights Shares at S\$0.266 for each Rights Share pursuant to the Rights Issue	274,740,678 Shares

The Group

With more than 40 years of experience, the Group is one of the largest steel distributors and processors around the region, clientele base of more than 1,500 customers.

The Group generates revenue from the following segments for the last three completed financial years and 1H2024 (the “**Period under Review**”):

- the trading segment is a supplier of steel products and includes the holding of investments in subsidiaries in the business of steel distribution and provision of industrial steel services (“**Trading**”); and
- the manufacturing segment produces construction steel products and provides related engineering services (“**Manufacturing**”).

The revenue contributions from the two segments are as follows:

S\$'000	FY2021	FY2022 ⁽¹⁾	FY2023 ⁽¹⁾	1H2023 ⁽¹⁾	1H2024 ⁽¹⁾	LTM30Jun 2024 ⁽²⁾
Trading	39,723	47,692	25,855	14,944	6,737	17,648
Manufacturing	102,544	104,925	123,900	51,354	66,370	138,916
Total	142,267	152,617	149,755	66,298	73,107	156,564

Notes:

- The Company announced the cessation of the operations of its Myanmar subsidiary, First Fortune International Company Limited (“**FFI**”) in February 2023 and completed the disposal of all the ordinary shares it owned in the capital of FFI in February 2024. Accordingly, FFI had been classified as a disposal group held for sale and the related revenue and expenses of FFI were presented as a single line item as profit or loss after tax from discontinued operations in the statement of profit or loss of the Group for FY2022, FY2023, 1H2023 and 1H2024.
- “**LTM30Jun2024**” means the last 12 months ended 30 June 2024. We calculate LTM30Jun2024 by deducting 1H2023’s revenue from, and adding 1H2024’s revenue to, FY2023’s revenue.

5. INFORMATION RELATING TO THE OFFEROR AND THE RELEVANT PERSONS

Information relating to the Offeror, its Directors and the Offeror Concert Party Group (collectively, the “**Relevant Persons**”) are set out in Section 5 of, and Appendix C to the Offer Document.

5.1 ABOUT THE OFFEROR

Information relating to the Offeror is set out in Section 5.1 of the Offer Document. We extract the following in *italics* for your reference.

The Offeror, a private company limited by shares incorporated on 18 August 2017 under the laws of Singapore, is an investment holding company with sizeable steel industry-related investments, and is majority controlled by Mr. You Zhenhua, a Singapore businessman.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$695,042,937 comprising 734,725,000 ordinary shares.

5.2 HOLDING OF SHARES BY THE RELEVANT PERSONS

The number of Shares held by the Relevant Persons as at 30 December 2024, being the latest practicable date prior to the despatch of the Offer Document, are set out in Appendix E to the Offer Document. We summarise as follows:

	Direct		Indirect	
	Number of Shares	Percentage interest in the Company	Number of Shares	Percentage interest in the Company
The Offeror	122,090,426	44.44	-	-
Advance Venture Investments Limited (“ AVIL ”) ⁽¹⁾⁽²⁾	-	-	122,090,426	44.44
Theme International Holdings Limited (“ TIHL ”) ⁽¹⁾⁽³⁾	-	-	122,090,426	44.44
Wide Bridge Limited (“ WBL ”) ⁽¹⁾⁽³⁾	-	-	122,090,426	44.44
Mr. You Zhenhua ⁽¹⁾⁽³⁾⁽⁴⁾	-	-	122,090,426	44.44

Notes:

- (1) Mr. You Zhenhua, AVIL and TIHL hold interests of approximately 39.52%, 36.81% and 20.42%, respectively, in the Offeror and are deemed interested in the Shares held by the Offeror pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.
- (2) AVIL is a company incorporated under the laws of the British Virgin Islands. AVIL is a special purpose vehicle wholly-owned by Mr. You Zhenhua and is primarily engaged in the business of investment holding.
- (3) TIHL is a company incorporated under the laws of Bermuda and is listed on the Stock Exchange of Hong Kong Limited. WBL holds 63.06% interest in the capital of TIHL.

- (4) WBL is in turn 100% beneficially owned by Mr. You Zhenhua

5.3 THE OFFEROR'S RATIONALE FOR THE OFFER

As set out in Section 7 of the Offer Document, the Offeror is making the Offer in compliance with the requirements of Rule 14 of the Code.

5.4 THE OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror's intentions for the Company can be found in Section 8 of the Offer Document. We extract the following in *italics* for your reference.

The Offeror intends for the Offeree Company to continue to develop and to grow the existing businesses of the Group. The Offeror currently has no intention to (i) introduce any major changes to the existing business or management of the Group, (ii) discontinue the employment of any of the existing employees of the Group, or (iii) re-deploy any of the fixed assets of the Group, other than in the ordinary course of business. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Group which may present themselves and which the Offeror may regard to be in the best interests of the Group.

6. EVALUATION OF THE OFFER

In our evaluation of the Offer, we have considered the following factors:

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

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

6.1 MARKET PERFORMANCE OF THE SHARES

6.1.1 Historical closing price of the Shares

The following chart compares the Offer Price with the daily closing prices of the Shares for the period commencing from 8 October 2022 (which is the commencement date for the 24 months period prior to and including 7 October 2024, being the last market day where the Shares were traded on the SGX-ST immediately prior to the Rights Issue Announcement Date (the “**Last Trading Day**”) up to the Latest Practicable Date (the “**Reference Period**”):



Source: Bloomberg Finance L.P.

There were no share buybacks during the Reference Period. We set out the following events which may have material impact to the closing prices of the Shares during the Reference Period:

Date	Event
7 February 2023	The Company announced that the Group was expected to report a loss for FY2022.
21 February 2023	The Company announced the Group's results for FY2022, reporting a net loss for the year of S\$5,775,000 and declared a final dividend of S\$0.025 for each Share.
22 March 2023	The Company announced acquisition of Shares by Dhu Holding Pte. Ltd. from Flame Gold International Limited, Ng Joo Yow, Ang Gim Teck and Ang

Page 10 of 36

Date	Event
	Gim Thian at the consideration of S\$0.69 for each Share, resulting in Dhu Holding Pte. Ltd. becoming a controlling shareholder of the Company, holding 35,642,600 Shares representing 28.45% interest in the capital of the Company, and that Ms. Xiao Xia is expected to be appointed to the Board and management of the Company in due course. Ms. Xiao Xia and Mr. Yu Zengqiang hold 70% and 30% respectively of the issued and paid-up share capital of Dhu Holding Pte. Ltd..
26 April 2023	<p>The Company announced:</p> <ul style="list-style-type: none"> (a) the results of the annual general meeting held on 26 April 2023; (b) cessation of Mr. Foo Sey Liang as executive director of the Company with effect from 27 April 2023; (c) the appointment of Ms. Xiao Xia as executive director and chief executive officer of the Company with effect from 27 April 2023; and (d) the record date for the final dividend of FY2022.
4 May 2023	Shares trading on ex-FY2022 final dividend basis.
8 June 2023	Changes in board members and reconstitution of board and board committees.
28 July 2023	The Company announced that the Group was expected to report a loss for 1H2023.
11 August 2023	The Company announced the Group's results for 1H2023 and reported a net loss for the period of S\$3,744,000.
31 August 2023	The Company announced that it had entered into placement agreement for the allotment and issue of 25,059,406 new placement shares at an issue price of S\$0.278 for each new share with two subscribers.
19 September 2023	The Company announced the completion of the placement of 25,059,406 new placement shares.
8 February 2024	The Company announced that the Group was expected to report a loss for FY2023.
13 February 2024	The Company announced the disposal of FFI and that it will be seeking Shareholders' approval to ratify the disposal.
15 February 2024	The Offeror announced that it acquired 8,010,000 Shares at S\$0.278 for each Share via a married deal and became a substantial shareholder of the Company.
26 February 2024	The Company announced the Group's results for FY2023, reporting a net loss for the year of S\$1,771,000 and disclosed that the Board was not recommending any dividend as the Company was in a loss-making position for FY2023.

Date	Event
25 March 2024	The Company announced the conditional placement of 50,130,000 placement shares at S\$0.266 to the Offeror. The Company convened an extraordinary general meeting on 11 June 2024 and obtained Shareholders' approval to proceed with the placement. The allotment and issue of the placement shares was completed in two (2) tranches on 28 June 2024 and 15 August 2024 respectively.
11 October 2024	The Company announced the Rights Issue.
16 December 2024	The Company announced the results of the Rights Issue and the Offeror announced the Offer.

As seen from the chart above, the Offer Price is below the closing prices of the Shares for most of the market days where the Shares were traded on the SGX-ST (the "Trading Days") during the Reference Period. We counted that the Shares only closed below the Offer Price for (a) 13 Trading Days out of the 311 Trading Days for the 24 months period prior to and including the Last Trading Day; and (b) 16 Trading Days of the 39 Trading Days for the period after the Rights Issue Announcement Date up to and including the Offer Announcement Date. The highest closing price for the Shares for the Reference Period was S\$0.40 (on 27 January 2023 and 30 January 2023) while the lowest closing price for the Shares during the Reference Period was S\$0.225 (on 1 February 2024).

We note that the Offer Price represents:

- (a) a discount of 12.79% to the closing price of S\$0.305 for each Share on the Last Trading Day;
- (b) a slight premium to the closing price of S\$0.265 on 12 December 2024, being the last Trading Day prior to the Offer Announcement Date;
- (c) a discount of 33.50% to the highest closing price of S\$0.40 per Share and a premium of 18.22% to the lowest closing price of S\$0.225 per Share during the Reference Period; and
- (d) a slight discount to the closing price of S\$0.270 on the Latest Practicable Date.

6.1.2 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\$)	(Discount)/Premium of Offer Price 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 including 7 October 2024, being the Last Trading Day</u>						
Last 24 months	0.328	(18.90)	0.410	0.225	53,013	0.06
Last 12 months	0.293	(9.22)	0.330	0.225	42,149	0.05
Last six (6) months	0.307	(13.36)	0.330	0.280	37,060	0.05
Last three (3) months	0.313	(15.02)	0.330	0.295	39,265	0.05
Last one (1) month	0.312	(14.74)	0.330	0.300	35,665	0.04
The Last Trading Day	0.310	(14.19)	0.310	0.305	12,700	0.02
<u>Period between the Rights Issue Announcement Date and the Offer Announcement Date</u>						
14 October 2024 to 12 December 2024, both dates inclusive	0.268	(0.75)	0.305	0.255	140,367	0.17
12 December 2024, being the market day where the Shares were traded prior to the Offer Announcement Date	0.265	0.38	0.265	0.265	48,000	0.06
<u>Period after the Offer Announcement Date</u>						
17 December 2024 to the Latest Practicable Date, both dates inclusive	0.271	(1.85)	0.275	0.265	61,619	0.05
The Latest Practicable Date	0.271	(1.85)	0.275	0.270	348,400	0.30

Source: Bloomberg Finance L.P.

Notes:

- (1) "VWAP" means volume weighted average price and is stated at three (3) 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 Trading Days during those periods.
- (3) Free float for periods prior to the Offer Announcement Date is calculated based on the difference between (i) the total number of 200,486,441 Shares prior to the allotment and issue of the 74,254,237 Rights Shares; and (ii) the 118,842,006 Shares held by the then substantial shareholders of the Company (including the Offeror) while free float for period after the Offer Announcement Date is calculated based on the difference between (i) the total number of 274,740,678 Shares; and (ii) the 122,090,426 Shares held by the Offeror and the 35,642,600 Shares held by Dhu Holding Pte. Ltd., as at the Latest Practicable Date.

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

- (a) the Offer Price represents discounts of between 9.22% and 18.90% to the VWAPs of the Shares for the various periods prior to and including the Last Trading Day;
- (b) the Offer Price is at a discount of 35.12% to the highest trading price of S\$0.410 per Share and a premium of 18.22% to the lowest trading price of S\$0.225 per Share during the 24 months period prior to and including the Last Trading Day; and
- (c) the Offer Price is at a discount of 1.85% to the VWAP of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date.

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

- (i) the highest average daily traded volumes of the Shares for the periods prior to and including the Last Trading Day as set out in the table amounted to only 53,013 Shares or approximately 0.06% of the free float of the Company;
- (ii) the liquidity of the Shares seems to have improved with the Rights Issue. The average daily traded volume of the Shares for the period after the Rights Issue Announcement Date up to and including 13 December 2024 (where trading of the Shares were halted after trading hours for the subsequent announcements of the results of the Rights Issue and the Offer on 16 December 2024) more than double the average daily traded volume of Shares for the periods prior to and including the Last Trading Day as set out in the table above;
- (iii) for the period prior to and including the Last Trading Day, the Shares were only traded on 62.2% of the market days which the SGX-ST were open for trading (“**SGX Market Days**”), while the Shares were traded on 88.6% of the SGX Market Days for the period after the Rights Issue Announcement Date up to and including 13 December 2024;
- (iv) the Shares were traded on a daily basis for the period after the Offer Announcement Date up to and including the Latest Practicable Date. While 348,400 Shares were traded on the Latest Practicable Date, the average daily traded volume of the Shares for the period after the Offer Announcement Date up to and including the Latest Practicable Date was only 61,619 Shares. We note that the daily traded volume of the Shares ranges from 1,900 Shares to 351,500 Shares for the period after the Offer Announcement Date up to and including the Latest Practicable Date. The average

daily traded volume of the Shares for the period after the Offer Announcement Date up to and including the Latest Practicable Date was much lower than the average daily traded volume of the Shares for the period after the Rights Issue Announcement Date up to the close of the Rights Issue and announcement of the Offer of 140,367 Shares but higher than the average daily traded volumes of the Shares for the periods prior to and including the Last Trading Day as set out in the table; and

- (v) the number of Shares traded on the Latest Practicable Date of 348,400 Shares is higher than the average daily traded volumes of the all the periods during the Reference Period as set out in the table.

Based on the above, we note that the liquidity of the Shares appears to be low despite the Rights Issue and the Offer. The allotment and issue of the Rights Shares may have expanded the free float and the Offer does not appear to have any positive impact to the liquidity of the Shares.

Given the low trading liquidity of the Shares, the closing prices of the Shares may not reflect the fair value of the Shares.

Despite the low liquidity of the Shares during the aforesaid periods set out in the table, given that (a) the Offer Price is at discounts to the VWAP of the Shares for most of the periods set out in the table and does not provide any premium over the market prices of the Shares generally accorded to a general offer; and (b) the Shares were traded on a daily basis albeit at an average daily traded volume of 61,619 Shares for the period after the Offer Announcement Date up to and including the Latest Practicable Date, Shareholder who holds high volume of Shares may still be able to sell their Shares in the open market at prices higher than the Offer Price, after taking into account brokerage commissions and transaction costs for multi-transactions.

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.

6.2 THE FINANCIAL PERFORMANCE OF THE GROUP

We set out a summary of the consolidated income statements of the Company for the Period under Review as follows:

S\$'000	FY2021	FY2022	FY2023	LTM30Jun2024
Revenue ⁽¹⁾	142,267	152,617	149,755	156,564
Gross profit ⁽¹⁾	29,152	20,504	12,787	18,592
Net profit / (loss) attributable to Shareholders (included FFI)	12,065	(527)	(1,018)	5,649
Earnings per Share (S\$) ⁽²⁾	0.0439	(0.0019)	(0.0037)	0.0206

Page 15 of 36

Notes:

- (1) The Group's revenue and gross profit for FY2021 set out in the table above include revenue and gross profit of FFI, whereas the Group's revenue and gross profit for FY2022, FY2023 and LTM30Jun2024 out in the table above exclude the revenue and gross profit of FFI.
- (2) Calculated based on the net profit attributable to Shareholders and the Company's issued and paid-up share capital comprising 274,740,678 Shares (excluding 5,314,330 Treasury Shares) as at the Latest Practicable Date.

6.2.1 Review of Financial Performance

Revenue

As set out in paragraph 4 of this IFA Letter, majority of the Group's revenue during the Period under Review were contributed by the Manufacturing segment which was on an increasing trend from S\$102.54 million for FY2021 to S\$138.92 million for LTM30Jun2024. The higher revenue was mainly due to higher volume of sales which was partially offset by lower average selling prices of the Group's products, in tandem with the decline in market steel prices.

However, the higher revenue from the Manufacturing segment was offset by decreasing revenue from its Trading segment. Revenue from the Trading segment decreased from S\$47.69 million for FY2022 to S\$17.65 million for LTM30Jun2024.

Gross profit

With the gradual reduction in average selling prices, the Group registered a declining trend for its gross profit from S\$29.15 million for FY2021 to S\$12.79 million for FY2023. Its gross profit improved to S\$18.59 million for LTM30Jun2024 with the higher revenue recorded for 1H2024 and a lower weighted-average cost of materials for FY2024 as the Group took proactive steps to deplete its high-cost inventories on hand since the second half of FY2023.

The gross profit margins of the Group for the Period Under Review are as follows:

	FY2021	FY2022	FY2023	LTM30Jun2024
Gross profit margin (%)	20.49	13.43 ⁽¹⁾	8.54 ⁽¹⁾	11.88 ⁽¹⁾

Note:

- (1) Calculated based on the Group's revenue and gross profit for FY2022, FY2023 and LTM30Jun2024 after excluding the revenue and gross profit of FFI.

Net profit / (loss) attributable to Shareholders

As set out in the table above, the Group had net loss attributable to Shareholders of S\$0.53 million and S\$1.02 million for FY2022 and FY2023 respectively. However, had the Group excluded the loss for the discontinued operations, the Group would have profits attributable to Shareholders of S\$4.94 million and S\$0.45 million for FY2022 and FY2023 respectively

which were still lower than the Group's profits attributable to Shareholders of S\$5.65 million for LTM30Jun2024.

6.2.2 Historical price-to-earnings ("P/E") ratio of the Company implied by the Offer Price

Based on the net profit attributable to Shareholders of approximately S\$5.65 million for LTM30Jun2024, the P/E ratio of the Company as implied by the Offer Price is 12.9 times.

6.2.3 Enterprise value to earnings before interest, tax, depreciation and amortisation ("EV/EBITDA") ratio of the Company implied by the Offer Price

We calculate the enterprise value ("EV") of the Group as implied by the Offer Price as follows:

	S\$'000
Value of the Company as implied by the Offer Price	73,081
Add: Bank borrowings and lease liabilities	15,479 ⁽¹⁾
Add: Non-controlling interests	1 ⁽¹⁾
Less: Cash and cash equivalents	(47,224) ⁽²⁾
EV	41,337

Notes:

(1) As at 30 June 2024.

(2) After taking into account the net proceeds from the allotment and issue of 34,000,000 placement shares at S\$0.266 for each placement share and the allotment and issue of 74,254,237 Rights Shares at S\$0.266 for each Rights Share pursuant to the Rights Issue.

EV/EBITDA ratio

Based on the above EV calculations and the Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") of S\$9.87 million for LTM30Jun2024, the EV/EBITDA ratio of the Group implied by the Offer Price is approximately 4.2 times.

The Group had non-recurring gains and losses for LTM30Jun2024, most of such gains and losses are immaterial as compared to the EBITDA of S\$9.87 million for LTM30Jun2024, except for the loss on disposal of FFI. The Group had loss on disposal of FFI of approximately S\$1.02 million for LTM30Jun2024. Excluding such losses, the Group would have adjusted EBITDA of S\$10.89 million for LTM30Jun2024. Based on the above EV calculations and the Group's adjusted EBITDA of S\$10.89 million for LTM30Jun2024, the EV/EBITDA ratio of the Group implied by the Offer Price is approximately 3.8 times.

6.2.4 Outlook of the Group

We extract the following from the Company's offer information statement dated 21 November 2024 in relation to its Rights Issue:

From the Group's business perspective, we note that steel prices have remained under pressure, showing only slow signs of recovery after a significant decline from a multi-year peak in 2021. This is largely attributable to weakened demand from China, which consumes more than half of global steel output. China's steel demand continues to be impacted by the slowdown in its real estate and construction markets.

The Group's overall financial performance improved significantly in comparison to the first half of 2023, as the Group successfully mitigated the losses stemming from the cessation of its Myanmar subsidiary, which was subsequently disposed of in February 2024, and reduced its high-cost inventory carried over from FY2023.

Given the positive outlook for the Singapore's economy and the sustained growth of the construction industry, the Group remains focused on further strengthening its sales order book.

The Board believes that Green Esteeel's strong financial position, extensive networks, and deep understanding of the regional business environment will position it as a key partner in supporting the Group's long-term growth strategy.

Green Esteeel is the Offeror which incurred the obligation to make the Offer in accordance with Rule 14.1 of the Code as its interest in the capital of the Company increased from 29.00% to 44.44% upon the allotment and issue of the Rights Shares on 16 December 2024.

6.3 THE FINANCIAL POSITION OF THE GROUP

6.3.1 Summary of latest statement of financial position

We set out below key information from the statement of financial position of the Group as at 30 June 2024:

S\$'000	Unaudited as at 30 June 2024
Current assets	114,405
Current liabilities	(14,369)
Net current assets	100,036
Non-current assets	25,645
Non-current liabilities	(12,684)

Page 18 of 36



S\$'000	Unaudited as at 30 June 2024
Net asset value (“NAV”)	112,997
Less: Non-controlling interest	(1)
NAV attributable to Shareholders	112,996

6.3.2 NAV per Share

The NAV refers to the aggregate value of all the assets of the Group in their existing condition, net of non-controlling interests and all liabilities. It provides an estimate of the value of the Shares as at the latest published financial statements.

Shareholders should note that analyses based on the NAV attributable to Shareholders assumes the hypothetical value of the NAV per Share without considering factors such as, *inter alia*, realisable value of the assets, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, all of which would reduce the NAV distributable to Shareholders.

Based on the total number of 274,740,678 Shares (excluding 5,314,330 Treasury Shares) as at the Latest Practicable Date and the unaudited NAV attributable to Shareholders of approximately S\$113.00 million as at 30 June 2024, the NAV per Share as at 30 June 2024 was approximately S\$0.4113.

The Offer Price of S\$0.266 represents a discount of approximately S\$0.1453 or approximately 35.32% to the unaudited NAV per Share of S\$0.4113 as at 30 June 2024, or a price-to-NAV (“**P/NAV**”) ratio of approximately 0.65 times.

6.3.3 Net tangible assets (“NTA”) per Share

The Group had intangible assets aggregating approximately S\$161,000 as at 30 June 2024. The Group’s intangible assets comprised club membership and computer software.

Based on the total number of 274,740,678 Shares (excluding 5,314,330 Treasury Shares) as at the Latest Practicable Date and the unaudited NTA attributable to Shareholders of approximately S\$112.83 million as at 30 June 2024, the NTA per Share as at 30 June 2024 was approximately S\$0.4107.

The Offer Price of S\$0.266 represents a discount of approximately S\$0.1447 or approximately 35.23% to the unaudited NAV per Share of S\$0.4107 as at 30 June 2024, or a price-to-NTA (“**P/NTA**”) ratio of approximately 0.65 times.

6.3.4 Revalued NAV (“RNAV”) per Share

In our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which should have been valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 30 June 2024, and whether there are any factors that were announced by the Company after the announcement of the Group’s results for 1H2024 which are likely to impact its NAV as at 30 June 2024.

We set out in the table below the material assets which accounted for more than 5% of the NAV of the Group as at 30 June 2024:

	Unaudited as at 30 June 2024	
	S\$’000	As a percentage of the Group’s NAV
Current assets – Trade receivables	49,811	44.08
Current assets – Inventories	20,090	17.78
Non-current assets – Property, plant and equipment	19,216	17.01
Current assets – Cash and cash equivalents	19,067	16.87
Current assets – Fixed deposits pledged with banks	12,825	11.35
Current assets – Other receivables	8,718	7.72
Non-current assets – Right of use assets	5,870	5.19

Current assets – Trade receivables

The Group grants credit terms of between 30 and 90 days to its customers. We calculate the Group’s trade receivables’ turnover days ⁽¹⁾ to be approximately 94 days for FY2021, 86 days for FY2022, 93 days for FY2023 and 113 days for 1H2024. The Company attributed the higher trade receivables’ turnover days for 1H2024 to higher revenue in 1H2024.

Note:

- (1) Calculated based on the average of the carrying value of trade receivables as at the beginning and end of period divided by revenue for the relevant financial year/period, then multiple by 365 days or 182 days, where applicable.

Current assets – Inventories

The Group’s inventories are stated at the lower of cost and net realisable value.

We calculate the Group’s inventories’ turnover days ⁽¹⁾ to be approximately 119 days for FY2021, 145 days for FY2022, 111 days for FY2023 and 64 days for 1H2024. The improvement in the Group’s inventories’ turnover days can be attributed to the Group’s

strategy to optimise its inventory holding, including depleting the high-cost inventories on hand since the second half of FY2023.

Note:

- (1) Calculated based on the average of the carrying value of inventories as at the beginning and end of period divided by cost of sales for the relevant financial year/period, then multiple by 365 days or 182 days, where applicable.

Non-current assets – Property, plant and equipment and right-of-use assets

Property, plant and equipment consist mainly of its leasehold buildings and plant and machinery. Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses, if any, other than freehold land which has unlimited useful life and therefore is not depreciated.

Right-of-use assets consist mainly of its leasehold land. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group had commissioned valuation of its leasehold land and buildings in Singapore for financing purposes. We note that the valuation is within six months validity from the Latest Practicable Date. Based on the market value of the Group's leasehold land and building as opined by the valuer, and the carrying value of such assets as at 30 June 2024, we calculate the revaluation surplus to be approximately S\$14.87 million.

Current assets – Cash and cash equivalents and fixed deposits pledged with banks

As mentioned in earlier paragraphs, the Company completed the allotment and issue of 34,000,000 placement shares at S\$0.266 for each placement share in August 2024 and the allotment and issue of 74,254,237 Rights Shares at S\$0.266 for each Rights Share pursuant to the Rights Issue in December 2024. Based on the net proceeds as disclosed in the respective documents, we calculate the net cash proceeds received by the Group to be approximately S\$28.16 million and the Group would have adjusted cash and cash equivalents of approximately S\$47.22 million as at 30 June 2024.

Based on the total number of 274,740,678 Shares (excluding 5,314,330 Treasury Shares) as at the Latest Practicable Date and the adjusted cash and cash equivalents of approximately S\$47.22 million as at 30 June 2024, the adjusted cash and cash equivalents per Share as at 30 June 2024 was approximately S\$0.1719.

Excluding the adjusted cash and cash equivalents per Share as at 30 June 2024 from the Offer Price and the NAV per Share, the ex-cash P/NAV ratio will be 0.39 times.

Shareholders may wish to note that the above calculations excluded fixed deposits pledged with banks of approximately S\$12.83 million as at 30 June 2024. These are fixed deposits pledged by the Group to secure banking facilities for its operations.

Current assets – Other receivables

Other receivables consist mainly of advances to suppliers which we understand to be customary for the Group's operations.

Adjustments

In respect of the above material assets, we have sought the following confirmation from the Board of Directors and management, and they have confirmed to us that, as at the Latest Practicable Date, to the best of their knowledge and belief:

- (a) save for the market value as reported in valuation report on the leasehold land and building undertaken within the last six (6) months, there is no material difference between the realisable values of the Group's assets as at the Latest Practicable Date and their respective book values as at 30 June 2024 which would have a material impact on the NAV of the Group;
- (b) other than those already provided for or disclosed in the Group's financial statements as at 30 June 2024, there is no other contingent liability, or bad or doubtful debt which is likely to have a material impact on the NAV of the Group as at the Latest Practicable Date. As at 30 June 2024, the Group had intra-group financial guarantees which comprised corporate guarantees granted by the Company to banks in respect of banking facilities amounting to S\$28,037,000;
- (c) there is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Group;
- (d) there is no other intangible asset which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group;
- (e) there are no material acquisitions or disposal of assets by the Group between 30 June 2024 and the Latest Practicable Date; and
- (f) save for the placement completed in August 2024 and the Rights Issue completed in December 2024, there is no event between 30 June 2024 and the Latest Practicable Date that is likely to have a material impact on the NAV of the Group.

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

	S\$'000
Unaudited NAV attributable to Shareholders as 30 June 2024	112,996
Add: Net proceeds from the placement completed in August 2024 and the Rights Issue completed in December 2024	28,157

S\$'000

Add: Revaluation surplus on the Group's leasehold land and building in Singapore	14,869
Less: Potential tax liabilities if the Group disposes the leasehold land and building at the market value ⁽¹⁾	-
RNAV	156,022

Note:

- (1) We understand that there is no capital gain tax for gain on property sale in Singapore and such gain are not considered profit subject to corporate income tax.

Based on the total number of 274,740,678 Shares (excluding 5,314,330 Treasury Shares) as at the Latest Practicable Date and the unaudited RNAV attributable to Shareholders of approximately S\$156.02 million as at 30 June 2024, the RNAV per Share as at 30 June 2024 was approximately S\$0.5679, or a price-to-RNAV ("P/RNAV") ratio of approximately 0.47 times.

Similarly, we wish to highlight that the above RNAV computation assumes the hypothetical sale of all the Group's assets (including the revalued leasehold land and building at the market value opined by the valuer and the remaining assets at their respective carrying values as at 30 June 2024) without considering factors such as, *inter alia*, realisable value of the assets, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, all of which would reduce the RNAV distributable to Shareholders. The RNAV calculated above may not be a realisable value as the disposal values of the Group's assets are likely to vary depending on the prevailing market and economic conditions. There is no assurance that the revaluation surplus (net) realised by the Group on the revalued assets will be the same as the RNAV computation set out above and that the Group will be able to dispose the remaining assets at their respective carrying values.

6.4 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE OFFER PRICE AGAINST THOSE OF COMPARABLE COMPANIES

For the purposes of assessing the valuation ratios of the Company as implied by the Offer Price, we have considered comparing the valuation ratios of the Company as implied by the Offer Price with valuation ratios of listed companies whose business are broadly comparable with the Group, in particular, companies listed on the SGX-ST which are principally engaged in the manufacturing and sale of steel products (the "**Comparable Companies**").

We had discussions with management about the suitability and reasonableness of the Comparable Companies. We wish to highlight that the Comparable Companies are not directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting

policies, risk profile and other relevant criteria. Therefore, any comparison made here is necessarily limited and serves only as an illustrative guide.

In view of the limited number of Comparable Companies on the SGX-ST, we have included all four Comparable Companies identified without regard to their profitability or market capitalisation.

A brief description of the Comparable Companies is set out below:

Comparable Companies	Brief business description	Market capitalisation as at the Latest Practicable Date ⁽¹⁾ (\$ million)
AnnAik Ltd	AnnAik Limited manufactures stainless steel flanges and distributes stainless steel products. AnnAik Limited also provides engineering construction services. AnnAik Limited serves customers in Singapore.	16.4
Asia Enterprises Holding Ltd	Asia Enterprises Holding Ltd operates as a holding company. Asia Enterprises Holding Ltd, through its subsidiaries, distributes steel shipbuilding plates, beams, bulb flats, channels, bars, pipes, and hollow sections. Asia Enterprises Holding Ltd serves customers worldwide.	46.1
BRC Asia Ltd	BRC Asia Limited designs, manufactures, and markets steel mesh under the 'BRC' brand name. Its products include non-standard and customized mesh, a wide range of prefabricated products including beam and column cages, complete prefabricated beam and column reinforcement, staggered mesh, twin wire mesh, and pile cap cages.	691.4
CosmoSteel Holdings Ltd.	CosmoSteel Holdings Ltd. sources and distributes piping system components. CosmoSteel Holdings Ltd. distributes piping system components including pipes, fittings and flanges. CosmoSteel Holdings Ltd. also provides machining services.	27.4

Source: Bloomberg Finance L.P.

Note:

- (1) Market capitalisation of the Comparable Companies is calculated based on their respective closing prices as at the Latest Practicable Date.

For the comparison with the Comparable Companies, we have referred to the following valuation ratios:

Valuation ratio	General description
EV/EBITDA ratio	<p>The formula for EV is the sum of a company's market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents.</p> <p>The "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>
P/E ratio	<p>The 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.</p>
P/NAV ratio	<p>P/NAV ratio illustrates the ratio of the market price of a company's share relative to its asset backing as measured in terms of its historical consolidated NAV per share as stated in its financial statements. The NAV figure provides an estimate of the value of a company assuming the sale of all its tangible and intangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p>

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

Comparable Companies	Net profit / (loss) attributable to equity holders ⁽¹⁾			
	(S\$m)	EV/EBITDA ⁽¹⁾ (times)	P/E ⁽¹⁾ (times)	P/NAV ⁽¹⁾ (times)
AnnAik Ltd	2.0	5.7	8.2	0.3
Asia Enterprises Holding Ltd	3.6	1.5	12.9	0.5

Comparable Companies	Net profit / (loss) attributable to equity holders ⁽¹⁾ (S\$m)	EV/EBITDA ⁽¹⁾ (times)	P/E ⁽¹⁾ (times)	P/NAV ⁽¹⁾ (times)
BRC Asia Ltd	93.5	5.4	7.4	1.5
CosmoSteel Holdings Ltd.	(4.9)	Negative EBITDA	Negative earnings	0.4
Maximum		5.7	12.9	1.5
Minimum		1.5	7.4	0.3
Mean		4.2	9.5	0.7
Median		5.4	8.2	0.5
The Company (Based on the Offer Price)	5.7	3.8 ⁽²⁾	12.9 ⁽²⁾	0.7 ⁽²⁾

Source: Bloomberg Finance L.P., annual reports and/or announcements of the respective companies, and other publicly available information.

Notes:

- (1) The ratios of the Comparable Companies are calculated based on the latest available last 12 months ("LTM") results of the Comparable Companies as extracted from Bloomberg Finance L.P.
- (2) Please refer to paragraphs 6.2.2, 6.2.3 and 6.3.2 of this IFA Letter for the P/E ratio, the adjusted EV/EBITDA ratio and the P/NAV ratio respectively of the Company as implied by the Offer Price.

Based on the above table, we note that:

- (a) the EV/EBITDA ratio of the Company as implied by the Offer Price is within the range but lower than the mean and median EV/EBITDA ratios of the Comparable Companies;
- (b) the P/E ratio of the Company as implied by the Offer Price is within the range and at the higher end of the range of P/E ratios of the Comparable Companies; and
- (c) the P/NAV ratio of the Company as implied by the Offer Price is within the range, same as the mean and higher than the median corresponding ratios of the Comparable Companies.



6.5 COMPARISON OF THE VALUATION STATISTICS OF THE COMPANY IMPLIED BY THE OFFER PRICE WITH RECENTLY COMPLETED COMPARABLE TRANSACTIONS OF COMPANIES LISTED ON THE SGX-ST

As mentioned in earlier paragraph, the Offeror is making the Offer in compliance with the Code. As set out in Section 9.3 of the Offer Document, the Offeror intends to preserve the listing status of the Offeree Company on the Mainboard of the SGX-ST. However, the Offeror reserves the right to re-evaluate its position, including its right of compulsory acquisition (if applicable) under Section 215(1) of the Companies Act, depending on, *inter alia*, the ultimate level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

Therefore, in our evaluation of the Offer Price, we have compared the valuation statistics of the Company implied by the Offer Price with; (a) non-privatisation offers (the “**Precedent Non-Privatisation Offers**”) which were announced since 1 January 2022 and completed as at the Latest Practicable Date with the shares of the offeree companies remained listed and traded on the SGX-ST after the close of the offer; and (b) privatisation offers (including delisting whether by exit offer or scheme of arrangement) of companies listed on the SGX-ST (the “**Precedent Privatisation Offers**”) which were announced since 1 January 2022 and successfully delisted from the SGX-ST as at the Latest Practicable Date.

The comparison serves as a general indication of the premium over the last transacted prices and VWAPs paid by the offerors to increase its stake in the offeree companies or privatise the offeree companies without having regard to their specific industry characteristics and other considerations, including but not limited to the underlying financial performance and financial position of the offeree company, the potential synergy that the offeror can gain by acquiring the offeree company, prevailing market conditions and sentiments, existing interest held by the offeror in the offeree company. The comparison below is also made without taking into consideration the market performance and liquidity of the shares of the offeree companies. Hence, the comparison below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Shares.

6.5.1 The Precedent Non-Privatisation Offers

The following are the Precedent Non-Privatisation Offers for companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST. For a more meaningful comparison, we have only included Precedent Non-Privatisation Offers where the independent financial adviser to the independent directors of the offeree companies opined

the offer as “Fair and Reasonable (“F&R”)” or “Not Fair but Reasonable (“NFBR”)”. The statistics of the Precedent Non-Privatisation Offers are as follows:

Name of offeree companies / IFA opinion	Date of announcement	Circumstances	Premium / (Discount) of offer price over/(to):				Offer price-to-NAV or RNAV ⁽¹⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
NSL Ltd. / NFBR	23-Jul-24	The offeror acquired 71.4% interest in offeree company	7.1	10.1	5.3	4.2	0.9
Sunrise Shares Holdings Ltd / F&R	10-Jul-23	The offeror acquired 33.0% interest in offeree company	(37.7)	(36.3)	(40.1)	(41.1)	1.2
Procurri Corporation Limited / F&R	20-May-22	The offeror increased its interest in the offeree company from 1.32% to 30.76%	0.0	3.2	9.3	17.3	2.2
Maximum			7.1	10.1	9.4	17.3	2.2
Minimum			(37.7)	(36.3)	(40.1)	(41.1)	0.9
Mean			(10.2)	(7.6)	(8.5)	(6.5)	1.4
Median			0.0	3.3	5.3	4.2	1.2
The Company	11-Oct-24	The Offeror’s interest in the company increased from 29.0% to 44.4%	(12.8)	(14.7)	(15.0)	(13.4)	0.5 ⁽²⁾

Source: The offeree circulars of the respective companies.

Notes:

- (1) 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 offeree companies.
- (2) Based on the P/RNAV ratio set out in paragraph 6.3.4 of this IFA Letter.

The discounts to the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares represented by the Offer Price are higher than the average of the corresponding ratios of the Precedent Non-Privatisation Offers.

The P/RNAV ratio of the Company implied by the Offer Price is lower than the range of the P/NAV or P/RNAV ratios of the Precedent Non-Privatisation Offers.

6.5.2 The Precedent Privatisation Offers

The statistics of the Precedent Privatisation Offers are as follows:

Name of companies	Date of announcement	Type ⁽¹⁾	Premium / (Discount) of offer price over/(to):				Offer price-to-NAV or RNAV ⁽²⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	
Dyna-Mac Holdings Ltd.	11-Sep-24	VGO	35.4	18.6	27.4	44.4	5.9
Silverlake Axis Ltd.	26-Aug-24	VGO	20.0	27.7	25.0	31.9	2.8
Second Chance Properties Ltd	10-Jul-24	VGO	39.5	40.9	37.0	33.3	1.0
RE&S Holdings Limited	19-May-24	SOA	56.5	65.1	50.0	45.2	1.9
Isetan (Singapore) Limited	01-Apr-24	SOA	153.5	173.5	171.1	168.9	0.7
Best World International Limited	22-Mar-24	VD	46.3	47.1	46.3	48.8	1.9
Boustead Projects Limited	14-Nov-23	DD	23.6	51.1	50.1	45.9	0.6
Healthway Medical Corporation Limited	03-Jul-23	VD	45.5	45.0	44.1	39.9	1.1
LHN Logistics Limited	04-Jun-23	VGO	34.9	35.7	39.0	44.3	2.0
Sysma Holdings Limited	01-Jun-23	VGO	34.4	39.8	34.2	30.5	0.7
Challenger Technologies Limited	30-May-23	VGO	9.1	10.5	11.9	14.3	1.5
Lian Beng Group Ltd	11-Apr-23	VGO	19.3	27.0	28.5	29.9	0.4

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

Name of companies	Date of announcement	Type ⁽¹⁾	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer price-to-NAV or RNAV ⁽²⁾ (times)	
Global Palm Resources Holdings Limited	29-Mar-23	VGO	93.8	86.6	70.1	70.1	0.8	
G. K. Goh Holdings Limited	28-Feb-23	VGO	38.5	38.8	39.2	37.6	1.0	
Global Dragon Limited	10-Feb-23	VGO	14.3	15.4	22.4	17.6	0.7	
Chip Eng Seng Corporation Ltd.	24-Nov-22	MGO	5.6	13.1	26.5	33.7	0.6	
Golden Energy and Resources Limited	09-Nov-22	VD	15.8	23.0	44.6	48.3	4.5	
Colex Holdings Limited	17-Oct-22	SOA	25.0	13.9	13.3	(14.5)	1.6	
Asian Healthcare Specialists Limited	06-Oct-22	VGO	17.5	18.3	21.3	22.3	2.1	
MS Holdings Limited	03-Oct-22	VGO	16.7	NIL. No trading for one month	25.2	25.5	0.5	
Moya Holdings Asia Limited	14-Sep-22	VD	41.5	43.8	48.4	48.4	1.4	
Singapore Medical Group Limited	13-Sep-22	VGO	23.1	28.1	28.9	25.8	1.1	
Memories Group Ltd	12-Sep-22	VD	34.3	67.3	72.2	74.7	1.0	
Silkroad Nickel Ltd	09-Sep-22	VGO	2.4	5.4	5.1	(5.5)	5.1	
SP Corporation Limited	20-Aug-22	SOA	169.5	163.7	162.8	156.9	1.0	
GYP Properties Limited	09-Jul-22	VGO	34.2	37.9	33.3	28.2	0.7	
Allied Technologies Limited	17-Jun-22	VGO	Suspended for trading since May 2019					0.4
T T J Holdings Limited	20-May-22	VGO	36.1	33.6	28.8	28.0	0.6	
Hwa Hong Corporation Limited	17-May-22	VGO	37.9	36.1	32.0	22.0	0.8	

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

Name of companies	Date of announcement	Type ⁽¹⁾	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer price-to-NAV or RNAV ⁽²⁾ (times)
Excelpoint Technology Limited	13-Apr-22	SOA	21.4	36.6	31.3	45.9	1.6
Singapore O&G Ltd	07-Mar-22	VGO	18.0	14.8	12.2	11.3	3.6
Shinvest Holding Ltd.	16-Feb-22	VGO	12.9	8.5	10.2	10.1	0.7
Maximum			169.5	173.5	171.1	168.9	5.9
Minimum			2.4	5.4	5.1	(14.5)	0.4
Mean			38.0	42.2	41.7	40.8	1.6
Median			34.2	35.9	32.0	33.3	1.0

The Company	11-Oct-24	MGO	(12.8)	(14.7)	(15.0)	(13.4)	0.5⁽³⁾
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Source: The offeree circulars of the respective companies.

Notes:

- (1) VD – Voluntary Delisting; VGO – Voluntary General Offer; SOA – Scheme of Arrangement; and MGO – Mandatory General Offer.
- (2) 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 offeree companies.
- (3) Based on the P/RNAV ratio set out in paragraph 6.3.4 of this IFA Letter.

The Offer Price is at a discount to the last transacted price, 1-month VWAP and 3-month VWAP of the Shares whereas the offer prices of the Precedent Privatisation Offers were at premium to the corresponding prices.

The discounts to the 6-month VWAP of the Shares and RNAV per Share represented by the Offer Price are within the range but lower than the mean and median corresponding ratios of the Precedent Privatisation Offers.

6.6 ESTIMATED RANGE OF VALUES FOR THE SHARES

We have evaluated the market performance of the Shares, the financial performance of the Group, the financial position of the Group, the valuation ratios of the Company implied by the Offer Price against its comparable companies and the valuation ratios of the Company

implied by the Offer Price with recently completed comparable transactions for companies listed on the SGX-ST in preceding paragraphs.

Given the low trading liquidity of the Shares, the closing prices of the Shares may not reflect the fair value of the Shares.

As the Group recorded profits and had positive EBITDA in LTM30Jun2024, the earnings approach is relevant in providing an estimate range of value for the Shares. However, the P/E ratio of the Company implied by the Offer Price is already at the higher end of the range of P/E ratios of the Comparable Companies. Accordingly, the EV/EBITDA ratio may be more appropriate as it does not take into account taxation, depreciation and amortisation charges which may differ amongst the Comparable Companies.

Based on the mean and median EV/EBITDA ratios of the Comparable Companies set out in paragraph 6.4 of this IFA Letter and the Group's adjusted EBITDA of S\$10.89 million for LTM30Jun2024 set out in paragraph 6.2.3 of this IFA Letter, the EV of the Company would be between S\$45.7 million to S\$58.8 million. After taking out the Group's bank borrowings, lease liabilities and non-controlling interests as at 30 June 2024 and adding back the Group's adjusted cash and cash equivalents (as set out in paragraph 6.3.4 of this IFA Letter), the estimated range of values for the Company would be between S\$77.5 million and S\$90.5 million, or between S\$0.282 and S\$0.330 for each Share.

At the estimated range of between S\$0.282 and S\$0.330 for each Share, the P/E ratio of the Shares represented by this estimated range of values for the Shares would be between 13.7 times and 16.0 times which will be higher than the range of P/E ratios of the Comparable Companies but the P/NAV ratio of the Shares represented by this estimated range of values for the Shares would be between 0.7 and 0.8 times which is still within the range of the P/NAV ratios of the Comparable Companies which has a mean P/NAV ratio of 0.7 times and a median P/NAV ratio of 0.5 times.

The Offer Price is below the estimated range of values for the Shares.

Shareholders may wish to know that the formula for EV does not take into account the Group's fixed deposits pledged with banks of approximately S\$12.83 million to secure banking facilities for its operations. Had the pledged fixed deposits been added to derive the market capitalisation of the Group, the estimated range of value for the Shares would increase by S\$0.047 per Share to between S\$0.329 and S\$0.377 for each Share.

6.7 OTHER CONSIDERATIONS

6.7.1 The Offer is conditional in all respects

The Offer is subject to the Minimum Acceptance Condition.

As at the Latest Practicable Date, the Offer has not become unconditional as to acceptances.

6.7.2 No revision of the Offer Price

The Offer Price is final and the Offeror will not revise the Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

6.7.3 Recent issues of new ordinary shares by the Company

In assessing the Offer, we have also compared the Offer Price with the recent issues of new ordinary shares by the Company as follows:

Date	Details of the recent issues of new ordinary shares by the Company
19 September 2023	Allotment and issue of 25,059,406 placement shares at S\$0.278 for each placement share
28 June 2024	Allotment and issue of 16,130,000 placement shares at S\$0.266 for each placement share
15 August 2024	Allotment and issue of 34,000,000 placement shares at S\$0.266 for each placement share
16 December 2024	Allotment and issue of 74,254,237 Rights Shares at S\$0.266 for each Rights Share pursuant to the Rights Issue

The Offer Price is the same as the issue prices of new Shares allotted and issued by the Company in 2024 but slightly lower than the issue price of new Shares allotted and issued by the Company in 2023.

6.7.4 Dividend track record of the Company

The Company last paid a final dividend of S\$0.025 per Share for FY2022 on 31 May 2023.

The Company does not have a fixed dividend policy at present. The issue of payment of dividends is deliberated by the Board annually, having regards to various factors (for example, the Company's profit, cash flow, capital requirements for investment and growth, general business conditions and other factors as the Board deems appropriate.

6.7.5 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.

6.7.6 Single largest shareholder of the Company

As the single largest shareholder holding 44.44% interest in the capital of the Company, the Offeror is likely to be able to pass all ordinary resolutions on matters in which the Offeror and

its associates do not have any interest at future general meetings of Shareholders including resolutions on dividend payments by the Company.

7. 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.

7.1 “FAIRNESS” OF THE OFFER

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

7.1.1 Factors for the Offer

The following factors substantiate the “fairness” of the Offer:

- (a) the P/E ratio of the Company implied by the Offer Price is at the higher end of the range of P/E ratios of the Comparable Companies as set out in paragraph 6.4 of this IFA Letter; and
- (b) the P/NAV ratio of the Company as implied by the Offer Price is within the range, same as the mean and higher than the median corresponding ratios of the Comparable Companies.

7.1.2 Factors against the Offer

The following factors undermine the “fairness” of the Offer:

- (a) the Offer Price is below the closing prices of the Shares for most of the Trading Days during the Reference Period as set out in paragraph 6.1.1 of this IFA Letter and at discounts to the VWAP of the Shares for most of the periods set out in the table in paragraph 6.1.2 of this IFA Letter;
- (b) the Offer Price represents significant discounts to the NAV per Share and RNAV per Share as set out in paragraph 6.3 of this IFA Letter;

- (c) excluding the adjusted cash and cash equivalents per Share set out in paragraph 6.3.4 of this IFA Letter, the ex-cash P/NAV ratio will only be 0.39 times;
- (d) the EV/EBITDA ratio of the Company implied by the Offer Price is below the mean and median EV/EBITDA ratios of the Comparable Companies;
- (e) the discounts to the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares represented by the Offer Price are higher than the average of the corresponding ratios of the Precedent Non-Privatisation Offers and the P/RNAV ratio of the Company implied by the Offer Price is lower than the range of the P/NAV or P/RNAV ratios of the Precedent Non-Privatisation Offers as set out in paragraph 6.5.1 of this IFA Letter;
- (f) the Offer Price is at a discount to the last transacted price, 1-month VWAP and 3-month VWAP of the Shares whereas the offer prices of the Precedent Privatisation Offers are at premium to the corresponding prices and the discounts to the 6-month VWAP of the Shares and RNAV per Share represented by the Offer Price are lower than the mean and median corresponding ratios of the Precedent Privatisation Offers as set out in paragraph 6.5.2 of this IFA Letter; and
- (g) the Offer Price is below the estimated range of values for the Shares as set out in paragraph 6.6 of this IFA Letter.

7.2 “REASONABLENESS” OF THE OFFER

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

7.2.1 Factors for the Offer

The following factors substantiate the “reasonableness” of the Offer:

None.

7.2.2 Factors against the Offer

The following factors undermine the “reasonableness” of the Offer:

- (a) the Group’s financial performance seems to be improving as reflected by its increasing revenue from the Manufacturing segment from S\$102.54 million for FY2021 to S\$138.92 million for LTM30Jun2024, and improved profit attributable to Shareholders for LTM30Jun2024 as compared to the loss attributable to Shareholders for FY2022 and FY2023 as set out in paragraph 6.2 of this IFA Letter; and
- (b) the Group had disposed of its loss-making subsidiary in February 2024 and the positive outlook for the Singapore’s economy as set out in paragraph 6.2.4 of this IFA Letter.

7.3 OUR OPINION

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.

This IFA Letter is addressed to the Board of 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

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

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

Name	Address	Designation
Mr. Ong Hwee Li	c/o 28 Jalan Buroh, Singapore 619484	Independent Non-Executive Chairman
Ms. Xiao Xia	c/o 28 Jalan Buroh, Singapore 619484	Executive Director and Chief Executive Officer
Ms. Ong Lizhen, Daisy	c/o 28 Jalan Buroh, Singapore 619484	Independent Non-Executive Director
Ms. Ng Chuey Peng	c/o 28 Jalan Buroh, Singapore 619484	Independent Non-Executive Director

2. REGISTERED OFFICE

The registered office of the Company is 28 Jalan Buroh, Singapore 619484.

3. PRINCIPAL ACTIVITIES

The Company was incorporated under the laws of Singapore on 4 August 1988 and was listed on SGX-ST's SESDAQ on 21 March 2002 and was upgraded to the Mainboard on 7 May 2004.

The principal activities of the Company are the trading of steel products and investment holding, and the principal activities of its subsidiaries are, *inter alia*, the manufacturing and supply of steel materials to the construction industry.

The Group offers end-to-end services ranging from distribution services to downstream value-added activities via three of its business units. Through its distribution business, the Group provides a wide array of services including wholesale activities, retailing, trading, sourcing of products and distributing steel products to Southeast Asian countries.

The Group also supplies all types of construction steel, which include cut and bend reinforcing bars to deformed bars, and straight rebars, with services including customised steel finishing services like galvanising, coating, cutting and drilling, as well as rental of plates and beams. The Group's facilities in Singapore consist of fully automated cut and bend production lines, with an annual production capacity of 180,000 tonnes.

In addition, the Group is also a supplier of rebars and mechanical splice and anchor systems to the reinforced concrete construction industry.

4. SHARE CAPITAL

4.1 Issued share capital

The Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$110,549,000 comprising 274,740,678 Shares. As at the Latest Practicable Date, the Company has 5,314,330 treasury Shares. The issued Shares are listed and quoted on the Mainboard of the SGX-ST.

4.2 Capital, voting and dividends

The rights of Shareholders in respect of capital, voting and dividends are contained in the Constitution, which is available for inspection at the Company's registered office at 28 Jalan Buroh, Singapore 619484. The relevant articles in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends have been extracted from the Constitution and are set out in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4.3 Number of Shares issued since the end of the last financial year

No Shares have been issued by the Company since 31 December 2024 (being the end of the last financial year) up to the Latest Practicable Date.

4.4 Options and convertible securities

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

5. DISCLOSURE OF INTERESTS

5.1 Interests of the Company in Offeror Securities

The Company does not have any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

5.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in the Offeror Securities during the Reference Period.

5.3 Interests of Directors in Offeror Securities

None of the Directors has any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

5.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in the Offeror Securities during the Reference Period.

5.5 Interests of the Directors in the Company Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or indirect interests in the Company Securities:

Name	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾
Xiao Xia ⁽³⁾	–	–	35,642,600	12.97	35,642,600	12.97
Yu Zengqiang ⁽³⁾	–	–	35,642,600	12.97	35,642,600	12.97
Dhu Holding Pte. Ltd.	35,642,600	12.97	–	–	35,642,600	12.97

Notes:

- (1) Based on a total of 274,740,678 issued Shares (excluding treasury Shares) as at the Latest Practicable Date.
- (2) Percentage figures have been rounded to the nearest two (2) decimal places.
- (3) Ms. Xiao Xia and Mr. Yu Zengqiang hold 70% and 30% respectively of the issued and paid-up share capital of Dhu Holding. Accordingly, each of Ms. Xiao Xia and Mr. Yu Zengqiang is deemed interested in the shares in the Company held by Dhu Holding by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore.

5.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in the Company Securities during the Reference Period.

5.7 Company Securities owned or controlled by the IFA

None of Xandar Capital or any funds whose investments are managed by Xandar Capital on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

5.8 Dealings in Company Securities by the IFA

None of Xandar Capital or any funds whose investments are managed by Xandar Capital on a discretionary basis has dealt for value in any Company Securities during the Reference Period.

5.9 Directors' Intentions in relation to the Offer

As disclosed above in paragraph 5.5 of this Appendix II, Ms. Xiao Xia has a deemed interest in 35,642,600 Shares, representing approximately 12.97% of the Shares, which are held by Dhu Holding. As at the Latest Practicable Date, Ms. Xiao Xia has informed the Company that Dhu Holding intends to reject the Offer in respect of the 35,642,600 Shares held by it.

Save for Ms. Xiao Xia, none of the Directors has any direct or indirect interest in the Shares.

6. OTHER DISCLOSURES

6.1 Directors' service contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the company within the next 12 months without paying any compensation; and
- (b) there are no such service contracts entered into or amended during the Reference Period.

6.2 Arrangements affecting Directors

As at the Latest Practicable Date:

- (a) 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;
- (b) it is not proposed that any payment or other benefit shall be made or given to any Director or 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; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in this Circular and publicly available information on the Company (including but not limited to the announcements, financial statements and annual reports released by the Company on SGXNET), neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with persons who are Interested Persons during the period commencing three years before the Rights Issue Announcement Date and ending on the Latest Practicable Date.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. As at the Latest Practicable Date, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

9. FINANCIAL INFORMATION

9.1 Consolidated income statements

The audited consolidated income statements of the Group for FY2021, FY2022 and FY2023 are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the consolidated financial statements of the Group for FY2021, FY2022 and FY2023 and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in paragraph 11 of Appendix II to this Circular).

	FY2021 S\$'000 (Audited)	FY2022 S\$'000 (Audited)	FY2023 S\$'000 (Audited)
Continuing operations			
Revenue	142,267	152,617	149,755
Cost of sales	(113,115)	(132,113)	(136,968)
Gross profit	29,152	20,504	12,787
Other operating income	3,499	2,267	951
Selling and distribution costs	(391)	(344)	(862)
Administrative expenses	(11,199)	(10,306)	(7,437)
Other operating expenses	(4,079)	(5,045)	(4,227)
Finance costs	(1,065)	(1,366)	(987)
Impairment loss on financial assets	(3,485)	(236)	(80)
Net profit before tax	12,432	5,474	145
Income tax (expense)/credit	(1,262)	(530)	308
Net profit for the year from continuing operations	11,170	4,944	453
Discontinued operations			
Net loss for the financial year from discontinued operations	–	(10,719)	(2,224)
Net profit/(loss) for the year	11,170	(5,775)	(1,771)
Profit/(loss) attributable to:			
Owners of the Company			
Profit from continuing operations	12,065	4,944	453
Loss from discontinued operations	–	(5,471)	(1,471)
	12,065	(527)	(1,018)
Non-controlling interests			
Loss from continuing operations	(895)	–	–
Loss from discontinued operations	–	(5,248)	(753)
	(895)	(5,248)	(753)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	127	162	33
Other comprehensive income for the year, net of tax	127	162	33
Total comprehensive income/(loss) for the year	11,297	(5,613)	(1,738)

	FY2021 S\$'000 (Audited)	FY2022 S\$'000 (Audited)	FY2023 S\$'000 (Audited)
Total comprehensive income attributable to:			
Owners of the Company			
Profit from continuing operations	12,110	4,861	406
Loss from discontinued operations	–	(5,346)	(1,430)
	<u>12,110</u>	<u>(485)</u>	<u>(1,024)</u>
Non-controlling interests			
Loss from continuing operations	(813)	–	–
Loss from discontinued operations	–	(5,128)	(714)
	<u>(813)</u>	<u>(5,128)</u>	<u>(714)</u>

The unaudited consolidated income statement of the Group for 1H2024 is summarised in the table below. The summary is extracted from, and should be read together with, the consolidated interim financial statements of the Group for 1H2024 and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in paragraph 11 of Appendix II to this Circular).

	1H2024 S\$'000 (Unaudited)
Continuing Operations	
Revenue	73,107
Cost of sales	<u>(63,196)</u>
Gross profit	9,911
Other operating income	1,015
Selling and distribution costs	(591)
Administrative expenses	(3,978)
Other operating expenses	(1,640)
Finance costs	(328)
Reversal/(allowance) of impairment loss on financial assets	<u>48</u>
Profit before tax	4,437
Income tax expenses	<u>(726)</u>
Profit for the period from continuing operations	3,711
Discontinued operations	
Net loss for the period after tax from discontinued operations	<u>(264)</u>
Profit for the period	3,447
Profit attributable to:	
Owners of the Company	
Profit from continuing operations	3,711
Loss from discontinued operations	<u>(297)</u>
	<u>3,414</u>
Non-controlling interests	
Profit from discontinued operations	<u>33</u>
	<u>33</u>

	1H2024 S\$'000 (Unaudited)
Profit for the Period	3,447
Other comprehensive income:	
Items that may be reclassified subsequently to profit or loss	
Foreign currency translation	(135)
Reclassification of currency translation reserve to profit or loss	(59)
Other comprehensive loss for the period, net of tax	<u>(194)</u>
Total comprehensive income for the period	<u>3,253</u>
Total comprehensive income attributable to:	
Owners of the Company	
Profit from continuing operations	3,618
Loss from discontinued operations	(348)
	<u>3,270</u>
Non-controlling interests	
Loss from discontinued operations	<u>(17)</u>

A summary of the net dividends per Share declared and earnings per Share for each of FY2021, FY2022, FY2023 and 1H2024 is set out below. This information is extracted from, and should be read together with, the annual reports and the consolidated financial statements of the Group for FY2021, FY2022 and FY2023 and the consolidated interim financial statements of the Group for 1H2024 and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in paragraph 11 of Appendix II to this Circular).

	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)	1H2024 (Unaudited)
Dividends per Share (cents)				
Dividends per Share	4.0	2.5	–	–
Earnings per Share⁽¹⁾ (cents)				
Continuing and discontinued operations				
Basic	9.48	(0.42)	(0.77)	2.26
Diluted	9.48	(0.42)	(0.77)	2.26
Continuing operations				
Basic	9.48	3.94	0.34	2.46
Diluted	9.48	3.94	0.34	2.46
Discontinued operations				
Basic	–	(4.36)	(1.11)	(0.20)
Diluted	–	(4.36)	(1.11)	(0.20)

Note:

(1) Calculated based on weighted average number of Shares in issue, being 127,309,906 as at 31 December 2021, 125,375,785 as at 31 December 2022, 132,684,778 as at 31 December 2023 and 150,622,320 as at 30 June 2024.

9.2 Consolidated statements of financial position

The audited consolidated statements of financial position of the Group for FY2021, FY2022 and FY2023 and the unaudited consolidated statements of financial position of the Group for 1H2024 are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in Paragraph 11 of Appendix II of this Circular).

	Group			
	As at 31-Dec-21 S\$'000 (Audited)	As at 31-Dec-22 S\$'000 (Audited)	As at 31-Dec-23 S\$'000 (Audited)	As at 30-Jun-24 S\$'000 (Unaudited)
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	31,868	21,723	19,423	19,216
Right of use assets	11,460	8,195	6,034	5,870
Intangible assets	261	238	163	161
Investment securities	7,671	3,810	250	256
Fixed deposits pledged with banks	–	2,500	–	–
Restricted deposits	–	142	142	142
	51,260	36,608	26,012	25,645
<u>Current Assets</u>				
Investment securities	1,127	3,861	3,560	3,510
Cash and cash equivalents	27,876	15,407	16,382	19,067
Fixed deposits pledged with banks	7,251	6,516	12,750	12,825
Restricted deposits	784	–	–	–
Inventories	45,779	58,851	24,228	20,090
Trade and other receivables	37,511	36,578	50,383	58,529
Income tax recoverable	128	139	–	–
Prepaid expenses	216	315	215	384
	120,672	121,667	107,518	114,405
Assets of disposal group classified as held for sale	–	–	3,528	–
	120,672	121,667	111,046	114,405
Total assets	171,932	158,275	137,058	140,050

	Group			
	As at 31-Dec-21 S\$'000 (Audited)	As at 31-Dec-22 S\$'000 (Audited)	As at 31-Dec-23 S\$'000 (Audited)	As at 30-Jun-24 S\$'000 (Unaudited)
EQUITY AND LIABILITIES				
<u>Current Liabilities</u>				
Lease liabilities	1,033	600	537	566
Trade and other payables	21,506	11,474	10,422	8,631
Bank borrowings	9,892	23,621	2,064	4,432
Provision for income tax	843	498	14	738
Provision for reinstatement cost	–	241	–	–
Derivative financial instruments	39	423	314	2
	33,313	36,857	13,351	14,369
Liabilities directly associated with disposal group classified as held for sale	–	–	4,811	–
	33,313	36,857	18,162	14,369
<u>Non-current liabilities</u>				
Lease liabilities	6,272	5,253	4,865	4,782
Bank borrowings	15,011	11,556	6,668	5,699
Deferred tax liabilities	478	574	631	631
Provision for reinstatement costs	2,772	972	1,572	1,572
	24,533	18,355	13,736	12,684
Total liabilities	57,846	55,212	31,898	27,053
Net assets	114,086	103,063	105,160	112,997
Equity attributable to owners of the Company				
Share capital	70,496	70,496	77,463	81,754
Treasury shares	(2,636)	(3,034)	(3,034)	(3,034)
Other reserve	2,961	3,003	2,997	2,853
Accumulated profits	39,927	34,388	30,238	31,423
	110,748	104,853	107,664	112,996
Non-controlling interests	3,338	(1,790)	(2,504)	1
Total equity	114,086	103,063	105,160	112,997
Total equity and liabilities	171,932	158,275	137,058	140,050

9.3 Significant accounting policies

The audited consolidated financial statements of the Group for FY2023 have been prepared in accordance with the provisions of the Companies Act and the Singapore Financial Reporting Standards (International). A summary of the significant accounting policies of the Group are set out in Note 2 of the audited consolidated financial statements of the Group for FY2023 contained in the annual report of the Company for FY2023 (a copy of which is available for inspection at the Company's registered office as mentioned in paragraph 11 of Appendix II to this Circular).

9.4 Changes in accounting policies

As at the Latest Practicable Date, there has been no change in the accounting policies of the Group since the date of its audited consolidated financial statements for FY2023 which will cause the figures set out in paragraphs 9.1 and 9.2 of Appendix II to this Circular to be not comparable to a material extent.

9.5 Material changes in financial position

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to the annual report of the Company for FY2023, the unaudited financial statements for 1H2024 and the offer information statement dated 21 November 2024 relating to the Rights Issue), as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 31 December 2023, being the date of the Company's last published audited financial statements.

9.6 Material changes in information

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the Reference Period.

10. GENERAL

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) Xandar Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name, (ii) the IFA Letter, and (iii) all references thereto in the form and context in which they appear in this Circular.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 28 Jalan Buroh, Singapore 619484 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2021, FY2022 and FY2023;
- (c) the condensed interim financial statements of the Group for 1H2024;
- (d) the IFA Letter; and
- (e) the letter of consent from IFA referred to in paragraph 10(b) of Appendix II to this Circular.

RELEVANT EXTRACTS OF 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.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution and/or the Companies Act, a copy of which is available for inspection at the Company's registered office as mentioned in paragraph 11 of Appendix II to this Circular.

1. RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

AUTHORIZED SHARE CAPITAL

- 3 The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Act and any other relevant rule, law, regulation or guidelines enacted, promulgated or issued by any relevant competent authority (including the Designated Stock Exchange (if applicable)) from time to time (hereafter, the "**Relevant Laws**"), on such terms 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 shall be dealt with in accordance with the Relevant Laws. If required by the Statutes, any share which is so purchased or acquired by the Company, unless held as treasury shares in accordance with the Statutes, shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share (including treasury shares) which is so purchased or acquired by it in accordance with the Statutes.
- 4 (A) Subject to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, 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 in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act.
- (B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- (C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

- (D) (1) Notwithstanding Article 5(A), 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 issue:–
- (i) shares (whether by way of rights, bonus or otherwise); or
 - (ii) convertible securities; or
 - (iii) additional convertible securities issued pursuant to Rule 829 of the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or
 - (iv) shares arising from the conversion of the convertible securities in (ii) and (iii), notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued,

where

- (a) the aggregate number of shares and convertible securities to be issued pursuant to such authority does not exceed 50 per cent. (or such other limit as may be prescribed by the SGX-ST) of the issued share capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20 per cent. (or such other limit as may be prescribed by the SGX-ST) of the issued share capital of the Company (as calculated in accordance with paragraph (2) below); and
 - (b) unless previously revoked or varied by the Company in General Meeting, such authority to issue shares does not continue beyond the conclusion of the Annual General Meeting of the Company 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).
- (2) For the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1)(a) above, the percentage of issued share capital shall be calculated based on the Company’s issued share capital at the time the mandate is passed after adjusting for:–
- (i) the new shares arising from the conversion of convertible securities or employee share options on issue when the mandate is passed; and
 - (ii) any subsequent consolidation or subdivision of shares.
- 5 (A) Subject to any direction to the contrary that may be given by the Company in General Meeting and as permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that

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 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) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).

- (B) The Company may, notwithstanding Article 5(A) above, authorize the Directors not to offer 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 to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.
- 6 The Company may exercise the power of paying commissions in respect of subscription for shares which is conferred by the Act to the full extent thereby permitted, Provided Always that the amount or rate of the commissions paid or agreed to be paid and the number of shares to be subscribed for absolutely shall be disclosed in the manner required by the Act, in the relevant prospectus, statement, circular or notice as the case may be. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful subject to disclosure of the amount or rate thereof in the manner required by the Act in the relevant prospectus, statement, circular or notice as the case may be.
- 7 Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.
- 8 (A) The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum and Articles of Association of the Company and the rights attaching to shares of a class other than ordinary shares shall be expressed. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any one time. Preference shares may be issued subject to such limitation thereof as may be prescribed by the Designated Stock Exchange and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.
- (B) The Company has the power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.
- 9 (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders who represent at least three-quarters of the total voting rights of all the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a

winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons representing at least one-third of the total voting rights of all the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every shares of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total voting rights of all the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
 - (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.
- 10 The Company may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares.
- 11 The Company may by Ordinary Resolution:—
- (a) consolidate and divide all or any of its shares;
 - (b) cancel any shares which, at the date of the passing of the resolution have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the number of the shares so cancelled;
 - (c) subject to the provisions of the Statutes, sub-divide its shares, or any of them, in accordance with the Statutes and bye-laws or listing rules of the Designated Stock Exchange, and so that the resolution whereby any share is sub-divided being otherwise permitted to determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred, qualified or other special rights, or be subject to any such restrictions, as the Company has the authority to attach to unissued or new shares; and/or
 - (d) subject to the provisions of the Statutes, convert or exchange any class of shares into or for any other class of shares.
- 12 The Company may reduce its share capital or any reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.

SHARE CERTIFICATES

- 13 (A) Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.
- (B) The provisions in this Article and in Articles 14 to 17 (so far as they are applicable) shall not apply to transfer of book-entry securities.
- 14 (A) The Company shall not be bound to register more than three persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.
- (B) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.
- 15 Every person whose name is entered as a member in the Register of Members shall (in the case of a transfer of shares) be entitled, within fifteen market days after the date of lodgement of any transfer, or (subject to the provisions of the Statutes) such longer period of time as may be approved by the stock exchange upon which the shares in the Company may be listed, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.
- 16 (A) 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 (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the member shall pay (in the case of sub-division) a maximum fee of S\$2.00 for each new certificate or, such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares in the Company may be listed. Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.
- (B) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.
- 17 Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and 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.

CALLS ON SHARES

- 18 The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.
- 19 Each member shall (subject to receiving at least fourteen 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. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
- 20 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.
- 21 Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents 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.
- 22 The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 23 The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

FORFEITURE AND LIEN

- 24 If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
- 25 The notice shall name a further day (not being less than fourteen 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 has been made will be liable to be made forfeit.
- 26 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 has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.

- 27 A share so made forfeit 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 disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorize some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.
- 28 A member whose shares have been made forfeit or surrendered shall cease to be a member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.
- 29 The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys 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 Article 29.
- 30 The Company 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 fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
- 31 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser.
- 32 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit 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 therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor) 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 registered as the holder of the share, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

- 33 All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved *by* the Directors and each stock exchange upon which the shares in the Company may be listed. An instrument of transfer shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that CDP shall not be required to sign, as transferee, any instrument of transfer relating to any transfer of shares to it during such period as the Directors may think fit. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
- 34 The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to any stock exchange upon which the shares in the Company may be listed, stating the period and purpose or purposes for which such closure is made.
- 35 (A) Subject to the provisions of these presents, there shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of any stock exchange on which the shares in the Company may be listed) 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 (except where such refusal to register contravenes the bye-laws or listing rules of any stock exchange on which the shares in the Company are listed), Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days after the date on which the application for a transfer of shares was made (or such other period as may be prescribed by the bye-laws or listing rules of any stock exchange on which the shares in the Company are listed), serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required *by* the Statutes.
- (B) The Directors may decline to register any instrument of transfer unless:—
- (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) 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 may appoint accompanied by the certificates of the shares to which it 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
 - (c) the instrument of transfer is in respect of only one class of shares,
- 36 All instruments of transfer which are registered may be retained by the Company.

- 37 The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six 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 years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be 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 document 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 Always that:—
- (a) 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;
 - (b) 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 other circumstances which would not attach to the Company in the absence of this Article; and
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

- 38 (A) In case of the death of a member whose name is registered in the Register of Members, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (B) In the case of the death of a member who is a Depositor, the survivors or survivor, where the deceased is a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder and where such executors or administrators are entered into the Depository Register in respect of any shares to the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (C) Nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
- 39 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

- 40 Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.
- 41 There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 as the Directors may from time to time require or prescribe.

CENTRAL DEPOSITORY SYSTEM

- 42 A reference to a member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:–
- (a) a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP forty-eight (48) hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as previously 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 proportion of Depositors shareholding specified in the instrument of proxy, or where the balance standing to a Depositors Securities Account has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;
 - (b) the payment by the Company to CDP 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;
 - (c) the delivery by the Company to CDP 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; and
 - (d) the provisions in these presents relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

EXCLUSION OF EQUITIES

- 43 Except as required by the Statutes or law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (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 these presents or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these presents contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

STOCK

- 44 The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.
- 45 The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previous 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.
- 46 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 participation in the profits or assets of the Company) shall be conferred by any number of stock units which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

CAPITALIZATION OF PROFITS AND RESERVES

- 134 Subject to Articles 4 and 5, the Directors may, with the sanction of an Ordinary Resolution of the Company, capitalize any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserves or any sum standing to the credit of the profit and loss account) as representing profits available for distribution under the provisions of the Statutes by appropriating such sum to the persons registered as the holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) 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. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalization, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

- 134A In addition and without prejudice to the power to capitalize profits and other moneys provided for by Article 134, the Directors shall have power to capitalize any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.
- 136 The Directors shall from time to time, in accordance with the provisions of the Statutes and Designated Stock Exchange's listing rules, cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and any reports and documents as may be prescribed by the said Statutes and Designated Stock Exchange's listing rules. 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 period as maybe prescribed by law, the Statutes, the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed.
- 137 A copy of every balance-sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than fourteen days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these presents, Provided that this Article shall not require a copy of these documents to be sent to more than one of any joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite copies of each such document shall at the same time be forwarded to the Designated Stock Exchange.
- 138 Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
- 139 An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

2. RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

GENERAL MEETINGS

- 47 An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.
- 48 The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

- 49 (A) Any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company, 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 the members having a right to vote at the meeting;
- Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.
- (B) Where special notice is required of a resolution pursuant to the Statutes, notice of the intention to move the resolution shall be given to the Company and notice of any General Meeting shall be called in accordance with the Statutes and in particular, Section 185 of the Act.
- (C) Subject to the Statutes or the bye-laws or listing rules of the Designated Stock Exchange, for so long as the shares in the Company are listed on the Designated Stock Exchange, notices convening any General Meeting at which it is proposed to pass a Special Resolution shall be provided to the Designated Stock Exchange and sent to members entitled to attend and vote at the meeting at least twenty one days before the meeting (excluding the date of notice and the date of meeting). Notices convening any other General Meeting must be provided to the Designated Stock Exchange and sent to members entitled to attend and vote at the meeting at least fourteen days before the meeting (or such other period as may be required under the Statutes or the bye-laws or listing rules of the Designated Stock Exchange). At least fourteen days' notice of any General Meeting (or such other period as may be required under the Statutes or the bye-laws or listing rules of the Designated Stock Exchange) shall be given by advertisement in the daily press and in writing to any securities exchange on which shares in the Company are listed.
- 50 (A) Every notice calling a General Meeting shall specify the place and the day and hour of the 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 to attend and vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting at which business other than routine business ("special business") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

- 51 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 accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (d) 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
 - (f) fixing the Directors' fees.
- 52 Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

- 53 The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.
- 54 No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two members present in person or by proxy.
- 55 If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the 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 (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint.
- 56 The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 57 Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- 58 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
- 59 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:—
- (a) the chairman of the meeting; or
 - (b) not less than two members present in person or by proxy and entitled to vote; or
 - (c) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as the case may be not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as the case may be shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares of the Company conferring that right (excluding treasury shares),

Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

- 60 Unless a poll is required, a declaration by the chairman of the meeting 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 that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 61 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
- 62 A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

- 63 Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every member who is present in person or by proxy shall have one vote, the chairman of the meeting to determine which proxy shall be entitled to vote where a member is represented by two proxies, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a member, or attend, vote or act at any meeting of the Company.
- 64 In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.
- 65 Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company.
- 66 No member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum payable by him to the Company in respect of such shares remains unpaid.
- 67 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 68 On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 69 (A) A member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting, Provided that if a member shall nominate two proxies then the member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
- (B) A proxy need not be a member of the Company.
- 70 (A) An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve and:-
- (a) in the case of an individual member, shall be signed by the member or his attorney duly authorised in writing; and
- (b) in the case of a member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation.

(B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.

71 An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument 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 meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

72 An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the meeting.

73 A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

3. RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

RESERVES

122 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 any 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. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

DIVIDENDS

123 The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. Unless otherwise provided in the Statutes, no dividends may be paid to the Company in respect of treasury shares.

124 If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

- 125 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.
- 126 No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any dividend unclaimed after six (6) years from the date of declaration shall be made forfeit and revert to the Company.
- 127 No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.
- 128 (A) The Directors may retain any dividend or other monies 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.
- (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- (C) A payment by the Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability in respect of that payment. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date on which such other moneys are first payable.
- 130A (A) 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:
- (a) the basis of any such allotment shall be determined by the Directors;
- (b) 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 elections 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 Article;

- (c) 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 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; and
 - (d) 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 Article 134, the Directors shall (i) capitalize 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 available 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 (ii) 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.
- (B) (a) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article 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.
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalization pursuant to the provisions of paragraph (A) of this Article, 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 these presents. provisions whereby, in whole or in part. fractional entitlements are disregarded or rounded up or down or whereby the benefit of the fractional entitlements accrues to the Company rather than the members).
- (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, 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 may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.
- (D) The Directors may. on any occasion when they resolve as provided in paragraph (A) of this Article, 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 or (as the case may be) the Depository Register is 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.

- (E) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article 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 therefore, cancel the proposed application of paragraph (A) of this Article.
- 131 Any dividend or other moneys 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 appearing in the Register of Members or (as the case may be) the Depository Register of the member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register 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 member or person or persons may by writing direct. Every such cheque or 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 or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
- 132 If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
- 133 Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.