

CIRCULAR DATED 30 AUGUST 2023

THIS CIRCULAR IS ISSUED BY LHN LOGISTICS LIMITED (“COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or the transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, 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.

The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 29 April 2022. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”).

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

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



LHN LOGISTICS LIMITED

(Company Registration No.: 202129609C)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL GENERAL OFFER

by



RHT CAPITAL PTE. LTD.

(Company Registration No. 201109968H)
(Incorporated in the Republic of Singapore)

for and on behalf of

MILKYWAY INTERNATIONAL CHEMICAL SUPPLY CHAIN PTE. LTD.

(Company Registration No. 202126563H)
(Incorporated in the Republic of Singapore)

a wholly-owned subsidiary of



MILKYWAY The Chemical Supply Chain Innovator
since 1998

MILKYWAY CHEMICAL SUPPLY CHAIN SERVICE CO., LTD.

(Incorporated in People's Republic of China)
(Shanghai Stock Exchange Stock Code: 603713)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already held, directly or indirectly, by Milkyway International Chemical Supply Chain Pte. Ltd. as at the date of the Offer.

Independent Financial Adviser to the Independent Directors of the Company



SAC CAPITAL PRIVATE LIMITED

(Company Registration No.: 200401542N)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 27 SEPTEMBER 2023 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “April 2022 Revenue Statement”** : Shall have the meaning ascribed to it in Section 11.6 of Appendix II to this Circular
- “Auditor’s Letter on the Statements of Prospects”** : The letter dated 30 August 2023 from the Auditor addressed to the Company relation to the Statements of Prospects, as set out in Appendix V to this Circular
- “Board”** : The board of Directors of the Company as at the Latest Practicable Date
- “Business Day”** : A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
- “Catalist Rules”** : Section B of the Listing Manual: Rules of Catalist of the SGX-ST.
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 30 August 2023 issued by the Company to the Shareholders in relation to the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : The Companies Act 1967 of Singapore
- “Company Securities”** : (a) Shares, (b) securities which carry voting rights in the Company, or (c) Convertible Securities, Warrants, Options or Derivatives in respect of (a) or (b)
- “Constitution”** : The constitution of the Company, as amended from time to time up to the Latest Practicable Date
- “Convertible Securities”** : Securities convertible or exchangeable into new Shares or existing Shares
- “Date of Receipt”** : The date of receipt of the relevant Acceptance Form by CDP or the Registrar (as the case may be) on behalf of the Offeror (provided always that the date of receipt falls on or before the Final Closing Date)
- “Derivatives”** : Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
- “Directors”** : The directors of the Company as at the Latest Practicable Date
- “Distributions”** : Any dividends, rights, other distributions and return of capital
- “Encumbrances”** : Any liens, mortgages, pledges, charges, encumbrances, rights of pre-emption and other security or third party rights and interests of any nature whatsoever

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“FAA”	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
“FAT”	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
“Final Closing Date”	:	5.30 p.m. (Singapore time) on 27 September 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
“First Statement of Prospects”	:	Shall have the meaning ascribed to it in Appendix VI to this Circular
“FY”	:	Financial year ended or ending on, as the case may be, 30 September of a particular year as stated
“FY2022H1”	:	First half of FY2022, i.e. the six (6) months ending on 31 March 2022
“FY2023H1”	:	First half of FY2023, i.e. the six (6) months ending on 31 March 2023
“FY2023Q4”	:	Fourth quarter of FY2023, i.e. the three (3) months ending on 30 September 2023
“FY2024Q1”	:	First quarter of FY2024, i.e. the three (3) months ending on 31 December 2023
“IFA Letter”	:	The letter dated 30 August 2023 from the IFA addressed to the Independent Directors containing its advice in relation to the Offer, as set out in Appendix I to this Circular
“IFA’s Letter on the Statements of Prospects”	:	The letter dated 30 August 2023 from the IFA addressed to the Directors containing its advice in relation to the Statements of Prospects, as set out in Appendix IV to this Circular
“Independent Directors”	:	The Directors who are considered to be independent for the purposes of the Offer, namely, Mr. Lim Lung Tieng, Kelvin, Mr. Lin Kaixian, Mr. Yee Kee Shian, Leon, Mr. Lim Kian Thong and Ms. Tan Hui Tsu, Catherine
“Interested Person”	:	As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company;

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- (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary;
 - (d) 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;
 - (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or
 - (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
- “Irrevocable Undertakings”** : Shall have the meaning ascribed to it in Section 8.1 of the Offer Document and as reproduced in Section 4 of this Circular
- “Latest Practicable Date”** : 16 August 2023, being the latest practicable date prior to the dissemination of this Circular
- “Listing Manual”** : The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
- “Minimum Acceptance Condition”** : Shall have the meaning ascribed to it in Section 2.2 of this Circular
- “Myanmar Operations”** : Shall have the meaning ascribed to it in Appendix VI to this Circular
- “Offer”** : The voluntary conditional general offer by RHTC, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended or revised from time to time by or on behalf of the Offeror
- “Offer Announcement”** : The announcement relating to the Offer released by RHTC, for and on behalf of the Offeror, on the Offer Announcement Date
- “Offer Announcement Date”** : 2 August 2023
- “Offer Document”** : The offer document dated 16 August 2023, including the FAA and FAT and any other document(s) which may be issued by RHTC, for and on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time
- “Offer Price”** : S\$0.2266 in cash for each Offer Share
- “Offer Shares”** : Shall have the meaning ascribed to it in Section 2.2 of the Offer Document and as reproduced in Section 2.1 of this Circular

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“Offer Unconditional Announcement”	:	Shall have the meaning ascribed to it in Section 1.4 of this Circular
“Offering Document”	:	The offering document dated 19 April 2022 issued in relation to the placement of 25,238,000 Shares on the Catalist Board of the SGX-ST
“Offeror Securities”	:	(a) The shareholdings of the equity share capital in the Offeror; (b) securities in the Offeror which carry substantially the same rights as any to be issued as consideration for the Offer; and (c) Convertible Securities, Warrants, Options and Derivatives in respect of (a) or (b)
“Options”	:	Options to subscribe for or purchase new Shares or existing Shares
“Overseas Shareholder”	:	Shall have the meaning ascribed to it in Section 15.2 of the Offer Document and as reproduced in Section 14 of this Circular
“Pre-Conditions”	:	Shall have the meaning as ascribed to it in the Pre-Conditional Offer Announcement
“Pre-Conditional Offer Announcement”	:	The announcement relating to the pre-conditional voluntary general offer by RHTC, for and on behalf of the Offeror, for the Offer Shares released by RHTC, for and on behalf of the Offeror, on the Pre-Conditional Offer Announcement Date.
“Pre-Conditional Offer Announcement Date”	:	4 June 2023
“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Revised April 2022 Revenue Statement”	:	Shall have the meaning ascribed to it in Section 11.6 of Appendix II to this Circular
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“Second Statement of Prospects”	:	Shall have the meaning ascribed to it in Appendix VI to this Circular
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“SGXNET”	:	The Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register

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“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	The Supplementary Retirement Scheme
“SRS Investors”	:	Investors who have purchased Shares using their SRS contributions pursuant to SRS
“Statements of Prospects”	:	Shall have the meaning ascribed to it in Appendix VI to this Circular
“Subject Asset”	:	Has the meaning ascribed to it in Section 17 of this Circular
“Substantial Shareholder”	:	A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
“Third Statement of Prospects”	:	Shall have the meaning ascribed to it in Appendix VI to this Circular
“Transportation Business”	:	The business segment of the Group relating to providing transportation services in Singapore and Malaysia.
“Unconditional Date”	:	Shall have the meaning ascribed to it in the Indicative Timeline on page 10 of this Circular
“Valuation Date”	:	Has the meaning ascribed to it in Section 17 of this Circular
“Valuation Report”	:	Has the meaning ascribed to it in Section 17 of this Circular
“Warrants”	:	Rights to subscribe for or purchase new Shares or existing Shares
“%” or “per cent.”	:	Per centum or percentage
<u>Companies/Individuals</u>		
“Auditor” or “PWC”	:	PricewaterhouseCoopers LLP, being the independent auditor in relation to the audit of the Company’s consolidated financial statements for the financial year ended 30 September 2022
“Company”	:	LHN Logistics Limited
“DMS”	:	Duane Morris & Selvam LLP
“Group”	:	The Company and its subsidiaries
“IFA”	:	SAC Capital Private Limited, the independent financial adviser to the Independent Directors in respect of the Offer
“Offeror”	:	Milkyway International Chemical Supply Chain Pte. Ltd.
“Offeror Shareholders”	:	The shareholders of the Offeror
“Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.

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“RHTC”	:	RHT Capital Pte. Ltd.
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Valuer” or “PREMAS”	:	PREMAS Valuers & Property Consultants Pte Ltd

Unless otherwise defined, the terms “**acting in concert**” shall have the meanings ascribed to them in the Code.

Announcements and notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Appendices. Reference to any Appendix shall refer to the Appendices of this Circular, unless otherwise specified.

Capitalised terms in the extracts. Capitalised terms used in the extracts of the Offer Document, the IFA Letter, the IFA’s Letter on the Statements of Prospects, the Auditor’s Letter on the Statements of Prospects the Constitution and the Valuation Report shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter, the IFA’s Letter on the Statements of Prospects, the Auditor’s Letter on the Statements of Prospects, the Constitution and the Valuation Report respectively, unless otherwise specified.

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

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

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

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

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

Statutes. 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 in the Companies Act, the SFA, the Catalist Rules, or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them in Section 5 and Section 6 of the Companies Act.

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

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Total number of Shares and Percentage as at the Latest Practicable Date. In this Circular, unless the context otherwise requires, (a) any reference to the total number of Shares is a reference to a total number of 167,678,800 Shares in issue as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA), and (b) any reference to a percentage shareholding in the capital of the Company is calculated based on 167,678,800 Shares in issue as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA).

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. 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 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 information. Neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or publicly announce any revisions to those forward-looking statements, subject to compliance with any applicable laws and regulations, the Code, the Catalist Rules, and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of dissemination of the Offer Document : 16 August 2023

Date of dissemination of this Circular : 30 August 2023

Final Closing Date : 5.30 p.m. (Singapore time) on 27 September 2023 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgment of acceptances of the Offer.

Please refer to Paragraph 1 of Appendix 1 to the Offer Document for further information.

Settlement of consideration for valid acceptances of the Offer : (i) in respect of acceptances of the Offer which are complete and valid in all respects and whose Date of Receipt falls on or before the date on which the Offer becomes or is declared to be unconditional in all respects with its terms (such date, the “Unconditional Date”), within seven (7) Business Days after the Unconditional Date; or

(ii) in respect of acceptances of the Offer which are complete and valid in all respects and whose Date of Receipt falls after the Unconditional Date, but before the Offer closes, within seven (7) Business Days after the Date of Receipt of such acceptance.

Please refer to Paragraph 2 of Appendix 1 to the Offer Document for further information.

LETTER TO SHAREHOLDERS

LHN LOGISTICS LIMITED

(Company Registration No.: 202129609C)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Lim Lung Tieng, Kelvin (Executive Chairman)
Mr. Lin Kaixian (Executive Director and Managing Director
(Transportation Business))
Mr. Yee Kee Shian, Leon (Lead Independent Non-Executive Director)
Mr. Lim Kian Thong (Independent Non-Executive Director)
Ms. Tan Hui Tsu, Catherine (Independent Non-Executive Director)

Registered Office:

10 Raeburn Park
#02-15B
Singapore 088702

30 August 2023

To: The Shareholders of LHN Logistics Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL GENERAL OFFER BY RHTC, FOR AND ON BEHALF OF THE OFFEROR FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Pre-Conditional Offer Announcement.

On the Pre-Conditional Offer Announcement Date, RHTC, for and on behalf of the Offeror, announced that subject to and contingent upon the satisfaction of the Pre-Conditions, the Offeror intends to make an Offer for all the Shares.

The Pre-Conditional Offer Announcement is available on the SGXNET at www.sgx.com.

1.2 Offer Announcement

On the Offer Announcement Date, RHTC announced, for and on behalf of the Offeror, that the Pre-Conditions have been satisfied and the Offeror intends to make an Offer for all the Shares in accordance with Section 139 of the SFA and Rule 15 of the Code.

The Offer Announcement is available on the SGXNET at www.sgx.com.

1.3 Offer Document

On 16 August 2023, the RHTC announced, for and on behalf of the Offeror, that the Offer Document has been despatched to the Shareholders, together with the FAA and FAT.

The Offer Document sets 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 advised to read the terms and conditions of the Offer as set out in the Offer Document carefully.

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

1.4 Offer Unconditional Announcement

On 21 August 2023, RHTC announced, for and on behalf of the Offeror, *inter alia*, that the Offer has become unconditional in all respects (the “**Offer Unconditional Announcement**”).

LETTER TO SHAREHOLDERS

1.5 Independent Financial Adviser

The Company has appointed SAC Capital Private Limited as the independent financial adviser to advise the Independent Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.6 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and the Offer, and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter 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 on whether to accept or reject the Offer.

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

2. THE OFFER

The Offer is made by RHTC, for and on behalf of the Offeror, on the principal terms set out in Section 2 of the Offer Document, extracts of which are set out in italics below.

Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

2.1 Terms of the Offer

Sections 2 and 7.2 of the Offer Document set out information on the Offer and the share capital of the Company, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

2. TERMS OF THE OFFER

2.1 Offer. *Subject to the terms and conditions set out in this Offer Document, the FAA and the FAT, for and on behalf of the Offeror, RHTC hereby makes the Offer to acquire all the Offer Shares, in accordance with Section 139 of the SFA and the Code.*

2.2 Offer Shares. *The Offer is extended to all Shares, including those Shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror ("Offer Shares").*

2.3 Offer Price. *The consideration for each Offer Share will be as follows:*

For each Offer Share: S\$0.2266 in cash ("Offer Price").

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

2.4 No Encumbrances. *The Offer Shares are to be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("**Encumbrances**"), and (iii) together with all rights, benefits, entitlements, and advantages attached thereto*

LETTER TO SHAREHOLDERS

as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, “**Distributions**” and each, a “**Distribution**”) on or after the Pre-Conditional Offer Announcement Date.

- 2.5 Adjustment 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 that may be announced, declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

Accordingly, in the event any Distribution is or has been announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (“**Accepting Shareholder**”) 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 by such Accepting Shareholder falls, as follows:

2.5.1 if such settlement date falls **on or before** the books closure date for the determination of entitlements to the Distribution (“**Books Closure Date**”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and

2.5.2 if such settlement date falls **after** the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

- 2.6 Minimum Acceptance Condition.** The Offer will be conditional on the Offeror having received, by the close of the Offer, valid acceptances pursuant to the Offer (which have not been validly withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer (“**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 Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer.

Pursuant to the Irrevocable Undertakings (as defined below), the Offer will become unconditional as to acceptance upon LHNGPL, the direct shareholder of the Company and a wholly owned subsidiary of LHN Limited tendering its Shares in acceptance of the Offer. Details of the Irrevocable Undertakings and Undertaking Parties are set out in Section 8 below.

LETTER TO SHAREHOLDERS

7.2 Share Capital. *As at the Latest Practicable Date, based on the latest information available to the Offeror², the Company has issued 167,678,800 Shares and there were no unissued Shares and no option granted by the Company. The Company's shareholding structure is as follows:*

Name of Shareholder	Number of Shares	Percentage shareholding (%)
LHNGPL	140,940,800 ("Relevant Shares")	84.05
Public shareholders	26,738,000	15.95
Total:	167,678,800	100.00

2.2 Satisfaction of Condition

As set out in Section 2.6 of the Offer Document, the Offer will be conditional on the Offeror having received, by the close of the Offer, valid acceptances pursuant to the Offer (which have not been validly withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer ("**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 Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer.

On 21 August 2023, by way of the Offer Unconditional Announcement, RHTC announced, for an on behalf of the Offeror, that the Offeror had received valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, result in the Offeror and parties acting in concert with it holding not less than 50.0% of the total number of issued Shares.

Accordingly, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects.

2.3 Warranty

Section 3 of the Offer Document states the representations and warranties of an accepting Shareholder, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

3. WARRANTY

A Shareholder who tenders his/her/its Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he/she/it sells such Offer Shares as or on behalf of the beneficial owner(s) thereof: (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits, and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all Distributions (if any) declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date.

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2.4 Final Closing Date

As set out in the Offer Unconditional Announcement, the closing date of the Offer will be extended from 5.30 p.m. (Singapore time) on 13 September 2023 to 5.30 p.m. (Singapore time) on 27 September 2023, being the Final Closing Date.

Accordingly, the Offer is open for acceptance by Shareholders for the period commencing on the Date of dissemination of the Offer Document and ending on the Final Closing Date.

The Offeror has no intention of extending the Offer beyond the Final Closing Date.

Accordingly, Shareholders who do not accept the Offer by the Final Closing Date will not be able to do so after 5.30 p.m. (Singapore time) on the Final Closing Date. Acceptances of the Offer received after 5.30 p.m. (Singapore time) on the Final Closing Date will be rejected.

2.5 Further Details of the Offer

Further details of the Offer relating to (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement on the level of acceptances of the Offer; and (d) the right of the withdrawal of acceptances of the Offer are set out in Section 4 and Appendix 1 to the Offer Document.

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

2.6 Procedures for Acceptance

The procedures for acceptance are set out in Section 5 and Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

3. INFORMATION ON THE OFFEROR

Section 6 of the Offer Document sets out certain information on the Offeror and the Offeror Shareholders, extracts of which are set out in italics below. Additional information on the Offeror extracted from Appendix 3 to the Offer Document is set out in Appendix III to this Circular. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

6. INFORMATION ON THE OFFEROR

6.1 Introduction. *The Offeror is a private company limited by shares that was incorporated in the Republic of Singapore on 30 July 2021. Its principal activity is that of freight forwarding business and transport arrangement of chemical products.*

6.2 Share Capital and Shareholders. *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$300,000.00 with 300,000 ordinary shares. The Offeror is wholly owned by MCSC, which was incorporated in the People's Republic of China ("PRC") on 28 March 1997 and is a PRC-based logistics group which is mainly engaged in the provision of chemical supply chain services.*

MCSC mainly provides one-stop integrated logistics and management services worldwide, with freight forwarding, warehousing, transportation and chemical distribution as the core for domestic and foreign chemical production enterprises and chemical consumer enterprises, including transportation, warehousing, freight forwarding, distribution, logistics processing, information services and others. MCSC also provides chemical supply chain services for low-risk products such as paints, pesticides, polyurethane materials, electronic chemicals, lithium batteries, dyes and others. MCSC provides its services in domestic market and to overseas markets, with network and legal presence in Singapore, the United States of America and Germany.

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MCSC was listed on the Shanghai Stock Exchange (Stock Code: 603713) in 2018. As at the Latest Practicable Date, MCSC has a market capitalisation of approximately RMB 14.41 billion.

As at the Latest Practicable Date, the Offeror and MCSC do not directly or indirectly hold any Shares in the Company.

6.3 Directors of the Offeror. As at the Latest Practicable Date, the board of directors of the Offeror comprises:

(a) Mr Wang Yongdong (Director)

(b) Ms Miao Leimin (Director)

Appendix 3 to this Offer Document sets out additional information on the Offeror.

4. IRREVOCABLE UNDERTAKINGS

Section 8 of the Offer Document sets out information in relation to the Irrevocable Undertakings, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

8. IRREVOCABLE UNDERTAKINGS

8.1 Irrevocable Undertakings. As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from *Fragrance Ltd and LHNGPL* (“Undertaking Parties”) pursuant to which:

(a) *Fragrance Ltd has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror that it will (i) procure that there shall be no disposal of any of the Relevant Shares by LHNGPL prior to the Offer, (ii) vote in favour of the resolution(s) granting the Shareholders’ Approval in relation to the disposal of the Relevant Shares by LHNGPL, (iii) procure the acceptance by LHNGPL of the Offer for all the Relevant Shares; and*

(b) *LHNGPL has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror that it will (i) not dispose of any of the Relevant Shares prior to the Offer, and (ii) accept the Offer for all the Relevant Shares,*

(collectively, “Irrevocable Undertakings”). As at the Latest Practicable Date, the Undertaking Parties hold in aggregate 140,940,800 Shares, representing 84.05% of the total number of Shares.

8.2 Information on the Undertaking Parties.

(a) *Fragrance Ltd is a company incorporated in the British Virgin Islands, with a paid-up share capital of US\$50,000. Fragrance Ltd holds 54.04% of the issued and paid-up share capital of LHN Limited, which in turn holds the entire issued and paid-up share capital of LHNGPL.*

(b) *LHNGPL is a company incorporated in Singapore, with a paid-up share capital of S\$2,000,000. LHNGPL is the registered holder of the Relevant Shares.*

8.3 Further Details. *The Irrevocable Undertakings shall lapse on the date on the earliest of the Offer Document not being posted within twenty-one (21) days after the Announcement Date and the date which the Offer lapses or is withdrawn.*

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8.4 Cessation of Irrevocable Undertakings. *The Irrevocable Undertakings shall lapse and be of no further force and effect on the date on which the Offer (including any revised or improved Offer by or on behalf of the Offeror) closes, lapses, fails to become or be declared unconditional or is withdrawn other than as a result of the Undertaking Parties breaching their obligations under the Irrevocable Undertakings.*

8.5 No Other Undertakings. *Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has received any undertakings from any other party to accept or reject the Offer.*

5. RATIONALE FOR THE OFFER

Section 9 of the Offer Document sets out information on the rationale for the Offer, extracts of which are set out in italics below. Shareholders are advised to read the extract below carefully. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

9. RATIONALE FOR THE OFFER

9.1 Opportunity for Shareholders to Realise Their Investment in the Shares at a Premium. *As set out in Section 12 below, the Offer Price represents a premium of approximately 35.69%, 38.93%, and 44.52% over the VWAP per Share for the 1-month, 3-month and 6-month periods respectively up to and including 1 June 2023, being the Last Trading Day. The Offer Price also represents a premium of 34.88% over the last transacted price per Share on the Last Trading Day.*

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

9.2 Opportunity for Shareholders Who May Find it Difficult to Exit Their Investment in the Company Due to Low Trading Liquidity. *The historical trading volume of the Shares has been low. The average daily trading volume of the Shares since the Company's Initial Public Offering ("IPO"), as well as over the last 1-month, 3-month and 6-month periods up to and including the Last Trading Day are set out in the table below:*

Description	Average daily trading volume ⁽¹⁾	Average daily trading volume as a percentage of total number of issued Shares (%) ⁽²⁾
Since the Company's IPO first trading day on 29 April 2022 up to and including the Last Trading Day	181,092	0.11
1-month period prior to and including the Last Trading Day	58,309	0.03
3-month period prior to and including the Last Trading Day	40,241	0.02
6-month period prior to and including the Last Trading Day	29,808	0.02

Notes:

(1) *The average daily trading volume is computed based on data extracted from Bloomberg L.P. using the total volume of Shares traded divided by the number of market days. Market day refers to a day on which SGX-ST is open for the trading of securities.*

(2) *Calculated using the average daily trading volume divided by the total number of issued Shares.*

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The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to realise their entire investment in the Shares with an opportunity to realise their entire investment in the Shares at a premium over the prevailing market prices which would not otherwise be readily available to Shareholders given the low trading liquidity of the Shares.

9.3 Greater Management Flexibility. *The Offeror is making the Offer with a view of realizing synergies, economies of scale, cost efficiencies, growth potential and access to a new market (see Sections 6.1 and 6.2 above regarding the Offeror and MCSC's business and Section 7.1 above regarding the Company's business). The Offeror intends to delist and privatise the Company so as to provide the Offeror and the Company with greater control and management flexibility in utilizing and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and/or operational changes in respect of the Offeror and MCSC's business to achieve the aforementioned commercial objectives.*

9.4 Compliance Costs Relating to Listing Status. *If the Company is delisted, the Company will be able to dispense with compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and channel such expenses towards its business operations.*

6. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

Section 10 of the Offer Document sets out information on the Offeror's intentions in relation to the Company, extracts of which are set out in italics below. Shareholders are advised to read the extract below carefully and note the Offeror's future plans for the Company. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

10. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business.

The board of Directors retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which the board may regard to be in the interest of the Offeror.

7. RIGHT OF COMPULSORY ACQUISITION AND LISTING STATUS

Section 6 of the Offer Unconditional Announcement sets out information on the Offeror's right and intention to exercise its rights of compulsory acquisition, and the listing status of the Company, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Unconditional Announcement.

6. RIGHT OF COMPULSORY ACQUISITION AND LISTING STATUS

6.1 Compulsory Acquisition. *As the Offeror has received valid acceptances pursuant to the Offer in respect of not less than 90.0% of the total number of issued Shares (other than those Shares 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) of the Companies Act as at the date of the Offer. Accordingly, the Offeror is entitled and intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Offer ("Dissenting Shareholders") on the same terms as those offered under the Offer. The Offeror will, in due course, despatch to the Dissenting Shareholders the relevant documentation.*

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Subsequent to the Offeror exercising its right to compulsorily acquire all the Offer Shares not acquired under the Offer, the Offeror will proceed to delist the Company from the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Dissenting Shareholders should note that the Offer remains open for acceptance until the Final Closing Date as stated in Section 5.2 above and the Offer therefore remains as an opportunity for Dissenting Shareholders to realise their Shares at the Offer Price of S\$0.2266 (in cash) for each Offer Share as soon as practicable.

- 6.2 **Dissenting Shareholders’ Rights.** *As the Offeror has received valid acceptances pursuant to the Offer which, together with the Shares held by the Offeror, its related corporation or their respective nominees and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act, comprise 90% or more of the total number of issued Shares of the Company, the Dissenting Shareholders will 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.*

As the Offeror will be proceeding to compulsorily acquire the Shares of the Dissenting Shareholders, the Dissenting Shareholders need not take any action in relation to their right under Section 215(3) of the Companies Act. The Dissenting Shareholders who wish to exercise such right or who are in any doubt as to their position are advised to seek their own independent legal advice.

Shareholders who have not accepted the Offer but who still wish to do so should refer to Section 7 of this Announcement.

- 6.3 **Trading Suspension.** *Under Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGXST (“Catalist Rules”), the Company must ensure that at least 10% of the total number of issued Shares (excluding preference shares, convertible equity securities and treasury shares) is at all times held by the public (“Free Float Requirement”). Pursuant to Rule 1104 of the Catalist Rules, as the Offeror has received valid acceptances pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90.0% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10.0% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 Shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90.0% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10.0%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not satisfied, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact, and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Catalist Rules further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGXST may agree, for the percentage of the total number of Shares held in public hands to be raised to at least 10.0%, failing which the Company may be delisted from the SGX-ST.

As at the date of this Announcement, the Free Float Requirement is no longer satisfied and as stated in the Offer Document, the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1104 or Rule 1303(1) of the Catalist Rules, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

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8. FINANCIAL ASPECTS OF THE OFFER

Section 12 of the Offer Document sets out certain information on the financial aspects of the Offer, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

12. FINANCIAL ASPECTS OF THE OFFER

The Offer Price represents the following premia over the historical traded prices of the Shares as set out below:

	Description	Share Price ⁽¹⁾	Premium of Offer Price over Share Price (%)
(a)	The price of the Shares offered to the public pursuant to the Company's IPO as set out in its Offer Document dated 19 April 2022	0.2000	13.30
(b)	Last traded price of the Shares on the SGX-ST on the Last Trading Day	0.1680	34.88
(c)	VWAP of the Shares for the 1-month period up to and including the Last Trading Day	0.1670	35.69
(d)	VWAP of the Shares for the 3-month period up to and including the Last Trading Day	0.1631	38.93
(e)	VWAP of the Shares for the 6-month period up to and including the Last Trading Day	0.1568	44.52

Note:

(1) *The figures are computed based on data extracted from Bloomberg L.P. on the Last Trading Day and rounded to the nearest four (4) decimal places.*

9. DISCLOSURES OF SHAREHOLDINGS AND DEALINGS

Section 13 of the Offer Document, together with Paragraph 1 of Appendix 5 to the Offer Document set out certain information relating to disclosure of interests, certain extracts are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

13. DISCLOSURES OF SHAREHOLDINGS AND DEALINGS

13.1 Shareholdings and Dealings in Relevant Securities. *As at the Latest Practicable Date, based on the latest information available to the Offeror, none of: (i) the Offeror; (ii) the directors of the Offeror; (iii) RHTC; and (iv) any other person acting in concert with the Offeror (collectively, "Relevant Parties"):*

13.1.1 *owns, controls or has agreed to acquire any Relevant Securities; or*

13.1.2 *has dealt for value in any Relevant Securities during the Relevant Period.*

13.2 Other Arrangements. *As at the Latest Practicable Date, based on the latest information available to the Offeror, none of the Relevant Parties has:*

13.2.1 *entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Relevant Securities which may be an inducement to deal or refrain from dealing;*

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13.2.2 received any irrevocable commitment (other than the Irrevocable Undertakings) to accept the Offer in respect of any Relevant Securities;

13.2.3 granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise, other than as disclosed in this Offer Document;

13.2.4 borrowed any Relevant Securities from any other person (excluding those which have been on-lent or sold); or

13.2.5 lent any Relevant Securities to any other person.

13.3 Security Interests, Borrowing or Lending of Relevant Securities. The Shares which will be acquired by the Offeror pursuant to the Offer or otherwise during the Offer period will be charged, to DBS Bank Ltd., being the lender, as part of the security arrangements for the financing for the Offer.

APPENDIX 5 ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

1.1 No Indemnity Arrangements. To the best knowledge of the Director as at the Latest Practicable Date, save for the Irrevocable Undertakings as described in Section 8 of the Letter to Shareholders in this Offer Document, neither the Offeror nor any of its concert parties has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Relevant Securities which may be an inducement to deal or refrain from dealing in the Relevant Securities.

1.2 No Agreement having any Connection with or Dependence upon Offer. As at the Latest Practicable Date, save for the Irrevocable Undertakings and as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror or any parties acting in concert with the Offeror and (ii) any of the current or recent directors of the Company or any of the current or recent shareholders of the Company having any connection with or dependence upon the Offer.

1.3 Transfer of Offer Shares. As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Offer Shares acquired pursuant to the Offer will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to its shareholders, any of its related corporations or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.

1.4 Payment or Benefit to Directors of the Company. As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or any of its related corporations as compensation for loss of office or otherwise in connection with the Offer.

1.5 No Agreement Conditional upon Outcome of Offer. As at the Latest Practicable Date, save for the Irrevocable Undertakings and as disclosed in this Offer Document, there is no agreement, arrangement or understanding between: (i) the Offeror; and (ii) any of the directors of the Company or any other person in connection with or conditional upon the outcome of the Offer or is otherwise connected with the Offer.

1.6 Transfer Restrictions. The constitution of the Company does not contain any restrictions on the right to transfer the Offer Shares.

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10. CONFIRMATION OF FINANCIAL RESOURCES

Section 14 of the Offer Document sets out information on the confirmation of financial resources, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

14. CONFIRMATION OF FINANCIAL RESOURCES

RHTC, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by holders of the Offer Shares.

11. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in Sections 5.3 and 5.5 of Appendix II to this Circular.

12. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

12.1 General

Shareholders should read and carefully consider the recommendation of the Independent Directors as set out in Section 13 of this Circular and the advice of the IFA to the Independent Directors which is set out in Appendix I to this Circular, before deciding whether to accept or reject the Offer.

12.2 Legal Advisors

For the purposes of this Circular, DMS has been appointed as the legal advisors to the Company in relation to the Offer.

12.3 Key factors taken into consideration by the IFA

The key factors relied upon by the IFA in arriving at its advice to the Independent Directors in respect of the Offer are set out in Paragraph 9.1 of the IFA Letter.

Shareholders should read and carefully consider the key factors 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.

12.4 Advice of the IFA to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular. Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has given its advice to the Independent Directors as set out in Paragraph 9 of the IFA Letter, an extract of which is reproduced below.

Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

9. OUR OPINION AND ADVICE

9.1 Key Considerations of the Offer

In arriving at our opinion and advice in respect of the Offer, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer. The following should be read in conjunction with, and in the context of, the full text of this letter:

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- (a) *an assessment of the market quotation and trading liquidity of the Shares during the Period Under Review and since the IPO of the Company, as set out in paragraph 8.1 of this letter;*
- (b) *historical financial performance of the Group, as set out in paragraph 8.2 of this letter;*
- (c) *the financial position of the Group, including the NAV and RNAV of the Group, as set out in paragraph 8.3 of this letter;*
- (d) *a comparison with the valuation statistics of the Comparable Companies, including the estimated range of value of the Shares, as set out in paragraph 8.4 of this letter;*
- (e) *a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST, as set out in paragraph 8.5 of this letter;*
- (f) *other relevant considerations as follows:*
 - (i) *among others, the Offeror being entitled to, and intends to, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Offer, as set out in paragraph 8.6.1 of this letter;*
 - (ii) *the historical dividend yields of the Company, including the Proposed Dividends for FY2023 and FY2024, as set out in paragraph 8.6.2 of this letter;*
 - (iii) *the Offer Price is at a premium of 7.9% over the mean and median target price set by analysts for the Shares, as set out in paragraph 8.6.3 of this letter;*
 - (iv) *the absence of alternative or competing offers from third parties as at the Latest Practicable Date and the likelihood of a competing offer being remote in view of the Offeror's entitlement and intention to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, as set out in paragraph 8.6.4 of this letter; and*
 - (v) *outlook of the Group, as set out in paragraph 8.6.5 of this letter.*

9.2 Assessment of the Offer

*For the purpose of evaluating the Offer, we have adopted the approach that the term "fair" and "reasonable" are regarded as two different concepts. The term "fair" relates to an opinion on the value of the offer price against the value of the securities subject to the offer (the "**Securities**"), and an offer is "fair" if the price offered is equal to or greater than the value of the Securities. In considering whether an offer is "reasonable", other matters as well as the value of the Securities are taken into consideration. Such other matters include, but are not limited to, existing voting rights in the company held by an offeror and its concert parties or the market liquidity of the relevant securities.*

9.2.1 Assessment of Fairness of the Offer

In determining the fairness of the Offer, we have considered, inter alia, the following pertinent factors:

- (a) *the Offer Price represents a premium of 13.3% over the issue price of S\$0.20 at the IPO of the Company, and that since the IPO of the Company and up to the Last Trading Day, the Shares have never closed at or above the Offer Price;*

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- (b) *based on the NAV/NTA approach, which provides an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the Offer Price represents a premium of approximately 189.3% against the book NAV/NTA per share of S\$0.0783 as at 31 March 2023. Accordingly, the P/NAV or P/NTA of the Group implied by the Offer Price would be approximately 2.89 times as at 31 March 2023. We further note that the Offer Price represents a premium of 101.0% against the RNAV per Share of S\$0.1127 as 31 March 2023. Accordingly, the P/RNAV of the Group implied by the Offer Price would be approximately 2.01 times as at 31 March 2023;*
- (c) *the historical P/NAV or P/NTA, P/RNAV, and Adjusted EV/EBITDA ratios as implied by the Offer Price compare favourably against the mean and median of those of the Comparable Companies, and the historical PER ratio as implied by the Offer Price is within the range and only marginally below the mean and median of the PER ratio of the Comparable Companies;*
- (d) *the Offer Price of \$0.2266 is above the estimated value range of the Shares of S\$0.150 and S\$0.163 per Share;*
- (e) *the premia as implied by the Offer Price over the VWAP of the Shares for the 12-, 6-, 3-, 1-month periods up to and including the Last Trading Day and the last transacted price on the Last Trading Day are within the respective range, and above the median, of the corresponding premia of the Take-Over Transactions;*
- (f) *the P/NAV ratio as implied by the Offer Price of 2.89 times compares favourably against the corresponding mean and median Price-to-NAV/NTA ratio for the Take-Over Transactions; and*
- (g) *the P/RNAV ratio as implied by the Offer Price of 2.01 times compares favourably against the corresponding mean and median Price-to-NAV/NTA ratio for the Take-Over Transactions.*

*In view of the above, we are of the opinion that the Offer is **FAIR**.*

9.2.2 Assessment of Reasonableness of the Offer

In determining the reasonableness of the Offer, we have considered, inter alia, the following pertinent factors:

- (a) *the Offer Price is at a premium of 34.88% over the closing price of the Shares of \$0.168 on the Last Trading Day;*
- (b) *the Offer Price represents a premium of 39.02%, 44.33%, 39.02% and 35.69% over the VWAP of the Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Trading Day respectively;*
- (c) *among others, the Offeror being entitled to, and intends to, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Offer;*
- (d) *the Offer Price is at a premium of 7.9% over the mean and median target price set by analysts for the Shares; and*

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- (e) *as at the Latest Practicable Date, apart from the Offer, no alternative or competing offer has been received by the Group. In addition, any potential third party may also be discouraged from making a competing offer for the Company at a price higher than the Offer Price in view of the Offeror's entitlement and intention to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.*

*In view of the above, we are of the opinion that the Offer is **REASONABLE**.*

9.3 Our opinion on the Offer

*In conclusion, we are of the opinion that, on balance, the financial terms of the Offer are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **in favour** of the Offer.*

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

13. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

13.1 Independence of Directors

As at the Latest Practicable Date, each of Mr. Lim Lung Tieng, Kelvin, Mr. Lin Kaixian, Mr. Yee Kee Shian, Leon, Mr. Lim Kian Thong and Ms. Tan Hui Tsu, Catherine considers himself/herself to be independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

13.2 Independent Directors' Recommendation

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter, **concur** with the advice of the IFA in respect of the Offer, and accordingly, recommend that Shareholders should **ACCEPT** the Offer. Shareholders who wish to realise their investments in the Company can choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

Shareholders should note that the IFA's advice and the recommendation of the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer. The IFA, in giving its advice, and the Independent Directors, in making their recommendation, have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, legal adviser, accountant, tax adviser or other professional adviser immediately.

SHAREHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS CIRCULAR, INCLUDING THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THIS OFFER AS SET OUT IN APPENDIX I TO THIS CIRCULAR IN THEIR ENTIRETY, BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT CAREFULLY.

LETTER TO SHAREHOLDERS

Shareholders should also be aware and note that there is no assurance that the price and trading volume of the Shares will remain at current levels after the close of the Offer and the current price performance and trading volume of the Shares is not indicative of the future price performance or trading levels of the Shares. The price and trading volume of the Shares are subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments.

In particular, the Company highlights that as announced on 22 August 2023, the Company's public float has been lost and the threshold for compulsory acquisition has been reached. Therefore, in accordance with Rule 724(1) read with Rule 1303(1) of the Catalyst Rules, the SGX may suspend trading in the Shares after the close of the Offer. The Offeror has also announced its intention to exercise its right of compulsory acquisition in the Offer Unconditional Announcement.

14. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 15 of the Offer Document, which sets out information in relation to Overseas Shareholders, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

15. OVERSEAS SHAREHOLDERS

15.1 Overseas Jurisdictions. *This Offer Document, the Relevant 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 Relevant Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law. The Offer will be made solely by this Offer Document, the Relevant Acceptance Forms and its related documents in any jurisdiction, in contravention of applicable law.*

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

*Copies of this Offer Document, the Relevant Acceptance Forms and/or any related documents 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 will violate the laws of that jurisdiction ("**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 facility.

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15.2 Overseas Shareholders. *The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an “Overseas Shareholder”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.*

For the avoidance of doubt, the Offer is made 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, despatched.

15.3 Copies of the Notification and 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 and RHTC each reserves the right not to send these documents to such Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may nonetheless obtain copies of the Notification, the Relevant Acceptance Forms and/or any related documents during normal business hours and up to the Closing Date from (1) CDP (if he/she/it is a depositor), or (2) the office of the Registrar (if he/she/it is a scrip holder). Overseas Shareholders may find the email address, address and/or telephone number of CDP and the Registrar below:*

The Central Depository (Pte) Limited

Tel: +65 6535 7511
Email: asksgx@sgx.com

**Boardroom Corporate & Advisory
Services Pte. Ltd.**

1 Harbourfront Avenue, Keppel Bay Tower,
#14-07, Singapore 098632
Tel: +65 6536 5355

Alternatively, an affected Overseas Shareholder may (subject to compliance with applicable laws) write to the Offeror through CDP (if he/she/it is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or the Registrar (if he/she/it is a scrip holder) at the above-stated address to request for the Notification, the Relevant Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at his/her/its own risk, up to five (5) Market Days prior to the Closing Date.

15.4 Compliance with Applicable Laws. *It is the responsibility of any Overseas Shareholder who wishes to: (i) request for the Notification, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including RHTC, CDP and the Registrar/Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3) of the Companies Act. In (i) requesting for the Notification, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, RHTC, CDP and the Registrar/Receiving Agent that he/she/it is in (a) full observance of the laws of the relevant jurisdiction in that connection and (b) full compliance with all necessary formalities or legal requirements.*

LETTER TO SHAREHOLDERS

If any Shareholder is in any doubt about his/her/its position, he/she/it should consult his/her/its professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdiction.

15.5 Notice. *The Offeror and RHTC each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement on 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 sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.*

In downloading this Circular and any related documents, each of the Overseas Shareholder 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 RELATING TO SRS INVESTORS

Section 16 of the Offer Document sets out information relating to SRS Investors, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

16. INFORMATION RELATING TO SRS INVESTORS

SRS Investors will receive further information on how to accept the Offer from their respective SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective SRS investment accounts.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than 5.30 p.m. (Singapore time) on the Final Closing Date, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document, the FAA and/or the FAT, as the case may be.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror:

- (a) by CDP (in respect of the FAA); or
- (b) by the Registrar (in respect of the FAT),

as the case may be, not later than **5.30 p.m. (Singapore time) on the Final Closing Date.**

Shareholders who **do not wish to accept the Offer** need not take any further action in respect of the Offer Document, the FAA and/or the FAT (as the case may be) which have been sent to them.

LETTER TO SHAREHOLDERS

17. CONSENTS

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Independent Directors in relation to the Offer, the IFA Letter in Appendix I to this Circular, and the IFA's Letter on the Statements of Prospects in Appendix IV to this Circular, and all references thereto in the form and context in which they appear in this Circular.

PWC has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Auditor's Letter on the Statements of Prospects in Appendix V to this Circular, and all references thereto in the form and context in which they appear in this Circular.

PREMAS, the valuer of the Company commissioned to carry out a valuation of the Group's leasehold land located at 7 Gul Avenue, Singapore as well as the construction in progress which relates to the ongoing construction of the Group's ISO tank depot, a single-story factory development with open storage, ancillary mezzanine office, above ground diesel tank and open chemical storage site (the "**Subject Asset**") as at the valuation date of 31 July 2023 (the "**Valuation Date**") and issue a valuation report is reproduced in Appendix VIII of this Circular ("**Valuation Report**"), has given and has not withdrawn its written consent to the inclusion of its name, its valuation report(s)/certificate(s), and all references thereto in the form and context in which they appear in this Circular.

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

18. DIRECTORS' RESPONSIBILITY STATEMENT

Save for (a) the recommendation of the Independent Directors to Shareholders set out in Section 13.2 of this Circular for which the Independent Directors are solely responsible, (b) the IFA Letter and the IFA's Letter on the Statements of Prospects for which the IFA takes responsibility, (c) the Auditor's Letter on the Statements of Prospects for which PWC takes responsibility, (d) information extracted from the Offer Announcement, the Offer Document and the Offer Unconditional Announcement, (e) information relating to the Offeror, the IFA, PWC, DMS, and the Valuer, and (f) the Valuation Report, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Offer, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular (other than the IFA Letter and the IFA's Letter on the Statements of Prospects for which the IFA takes responsibility, the Auditor's Letter on the Statements of Prospects for which PWC takes responsibility and the Valuation Report for which the Valuer takes responsibility) has been extracted from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the Offer Announcement, the Offer Document, the Offer Unconditional Announcement, the IFA Letter, the IFA's Letter on the Statements of Prospects, the Auditor's Letter on the Statements of Prospects and the Valuation Report), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

In respect of the IFA Letter, the IFA's Letter on the Statements of Prospects, the Auditor's Letter on the Statements of Prospects and the Valuation Report, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate.

LETTER TO SHAREHOLDERS

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 10 Raeburn Park #02-15B, Singapore 088702, during normal business hours, for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the annual report of the Group for FY2022;
- (c) the Offering Document;
- (d) the audited combined financial statements for FY2020 and FY2021 extracted from the Offering Document;
- (e) the IFA Letter, as set out in Appendix I to this Circular;
- (f) the IFA's Letter on the Statements of Prospects, as set out in Appendix IV to this Circular;
- (g) the Auditor's Letter on the Statements of Prospects, as set out in Appendix V to this Circular;
- (h) the letters of consent referred to in Section 17 of this Circular; and
- (i) the Valuation Report as set out in Appendix VIII to this Circular..

Persons who wish to inspect these documents at the registered office of the Company are required to make an appointment in advance. An appointment can be made by way of email at IR@lhnlogistics.com or at (65)6269 7466.

20. ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
LHN LOGISTICS LIMITED

Yee Kee Shian, Leon
Lead Independent Non-Executive Director
30 August 2023

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

30 August 2023

To: The directors of LHN Logistics Limited who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Offer

Mr Lim Lung Tieng, Kelvin	(Executive Chairman)
Mr Lin Kaixian	(Executive Director and Managing Director (Transportation Business))
Mr Yee Kee Shian, Leon	(Lead Independent Non-Executive Director)
Mr Lim Kian Thong	(Independent Non-Executive Director)
Ms Tan Hui Tsu, Catherine	(Independent Non-Executive Director)

Dear Sirs/Madam,

PROPOSED VOLUNTARY CONDITIONAL GENERAL OFFER TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF LHN LOGISTICS LIMITED (THE “COMPANY”, AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)

Unless otherwise defined or the context otherwise requires, all terms defined in the circular to shareholders of the Company dated 30 August 2023 (the “Circular”) shall have the same meanings herein.

1. INTRODUCTION

On 4 June 2023 (the “**Pre-conditional Offer Announcement Date**”), RHT Capital Pte. Ltd. (“**RHTC**”) announced (the “**Pre-conditional Offer Announcement**”), for and on behalf of Milkyway International Chemical Supply Chain Pte. Ltd. (the “**Offeror**”, a wholly-owned subsidiary of Milkyway Chemical Supply Chain Service Co., Ltd. (“**MCSC**”)), that, subject to the satisfaction of the Pre-conditions (as defined below), the Offeror will make a voluntary conditional general offer to acquire all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company, in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

The Offer was conditional upon satisfaction of the following conditions on or before 5.00p.m. on 3 August 2023, being the date falling two (2) months after the Pre-conditional Offer Announcement Date:

- (a) approval from shareholders of LHN Limited, the indirect controlling shareholder of the Company which is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Main Board of the Stock Exchange of Hong Kong Limited (“**SEHK**”), required for the disposal of the Shares under the listing rules of SGX-ST and SEHK; and
- (b) written consent from JTC Corporation for the change in LHN Limited’s indirect ownership in Hean Nerng Logistics Pte. Ltd., the Company’s wholly owned subsidiary, in connection with its holding of the property located at 7 Gul Avenue, Singapore 629651,

(collectively referred to as the “**Pre-conditions**”).

Further to the Pre-conditional Offer Announcement, on 2 August 2023 (the “**Offer Announcement Date**”), RHTC announced, for and on behalf of the Offeror, (i) that the Pre-conditions have been satisfied and (ii) the Offeror’s firm intention to make the Offer (the “**Offer**”) (the “**Offer Announcement**”).

On 21 August 2023, RHTC announced, for and on behalf of the Offeror, that the Offeror had received valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

by the Offeror and parties acting in concert with it, result in the Offeror and parties acting in concert with it holding not less than 50.0% of the total number of issued Shares (the “**Offer Unconditional Announcement**”). Accordingly, the Minimum Acceptance Condition (as defined in paragraph 3.4 of this letter) has been satisfied and the Offer has therefore become and was declared unconditional in all respects.

In connection with the Offer, the Company has appointed SAC Capital Private Limited (“**SAC Capital**”) as the independent financial adviser (the “**IFA**”) to the directors of the Company who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Offer (the “**Independent Directors**”) to provide an assessment on the financial terms of the Offer. This letter, which sets out, *inter alia*, our evaluation and advice, has been prepared for the use of the Independent Directors in connection with their consideration of the Offer and their recommendation to Shareholders arising thereof.

2. OUR TERMS OF REFERENCE

We have been appointed as the IFA to the Independent Directors to provide an assessment of the financial terms of the Offer in order to advise the Independent Directors in respect of their recommendation to Shareholders on the Offer.

We are not and were not involved in any aspect of the negotiations entered into by the Group in relation to the Offer or in the deliberations leading up to the decision by the Offeror to undertake the Offer. Accordingly, we do not, by this letter warrant the merits of the Offer, other than to advise the Independent Directors on the terms of the Offer from a financial point of view.

We have not conducted a comprehensive independent review of the business, operations or financial condition of the Group and its associates or the Offeror. We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the Group and its associates and/or the Offeror. Our evaluation is confined to the financial terms of the Offer and it is not within the terms of reference to evaluate the strategic, legal or commercial merits or risks of the Offer or the future growth prospects or earnings potential of the Group and its associates after the completion of the Offer. Accordingly, we do not express any view as to the future prices at which the Shares may trade or on the future financial performance of the Group and its associates or the Offeror after the completion of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Offer Shares. It is also not within our terms of reference to compare the relative merits of the Offer *vis-à-vis* any alternative transaction that the Company may consider in the future, or any alternative offer that might otherwise be available in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the directors and the management of the Company (the “**Directors**” and “**Management**” respectively) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information contained in the Circular. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge: (a) all material information available to them in connection with the Offer has been disclosed in the Circular; (b) such information (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror and the Offer) is fair and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on in our evaluation.

Save as disclosed, all information relating to the Group or any of its associates that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group or any of its associates at any time or as at 16 August 2023 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and have not been furnished with any such evaluation or appraisals, except for the independent valuation report (the “**Valuation Report**”) prepared by PREMAS Valuers & Property Consultants Pte. Ltd. (the “**Independent Valuer**”) who was appointed to perform an independent valuation of the 7 Gul Leasehold Property (as defined in paragraph 8.3.3 of this letter) held by the Group as at 31 July 2023. The Valuation Report is set out in Appendix VIII to the Circular. As we are not experts in the evaluation or appraisal of the assets set out in the Valuation Report, we have placed sole reliance on the independent valuation in relation to the aforementioned assets and have not made any independent verification of the contents thereof. In addition, we do not assume any responsibility to enquire about the basis of the valuation in the Valuation Report or if the contents in the Valuation Report have been prepared in accordance with all applicable regulatory requirements including Rule 26 of the Code.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

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

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

3. THE OFFER

The detailed terms of the Offer are set out in section 2 and Appendix 1 of the offer document dated 16 August 2023 issued by RHTC, for and on behalf of the Offeror (the “**Offer Document**”) and reproduced in section 2 of the Circular. Shareholders are advised to refer to the Offer Document and the Circular for further details on the Offer and read the information carefully.

The key terms of the Offer and the related matters are set out below.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

3.1 Offer Shares

The Offer is extended to all Shares, including those Shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (“**Offer Shares**”).

3.2 Offer Price

For each Offer Share: S\$0.2266 in cash (the “**Offer Price**”).

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

3.3 No Encumbrances

The Offer Shares are to be acquired: (a) fully paid-up; (b) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (“**Encumbrances**”), and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Pre-conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-conditional Offer Announcement Date.

3.4 Minimum Acceptance Condition

The Offer will be conditional on the Offeror having received, by the close of the Offer, valid acceptances pursuant to the Offer (which have not been validly withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer (“**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 Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Offer.

Pursuant to the Irrevocable Undertakings (as defined in paragraph 6.1 of this letter), the Offer will become unconditional as to acceptance upon LHN Group Pte. Ltd. (“**LHNGPL**”), the direct shareholder of the Company and a wholly owned subsidiary of LHN Limited tendering its Shares in acceptance of the Offer.

On 21 August 2023, by way of the Offer Unconditional Announcement, RHTC announced, for and on behalf of the Offeror, that the Offeror had received valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, result in the Offeror and parties acting in concert with it holding not less than 50.0% of the total number of issued Shares.

Accordingly, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects.

3.5 Final Closing date

As set out in the Offer Unconditional Announcement, the closing date of the Offer will be extended from 5.30 p.m. (Singapore time) on 13 September 2023 to 5.30 p.m. (Singapore time) on 27 September 2023 (the “**Final Closing Date**”).

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The Offeror has no intention of extending the Offer beyond the Final Closing Date.

3.6 Further Details of the Offer

Further details of the Offer relating to (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement on the level of acceptances of the Offer; and (d) the right of the withdrawal of acceptances of the Offer are set out in section 4 and Appendix 1 of the Offer Document.

4. INFORMATION ON THE OFFEROR

The Offeror is a private company limited by shares that was incorporated in the Republic of Singapore on 30 July 2021. Its principal activity is that of freight forwarding business and transport arrangement of chemical products.

As at the 11 August 2023, the Offeror has an issued and paid-up capital of S\$300,000.00 with 300,000 ordinary shares. The Offeror is wholly owned by MCSC, which was incorporated in the People's Republic of China (“PRC”) on 28 March 1997 and is a PRC-based logistics group which is mainly engaged in the provision of chemical supply chain services. MCSC was listed on the Shanghai Stock Exchange (Stock Code: 603713) in 2018. As at 11 August 2023, MCSC has a market capitalisation of approximately RMB14.41 billion.

As at 11 August 2023, the Offeror and MCSC do not directly or indirectly hold any Shares in the Company and the board of directors of the Offeror are Mr Wang Yongdong and Ms Miao Leimin.

Additional information on the Offeror is set out in section 6 and Appendix 3 to the Offer Document and reproduced in section 3 of the Circular.

5. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 24 August 2021 and was listed on the Catalist Board of the SGX-ST on 29 April 2022. The Company is a one-stop logistics management solutions provider with a wide range of comprehensive transportation and container depot management services.

As at the Latest Practicable Date, the Directors of the Company are as follows:

- | | | |
|-----|---------------------------|--|
| (a) | Mr Lim Lung Tieng, Kelvin | (Executive Chairman) |
| (b) | Mr Lin Kaixian | (Executive Director and Managing Director (Transportation Business)) |
| (c) | Mr Yee Kee Shian, Leon | (Lead Independent Non-Executive Director) |
| (d) | Mr Lim Kian Thong | (Independent Non-Executive Director) |
| (e) | Ms Tan Hui Tsu, Catherine | (Independent Non-Executive Director) |

Based on the business profile of the Company extracted from the Accounting and Corporate Regulatory Authority on the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$17,787,115 (before net-off the issue cost of S\$396,000) comprising 167,678,800 Shares. The issued Shares are listed and quoted on the Catalist Board of the SGX-ST.

Additional information on the Company is set out in Appendix II to the Circular.

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6. IRREVOCABLE UNDERTAKINGS

6.1 Undertaking Parties

As at 11 August 2023, the Offeror has received irrevocable undertakings from Fragrance Ltd and LHNGPL (collectively, the “**Undertaking Parties**”), pursuant to which:

- (a) Fragrance Ltd has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror that it will (i) procure that there shall be no disposal of any of the Shares owned by LHNGPL (the “**Relevant Shares**”), prior to the Offer, (ii) vote in favour of the resolution(s) granting the Shareholders’ Approval in relation to the disposal of the Relevant Shares by LHNGPL, and (iii) procure the acceptance by LHNGPL of the Offer for all the Relevant Shares; and
- (b) LHNGPL has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror that it will (i) not dispose of any of the Relevant Shares prior to the Offer, (ii) accept the Offer for all the Relevant Shares,

(collectively, the “**Irrevocable Undertakings**”).

As at 11 August 2023, the Undertaking Parties hold in aggregate 140,940,800 Shares, representing 84.05% of the total number of Shares.

6.2 Information on the Undertaking Parties

- (a) Fragrance Ltd, a company incorporated in the British Virgin Islands, with a paid-up share capital of US\$50,000. Fragrance Ltd holds 54.04% of the issued and paid-up share capital of LHN Limited, which in turn holds the entire issued and paid-up share capital of LHNGPL.
- (b) LHNGPL, a company incorporated in Singapore, with a paid-up share capital of S\$2,000,000. LHNGPL is the registered holder of the Relevant Shares.

Additional information on the Irrevocable Undertakings is set out in section 8 of the Offer Document and reproduced in section 4 of the Circular.

7. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS IN RELATION TO THE COMPANY

The Offeror’s rationale for the Offer and Offeror’s intentions in relation to the Company are set out in sections 9 and 10 of the Offer Document and reproduced in section 5 of the Circular, and Shareholders are advised to read the information carefully.

8. FINANCIAL ASSESSMENT OF THE OFFER

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (a) market quotation and trading liquidity of the Shares;
- (b) historical financial performance of the Group;
- (c) net asset value (“**NAV**”) and net tangible assets (“**NTA**”) of the Group;
- (d) comparison of valuation statistics of companies broadly comparable to the Group;
- (e) comparison with recent successful privatisation of companies listed on the SGX-ST; and

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(f) other relevant considerations.

8.1 Market Quotation and Trading Liquidity of the Shares

8.1.1 Share price performance and trading liquidity of the Shares

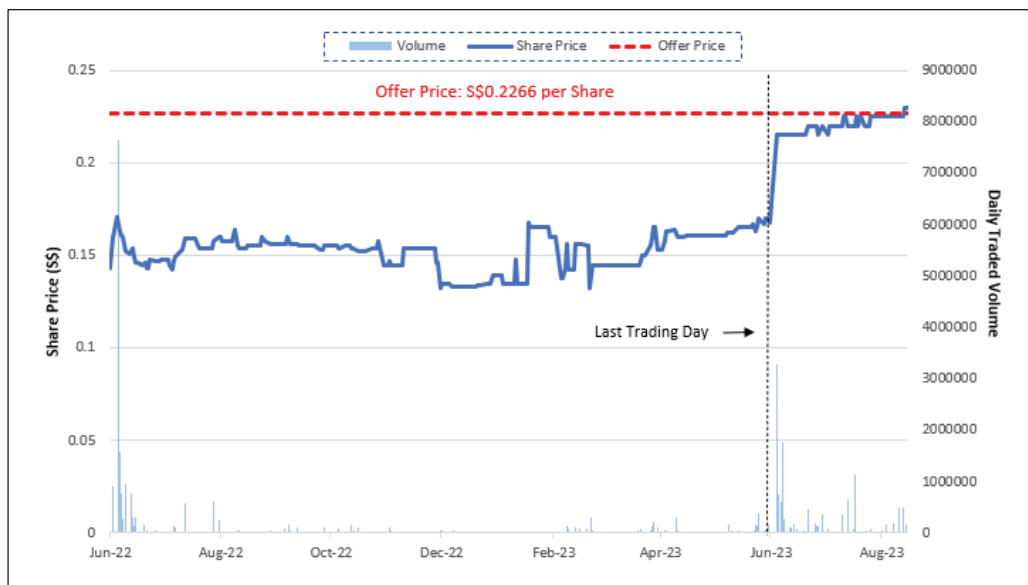
Prior to the Pre-conditional Offer Announcement, the Shares were last transacted on 1 June 2023, being the last Market Day on which the Shares traded immediately prior to the Pre-conditional Offer Announcement (the “**Last Trading Day**”).

For the purpose of our analysis of the trading performance of the Shares in respect of the Offer, we have compared the Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares for the 12-month period prior to the Pre-conditional Offer Announcement Date (i.e. from 2 June 2022 to the Last Trading Day), and up to the Latest Practicable Date (the “**Period Under Review**”).

We have also compared the Offer Price against the historical market price performance of the Shares since the Company’s initial public offering (“**IPO**”) on the Catalist of the SGX-ST on 29 April 2022 and up to the Latest Practicable Date.

8.1.2 Share price chart and trading liquidity during the Period Under Review

A graphical representation of the daily closing prices and volume traded of the Shares for the Period Under Review is set out as follows:



Source: Bloomberg L.P.

A summary of the salient announcements and key events relating to the Group’s business operations and the Offer during the Period Under Review is as follows:

Date	Event
21 October 2022	Announcement on profit guidance on the unaudited financial results for the financial year ended 30 September 2022 (“ FY2022 ”), which reported that the Group is likely to report a net loss for FY2022 as compared to a profit in the corresponding period for the previous financial year. The losses in FY2022 were attributed mainly to (i) write-off of the value of existing building structure amounting to approximately S\$4.8 million which has been demolished for the redevelopment to ISO tank washing depot and ISO tank

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Date	Event
	storage yard and (ii) one off IPO related expenses amounting to approximately S\$1.4 million.
31 October 2022	Announcement on the unaudited financial results for FY2022, which reported the Group's net loss after tax of approximately S\$ 3.2 million in FY2022 compared to net profit after tax of approximately S\$4.0 million in the financial year ended 30 September 2021 (" FY2021 ").
6 January 2023	Release of the annual report for FY2022.
27 January 2023	Announcement of cash distribution of S\$0.006 per Share (final) with record date on 2 March 2023 and ex-dividend date of 1 March 2023.
28 April 2023	Announcement of unaudited financial results for the six (6)-month period ended 31 March 2023 (" 1H2023 "), which reported approximately S\$1.7 million increase in net profit after tax from approximately S\$1.0 million in the six (6)-month period ended 31 March 2023 (" 1H2022 ") to approximately S\$2.7 million in 1H2023. This was mainly due to the absence of one-off IPO listing expenses incurred in 1H2022 and recognition of deferred income tax in 1H2023.
	Announcement of cash distribution of S\$0.0034 per Share (interim) with record date on 5 June 2023 and ex-dividend date of 1 June 2023.
4 June 2023	Release of the Pre-conditional Offer Announcement.
31 July 2023	Announcement on the satisfaction of the Pre-conditions relating to the written consent from JTC Corporation.
2 August 2023	Release of the Offer Announcement.
16 August 2023	Announcement on the despatch of the Offer Document.

Source: Company's announcements on the SGX-ST

As shown in the Share price chart above, the Shares have traded consistently below the Offer Price for the 12-month period up to and including the Last Trading Day, with closing prices of the Shares fluctuating between S\$0.132 and S\$0.171. Prior to the Pre-conditional Offer Announcement Date, the Shares last traded at S\$0.168 on the Last Trading Day.

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Additional information on the traded closing prices of the Shares, volume-weighted average prices (“VWAP”) and average daily trading volumes (“ADTV”) for the reference period(s) (a) prior to and including the Last Trading Day; and (b) from 5 June 2023 (being the Market Day after the Pre-conditional Offer Announcement Date) up to the Latest Practicable Date are set out as follows:

	Highest closing price ⁽¹⁾ (S\$)	Lowest closing price ⁽¹⁾ (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price over VWAP (%)	ADTV ⁽²⁾ (shares)	ADTV as percentage of free float ⁽³⁾ (%)
Periods prior to and including the Last Trading Day						
Last 12 months	0.171	0.132	0.163	39.02	84,112	0.31
Last 6 months	0.170	0.132	0.157	44.33	29,808	0.11
Last 3 months	0.170	0.145	0.163	39.02	40,241	0.15
Last 1 month	0.170	0.162	0.167	35.69	58,309	0.22
Last Trading Day	0.168	0.168	0.168	34.88	40,000	0.15
Period from the Pre-conditional Offer Announcement Date up to the Latest Practicable Date						
Period between and including 5 June 2023 and up to the Latest Practicable Date	0.230	0.215	0.218	3.94%	248,729	0.93
Latest Practicable Date ⁽⁴⁾	0.230	0.230	0.226	(1.48%)	178,500	0.67

Source: Bloomberg L.P.

Notes:

- (1) Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest three (3) decimal places.
- (2) The ADTV of the Shares is calculated based on the total volume of the Shares traded divided by the number of Market Days during the relevant periods. “Market Day” refers to a day on which the SGX-ST is open for the trading of securities.
- (3) For the purpose of computing the ADTV as a percentage of free float, we have used the free float of approximately 26,738,000 Shares based on the free float of 15.95% as disclosed in the annual report of the Company for FY2022.
- (4) Based on the last closing price and ADTV on 15 August 2023 as there were no Shares transacted on the Latest Practicable Date.

We note the following with regard to the Share prices and the ADTV of the Shares:

Periods prior to and including the Last Trading Day

- (a) during the 12-month period up to and including the Last Trading Day, the closing prices of the Shares ranged between a low of S\$0.132 (on 22 February 2023 and 1 December 2022) and a high of S\$0.171 (on 6 June 2022). The Offer Price represents: (i) a premium of 71.67% over the lowest closing price of the Shares; and (ii) a premium of 32.51% over the highest closing price of the Shares, during the 12-month period up to and including the Last Trading Day;
- (b) the Offer Price represents a premium of 39.02%, 44.33%, 39.02% and 35.69% over the VWAP of the Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Trading Day respectively;

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- (c) the Offer Price represents a premium of 34.88% over the closing price of the Shares of S\$0.168 on the Last Trading Day;
- (d) in relation to the trading liquidity of the Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Trading Day, ADTV of the Shares were between approximately 0.11% and 0.31% of the free float of the Company; and
- (e) during the 12-month period up to and including the Last Trading Day, the Shares were only traded on 118 Market Days out of 252 Market Days.

Period from the Pre-conditional Offer Announcement Date up to the Latest Practicable Date

- (a) the Offer Price represents a premium of 3.94% to the VWAP of the Shares for the period from 5 June 2023 and up to the Latest Practicable Date;
- (b) the Offer Price represents a discount of 1.48% to the closing price of the Shares as at the Latest Practicable Date; and
- (c) the ADTV of the Shares as a percentage of the free float was approximately 0.93% for the period from 5 June 2023 and up to the Latest Practicable Date.

Based on the above observations, we note that the trading volume and the closing prices of the Shares were relatively higher and had traded close to the Offer Price after the Pre-conditional Offer Announcement Date. We believe that the general upward trend is likely supported by the Offer subsequent to the Pre-conditional Offer Announcement. Shareholders should note that there is no assurance that the closing price of the Shares would remain at the current level prevailing as at the Latest Practicable Date and after the completion of the Offer. Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a guarantee of its future trading performance, which will depend on, amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

8.1.3 Share price chart since the IPO of the Company up to the Latest Practicable Date

A graphical representation of the daily closing prices and volume traded of the Shares since the IPO of the Company up to the Latest Practicable Date is set out as follows:



Source: Bloomberg L.P.

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The Company was listed on the Catalist of the SGX-ST on 29 April 2022 at an issue price of S\$0.20. We note that the Offer Price represents a premium of 13.3% over the issue price of S\$0.20 at the IPO of the Company.

From the share price chart above, we further note that since the IPO of the Company and up to the Last Trading Day, the Shares have never closed at or above the Offer Price.

8.2 Historical Financial Performance of the Group

The salient audited combined or consolidated financial information of the Group for the financial year ended 30 September 2020 ("FY2020"), FY2021 and FY2022, and the unaudited condensed interim financial information of the Group for the 1H2022 and 1H2023 are set out in the table below. The following summary financial information should be read in conjunction with the full text of the annual report and results announcements of the Group, and the Company's offer document issued on 19 April 2022 in respect of the IPO (the "IPO Offer Document"), in respect of the relevant financial periods including the notes thereto.

8.2.1 Statement of Profit or Loss

(\$S'000)	----- Audited -----			----- Unaudited -----	
	FY2020	FY2021	FY2022	1H2022	1H2023
Revenue	25,189	27,181	27,320	13,574	12,735
Cost of sales	(17,053)	(18,272)	(19,664)	(9,395)	(8,538)
Gross profit	8,136	8,909	7,656	4,179	4,197
Other gains/(losses) – net and other income	1,189	910	(3,611)	702	714
Distribution and marketing expenses	(59)	(59)	(75)	(31)	(38)
Administrative expenses	(5,214)	(5,109)	(7,235)	(3,579)	(2,930)
Finance cost	(597)	(633)	(426)	(269)	(146)
Share of result of associates, net of tax	511	698	1,024	436	590
Profit/(Loss) before taxation	3,966	4,716	(2,667)	1,438	2,387
Income tax (expense)/credit	(572)	(732)	(518)	(391)	269
Profit/(Loss) for the year	3,394	3,984	(3,185)	1,047	2,656
Profit/(Loss) attributable to:					
Equity holders of the Company	2,853	3,323	(4,284)	657	1,964
Non-controlling interests	541	661	1,099	390	692
	3,394	3,984	(3,185)	1,047	2,656

Sources: IPO Offer Document, Annual report for FY2022 and unaudited condensed interim financial statements for 1H2023 of the Group

The Group has two principal business segments, namely, transportation and container depot services (the "Transportation Business" and "Container Depot Services Business" respectively).

FY2020 vs FY2021

The Group's revenue increased by approximately S\$2.0 million from approximately S\$25.2 million in FY2020 to approximately S\$27.2 million in FY2021. This was mainly due to the increase in revenue from Transportation Business of S\$1.9 million from S\$16.1 million in

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FY2020 to S\$18.0 million in FY2021 due to higher demand (in terms of increase in volume handled) of trucking services in both Singapore and Malaysia. Container Depot Services Business also recorded a slight increase in revenue of S\$0.1 million from S\$9.1 million in FY2020 to S\$9.2 million in FY2021 due to a slight increase of volume of containers handled by its depots in Singapore and Thailand.

Cost of sales increased by approximately S\$1.2 million from approximately S\$17.1 million in FY2020 to approximately S\$18.3 million in FY2021. The increase was mainly due to higher container depot management charges, additional depreciation that arose from the additional fleet, an increase of the cost of upkeep and maintenance and an increase in direct manpower cost, which is in line with higher revenue. The increase was partially offset by lower rental expenses and transportation cost.

Gross profit increased by approximately S\$0.8 million from approximately S\$8.1 million in FY2020 to approximately S\$8.9 million in FY2021 mainly due to the savings from the lower rental expenses after the completion of the acquisition of 7 Gul Avenue as well as the higher revenue generated from the Transportation Business. The increase was partially offset by a slight decrease in the revenue from the Container Depot Services Business and higher direct manpower and maintenance cost. Based on the foregoing, the gross profit margin increased slightly from 32.3% in FY2020 to 32.8% in FY2021.

Other gains – net and other income decreased by approximately S\$0.2 million, from approximately S\$1.3 million in FY2020 to approximately S\$1.1 million in FY2021. This was mainly due to lower COVID-19 grants received from government in FY2021 as compared to FY2020. The decrease was partially offset by higher other administrative service income and net gain on disposal of property, plant and equipment.

Distribution and marketing expenses remained stable in FY2021.

Administrative expenses decreased by approximately S\$0.1 million, from approximately S\$5.2 million in FY2020 to approximately S\$5.1 million in FY2021. This was mainly due to higher professional fees incurred in FY2020 for the acquisition of 7 Gul Avenue in FY2021 and lower employee benefit costs. The decrease was partially offset by higher management fees incurred and other maintenance expenses.

Finance cost increased by approximately S\$36,000, from approximately S\$597,000 in FY2020 to approximately S\$633,000 in FY2021. This was mainly due to higher interest amount paid on lease liabilities. The increase was partially offset by lower bank borrowing interest amount incurred in FY2020 as compared to FY2021.

Share of result of associates increased by approximately S\$0.2 million, from approximately S\$0.5 million in FY2020 to approximately S\$0.7 million in FY2021. This was due to improved operating results from HLA Logistics Pte. Ltd. (“**HLA Logistics**”).

The Group’s profit before income tax increased by approximately S\$0.7 million from S\$4.0 million in FY2020 to S\$4.7 million in FY2021 as a result of the foregoing reasons.

Overall, the Group’s profit for the year increased by approximately S\$0.6 million from approximately S\$3.4 million in FY2020 to S\$4.0 million in FY2021.

FY2021 vs FY2022

The Group’s revenue remained relatively stable, reporting a slight increase of S\$0.1 million from S\$27.2 million in FY2021 to S\$27.3 million in FY2022 mainly due to the overall increase in demand from business volume handled in the Container Depot Services Business.

Most of the revenue was contributed by the Transportation Business, which generated S\$17.7 million in FY2022. The Group acquired 5 prime movers in FY2022, which enabled the Group to meet the higher demand of the business, leading the business in Malaysia to generate a S\$0.6 million increase in revenue to S\$2.7 million for FY2022. This increase was partially offset by

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the decrease in revenue of S\$0.9 million in the Singapore due to the disruption of operations from the ongoing construction of the ISO Tank Depot at 7 Gul Avenue.

The revenue generated by the Container Depot Services Business increased by S\$0.4 million to S\$9.6 million for FY2022, largely due to the increase in revenue from S\$0.8 million to S\$4.8 million from the Group's Thailand business as a result of the increase in volume of containers handled by the Thailand depot. The container depot in Myanmar also contributed S\$0.5 million in revenue following the commencement of operations in FY2022. On the other hand, the Container Depot Services Business in Singapore saw a decline in revenue of S\$0.9 million, mainly due to the relocation of operations from 27 Benoi Sector to the depot at 9 Gul Circle which was completed in June 2022.

Cost of sales grew to S\$19.7 million in FY2022, an increase of S\$1.4 million, contributed by the increase in depreciation of property, plant and equipment, vehicle-related expenses, direct manpower cost, additional rental expenses incurred for temporary parking yard during the construction period at 7 Gul Avenue for the ISO tank depot. Meanwhile, decreases in container depot management charges, leases expenses and transportation cost partially offset the increase.

In contrast to the increase in revenue, gross profit reported a S\$1.2 million decrease from S\$8.9 million in FY2021 to S\$7.7 million in FY2022. This was mainly due to the higher operating costs such as diesel cost, yards rental and staff costs and consequently resulted in a decrease in gross profit margins from 32.8% in FY2021 to 28.0% in FY2022.

Other (losses)/gains – net and other income decreased by S\$4.5 million in FY2022, mainly due to loss from redevelopment of the Group's property at 7 Gul Avenue amounting to S\$4.8 million arising primarily from a write-off of the value of existing building structure which had been demolished for the redevelopment. This was partially offset by higher government grant of S\$0.2 million mainly from the Grant for Equity Market Singapore, as well as higher administrative service income charged to the Group's depot customer which amounted to S\$0.5 million.

Distribution and marketing expenses increased by S\$16,000 in FY2022 mainly due to the increase in marketing activities after the lift in COVID-19 restrictions.

Administrative expenses also increased by S\$2.2 million to S\$7.3 million in FY2022, mainly due to the one-off IPO-related expenses of S\$1.4 million for the Company's listing on SGX-ST, the increase in staff cost due to annual increment and higher headcount. The increase was slightly offset by the lower management fee and amortisation of intangible assets which had been fully amortised in FY2021.

Finance cost reduced by S\$0.2 million to S\$0.4 million in FY2022 mainly due to the full repayment of certain lease liabilities, repricing for lower interest rate for bank borrowings and capitalising the interest arising from property loan during the construction period.

Share of results of associates, net of tax saw an increase of S\$0.3 million to S\$1.0 million in FY2022, owing to better operating results from HLA Logistics.

Overall, the Group incurred a net loss of S\$3.2 million for FY2022, down from the net gain of S\$4.0 million in FY2021, due to one-off listing expenses and write-off of leasehold property.

Adjusted FY2022 Net Profit

We noted that the Company had the following non-recurring expenses incurred in FY2022:

- a) initial public offering (“**IPO**”) listing expenses amounting to S\$1.4 million for FY2022; and
- b) write-off of leasehold property relating to an existing building structure which had been demolished for the redevelopment of the Group's property at 7 Gul Avenue, amounting to S\$4.8 million.

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In this regard, after adjusting for these non-recurring other expenses above, the net profit after tax attributable to equity holders for FY2022 would have been approximately S\$1.9 million.

1H2022 vs 1H2023

The Group's revenue decreased by S\$0.9 million to S\$12.7 million in 1H2023. This was mainly due to the overall decrease of business volume handled in both the Transportation Business and Container Depot Services Business in Singapore.

Revenue from Transportation Business decreased slightly from S\$8.8 million to S\$8.2 million in 1H2023. Revenue generated from Malaysia for Transportation Business increased by S\$0.1 million to S\$1.3 million in 1H2023 due to higher demand of the cross-border transportation business. The increase was partially offset by a decrease in revenue of S\$0.7 million for Transportation Business in Singapore due to disruption of certain operations as the construction of ISO tank depot at 7 Gul Avenue is in progress.

Revenue from Container Depot Services Business decreased slightly from S\$4.7 million to S\$4.5 million in 1H2023. The revenue generated from Thailand for Container Depot Services Business decreased by S\$0.2 million to S\$2.1 million in 1H2023 due to decrease of demand of certain services provided by the Group's depot in Thailand. The revenue generated from Singapore for Container Depot Services Business decreased by S\$0.8 million in 1H2023 due to a decrease of volume of containers handled by the depot in Singapore after consolidating the operation at 9 Gul Circle. The decrease of revenue for both Thailand and Singapore were partially offset by an increase in revenue of S\$0.6 million from the Container Depot Services Business from Myanmar which commenced operations in May 2022.

Cost of sales decreased by S\$0.9 million from S\$9.4 million in 1H2022 to S\$8.5 million in 1H2023. This was due to the decrease in depreciation of property, plant and equipment, as well as container management charges and transportation cost in line with the decrease with revenue. The decrease was partially offset by increase in direct manpower cost, vehicle related expenses and rental expenses.

Gross profit decreased by S\$0.1 million to S\$4.1 million for 1H2023. As a result of the foregoing, gross profit margin increased from 30.8% in 1H2022 to 32.6% in 1H2023.

Other gains/(losses) – net and other income remained stable in 1H2023. The increase of contract service income of S\$0.1 million, net gain of disposal of property, plant and equipment of S\$0.1 million and net gain on disposal of right-of-use assets of S\$ 0.1 million were partially offset by the absence of disposal of scrap metal of \$0.3 million in 1H2022.

Distribution and marketing expenses remained stable in 1H2023.

Administrative expenses decreased by S\$0.7 million to S\$2.9 million in 1H2023. This was mainly due to absence of one-off IPO listing expenses incurred in 1H2022 amount to S\$0.9 million. The decrease was partially offset by the increase in staff cost incurred due to annual increment and higher headcounts for the Group.

Finance cost decreased by S\$123,000 to S\$146,000 in 1H2023, mainly due to the full repayment of certain lease liabilities, repricing for lower interest rate for bank borrowings and capitalised the interest arising from property loan during the construction period.

Share of result of associates increased by S\$0.2 million to S\$0.6 million in 1H2023. This was due to better operating results from HLA Logistics.

Overall, the profit of the Group increased by S\$1.7 million from S\$1.0 million in 1H2022 to S\$2.7 million in 1H2023.

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8.2.2 Statement of Cash Flows

(S\$'000)	----- Audited -----			----- Unaudited -----	
	FY2020	FY2021	FY2022	1H2022	1H2023
Net cash provided by operating activities	7,455	6,078	6,777	1,531	3,149
Net cash used in investing activities	(13,168)	(622)	(1,945)	(60)	(4,417)
Net cash (used in)/provided by financing activities	7,897	(4,894)	(2,324)	(2,344)	(2,946)
Net (decrease)/increase in cash and cash equivalents	2,184	562	2,508	(873)	(4,214)
Cash and cash equivalents at the end of the financial year	4,566	5,121	7,594	4,249	3,365

Sources: IPO Offer Document, Annual report for FY2022 and unaudited condensed interim financial statements for 1H2023 of the Group

The Group generated positive net cash provided by operating activities of S\$7.5 million, S\$6.1 million and S\$6.8 million for FY2020, FY2021 and FY2022, and S\$1.5 million and S\$3.1 million for 1H2022 and 1H2023 respectively.

FY2022

Net cash provided by operating activities in FY2022 was S\$6.8 million, mainly due to operating cashflows and partially offset by the outflow of working capital changes and income tax paid. The net working capital outflows were due to (i) an increase in inventories by S\$48,000; (ii) an increase in trade and other receivables by S\$0.5 million; and (iii) an increase in trade and other payables by S\$1.4 million.

Net cash used in investing activities in FY2022 amounted to S\$1.9 million, was mainly due to the purchase of property, plant and equipment of S\$3.0 million and partially offset by proceeds from the disposal of property, plant and equipment of S\$0.1 million and dividend from associated companies of S\$1.0 million.

Net cash used in financing activities in FY2022 amounted to S\$2.3 million, was mainly due to (i) proceeds of S\$5.0 million received from issuing placement shares; as well as (ii) proceeds from bank borrowings of S\$4.3 million. This was partially offset by (i) the repayment of bank borrowings and lease liabilities of S\$9.0 million; (ii) dividend paid to non-controlling interest amounting to S\$0.7 million; (iii) interest paid of S\$0.5 million; and (iv) payment for IPO-related expenses of S\$1.5 million.

As a result of the above, cash and cash equivalents increased by S\$2.5 million in FY2022 and the cash and cash equivalent amounted to S\$7.6 million as at 30 September 2022.

1H2023

Net cash provided by operating activities of S\$3.1 million in 1H2023, was mainly due to operating cashflows generated from operation and partially offset by the outflow net income tax paid. The net working capital inflows were due to (i) decrease in trade and other receivables and prepayments by S\$0.4 million; and (ii) increase in trade and other payables by S\$0.3 million, partially offset by the increase in inventory by S\$0.1 million.

Net cash used in investing activities amounted to S\$4.4 million 1H2023, was mainly due to the payment for the construction of ISO Tank Depot amounting of S\$5.2 million, partially offset by the proceeds from disposal of property, plant and equipment and right-of-use assets of S\$0.2 million and dividends from associate of S\$0.5 million.

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Net cash used in financing activities amounted to S\$2.9 million in 1H2023, this was mainly due to repayment of bank borrowings and lease liabilities of S\$2.5 million, dividends paid of S\$1.2 million to non-controlling interests and equity holders of the Company and interest expenses paid of S\$0.2 million, partially offset by the proceeds from bank borrowings of S\$1 million.

As a result of the above, cash and cash equivalents decreased by S\$4.2 million in 1H2023 and the cash and cash equivalent amounted to S\$3.4 million as at 31 March 2023.

8.3 NAV and NTA of the Group

8.3.1 Balance Sheet of the Group

A summary of the balance sheet of the Group as at 31 March 2023 is set out as follows:

(\$'000)	Unaudited As at 31 March 2023
Current assets	
Cash and bank deposits	3,365
Trade and other receivables	5,230
Prepayment	543
Inventories	160
Total current assets	9,298
Non-current assets	
Property, plant and equipment	19,005
Right-of-use assets	9,562
Prepayment	263
Investment in associated companies	460
Deferred tax assets	458
Total non-current assets	29,748
Total assets	39,046
Current liabilities	
Trade and other payables	6,052
Current income tax liabilities	164
Bank borrowings	2,317
Lease liabilities	1,531
Total current liabilities	10,064
Non-current liabilities	
Other payables	741
Deferred tax liabilities	152
Bank borrowings	6,840
Lease liabilities	4,997
Total non-current liabilities	12,730
Total liabilities	22,794
Net assets	16,252

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(\$'000)	Unaudited As at 31 March 2023
Equity	
Share capital	17,392
Reserves	(4,260)
Capital and reserves attributable to equity holders of the Company	13,132
Non-controlling interests	3,120
Total equity	16,252
NAV/NTA of the Group (less non-controlling interests)	13,132
Number of issued shares (excluding treasury shares) ('000)	167,679
NAV/NTA per Share (cents)	7.83

Sources: Unaudited condensed interim financial statements for 1H2023 of the Group

Assets

As at 31 March 2023, the Group has total assets of S\$39.0 million comprising current assets of S\$9.3 million (23.8% of total assets) and non-current assets of S\$29.7 million (76.2% of total assets).

The main current assets of the Group are (i) trade and other receivables of S\$5.2 million (56.2% of current assets) and (ii) cash and cash equivalents of S\$3.4 million (36.2% of current assets) as at 31 March 2023.

The main non-current assets of the Group are (i) property, plant and equipment (“PPE”) of S\$19.0 million (63.9% of non-current assets) and (ii) right-of-use assets of S\$9.6 million (32.1% of non-current assets) as at 31 March 2023.

Liabilities and equity

As at 31 March 2023, the Group has total liabilities of S\$22.8 million, mainly comprising total bank borrowings of S\$9.2 million (40.2% of total liabilities), total lease liabilities of S\$6.5 million (28.6% of total liabilities) and trade and other payables of S\$6.1 million (26.6% of total liabilities).

Total equity of the Group was S\$16.3 million as at 31 March 2023. The NAV of the Group (less-controlling interests) as at 31 March 2023 was S\$13.1 million. There were no intangible assets as at 31 March 2023. Accordingly, the NTA of the Group is equivalent to the NAV of the Group as at 31 March 2023.

As at 31 March 2023, the Group recorded a negative working capital position of S\$0.8 million. We understand that the Group has been granted certain construction loan facilities by a bank on the construction of the ISO tank depot. The negative working capital position as at 31 March 2023 was mainly due to the accrual of progress claim of the construction of ISO tank depot and an inadvertent delay in the Group’s draw-down of S\$2.5 million from the bank facilities. If the S\$2.5 million had been timely drawn down by 31 March 2023, the Group would not be in a negative working capital position as at 31 March 2023.

8.3.2 Book NAV/NTA of the Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all the liabilities of the Group. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of

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the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders' equity.

Notwithstanding the foregoing, Shareholders should note that an analysis based on the NAV of the Group provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised. While the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions. Furthermore, the NAV approach is more relevant in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

Based on the unaudited condensed interim financial statements of the Group as at 31 March 2023, there were no intangible assets and accordingly, the NTA of the Group is equivalent to the NAV of the Group.

Based on the Group's latest unaudited condensed interim financial statements as at 31 March 2023 and 167,678,800 Shares in issue as at 31 March 2023, the NAV of the Group amounted to approximately S\$13.1 million or S\$0.0783 per Share. We note that the Offer Price represents a premium of approximately 189.3% against the NAV/NTA per Share of S\$0.0783 as at 31 March 2023. Accordingly, the Price-to-NAV/NTA ("**P/NAV**")/("**P/NTA**") of the Group implied by the Offer Price would be approximately 2.89 times as at 31 March 2023.

8.3.3 Revalued NAV ("**RNAV**") of the Group

In our evaluation of the Offer Price, we have also considered whether there are any assets which should be valued at an amount that is materially different from that which are recorded in the unaudited balance sheet of the Group as at 31 March 2023, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 31 March 2023.

The aggregate book value of the property, plant and equipment of the Group as at 31 March 2023 (comprising (i) construction in progress; (ii) leasehold property; (iii) machinery; (iv) renovation; (v) logistics equipment; (vi) motor vehicle; (vii) computers; (viii) furniture and fitting; (ix) containers; and (x) office equipment) amounted to approximately S\$19.0 million, representing approximately 48.7% of the Group's total assets.

We understand that the "leasehold property" refers to the leasehold land located at 7 Gul Avenue, Singapore 629651 while the "construction in progress" relates to the ongoing construction of the Group's ISO tank depot, a single-story factory development with open storage, ancillary mezzanine office, above ground diesel tank and open chemical storage site (collectively, the "**7 Gul Leasehold Property**"). As at 31 March 2023, the net book value of the 7 Gul Leasehold Property amounted to approximately S\$16.2 million, representing approximately 41.6% of the Group's total assets.

Upon completion of the construction of the ISO tank depot which is expected to be in October 2023, the Company would be able to use it in the operations of the Group in its ordinary course of business by providing empty ISO tank storage services and laden ISO tank storage services for hazardous substances, petroleum and flammable materials. We understand from the Management that the ISO tank depot will be for internal use to support the Group's existing business operations and as at the Latest Practicable Date, the Group does not have any plans for an imminent material disposal and/or conversion of the use of the ISO tank depot, when completed.

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Notwithstanding the above proposed use and intention, for the assessment of the RNAV of the Group for the purposes of the Offer, the Group had commissioned the Independent Valuer to conduct an independent valuation to determine the market value of the 7 Gul Leasehold Property as at 31 July 2023, which is set out below:

	Net book value as at 31 March 2023 (S\$'000)	Market Value as at 31 July 2023 (S\$'000)	Revaluation (Deficit) / Surplus (S\$'000)
Leasehold property / land	5,700	5,600 ⁽¹⁾	(100)
Construction in progress	10,526	16,400 ⁽²⁾	5,874
7 Gul Leasehold Property	16,226	22,000	5,774

Notes:

- (1) Based on the Valuation Report, refers to the market value of the Group's right-of-use over the balance lease term of the leasehold property.
- (2) Based on the Valuation Report, refers to the market value of investment property under construction.

Taking into account the above, we have made the following adjustment to the NAV of the Group to arrive at the RNAV of the Group as at 31 March 2023:

(S\$'000)	31 March 2023
Unaudited NAV of the Group	13,132
Add: Revaluation surplus	5,774
RNAV of the Group	18,906
RNAV per Share (S\$)	0.1127

Based on the above, we note that the Offer Price represents a premium of approximately 101.0% against the RNAV per share of S\$0.1127 as at 31 March 2023. Accordingly, the Price-to-RNAV ("**P/RNAV**") of the Group implied by the Offer Price would be approximately 2.01 times as at 31 March 2023.

The Independent Valuer had conducted its independent valuation of the 7 Gul Leasehold Property on the basis of "Market Value" which is defined as "*the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion*".

In arriving at the "Market Value" of the 7 Gul Leasehold Property, the Independent Valuer has adopted the comparison method as the appropriate method for the valuation of the Group's right-of-use over the balance lease term of the leasehold property, and the cost approach as the appropriate method for the valuation of the Group's construction in progress (where the market value of the leasehold property is inclusive). Further details on the independent valuation can be found in the Valuation Report, which is set out in Appendix VIII of the Circular. Shareholders are advised to read the above in conjunction with the Valuation Report in its entirety.

Under Rule 26.3 of the Code, the Group is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. The Management has confirmed that they do not expect any potential tax liability on the revaluation surplus arising from the independent valuation of 7 Gul Leasehold Property as it is held for its own internal use and not intended for sale and in a hypothetical scenario where the 7 Gul Leasehold Property is

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sold at the market value, there is no potential tax liability on the revaluation surplus as such gains will be deemed as capital gain and there is no capital gain tax in Singapore.

Save as disclosed in this letter and any publicly available information as disclosed in the announcements by the Company, the Directors and Management have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) they are not aware of any material difference between the estimated market value of the assets held by the Group and its associates *vis-à-vis* their respective book values recorded in the unaudited statements of financial position of the Group as at 31 March 2023;
- (b) they are not aware of any circumstances which may cause the NAV and NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the latest announced consolidated statement of financial position of the Group as at 31 March 2023;
- (c) there have been no material disposals or acquisitions of assets by the Group between 31 March 2023 and the Latest Practicable Date, and the Group does not have any plans for such impending material disposal or acquisition of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business;
- (d) there are no contingent liabilities, bad or doubtful debts or impairment losses or material events at as the Latest Practicable Date which are likely to have a material impact on the NAV and NTA of the Group as at 31 March 2023;
- (e) there are no litigation, claim or proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have a material impact on the financial position of the Group as at 31 March 2023; and
- (f) there are no other intangible assets as at the Latest Practicable Date which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been disclosed that would have a material impact on the NAV and NTA of the Group as at 31 March 2023.

8.3.4 Net debt position of the Group

The Group recorded cash and cash equivalents of S\$3.4 million as at 31 March 2023. After deducting for current and non-current borrowings and lease liabilities, the Group would record a net debt position of S\$12.3 million (or net debt of S\$0.07 per Share). Accordingly, we have not compared the Offer Price *vis-à-vis* the NAV or NTA of the Group on an ex-cash basis.

8.4 **Comparison of Valuation Statistics of Companies Broadly Comparable to the Group**

In considering what may be regarded as a reasonable range of valuation for the purpose of assessing the financial terms of the Offer, we have referred to selected listed companies on the SGX-ST which business activities are broadly comparable with those of the Group to give an indication of the current market expectations with regard to the perceived valuation of these businesses.

The Company is a Singapore-incorporated company that has been listed on the Catalist of the SGX-ST since 29 April 2022. The Group has two principal business segments, namely, Transportation Business and Container Depot Services Business.

In consultation with the management, we have used the following companies listed on the SGX-ST whose operations are similar to the Group, and with market capitalisations of not more than S\$100.0 million (the "**Comparable Companies**") to get an indication of the current market expectations with regard to the perceived valuation of the Group.

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We wish to highlight that the Comparable Companies are not exhaustive and there is no listed company or group which may be considered identical to the Group in terms of, *inter alia*, business activities, market capitalisation, scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal business of the Group. As such, any comparison made herein is strictly limited in scope and merely serves as an illustrative guide to Shareholders.

Details on the Comparable Companies, including their business descriptions and selected key financial and valuation statistics, are set out below and in Annex A to this letter:

- (a) GKE Corporation Limited;
- (b) Vibrant Group Limited;
- (c) A-Sonic Aerospace Limited;
- (d) Hengyang Petrochemical Logistics Limited; and
- (e) Eneco Energy Limited

In assessing the financial terms of the Offer, we have used the following valuation parameters in our analysis:

Valuation parameter	Description
Price-earnings ratio (“PER”) ratio	<p>The historical PER, which illustrates the ratio of the market price of a company’s shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and trailing 12 months earnings per share vis-à-vis the corresponding historical PER of the Group based on the Offer Price and the trailing 12 months earnings per share (if applicable).</p>
P/NAV or P/NTA	<p>A NAV/NTA-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NAV/NTA-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV/NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p>

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Valuation parameter	Description
Enterprise value to EBITDA (“EV/EBITDA”) ratio	<p>We have considered the historical P/NAV and P/NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest announced NAV and NTA per share as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the NAV and NTA per share, where relevant), <i>vis-à-vis</i> the corresponding historical P/NAV and P/NTA ratio of the Group based on the Offer Price and the latest announced NAV and NTA per Share of the Group as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the NAV and NTA per share, where relevant).</p> <p>The historical EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. “EV” is the sum of a company’s market capitalisation, preferred equity, minority interests, short- and long-term debts and lease liabilities less cash and cash equivalents and represents the actual cost to acquire the entire company. “EBITDA” refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.</p> <p>We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance sheet values (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the EV, where relevant) and trailing 12 months EBITDA <i>vis-à-vis</i> the corresponding historical EV/EBITDA ratio of the Group based on the Offer Price and the trailing 12 months EBITDA of the Group.</p>

8.4.1 Comparative valuation statistics of the Comparable Companies *vis-à-vis* the Group

The following table sets out the comparative valuation statistics of the Comparable Companies *vis-à-vis* the Group as implied by the Offer Price:

Comparable Companies	Market Capitalisation (S\$ millions) ⁽¹⁾	Historical PER (times)	Historical P/NAV ratio (times)	Historical P/NTA ratio (times)	Historical EV/EBITDA ratio (times)
GKE Corporation Limited	52.7	13.48	0.57	0.60	3.98
Vibrant Group Limited	49.6	284.71 ⁽²⁾	0.22	0.22	6.02
A-Sonic Aerospace Limited	49.1	19.09	0.81	0.81	n.m. ⁽³⁾
Hengyang Petrochemical Logistics Limited ⁽⁴⁾	36.6	n.m. ⁽⁵⁾	0.35	0.35	n.m. ⁽⁵⁾
Eneco Energy Limited ⁽⁶⁾	32.4	102.57 ⁽²⁾	1.59	1.60	3.86

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Comparable Companies	Market Capitalisation (S\$ millions) ⁽¹⁾	Historical PER (times)	Historical P/NAV ratio (times)	Historical P/NTA ratio (times)	Historical EV/EBITDA ratio (times)
High		284.71	1.59	1.60	6.02
Mean		16.29	0.71	0.72	4.62
Median		16.29	0.57	0.60	3.98
Low		13.48	0.22	0.22	3.86
Company (Implied by the Offer Price)⁽⁷⁾	38.0	16.10	2.89 2.01⁽⁸⁾	2.89 2.01⁽⁸⁾	7.66⁽⁹⁾

Sources: Bloomberg L.P., annual reports and/or announcements of the respective Comparable Companies and SAC Capital's computations

Notes:

- (1) Based on last traded prices of the respective companies and exchange rates as at the Latest Practicable Date.
- (2) Being a statistical outlier, Vibrant Group Limited and Eneco Energy Limited have been excluded from the computation of mean and median PER ratios.
- (3) n.m. denotes not meaningful as A-Sonic Aerospace Limited had negative enterprise value in its latest financial year.
- (4) The relevant trailing 12 months net profit attributable to shareholders of Hengyang Petrochemical Logistics Limited, the trailing 12 months EBITDA, and the NAV and NTA have been adjusted for one-off gain on dilution of equity interest in joint venture in FY2022.
- (5) n.m. denotes not meaningful as Hengyang Petrochemical Logistics Limited was loss making and recorded negative EBITDA in its latest trailing 12 months period.
- (6) Based on the continuing operations of Eneco Energy Limited.
- (7) Based on 167,678,800 shares as at the Latest Practicable Date.
- (8) Based on the RNAV of the Group of approximately S\$18.9 million as at 31 March 2023, as set out in paragraph 8.3.3 of this letter.
- (9) Based on the adjusted T12M EBITDA of the Group of approximately S\$7.0 million ("**Adjusted EBITDA**"), after adjusting for non-recurring expenses (i.e. IPO listing expenses and write-off of leasehold property as set out in paragraph 8.2.1 of this letter) incurred in FY2022.

Historical PER comparison

We note that the historical PER of 16.10 times of the Group as implied by the Offer Price is:

- (a) within the range of historical PERs of Comparable Companies of between 13.48 times and 284.71 times; and
- (b) marginally below the corresponding mean and median historical PERs of Comparable Companies of 16.29 times.

Historical P/NAV and P/RNAV ratios comparison

We note that the historical P/NAV ratio of 2.89 times and P/RNAV ratio of 2.01 times of the Group as implied by the Offer Price are above the range of historical P/NAV ratios of the Comparable Companies of between 0.22 times and 1.59 times.

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Historical Adjusted EV/EBITDA ratios comparison

We note that the historical Adjusted EV/EBITDA ratio of 7.66 times of the Group as implied by the Offer Price are above the range of historical EV/EBITDA ratios of the Comparable Companies of between 3.86 times and 6.02 times.

8.4.2 Estimated range of value of the Shares

In deriving a range of values for the Shares, we have considered the mean and median PER and EV/EBITDA valuation multiples as our primary valuation methodology.

Valuation Parameter	Implied Valuation Range (S\$ million)	
	Mean	Median
PER	38.0	38.0
EV/EBITDA	16.8	12.3
Average	27.4	25.2
Implied Share Price (S\$)	0.163	0.150

Based on the above, the overall range of derived theoretical valuations is between approximately S\$25.2 million and S\$27.4 million, which translate to between S\$0.150 and S\$0.163 per Share. We note that the Offer Price of S\$0.2266 is above our estimated value range of the Shares.

8.5 **Comparison with Recent Successful Privatisation Transactions and Delisting Offers of Companies Listed on the SGX-ST**

In assessing the reasonableness of the Offer, we have compared the financial terms of the Offer with: (a) selected recent successful privatisation transactions in cash announced on the SGX-ST during the 12-month period prior to the Pre-conditional Offer Announcement Date, whether by way of a general offer under the Code or a scheme of arrangement under Section 210 of the Companies Act where the offeror has stated its intention to delist the target company from the Official List of the SGX-ST; and (b) selected recent completed delisting cash offers under Rule 1307 of the Listing Manual announced during the 12-month period prior to the Pre-conditional Offer Announcement Date (collectively, the “**Take-over Transactions**”).

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

- (a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month, 3-month, 6-month and 12-month periods prior to the announcement of the Take-over Transactions; and
- (b) the premium or discount represented by each of the respective offer prices to the NAV/NTA of the respective target companies, where applicable. We note that certain transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values, we have also, where relevant, compared the financial terms of such offer transactions with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Take-over Transaction.

We wish to highlight that the Take-over Transactions set out below are by no means exhaustive. In addition, as the Group is not directly comparable to the target companies involved in the Take-over Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, risk profile, accounting policies, financial performance, operating and financial leverage, track record and future prospects, the comparison merely serves as a general guide to provide an indication of the premia/discounts paid in connection with privatisation transactions and delisting offers of companies listed on the SGX-ST. Each of

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the Take-over Transactions must be judged on its own commercial and financial merits. Shareholders should also note that the premium (if any) to be paid by an offeror in a privatisation transaction or delisting offer varies in different circumstances depending on, *inter alia*, the offeror's intentions with regard to the target company, the potential synergy that the offeror can gain from acquiring the target company, the attractiveness of the underlying business, prevailing market expectations and the presence of competing bids. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

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Company	Date of offer announcement	Offer price (S\$)	Premium/(Discount) of offer price over					Offer price-to-NAV / NTA ratio (times) ⁽¹⁾
			Last transacted price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP	
			Prior to announcement of offer (%)					
Allied Technologies Limited	17 June 2022	0.011 ⁽²⁾	-(3)	-(3)	-(3)	-(3)	-(3)	0.35 ⁽⁴⁾
GYP Properties Limited	8 July 2022	0.200 ⁽⁵⁾	34.2	37.9	33.3	28.2	30.7	0.69 ⁽⁶⁾
SP Corporation Limited	20 August 2022	1.590	169.5	163.7	162.8	156.9	140.5	1.00 ⁽⁷⁾
Silkroad Nickel Ltd.	29 August 2022	0.420	2.4	4.7	5.0	(5.6)	(3.2)	5.20 ⁽⁸⁾
Memories Group Limited	12 September 2022	0.047 ⁽⁹⁾	34.3	67.9	74.1	74.1	74.1	1.02 ⁽¹⁰⁾
Singapore Medical Group Limited	13 September 2022	0.400 ⁽¹¹⁾	23.1	28.2	29.0	26.2	28.2	1.14 ⁽¹²⁾
Moya Holdings Asia Limited	14 September 2022	0.092	41.5	43.8	48.4	48.4	46.0	4.18 ⁽¹³⁾
MS Holdings Limited	3 October 2022	0.070	16.7	-	25.0	25.0	25.0	0.48 ⁽¹⁴⁾
Asian Healthcare Specialists Limited	6 October 2022	0.188	17.5	18.2	21.3	22.1	19.8	5.86 ⁽¹⁵⁾
Colex Holdings Limited	17 October 2022	0.230	25.0 ⁽¹⁶⁾	13.9 ⁽¹⁶⁾	13.3 ⁽¹⁶⁾	0.9 ⁽¹⁶⁾	6.0 ⁽¹⁶⁾	1.54 ⁽¹⁷⁾
Golden Energy and Resources Limited	9 November 2022	0.973 ⁽¹⁸⁾	15.8	23.0	44.6	48.3	63.8	1.51 ⁽¹⁹⁾
Chip Eng Seng Corporation Ltd.	24 November 2022	0.750 ⁽²⁰⁾	5.6	13.1	26.5	33.7	42.6	0.56 ⁽²¹⁾
Global Dragon Limited	10 February 2023	0.120	14.3	15.4	22.4	17.6	17.6	0.73 ⁽²²⁾
G. K. Goh Holdings Limited	28 February 2023	1.260	38.5	38.8	39.2	37.6	34.8 ⁽²³⁾	0.97 ⁽²⁴⁾
Global Palm Resources Holdings Limited	29 March 2023	0.250	93.8	86.6	70.1	70.1	30.2	0.78 ⁽²⁵⁾
Lian Beng Group Ltd	11 April 2023	0.680 ⁽²⁶⁾	19.3	26.9	28.5	29.8	30.3	0.43 ⁽²⁷⁾
Challenger Technologies Limited	30 May 2023	0.600 ⁽²⁸⁾	9.1	10.5	11.9	14.3	13.4	1.46 ⁽²⁹⁾
Sysma Holdings Limited	1 June 2023	0.168	34.4	40.0	34.4	29.2	28.2	0.72 ⁽³⁰⁾
High			169.5	163.7	162.8	156.9	140.5	5.86
Mean			35.0	39.5	40.6	38.6	36.9	1.59
Median			23.1	27.6	29.0	29.2	30.2	0.98
Low			2.4	4.7	5.0	(5.6)	(3.2)	0.35

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Company	Date of offer announcement	Offer price (S\$)	Premium/(Discount) of offer price over					Offer price-to-NAV / NTA ratio (times) ⁽¹⁾
			Last transacted price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP	
			Prior to announcement of offer (%)					
Company (Implied by the Offer Price)	4 June 2023 2 August 2023	0.2266	34.9	35.7	39.0	44.3	39.0	2.89 ⁽³¹⁾ 2.01 ⁽³²⁾

Sources: Announcements and circulars to shareholders in relation to the respective Take-over Transactions and SAC Capital's computations.

Notes:

- (1) Based on the NAV per share or revalued NAV per share or adjusted NAV per share or NTA per share or revalued NTA per share or adjusted revalued NTA per share, as the case may be, as extracted from the independent financial adviser's letters for the respective companies.
- (2) On 3 August 2022, a revised offer price of S\$0.011 per share was announced.
- (3) We note that shares in Allied Technologies Limited had been suspended since 8 May 2019. Since there were no public market for the shares in Allied Technologies Limited for more than three (3) years, any comparison of the market premia to the historical share prices prior to the suspension will not be meaningful.
- (4) Based on the adjusted NAV per share of Allied Technologies Limited as at 31 March 2022.
- (5) On 1 September 2022, a revised offer of S\$0.188 per share was announced. Subsequently, on 13 September 2022, a final revised offer of S\$0.200 per share was announced. Accordingly, the market premia in the table above were computed based on the revised offer price of S\$0.200 per share.
- (6) Based on the revalued NAV per share of GYP Properties Limited as at 30 June 2022.
- (7) Based on the NAV per share of SP Corporation Limited as at 30 June 2022. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of SP Corporation Limited as at 30 June 2022 was required.
- (8) Based on the NTA per share of Silkroad Nickel Ltd. as at 30 June 2022. We noted from the independent financial adviser's letter that no adjustments were made to the NTA per share of Silkroad Nickel Ltd. as at 30 June 2022. In particular, we noted from the independent financial adviser's letter that no valuations have been conducted in connection with the offer on the property, plant and equipment of Silkroad Nickel Ltd. and its subsidiaries (the "**Silkroad Group**"), which made up approximately 37.8% of the Silkroad Group's total assets as at 30 June 2022.
- (9) The market premia in the table above were computed based on the share prices for the period(s) prior to and including 30 August 2022, being the last Market Day prior to the announcement by Memories Group Limited of a possible transaction.
- (10) Based on the revalued NAV per share of Memories Group Limited as at 30 June 2022.
- (11) On 2 November 2022, a revised offer price of S\$0.400 per share was announced. Accordingly, the market premia in the table above were computed based on the revised offer price of S\$0.400 per share.

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- (12) Based on the NAV per share of Singapore Medical Group Limited as at 30 June 2022. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of Singapore Medical Group Limited as at 30 June 2022 was required.
- (13) Based on the NTA per share of Moya Holdings Asia Limited as at 30 June 2022.
- (14) Based on the NAV per share of MS Holdings Limited as at 30 April 2022. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of MS Holdings Limited as at 30 April 2022 was required.
- (15) Based on the adjusted NTA per share of Asian Healthcare Specialists Limited as at 31 March 2022.
- (16) The VWAPs in the table above has been adjusted to exclude the FY2021 dividends of S\$0.08 per share, which included a one-off special dividend of S\$0.0755 per share.
- (17) Based on the revalued NAV per share of Colex Holdings Limited as at 30 June 2022.
- (18) On 9 November 2022, Golden Energy and Resources Limited ("**GEAR**") and Duchess Avenue Pte Ltd ("**Duchess**") jointly announced, *inter alia*, the proposed distribution in specie of shares in PT Golden Energy Mines TBK by GEAR, the proposed voluntary delisting of GEAR, and the conditional exit offer by Duchess. Entitled shareholders of GEAR can elect to receive either the "all cash consideration" or the "share and cash consideration" in light of the proposed distribution and the exit offer. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 7 October 2022, being the last undisturbed trading day prior to the announcement by GEAR in respect of discussions of a possible acquisition of the Company. On 18 March 2023, a revised consideration was announced, including the increase of the "all cash consideration" to S\$0.973 per share. Accordingly, the market premia in the table above were computed based on the revised "all cash consideration" of S\$0.973 per share.
- (19) We noted from the independent financial adviser's letter that in their assessment, they have not included an assessment using the NAV based approach as valuations on producing mining companies are more commonly based on income approach. We have however computed the P/NAV ratio in the table above based on the NAV per share of GEAR as at 31 December 2022 of US\$0.4803 (or approximately S\$0.643 based on an exchange rate of US\$1.00:S\$1.3395), as set out in the independent financial adviser's letter.
- (20) The market premia in the table above were computed based on the share prices for the period(s) prior to and including 7 September 2022, being the last Market Day prior to the announcement by Chip Eng Seng Corporation Limited of a possible transaction. On 2 December 2022, a revised offer price of S\$0.750 per share was announced. Accordingly, the market premia in the table above were computed based on the revised offer price of S\$0.750 per share.
- (21) Based on the revalued NAV per share of Chip Eng Seng Corporation Limited as at 30 June 2022.
- (22) Based on the revalued NAV per share of Global Dragon Limited as at 31 December 2022.
- (23) We noted from the independent financial adviser's letter that the VWAP for the 12-month period in the table above has been adjusted to exclude the special dividend of S\$0.200 per share. The offer price premium to the unadjusted VWAP of S\$1.000 for the corresponding twelve-month period is 26.0%.
- (24) Based on the NAV per share of G. K. Goh Holdings Limited as at 31 December 2022. We noted from the independent financial adviser's letter that no adjustments to the NAV per share was required.
- (25) Based on the revalued NAV per share of Global Palm Resources Holdings Limited as at 31 December 2022.
- (26) On 3 May 2023, a revised offer price of S\$0.680 per share was announced. Accordingly, the market premia in the table above were computed based on the revised offer price of S\$0.680 per share.
- (27) Based on the revalued NAV per share of Lian Beng Group Ltd as at 30 November 2022.
- (28) On 6 June 2023, a revised offer price of S\$0.600 per share was announced. Accordingly, the market premia in the table above were computed based on the revised offer price of S\$0.600 per share.

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- (29) Based on the revalued NAV per share of Challenger Technologies Limited as at 31 December 2022.
- (30) Based on the revalued NAV per share of Sysma Holdings Limited as at 31 January 2023.
- (31) Based on the NAV of the Group of approximately S\$13.1 million or S\$0.0783 per Share, as set out in paragraph 8.3.2 of this letter.
- (32) Based on the RNAV of the Group of approximately S\$18.9 million or S\$0.1127 per Share, as set out in paragraph 8.3.3 of this letter.

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We note that in respect of the Take-over Transactions:

- (a) the premium of the Offer Price over the last transacted price of the Shares prior to the Pre-conditional Offer Announcement Date of approximately 34.9% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 2.4% and 169.5%; and
 - (ii) above the median premia of 23.1% but below the mean premia of 35.0% of the Take-over Transactions;
- (b) the premium of the Offer Price over the VWAP of the Shares for the 1-month period prior to the Pre-conditional Offer Announcement Date of approximately 35.7% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 4.7% and 163.7%; and
 - (ii) above the median premia of 27.6% but below the mean premia of 39.5% of the Take-over Transactions;
- (c) the premium of the Offer Price over the VWAP of the Shares for the 3-month period prior to the Pre-conditional Offer Announcement Date of approximately 39.0% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 5.0% and 162.8%; and
 - (ii) above the median premia of 29.0% but below the mean premia of 40.6% of the Take-over Transactions;
- (d) the premium of the Offer Price over the VWAP of the Shares for the 6-month period prior to the Pre-conditional Offer Announcement Date of approximately 44.3% is:
 - (i) within the range of the corresponding (discount) / premia of the Take-over Transactions of between (5.6%) and 156.9%; and
 - (ii) above the corresponding mean and median premia of 38.6% and 29.2% of the Take-over Transactions respectively;
- (e) the premium of the Offer Price over the VWAP of the Shares for the 12-month period prior to the Pre-conditional Offer Announcement Date of approximately 39.0% is:
 - (i) within the range of the corresponding (discount) / premia of the Take-over Transactions of between (3.2%) and 140.5%; and
 - (ii) above the corresponding mean and median premia of 36.9% and 30.2% of the Take-over Transactions respectively;
- (f) the P/NAV ratio as implied by the Offer Price of 2.89 times is:
 - (i) within the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.35 times and 5.86 times; and
 - (ii) above the corresponding mean and median Price-to-NAV/NTA ratio of 1.59 times and 0.98 times of the Take-over Transactions;
- (g) the P/RNAV ratio as implied by the Offer Price of 2.01 times is:
 - (i) within the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.35 times and 5.86 times; and

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- (ii) above the corresponding mean and median Price-to-NAV/NTA ratio of 1.59 times and 0.98 times of the Take-over Transactions.

8.6 Other Relevant Considerations

8.6.1 Offeror's right of compulsory acquisition

As set out in the Offer Unconditional Announcement, RHTC, on behalf of the Offeror, announced, *inter alia*, that:

- (a) the Minimum Acceptance Condition of the Offer has been satisfied and the Offer has therefore become and was declared unconditional in all respects;
- (b) the Final Closing Date will be extended to 5.30 p.m. (Singapore time) on 27 September 2023, and the Offeror has no intention of extending the Offer beyond this date;
- (c) the Free Float Requirement¹ is no longer satisfied and the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1104 or Rule 1303(1) of the Catalist Rules, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted; and
- (d) the Offeror has received valid acceptances pursuant to the Offer in respect of not less than 90.0% of the total number of issued Shares (other than those Shares 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) of the Companies Act 1967 as at the date of the Offer), the Offeror is entitled to, and intends to, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Offer.

Shareholders should note that subsequent to the Offeror exercising its right to compulsorily acquire all the Offer Shares not acquired under the Offer, the Offeror will proceed to delist the Company from the Catalist Board of the SGX-ST.

8.6.2 Historical dividend yields of the Company

We set out below an analysis of the dividends declared and the dividend payout ratio for the last two (2) financial years ended/ending 30 September, and the implied dividend yield based on the closing price of the Shares on the final cum-dividend date; and the implied dividend yield based on the Offer Price:

(S\$)	FY2022	FY2023
Interim tax-exempt one-tier dividend per Share (S\$)	-	0.0034
Final tax-exempt one-tier dividend per Share (S\$)	0.0060	-
Total dividend per Share (S\$)	0.0060	0.0034
Share price on final cum-dividend date (S\$) ⁽¹⁾	0.145	0.170
Dividend yield (based on the Share price on final cum-dividend date)	4.1	2.0
Dividend yield (implied by the Offer Price)	2.6	1.5

Sources: Bloomberg L.P., Company's announcements on the SGX-ST and SAC Capital's computations.

¹ Under Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGXST ("**Catalist Rules**"), the Company must ensure that at least 10% of the total number of issued Shares (excluding preference shares, convertible equity securities and treasury shares) is at all times held by the public.

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Note:

- (1) Based on the last closing market prices of the Company as at the final cum-dividend date in respect of the dividends declared for each of the respective financial years.

As disclosed in the Company's IPO Offer Document, the Company intends to recommend and distribute dividends of not less than 40.0% of the Group's profit attributable to equity holders of the Company after adding back listing expenses and excluding non-recurring, one-off and exceptional items, whether as an annual dividend or an interim dividend for FY2022. In addition, the Company intends to recommend and distribute dividends of not less than 40.0% of the Group's profit attributable to equity holders of the Company excluding non-recurring, one-off and exceptional items, whether as an annual dividend or an interim dividend for the FY2023 and FY2024 (together with proposed dividends for FY2022, collectively known as "**Proposed Dividends**") as the Company wishes to reward Shareholders for participating in the Group's growth. It is also noted that the Proposed Dividends is merely a statement of the Company's intention at that point of time and shall not constitute a legally binding obligation on the Company or a legally binding statement in respect of its future dividends, and may be subject to modification (including reduction or non-declaration thereof) in the Directors' sole and absolute discretion.

Shareholders should note that past dividend payouts should not be in any way relied upon as an indication or promise of the Company's future dividend payouts. There is no assurance that the Company will maintain the level of dividends paid in the past financial years after the completion of the Offer.

The quantum of dividends paid by the Company in any period would depend upon various factors including but not limited to the financial position of the Group, retained earnings, results of operation and cash flow, the Group's expected working capital requirements and capital expenditure, future expansion and investment plans, funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

8.6.3 Analysts' price targets for the Shares

Based on information on the Bloomberg L.P., the Company is covered by two equity research analysts, as follows:

Analyst	Date	Target price (\$\$)
Soochow CSSD Capital Markets	4 May 2023	0.24
CGS-CIMB Securities (Singapore) Pte. Ltd.	2 May 2023	0.18

High	0.24
Mean/Median	0.21
Low	0.18

Source: Bloomberg L.P. and analysts' research reports

We note that the Offer Price is at a premium of 7.9% over the mean and median target price set by analysts for the Shares.

The estimated target prices for the Shares represent the individual views of the analysts (and not those of SAC Capital in its capacity as independent financial adviser for the purposes of this letter) based on the information and circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Company) prevailing at the date of the publication of the relevant analyst's research report. The opinions of analysts may change over time as a result of, *inter alia*, changes in market conditions, the Company's corporate developments and the emergence of new information relevant to the Company.

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8.6.4 Absence of alternative or competing offers

As at the Latest Practicable Date, other than the Offer, there is no publicly available evidence of an alternative or competing offer for the Shares from any other party. In addition, the Directors have confirmed that as at the Latest Practicable Date, apart from the Offer, they have not received any alternative or competing offer for the Shares from any other party.

Apart from the above, any potential third party may also be discouraged from making a competing offer for the Company at a price higher than the Offer Price in view of the Offeror's entitlement and intention to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.

8.6.5 Outlook of the Group

We note that the Group had, in the unaudited condensed interim financial statements of the Group for 1H2023, included a commentary on the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group for the next reporting period and the next 12 months which is reproduced in italics below:

According to the press release dated 13 February 2023 by Singapore's Ministry of Trade and Industry, Singapore's external demand outlook has improved slightly. Growth in China is projected to pick up in tandem with the faster-than-expected easing of its COVID-19 restrictions. This has led to improvements in the growth outlook of regional economies. At the same time, the global supply situation continues to stabilise amidst softening global demand conditions.

The Group is mindful of the evolving changes in the business environment including foreign exchange risk, interest hiking and high global inflation rate. The Group will continue to take proactive initiatives to manage its operating cost and further enhance its capabilities, particularly in the container depot and chemical logistics sector in Singapore.

For Transportation Business, the construction of the ISO tank depot is expected to be completed in FY2023. Upon completion, we would be able to provide empty ISO tank storage services and laden ISO tank storage services for hazardous substances, petroleum and flammable materials. The chemical cleaning and repair services for ISO tanks will be undergoing trial runs in 4QFY2023 or 1QFY2024, depending on the delivery of equipment.

For the Container Depot Services Business, we are actively seeking opportunities in ASEAN to establish our new office and depot.

We also note that the Company had, in the section titled "Trend Information and Order Book" of the IPO Offer Document, stated that "Our revenue for the next two financial years is expected to increase due to more value-added services to be provided to our customers under our Transportation Business in tandem with the expected completion of the construction of our ISO tank depot at 7 Gul Avenue and our expected increase in vehicle fleet size" (the "**April 2022 Revenue Statement**").

Subsequently, the Directors have made a revised April 2022 Revenue Statement as follows:

*"After taking into account, among others, (i) the delay in the construction of the ISO tank depot, (ii) the Group's actual revenue published for FY2023H1 and (iii) information available to the Company as at the Latest Practicable Date, the Company does not expect the revenue for FY2023 to increase from FY2022 or FY2021 (the "**Revised April 2022 Revenue Statement**")."*

Further details on the Revised April 2022 Revenue Statement can be found in Appendix II to the Circular. The above Revised April 2022 Revenue Statement, including the other statements of prospects, made by the Directors are required to be examined and reported on by the auditors and ourselves, as the IFA, pursuant Rule 25 of the Code.

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Shareholders are advised to refer to our letter on the statements of prospects, including the Revised April 2022 Revenue Statement, and the letter from the auditors as set out in Appendices IV and V to the Circular respectively.

9. OUR OPINION AND ADVICE

9.1 Key Considerations of the Offer

In arriving at our opinion and advice in respect of the Offer, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer. The following should be read in conjunction with, and in the context of, the full text of this letter:

- (a) an assessment of the market quotation and trading liquidity of the Shares during the Period Under Review and since the IPO of the Company, as set out in paragraph 8.1 of this letter;
- (b) historical financial performance of the Group, as set out in paragraph 8.2 of this letter;
- (c) the financial position of the Group, including the NAV and RNAV of the Group, as set out in paragraph 8.3 of this letter;
- (d) a comparison with the valuation statistics of the Comparable Companies, including the estimated range of value of the Shares, as set out in paragraph 8.4 of this letter;
- (e) a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST, as set out in paragraph 8.5 of this letter;
- (f) other relevant considerations as follows:
 - (i) among others, the Offeror being entitled to, and intends to, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Offer, as set out in paragraph 8.6.1 of this letter;
 - (ii) the historical dividend yields of the Company, including the Proposed Dividends for FY2023 and FY2024, as set out in paragraph 8.6.2 of this letter;
 - (iii) the Offer Price is at a premium of 7.9% over the mean and median target price set by analysts for the Shares, as set out in paragraph 8.6.3 of this letter;
 - (iv) the absence of alternative or competing offers from third parties as at the Latest Practicable Date and the likelihood of a competing offer being remote in view of the Offeror's entitlement and intention to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, as set out in paragraph 8.6.4 of this letter; and
 - (v) outlook of the Group, as set out in paragraph 8.6.5 of this letter.

9.2 Assessment of the Offer

For the purpose of evaluating the Offer, we have adopted the approach that the term "fair" and "reasonable" are regarded as two different concepts. The term "fair" relates to an opinion on the value of the offer price against the value of the securities subject to the offer (the "**Securities**"), and an offer is "fair" if the price offered is equal to or greater than the value of the Securities. In considering whether an offer is "reasonable", other matters as well as the value of the Securities are taken into consideration. Such other matters include, but are not limited to, existing voting rights in the company held by an offeror and its concert parties or the market liquidity of the relevant securities.

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9.2.1 Assessment of Fairness of the Offer

In determining the fairness of the Offer, we have considered, *inter alia*, the following pertinent factors:

- (a) the Offer Price represents a premium of 13.3% over the issue price of S\$0.20 at the IPO of the Company, and that since the IPO of the Company and up to the Last Trading Day, the Shares have never closed at or above the Offer Price;
- (b) based on the NAV/NTA approach, which provides an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the Offer Price represents a premium of approximately 189.3% against the book NAV/NTA per share of S\$0.0783 as at 31 March 2023. Accordingly, the P/NAV or P/NTA of the Group implied by the Offer Price would be approximately 2.89 times as at 31 March 2023. We further note that the Offer Price represents a premium of 101.0% against the RNAV per Share of S\$0.1127 as 31 March 2023. Accordingly, the P/RNAV of the Group implied by the Offer Price would be approximately 2.01 times as at 31 March 2023;
- (c) the historical P/NAV or P/NTA, P/RNAV, and Adjusted EV/EBITDA ratios as implied by the Offer Price compare favourably against the mean and median of those of the Comparable Companies, and the historical PER ratio as implied by the Offer Price is within the range and only marginally below the mean and median of the PER ratio of the Comparable Companies;
- (d) the Offer Price of \$0.2266 is above the estimated value range of the Shares of S\$0.150 and S\$0.163 per Share;
- (e) the premia as implied by the Offer Price over the VWAP of the Shares for the 12-, 6-, 3-, 1-month periods up to and including the Last Trading Day and the last transacted price on the Last Trading Day are within the respective range, and above the median, of the corresponding premia of the Take-Over Transactions;
- (f) the P/NAV ratio as implied by the Offer Price of 2.89 times compares favourably against the corresponding mean and median Price-to-NAV/NTA ratio for the Take-Over Transactions; and
- (g) the P/RNAV ratio as implied by the Offer Price of 2.01 times compares favourably against the corresponding mean and median Price-to-NAV/NTA ratio for the Take-Over Transactions.

In view of the above, we are of the opinion that the Offer is **FAIR**.

9.2.2 Assessment of Reasonableness of the Offer

In determining the reasonableness of the Offer, we have considered, *inter alia*, the following pertinent factors:

- (a) the Offer Price is at a premium of 34.88% over the closing price of the Shares of \$0.168 on the Last Trading Day;
- (b) the Offer Price represents a premium of 39.02%, 44.33%, 39.02% and 35.69% over the VWAP of the Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Trading Day respectively;
- (c) among others, the Offeror being entitled to, and intends to, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the remaining Shares of Shareholders who have not accepted the Offer;

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- (d) the Offer Price is at a premium of 7.9% over the mean and median target price set by analysts for the Shares; and
- (e) as at the Latest Practicable Date, apart from the Offer, no alternative or competing offer has been received by the Group. In addition, any potential third party may also be discouraged from making a competing offer for the Company at a price higher than the Offer Price in view of the Offeror's entitlement and intention to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.

In view of the above, we are of the opinion that the Offer is **REASONABLE**.

9.3 Our opinion on the Offer

In conclusion, we are of the opinion that, on balance, the financial terms of the Offer are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **in favour** of the Offer.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Offer. The recommendation to be made by them to the Shareholders in respect of the Offer shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the purpose of the Offer.

This letter is governed by and shall be 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
SAC CAPITAL PRIVATE LIMITED

Tan Kian Tiong
Partner and Head, Corporate Finance

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Annex A

----- Trailing 12 Months -----

Company	Stock exchange	Business description (as extracted from Bloomberg)	Share price as at the Latest Practicable Date (S\$)	Market capitalisation as at the Latest Practicable Date (S\$' million)	Financial year end	Revenue (S\$' million)	Net profit/(loss) after tax attributable to shareholders (S\$' million)
GKE Corporation Limited	SGX-ST	GKE Corp. Ltd. operates as an integrated logistics solutions provider. The company offers one-stop, door-to-door multi-modal solutions for supply chain management.	0.068	52.7	31 May	108.9	3.9
Vibrant Group Limited	SGX-ST	Vibrant Group Limited operates a logistics, real estate and financial services group. The company provides international freight forwarding, chemical storage, warehousing and distribution, and record management. Vibrant Group also engages in real estate development and management as well as provides fund management, financial leasing services, and asset and trust management.	0.072	49.6	30 April	170.4	0.2
A-Sonic Aerospace Limited	SGX-ST	A-Sonic Aerospace Limited provides aerospace equipment and logistics services. The company supplies aircraft systems and components to airlines and aviation maintenance repair organizations, as well as offers transportation, warehousing, distribution, and customs clearance services. A-Sonic Aerospace serves customers worldwide.	0.460	49.1	31 December	364.0 ⁽¹⁾	2.2 ⁽¹⁾
Hengyang Petrochemical Logistics Limited	SGX-ST	Hengyang Petrochemical Logistics Ltd. is a petrochemical logistics services provider. The company mainly stores and transports liquid petrochemical products. Hengyang Petrochemical Logistics also provides land transportation services.	0.180	36.6	31 December	Nil ⁽²⁾	(3.2) ⁽³⁾
Eneco Energy Limited	SGX-ST	Eneco Energy Limited provides logistics services.	0.014	32.4	31 December	32.1	0.3

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

Notes:

- (1) Based on exchange rate of S\$1: USD0.7354 as at the Latest Practicable Date (source: Bloomberg L.P.).
- (2) Hengyang Petrochemical Logistics Limited and its subsidiaries have not generated revenue in its latest trailing 12 months period.
- (3) Based on exchange rate of S\$1: RMB5.3677 as at the Latest Practicable Date (source: Bloomberg L.P.).

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

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

Name	Address	Designation
Mr. Lim Lung Tieng, Kelvin	C/O 10 Raeburn Park #02-15B Singapore 088702	Executive Chairman
Mr. Lin Kaixian	C/O 10 Raeburn Park #02-15B Singapore 088702	Executive Director and Managing Director (Transportation Business)
Mr. Yee Kee Shian, Leon	C/O 10 Raeburn Park #02-15B Singapore 088702	Lead Independent Non- Executive Director
Mr. Lim Kian Thong	C/O 10 Raeburn Park #02-15B Singapore 088702	Independent Non-Executive Director
Ms. Tan Hui Tsu, Catherine	C/O 10 Raeburn Park #02-15B Singapore 088702	Independent Non-Executive Director

2. REGISTERED OFFICE

The registered office of the Company is 10 Raeburn Park #02-15B, Singapore 088702.

3. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 24 August 2021 and was listed on the Catalist Board of the SGX-ST on 29 April 2022. The Company is a one-stop logistics management solutions provider with a wide range of comprehensive transportation and container depot management services.

4. SHARE CAPITAL

4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has one (1) class of shares, being ordinary shares. Based on the business profile of the Company extracted from ACRA on the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$17,787,115 (before net-off the issue cost of \$396,000) comprising 167,678,800 Shares. The issued Shares are listed and quoted on the Catalist Board of the SGX-ST.

4.2 Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are set out in Appendix VII to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4.3 New Issues

As at the Latest Practicable Date, there has been no other issuance of Shares by the Company since 30 September 2022, being the end of the last financial year.

4.4 Convertible Securities

As at the Latest Practicable Date, 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.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

5. DISCLOSURE OF INTERESTS AND DEALINGS

5.1 Interest of the Company in Offeror Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or deemed interest in the Offeror Securities.

5.2 Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, neither the Company nor its subsidiaries have dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.3 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any other direct or deemed interest in the Company Securities at the Latest Practicable Date.

Mr. Lim Lung Tieng, Kelvin has a deemed interest in 140,940,800 Shares, representing 84.05 per cent of the Shares.

5.4 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.5 Interests of the Directors in Offeror Securities

As at the Latest Practicable Date, none of the Directors has any direct or deemed interest in Offeror Securities.

5.6 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.7 Company Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis, owns or controls any Company Securities.

5.8 Dealings in Company Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis, has dealt for value in the Company Securities.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors and the Company or its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such service contracts between any of the Directors or proposed directors and the Company or its subsidiaries entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) there are no payments or other benefits which will be made or given to any Director or any director of any corporation, which is by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) save for the Irrevocable Undertakings, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

8. DISCLOSURE OF INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

None of the IFA or any of the funds whose investments are managed by the IFA on a discretionary basis, owns or controls any Company Securities as at the Latest Practicable Date, or has dealt with any Company Securities during the Relevant Period.

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in this Circular, on the SGXNET, in the Company's annual reports, or any publicly available information on the Group, 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 Interested Persons during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

10. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in this Circular, on the SGXNET, in the Company's annual reports, or any publicly available information on the Group, 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, and the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or 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.

11. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for FY2020, FY2021 and FY2022 (based on the audited combined financial statements of the Group for each of FY2020 and FY2021 and the audited consolidated financial statement of FY2022 respectively) is set out below.

The summary of the financial information of the Group as set out in this Section 11 is extracted from, and should be read together with, the annual reports, the Offering Document and the financial statements of the Group for the relevant years and the related notes thereto, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 10 Raeburn Park #02-15B, Singapore 088702, during normal business hours, for the period during which the Offer remains open for acceptance.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

11.1 Statements of Profit or Loss of the Group

	FY2022 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Revenue	27,320	27,181	25,189
Cost of sales	(19,664)	(18,272)	(17,053)
Gross profit	7,656	8,909	8,136
Other gains/(losses) – net and other income	(3,611)	910	1,189
Distribution expenses	(75)	(59)	(59)
Administrative expenses	(7,235)	(5,109)	(5,214)
Finance costs	(426)	(633)	(597)
Share of result of associates, net of tax	1,024	698	511
(Loss)/profit before income tax	(2,667)	4,716	3,966
Income tax (expense)/credit	(518)	(732)	(572)
(Loss)/profit for the financial year	(3,185)	3,984	3,394
Other comprehensive (loss)/income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences arising from consolidation	(64)	(63)	(37)
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Revaluation (loss)/gain on property, plant and equipment	(921)	921	–
Total comprehensive (loss)/income for the financial year	(4,170)	4,842	3,357
(Loss)/profit attributable			
Owners of the parent	(4,284)	3,323	2,853
Non-controlling interest	1,099	661	541
	(3,185)	3,984	3,394
Total comprehensive (loss)/income attributable to:			
Owners of the parent	(5,230)	4,217	2,836
Non-controlling interest	1,060	625	521
	(4,170)	4,842	3,357
Earnings/(loss) per share			
Basic and diluted	(2.69)	2.36	2.02

The Board of Directors of the Company did not recommend any dividend in respect of the financial year ended 30 September 2021.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

11.2 Balance Sheet of the Group

	FY2022 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Non-current assets			
Property, plant and equipment	10,715	15,296	14,615
Right-of-use assets	10,192	11,360	11,841
Intangible assets	–	–	40
Deferred tax assets	–	–	9
Prepayment	435	–	–
Investment in associated companies	360	238	148
	<u>21,702</u>	<u>26,894</u>	<u>26,653</u>
Current assets			
Cash and bank deposits	7,594	5,121	4,566
Inventories	92	44	31
Trade and other receivables	5,461	5,729	5,376
Current income tax recoverable	–	–	–
Prepayments	459	132	304
	<u>13,606</u>	<u>11,026</u>	<u>10,277</u>
Less:			
Current liabilities			
Trade and other payables	3,125	2,273	3,463
Bank borrowing	2,223	2,234	1,678
Lease liabilities	1,582	2,014	2,300
Current income tax payable	383	449	472
	<u>7,313</u>	<u>6,970</u>	<u>7,913</u>
Net current assets	<u>6,293</u>	<u>4,056</u>	<u>2,364</u>
Less:			
Non-current liabilities			
Lease liabilities	5,459	6,455	7,228
Bank borrowing	7,610	9,635	10,401
Deferred tax liabilities	152	157	27
	<u>13,221</u>	<u>16,247</u>	<u>17,656</u>
Net assets	<u>14,774</u>	<u>14,703</u>	<u>11,361</u>
Capital and reserves			
Share capital	17,392	1,409	1,409
Reserve	(5,230)	11,031	8,114
Equity attributable to owners of the parent	<u>12,162</u>	<u>12,440</u>	<u>9,523</u>
Non-controlling interest	2,612	2,263	1,838
Total equity	<u>14,774</u>	<u>14,703</u>	<u>11,361</u>

11.3 Significant Accounting Policies

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2022 and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date, there are no significant accounting policies or any matters from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

11.4 Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2022 and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

11.5 Material Changes in Financial Position

Save as disclosed in publicly available information on the Company (including but not limited to that contained in the annual report of the Company for FY2022 and the announcements released by the Company on the SGXNET) and in this Circular, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 30 September 2022, being the date to which the Company's last published audited accounts were made up.

11.6 Material Changes in Information

Save as disclosed in this Circular (including the matter below) and save for the information relating to the Group 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 period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

In the offer document of the Company released on 19 April 2022 on SGXNet accompanying the placement of 25,238,000 Shares on the Catalist Board of the SGX-ST, the extract below sets out a statement made at paragraph (a) on page 155, in the section titled "*Trend Information and Order Book*" (the "**April 2022 Revenue Statement**"):

(a) *Our revenue for the next two financial years is expected to increase due to more value-added services to be provided to our customers under our Transportation Business in tandem with the expected completion of the construction of our ISO tank depot at 7 Gul Avenue and our expected increase in vehicle fleet size;*

The reference to the "*next two financial years*" in the statement was a reference to the financial year ended 30 September 2022 (i.e. FY2022) and the financial year ending 30 September 2023 (i.e. FY2023) respectively.

In relation to the revenue for FY2022 for which the period has ended as at the Latest Practicable Date, the Company published its audited financial statements for FY2022 in its annual report for FY2022 on 6 January 2023 on SGXNet, in which it was disclosed that the Group's revenue was S\$27.32 million for FY2022, compared to S\$27.18 million for FY2021. Accordingly, the April 2022 Revenue Statement in relation to the Group's revenue for FY2022 is no longer applicable as at the Latest Practicable Date.

In relation to the revenue for FY2023 for which the period has commenced but not ended as at the Latest Practicable Date, the Company published its Unaudited Condensed Financial Statements For The Six Months ended 31 March 2023 on 28 April 2023 on SGXNet, in which it was disclosed that, among others, (i) the Group's actual revenue was S\$12.74 million for FY2023H1, compared to S\$13.57 million for FY2022H1, and (ii) the Group's actual Transportation Business revenue was S\$8.22 million for FY2023H1, compared to S\$8.84 million for FY2022H1.

The Company had also disclosed in the same FY2023H1 announcement that the decrease in the revenue of the Transportation Business in FY2023H1 was due to the disruption of certain operations as the construction of ISO tank depot at 7 Gul Avenue is in progress. The Company had further disclosed, among others, that the construction of the ISO tank depot is expected to be completed in FY2023 and the chemical cleaning and repair services for ISO tanks will be undergoing trial runs in FY2023Q4 or FY2024Q1, depending on the delivery of the equipment.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

Based on the foregoing reasons, the Group's actual revenue published for FY2023H1 and the information available to the Company as at the Latest Practicable Date, the April 2022 Revenue Statement in relation to the Group's revenue for FY2023H1 is no longer applicable as at the date of this Circular. Accordingly, the Directors have made a revised April 2022 Revenue Statement as follows:

"After taking into account, among others, (i) the delay in the construction of the ISO tank depot, (ii) the Group's actual revenue published for FY2023H1 and (iii) information available to the Company as at the Latest Practicable Date, the Company does not expect the revenue for FY2023 to increase from FY2022 or FY2021." (the **"Revised April 2022 Revenue Statement"**).

Consequently, the April 2022 Revenue Statement in relation to the Group's revenue for FY2023 is no longer applicable as at the date of this Circular, and the April 2022 Revenue Statement is now superseded by the Revised April 2022 Revenue Statement.

Shareholders should note that the bases and assumptions for the Statements of Prospects, including the Revised April 2022 Revenue Statement, are set out in Appendix VI to this Circular. The IFA and Auditor have each issued their letter in relation to the Statements of Prospects, as set out in Appendices IV and V to this Circular, respectively. Shareholders are urged to read Appendices IV, V and VI to this Circular carefully.

The Directors are of the opinion that the Statements of Prospects, including the Revised April 2022 Revenue Statement, remains valid for the purpose of the Offer. The IFA and the Auditor, who each reported on the Statements of Prospects in accordance with the Code, have indicated that they have no objection to their respective IFA's Letter on the Statements of Prospects and Auditor's Letter on the Statements of Prospects (as set out in Appendices IV and V to this Circular, respectively) continuing to apply.

12. COST AND EXPENSES

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

13. VALUATION OF SUBJECT ASSET

For the purposes of the Offer, the Company had commissioned the Valuer to carry out a valuation of the Subject Asset as at the Valuation Date. The Valuation Report is reproduced in Appendix VIII to this Circular.

Based on the valuation process above, the Valuer had concluded that the market value of the Subject Asset owned by the Group as at the Valuation Date is S\$22,000,000. This valuation amount is based on the Valuer's assessment of the Subject Asset including construction currently in progress.

Such valuation has been included as part of the IFA's consideration in the IFA Letter. A summary of the net book value, market value, revaluation surplus of the Subject Asset from the valuation is extracted from paragraph 8.3.3 of the IFA Letter and reproduced below:

8.3.3 *Revalued NAV ("RNAV") of the Group*

In our evaluation of the Offer Price, we have also considered whether there are any assets which should be valued at an amount that is materially different from that which are recorded in the unaudited balance sheet of the Group as at 31 March 2023, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 31 March 2023.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

The aggregate book value of the property, plant and equipment of the Group as at 31 March 2023 (comprising (i) construction in progress; (ii) leasehold property; (iii) machinery; (iv) renovation; (v) logistics equipment; (vi) motor vehicle; (vii) computers; (viii) furniture and fitting; (ix) containers; and (x) office equipment) amounted to approximately S\$19.0 million, representing approximately 48.7% of the Group's total assets.

We understand that the "leasehold property" refers to the leasehold land located at 7 Gul Avenue, Singapore 629651 while the "construction in progress" relates to the ongoing construction of the Group's ISO tank depot, a single-story factory development with open storage, ancillary mezzanine office, above ground diesel tank and open chemical storage site (collectively, the "**7 Gul Leasehold Property**"). As at 31 March 2023, the net book value of the 7 Gul Leasehold Property amounted to approximately S\$16.2 million, representing approximately 41.6% of the Group's total assets.

Upon completion of the construction of the ISO tank depot which is expected to be in October 2023, the Company would be able to use it in the operations of the Group in its ordinary course of business by providing empty ISO tank storage services and laden ISO tank storage services for hazardous substances, petroleum and flammable materials. We understand from the Management that the ISO tank depot will be for internal use to support the Group's existing business operations and as at the Latest Practicable Date, the Group does not have any plans for an imminent material disposal and/or conversion of the use of the ISO tank depot, when completed.

Notwithstanding the above proposed use and intention, for the assessment of the RNAV of the Group for the purposes of the Offer, the Group had commissioned the Independent Valuer to conduct an independent valuation to determine the market value of the 7 Gul Leasehold Property as at 31 July 2023, which is set out below:

	Net book value as at 31 March 2023 (S\$'000)	Market Value as at 31 July 2023 (S\$'000)	Revaluation (Deficit) / Surplus (S\$'000)
Leasehold property/land	5,700	5,600 ⁽¹⁾	(100)
Construction in progress	10,526	16,400 ⁽²⁾	5,874
7 Gul Leasehold Property	16,226	22,000	5,774

Notes:

- (1) Based on the Valuation Report, refers to the market value of the Group's right-of-use over the balance lease term of the leasehold property.
- (2) Based on the Valuation Report, refers to the market value of investment property under construction.

Taking into account the above, we have made the following adjustment to the NAV of the Group to arrive at the RNAV of the Group as at 31 March 2023:

(S\$'000)	31 March 2023
Unaudited NAV of the Group	13,132
Add: Revaluation surplus	5,774
RNAV of the Group	18,906
RNAV per Share (S\$)	0.1127

Based on the above, we note that the Offer Price represents a premium of approximately 101.0% against the RNAV per share of S\$0.1127 as at 31 March 2023. Accordingly, the Price- to-RNAV ("**P/RNAV**") of the Group implied by the Offer Price would be approximately 2.01 times as at 31 March 2023.

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

The Independent Valuer had conducted its independent valuation of the 7 Gul Leasehold Property on the basis of “Market Value” which is defined as “the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion”.

In arriving at the “Market Value” of the 7 Gul Leasehold Property, the Independent Valuer has adopted the comparison method as the appropriate method for the valuation of the Group’s right-of-use over the balance lease term of the leasehold property, and the cost approach as the appropriate method for the valuation of the Group’s construction in progress where the market value of the leasehold property is inclusive. Further details on the independent valuation can be found in the Valuation Report, which is set out in Appendix VIII of the Circular. Shareholders are advised to read the above in conjunction with the Valuation Report in its entirety.

Under Rule 26.3 of the Code, the Group is required, inter alia, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. The Management has confirmed that they do not expect any potential tax liability on the revaluation surplus arising from the independent valuation of 7 Gul Leasehold Property as it is held for its own internal use and not intended for sale and in a hypothetical scenario where the 7 Gul Leasehold Property is sold at the market value, there is no potential tax liability on the revaluation surplus as such gains will be deemed as capital gain and there is no capital gain tax in Singapore.

Save as disclosed in this letter and any publicly available information as disclosed in the announcements by the Company, the Directors and Management have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) they are not aware of any material difference between the estimated market value of the assets held by the Group and its associates vis-à-vis their respective book values recorded in the unaudited statements of financial position of the Group as at 31 March 2023;*
- (b) they are not aware of any circumstances which may cause the NAV and NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the latest announced consolidated statement of financial position of the Group as at 31 March 2023;*
- (c) there have been no material disposals or acquisitions of assets by the Group between 31 March 2023 and the Latest Practicable Date, and the Group does not have any plans for such impending material disposal or acquisition of assets, conversion of the use of the Group’s material assets or material change in the nature of the Group’s business;*
- (d) there are no contingent liabilities, bad or doubtful debts or impairment losses or material events at as the Latest Practicable Date which are likely to have a material impact on the NAV and NTA of the Group as at 31 March 2023;*
- (e) there are no litigation, claim or proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have a material impact on the financial position of the Group as at 31 March 2023; and*
- (f) there are no other intangible assets as at the Latest Practicable Date which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been disclosed that would have a material impact on the NAV and NTA of the Group as at 31 March 2023.*

APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY

Under Rule 26.3 of the Code, the Company is required, inter alia, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation. The management of the Company has confirmed that they do not expect any potential tax liability on the revaluation surplus arising from the independent valuation of the Subject Asset as it is held for its own internal use and not intended for sale and in a hypothetical scenario where the Subject Asset is sold at the market value, there is no potential tax liability on the revaluation surplus as such gains will be deemed as capital gain and there is no capital gain tax in Singapore.

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from Appendix 3 to the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as ascribed to them in the Offer Document.

APPENDIX 3

ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The name, address and description of each Director as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Wang Yongdong	16 Enggor Street, #30-08, Altez, Singapore 079717	Director
Ms Miao Leimin	16 Enggor Street, #30-08, Altez, Singapore 079717	Director

2. PRINCIPAL ACTIVITY AND SHARE CAPITAL

The Offeror was incorporated in the Republic of Singapore on 30 July 2021 and is a private company limited by shares. Its principal activity is that of freight forwarding business and transport arrangement of chemical products.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$300,000.00 with 300,000 ordinary shares. The Offeror is wholly owned by MCSC, which was incorporated in the People's Republic of China on 28 March 1997 and is a China-based company which is mainly engaged in the provision of chemical supply chain services.

MCSC mainly provides one-stop integrated logistics and management services worldwide, with freight forwarding, warehousing, transportation and chemical distribution as the core for domestic and foreign chemical production enterprises and chemical consumer enterprises, including transportation, warehousing, freight forwarding, distribution, logistics processing, information services and others. MCSC also provides chemical supply chain services for low-risk products such as paints, pesticides, polyurethane materials, electronic chemicals, lithium batteries, dyes and others. MCSC provides its services in domestic market and to overseas markets, with network and legal presence in Singapore, United States of America and Germany.

MCSC was listed on the Shanghai Stock Exchange (share code: 603713) in 2018. As at the Latest Practicable date, MCSC has a market capitalisation of approximately RMB 14.41 billion.

3. FINANCIAL SUMMARY

3.1 SUMMARY OF FINANCIAL PERFORMANCE OF THE OFFEROR

A summary of the audited statement of profit of loss and other comprehensive income of the Offeror for the 17-month financial period ended 31 December 2022 ("17M2022") is set out in the table below. As the Offeror was incorporated on 30 July 2021, no audited statement of profit of loss and other comprehensive income of the Offeror were prepared prior to 30 July 2021.

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

3.2 SUMMARY OF FINANCIAL POSITION OF THE OFFEROR

	17M2022 (Audited) USD'000
Revenue	9,459
Cost of sales	(9,961)
Gross loss	(502)
Other income	20
Operating expenses	(730)
Loss before tax	(1,212)
Income tax	–
Loss for the period	(1,212)

A summary of the audited statement of financial position of the Offeror as at 31 December 2022 is set out in the table below. As the Offeror was incorporated on 30 July 2021, no audited statement of financial position of the Offeror was prepared prior to 30 July 2021.

	31 December 2022 (Audited) USD'000
Assets	
Non-current assets	
Plant and equipment	13
Investment in subsidiaries	1,107
Total non-current assets	1,120
Current assets	
Cash and bank balances	3,150
Trade receivables	2,416
Other receivables	903
Prepayment	15
Total current assets	6,484
Total assets	7,604
Liabilities	
Current liabilities	
Trade payables	7,529
Other payables and accruals	815
Total liabilities	8,344
Equity	
Share capital	217
Capital reserves	255
Accumulated losses	(1,212)
Total equity	(740)
Total liabilities and equity	7,604

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

3.3 SUMMARY OF FINANCIAL PERFORMANCE OF MCSC GROUP

A summary of the audited consolidated income statements of MCSC Group for FY2020, FY2021, FY2022 and the unaudited interim consolidated income statements for the six-month financial period ended 30 June 2023 (“6M2023”) is set out in the table below. The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of MCSC Group for FY2020, FY2021, FY2022 and the unaudited interim financial statements for 6M2023 which are available on the Shanghai Stock Exchange website, <http://www.sse.com.cn/>.

	FY2020 (Audited) RMB'million	FY2021 (Audited) RMB'million	FY2022 (Audited) RMB'million	6M2023 (Unaudited) RMB'million
Revenue	3,427	8,645	11,576	4,528
Cost of sales	(2,854)	(7,758)	(10,316)	(3,980)
Gross profit	573	887	1,260	548
Tax and surcharge	(10)	(19)	(21)	(13)
Selling expenses	(49)	(94)	(124)	(58)
General and administrative expenses	(129)	(198)	(298)	(144)
Research and development expenses	(26)	(28)	(31)	(19)
Financial expenses	(31)	(54)	(55)	(31)
Other income	15	22	24	8
Investment income	4	12	3	4
Gains on changes in fair value	*	*	2	2
Losses on credit impairment	(7)	*	(13)	5
Assets impairment losses	(4)	(13)	(41)	(5)
Gains on disposal of assets	–	15	2	2
Operating profit	336	530	780	298 [#]
Non-operating income	17	20	33	27
Non-operating expenses	(4)	(23)	(12)	(4)
Profit before income tax	349	528[#]	729	320[#]
Income tax expenses	(60)	(92)	(105)	(62)
Net profit after tax	290[#]	436	624	259[#]
Profit attributable to:				
Shareholders of the company	288	432	605	253
Non-controlling interest	1[#]	4	18[#]	5[#]

Notes:

* Less than RMB1,000,000.

Does not add up due to rounding.

3.4 SUMMARY OF ASSETS AND LIABILITIES OF MCSC GROUP

A summary of the audited consolidated balance sheet of MCSC Group as at 31 December 2020, 31 December 2021, 31 December 2022 and the unaudited consolidated balance sheet of MCSC Group as at 30 June 2023 is set out in the table below. The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of the MCSC Group for FY2020, FY2021, FY2022 and the unaudited interim financial statements for 6M2023, which are available on the Shanghai Stock Exchange website, <http://www.sse.com.cn/>.

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

	31 December 2020 (Audited) RMB'million	31 December 2021 (Audited) RMB'million	31 December 2022 (Audited) RMB'million	30 June 2023 (Unaudited) RMB'million
Assets				
Cash and cash equivalent	126	638	1,277	1,237
Financial assets held for trading	16	382	449	394
Notes receivable	18	721	712	568
Accounts receivable	1,167	1,943	2,045	1,992
Accounts receivables financing	6	32	295	190
Advances to suppliers	93	391	196	253
Other receivables	49	91	122	132
Inventories	18	78	266	217
Other current assets	135	179	157	171
Total current assets	1,798#	4,454#	5,519	5,154
Long term equity investment	-	*	-	2
Investment properties	8	3	28	24
Fixed assets	789	1,089	1,199	1,306
Construction in progress	46	279	564	796
Right to use assets	-	154	278	234
Intangible assets	480	559	839	947
Goodwill	473	610	872	1,113
Long-term prepaid expenses	27	23	38	35
Deferred tax assets	18	25	70	81
Other non-current assets	38	76	103	166
Total non-current assets	1,880#	2,819#	3,992	4,704
TOTAL ASSETS	3,678	7,273	9,511	9,858
Liabilities				
Short-term borrowings	254	805	1,406	1,722
Notes payable	297	530	135	157
Accounts payable	464	719	790	882
Advances from customers	2	31	88	20
Contract liabilities	12	11	46	33
Payroll payable	43	63	76	60
Taxes payable	24	61	57	77
Other payables	300	254	273	326
Non-current liabilities due within 1 year	-	90	140	129
Other current liabilities	194	715	706	525
Total current liabilities	1,590	3,279	3,718#	3,932#
Long-term borrowings	184	525	708	629
Bond payable	-	-	835	850
Lease liabilities	-	65	138	110
Long-term payables	2	1	-	-
Estimated liabilities	-	1	4	4
Deferred income	19	18	17	17
Deferred tax liabilities	105	164	198	214
Total non-current liabilities	309#	774	1,899	1,823#
TOTAL LIABILITIES	1,899	4,053	5,617	5,756#
Equity				
Share capital	155	164	164	164
Other equity instruments	-	-	35	35
Capital reserves	704	1,788	1,833	1,849
Treasury shares	(41)	(82)	(69)	(103)
Other comprehensive income	-	*	2	4
Special reserve	32	31	30	28
Surplus reserves	19	20	33	33
Retained earnings	842	1,231	1,759	1,923
Shareholders' equity	1,711	3,153#	3,789#	3,933
Minority interest	68	67	105	170
TOTAL LIABILITIES AND EQUITY	3,678	7,273	9,511	9,858#

APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, there has not been, to the knowledge of the Offeror, any material change in the financial position of the Offeror since 31 December 2022, being the date of the last audited financial statements of the Offeror.

As at the Latest Practicable Date, save for (i) the making of the Offer, and (ii) information on the MCSC Group which is publicly available, there has not been, to the knowledge of the MCSC Group, any material change in the financial position of the MCSC Group since 31 December 2022, being the date of the last audited consolidated financial statements of the MCSC Group laid before its shareholders in general meeting.

5. SIGNIFICANT ACCOUNTING POLICIES

The audited financial statements of the Offeror have been prepared in accordance with the Singapore Financial Reporting Standards. The significant accounting policies of the Offeror are set out in the notes of the financial statements of the audited financial statements of the Offeror for 17M2022.

The audited consolidated financial statements of the MCSC Group have been prepared in accordance with China Accounting Standards issued by the Ministry of Finance (企業會計準則). The significant accounting policies of the MCSC Group are set out in the notes of the financial statements of the audited consolidated financial statements of the MCSC Group for FY2022, which is available on the Shanghai Stock Exchange website, <http://www.sse.com.cn/>.

6. CHANGES IN ACCOUNTING POLICIES

*As at the Latest Practicable Date, there has been no material change in the accounting policies of the Offeror since the date of its audited financial statements for 17M2022 which will cause the figures set out in Sections 1 and 2 of this **Appendix 3** above to be not comparable to a material extent.*

*As at the Latest Practicable Date, there has been no material change in the accounting policies of the MCSC Group since the date of its audited consolidated financial statements for FY2022 which will cause the figures set out in Sections 3 and 4 of this **Appendix 3** above to be not comparable to a material extent.*

7. REGISTERED OFFICE

The registered office of the Offeror is at 10 Anson Road, #03-58 International Plaza, Singapore 079903.

APPENDIX IV – IFA’S LETTER ON THE STATEMENTS OF PROSPECTS



SAC Capital Private Limited

1 Robinson Road #21-00 AIA Tower Singapore 048542

Tel: (65) 6232 3200 Fax: (65) 6232 3244

Business Registration No.: 200401542N

30 August 2023

The Board of Directors
LHN Logistics Limited
10 Raeburn Park
#02-15B
Singapore 088702

Dear Sirs/Madam,

PROPOSED VOLUNTARY CONDITIONAL GENERAL OFFER TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF LHN LOGISTICS LIMITED (THE “COMPANY”, AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)

On 4 June 2023, RHT Capital Pte. Ltd. (“RHTC”) announced (the “**Pre-conditional Offer Announcement**”), for and on behalf of Milkyway International Chemical Supply Chain Pte. Ltd. (the “**Offeror**”) that, subject to the satisfaction of the Pre-conditions (as defined in the circular to shareholders of the Company dated 30 August 2023 (the “**Circular**”)), the Offeror will make a voluntary conditional general offer to acquire all the issued and paid-up ordinary shares in the capital of the Company, in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

Further to the Pre-conditional Offer Announcement, on 2 August 2023, RHTC announced, for and on behalf of the Offeror, (i) that the Pre-conditions have been satisfied and (ii) the Offeror’s firm intention to make the Offer (the “**Offer**”).

As set out in Appendix VI to the Circular, the Company has made the following statements which are deemed as statements of prospects under Rule 25 of the Code (the “**Statements of Prospects**”):

Date of release on the SGX-ST	Statements of Prospects
30 August 2023	<i>After taking into account, among others, (i) the delay in the construction of the ISO tank depot, (ii) the Group’s actual revenue published for FY2023H1 and (iii) information available to the Company as at the Latest Practicable Date, the Company does not expect the revenue for FY2023 to increase from FY2022 or FY2021.</i>
31 October 2022	<i>For the Container Depot Services Business, our Myanmar container depot commenced operations in FY2022 and barring any unforeseen circumstances, it is likely to contribute positively to the Group.</i>
6 January 2023	<i>Our Myanmar container depot, which commenced operations in the year under review, is expected to contribute positively to the Container Depot Services Business and by extension, the Group, barring any unforeseen circumstances.</i>

APPENDIX IV – IFA’S LETTER ON THE STATEMENTS OF PROSPECTS

Shareholders may wish to refer to the respective announcements and documents of the Company, and section 11.6 of Appendix II of the Circular for the full context of the Statements of Prospects.

This letter has been prepared for inclusion in the Circular in connection with the Offer pursuant to Rule 25 of the Code.

We have discussed the key bases and assumptions underlying the Statements of Prospects with the Directors and the management of the Company as reproduced in Appendix VI to the Circular.

We have also noted and have considered the letter issued by PricewaterhouseCoopers LLP (“**PwC**”) dated 30 August 2023 and addressed to the Directors relating to their examination of the Statement of Prospects and the accounting policies as well as calculations for the forecast and budgets upon which the Statements of Prospects were prepared. A copy of the letter from PwC is set out in Appendix V to the Circular.

We have relied on the accuracy and completeness of all financial and other information provided to us by the Company and have assumed such accuracy and completeness for the purposes of providing this report. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on in our evaluation.

Based on the above, we are of the opinion that the Statements of Prospects (for which the Directors are solely responsible) have been made by the Directors after due and careful enquiry.

We have provided this report solely to the Directors in compliance with Rule 25 of the Code and for no other purposes. We do not accept responsibility to any other person(s), other than the Directors, in respect of, arising out of, or in connection with this report.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Tan Kian Tiong
Partner and Head, Corporate Finance



LHN Logistics Limited
10 Raeburn Park
#02-15B
Singapore 088702

Attention: The Board of Directors

30 August 2023

Our ref: ASR OU1/ 3054476-845246/DL/LM (10)
(When Replying Please Quote Our Reference)

**AGREED-UPON PROCEDURES REPORT ON THE STATEMENTS OF PROSPECTS OF
LHN LOGISTICS LIMITED (THE “COMPANY”) AND ITS SUBSIDIARIES (THE “GROUP”)**

Dear Sirs

**Purpose of this Agreed-Upon Procedures Report and Restriction on Use and
Distribution**

The Company issued a circular dated 30 August 2023 to the shareholders of the Company in connection with the voluntary conditional general offer (the “Offer”) by RHT Capital Pte. Ltd., for and on behalf of Milkyway International Chemical Supply Chain Pte. Ltd. (the “Offeror”), to acquire all the issued and paid-up ordinary shares in the capital of the Company (the “Offer Shares”) as at the date of the Offer, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “Code”) (the “Circular”).

As stated in Appendix VI of the Circular “Statements of Prospects”, the Company made the statements below which are deemed as statements of prospects under Rule 25.6 of the Code (the “Statements of Prospects”).

Statements of Prospects

First Statement of Prospects

- 1) On 30 August 2023, the Company included in Appendix II of the Circular “Additional information on the Company”, Section 11.6 Material Changes in Information, the following statement on the prospects of the Group:

“After taking into account, among others, (i) the delay in the construction of the ISO tank depot, (ii) the Group’s actual revenue published for FY2023H1 and (iii) information available to the Company as at the Latest Practical Date, the Company does not expect the Group’s revenue for FY2023 to increase from FY2022 or FY2021.”

*PricewaterhouseCoopers LLP, 7 Straits View, Marina One East Tower Level 12, Singapore 018936
T: (65) 6236 3388, F: -, www.pwc.com/sg GST No.: M90362193L Reg. No.: T09LL0001D*

PricewaterhouseCoopers LLP (Registration No. T09LL0001D) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act 2005. PricewaterhouseCoopers LLP is part of the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.



Second and Third Statements of Prospects

- 2) On 31 October 2022, the Company made an announcement in relation to its unaudited financial results of the Group for the six months and full year ended 30 September 2022, which included the following statement on the prospects of the Group:

“For the Container Depot Services Business, our Myanmar container depot commenced operations in FY2022 and barring any unforeseen circumstances, it is likely to contribute positively to the Group.”

- 3) On 6 January 2023, the Company published its annual report for year ended 30 September 2022, which included the following statement on the prospects of the Group:

“Our Myanmar container depot, which commenced operations in the year under review, is expected to contribute positively to the Container Depot Services Business and by extension, the Group, barring any unforeseen circumstances.”

We have not performed any procedures regarding and accordingly do not report on, the possibility of achievement of the Statements of Prospects. Actual results may differ from the Statements of Prospects since anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from the Statements of Prospects.

This report is solely for the purpose of reporting to the Board of Directors of the Company under the Code and may not be suitable for another purpose. This report is intended solely for you, and should not be used by, or distributed to any other party (“Third Party”) without our prior written consent. We accept no liability or responsibility to any Third Party to whom this report is disclosed or otherwise made available to.

Responsibilities of the Engaging Party

You have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

You (also the Responsible Party) are responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Singapore Standard on Related Services (SSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with you, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

APPENDIX V – AUDITOR’S LETTER ON THE STATEMENTS OF PROSPECTS



Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Management

We have complied with the ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code). For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies Singapore Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with you in the terms of engagement dated 23 August 2023, on the Statements of Prospects.

	Procedures	Findings
1	Obtain the schedule of forecast and budget prepared by the management of the Company supporting each of the Statement of Prospects (each a "Forecast and Budget") and check the arithmetic accuracy of each of the Forecast and Budget.	For the First Statement of Prospects, we have obtained the supporting Forecast and Budget for the period 1 August 2023 to 30 September 2023 and have found it to be arithmetically accurate. For the Second and Third Statements of Prospects, we have obtained the supporting Forecast and Budget for the period 1 October 2022 to 30 September 2023 and have found it to be arithmetically accurate.
2	Obtain from the management of the Company, the accounting policies on which each Forecast and Budget prepared was based on and agree these accounting policies to the accounting policies as set out in the audited consolidated financial statements of the Group for the year ended 30 September 2022.	We have obtained the accounting policies on which each of the Forecast and Budget prepared was based on, compared them to the accounting policies as set out in the audited consolidated financial statements of the Group for the year ended 30 September 2022, and found them to be in agreement.
3	Trace each of the bases and assumptions outlined for each Statement of Prospects in Appendix VI of the Circular to the list of bases and assumptions used in the respective Forecast and Budget as provided by the management of the Company (each a "List").	We have traced each of the bases and assumptions outlined for each Statement of Prospects in Appendix VI of the Circular to the respective List, and found them to be in agreement.



Yours faithfully

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore

APPENDIX VI – STATEMENTS OF PROSPECTS

The following statements of prospects (the “Statements of Prospects”) were not made in connection with the Offer.

The Directors have not issued any profit forecast for the Group for the financial year ending 30 September 2023 and the 12 months financial period ending 31 March 2024, in connection with the Offer. The Statements of Prospects should not be regarded as a forecast of the future financial performance of the Group.

The Statements of Prospects for which the Directors are solely responsible, were made on bases consistent with the accounting policies adopted by the Group as set out in the audited consolidated financial statements of the Group for FY2022 (and there are no significant changes to the accounting policies of the Group for FY2023). They were not made in connection with the Offer and were based on assumptions and/or information available as at the relevant dates on which each such Statement of Prospect was made.

First Statement of Prospects

In Section 11.6 of Appendix II to this Circular, the following statement was made (the “**First Statement of Prospects**”):

“After taking into account, among others, (i) the delay in the construction of the ISO tank depot, (ii) the Group’s actual revenue published for FY2023H1 and (iii) information available to the Company as at the Latest Practicable Date, the Company does not expect the revenue for FY2023 to increase from FY2022 or FY2021.”

Second and Third Statements of Prospects

In the announcement of the Unaudited Condensed Financial Statements For The Six Months and Full Year Ended 30 September 2022 of the Company announced on 31 October 2022 on SGXNet, the following statement was made (the “**Second Statement of Prospects**”):

“For the Container Depot Services Business, our Myanmar container depot commenced operations in FY2022 and barring any unforeseen circumstances, it is likely to contribute positively to the Group.”

Further, in the Company’s Annual Report for the financial year ended 30 September 2022 released on 6 January 2023 on SGXNet, the following statement was made (the “**Third Statement of Prospects**”):

“Our Myanmar container depot, which commenced operations in the year under review, is expected to contribute positively to the Container Depot Services Business and by extension, the Group, barring any unforeseen circumstances.”

The Statements of Prospects were made based on the assumptions set out below.

1. In respect of the First Statement of Prospects – No Revenue Increase in FY2023

“After taking into account, among others, (i) the delay in the construction of the ISO tank depot, (ii) the Group’s actual revenue published for FY2023H1 and (iii) information available to the Company as at the Latest Practicable Date, the Company does not expect the revenue for FY2023 to increase from FY2022 or FY2021.”

The bases and commercial assumptions on which the First Statement of Prospect was made are as follows:

- (a) there would be no material changes in the existing structure and principal activities of the Group;
- (b) there would be no material changes in the management and accounting policies from those currently adopted;

APPENDIX VI – STATEMENTS OF PROSPECTS

- (c) there would be no material changes in existing political, economic, legal or regulatory conditions affecting the Group;
- (d) there would be no material changes, other than as announced and projected for, in the bases or rates of taxation, tariffs, duties, currency exchange rates and interest rates from those prevailing at the date of announcement and which may affect the Group's performance and the Group's financial position;
- (e) there would be no major industrial disputes, economic and political changes or any abnormal circumstances which will adversely affect the Group and its major customers and suppliers;
- (f) there would be no unexpected business interruptions by fire or other calamities, power failures or machine breakdowns and other events beyond our control;
- (g) there would be no loss of key personnel and management staff who are key to the Company's business during FY2022 and FY2023;
- (h) the construction of the ISO tank depot at 7 Gul Avenue is expected to be completed in October 2023; and
- (i) there are no material acquisitions of assets and businesses by the Group.

2. *In respect of the Second and Third Statements of Prospects - Positive contribution from Myanmar container depot*

"For the Container Depot Services Business, our Myanmar container depot commenced operations in FY2022 and barring any unforeseen circumstances, it is likely to contribute positively to the Group."

"Our Myanmar container depot, which commenced operations in the year under review, is expected to contribute positively to the Container Depot Services Business and by extension, the Group, barring any unforeseen circumstances."

(Please note that in the above statements, "contribute positively" refers to an increase in revenue contribution to the Group.)

The bases and commercial assumptions on which the Second Statement of Prospects and the Third Statements of Prospects were made are as follows:

- (a) there would be no material changes in the existing structure and principal activities of the Myanmar container depot ("**Myanmar Operations**");
- (b) there would be no material changes in the management and accounting policies from those currently adopted;
- (c) the global COVID-19 situation remained fluid as at the date the Statements of Prospects were made. However, this did not have significant negative impact to the Myanmar Operation's performance as the container depot was allowed to operate under the respective guidelines. The Company assumed that there would be no significant changes in the current demand and prevailing economic conditions in FY2023 that may directly or indirectly adversely affect the activities and performance of the Myanmar Operations and its major customers and suppliers;
- (d) there would be no material changes in existing political, economic, legal or regulatory conditions affecting the Myanmar Operations;

APPENDIX VI – STATEMENTS OF PROSPECTS

- (e) there would be no material changes, other than as announced and projected for, in the bases or rates of taxation, tariffs, duties, currency exchange rates and interest rates from those prevailing at the date of announcement and which may affect the performance of the Myanmar Operations and the Group's financial position;
- (f) there would be no major industrial disputes, economic and political changes or any abnormal circumstances which will adversely affect Myanmar Operations and its major customers and suppliers; and
- (g) there would be no unexpected business interruptions by fire or other calamities, power failures or machine breakdowns and other events beyond our control.

APPENDIX VII – EXTRACTS FROM THE COMPANY’S CONSTITUTION

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends have been reproduced below.

All capitalised terms and expressions used in the following extract shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 10 Raeburn Park #02-15B, Singapore 088702 during normal business hours for the period during which the Offer remains open for acceptance.

1. RIGHTS IN RESPECT OF CAPITAL

SHARES

- | | | |
|----|--|--|
| 6. | The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, 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 which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. | Power to repurchase shares |
| 7. | Subject to the Act and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Regulation 53, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors provided always that:

(a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Regulation 53(1) with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in Regulation 53(2), shall be subject to the approval of the Company in General Meeting. | Issue of shares |
| 8. | (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.

(2) The Company may issue shares for which no consideration is payable to the Company. | Issue of shares for which no consideration is payable to the Company and preference shares |

APPENDIX VII – EXTRACTS FROM THE COMPANY’S CONSTITUTION

8. (3) Preference shares may be issued subject to such limitation thereof as may be prescribed by any securities exchange upon which the shares of the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing the capital, or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.
- (4) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.
- (5) The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.
9. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Treasury Shares
10. (1) If at any time the share capital of the Company is divided into different classes of shares, subject to the provisions of the Act, the variation or abrogation of the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, only be made with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class and to every such Special Resolution the provisions of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and any holder of shares of the class present in person or by proxy may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the General Meeting shall be as valid and effectual as a Special Resolution carried at the General Meeting. Variation of rights
- (2) The provisions in Regulation 10(1) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any alteration of the rights attached to preference shares or any class thereof.
- (3) 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

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| 11. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as is in force at the time of such issue, be deemed to be varied by the issue of further shares ranking equally therewith. | Issue of further shares with special rights |
| 12. | Subject to the Act, the Company may pay any expenses (including commissions or brokerage) on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage 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 and shall not be taken as reducing the amount of share capital of the Company. | Power to pay commission and brokerage |
| 13. | If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital (except treasury shares) as is for the time being paid-up and may charge the same to capital as part of the cost of the construction or provision. | Power to charge interest on capital |
| 14. | Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share. | Exclusion of equities |
| 15. | Except as herein provided no person shall exercise any rights or privileges of a Member until he is registered in the Register of Members or (as the case may be) the Depository Register as a Member and shall have paid all calls and other moneys due for the time being on every share held by him. | Exercise of Member's rights |
| 16. | When two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions following:

(a) The Company shall not be bound to register more than three persons as the holders of any share except in the case of executors or administrators (or trustees) of the estate of a deceased Member.

(b) For the purposes of a quorum joint-holders of any share shall be treated as one Member.

(c) Only one certificate shall be issued in respect of any share.

(d) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company. Any notice served on any one of the joint-holders shall be deemed to have been duly served on all of them.

(e) The joint-holders of any share shall be liable severally as well as jointly in respect of calls and any other payments which ought to be made in respect of such share. | Joint holders |

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- (f) Any one of the joint-holders of any share may give effectual receipts for any dividend, return of capital or other sum of money payable to such joint-holders in respect of such share.
- (g) On the death of any one of the joint-holders of any share the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they think necessary to call for.
- (h) If more than one of such joint-holders are present in person or proxy at any General Meeting only that one of the joint-holders or his attorney or proxy, whose name stands first in the Register of Members or (as the case may be) the Depository Register amongst those so present in person or proxy shall be entitled to vote in respect of any of the shares so held.

SHARE CERTIFICATES

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| 17. | Every certificate shall be issued under the Seal or, as an alternative to sealing, executed by the signatures of the relevant persons prescribed by the Act in such form as the Directors shall from time to time prescribe. Each certificate of shares shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid-up, and the amount (if any) unpaid thereon. No certificate shall be issued representing shares of more than one class. | Certificates |
| 18. | Every person whose name is entered as a Member in the Register of Members shall be entitled within ten market days (or such other period as may be approved by any securities exchange upon which the shares of the Company may be listed) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer or on a transmission of shares to one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. If a Member shall require several certificates each for a part of the shares so allotted or transferred or included in the transmission or if a Member transfers part only of the shares comprised in a certificate or 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 Member shall pay prior to the issue of the certificates or certificate a fee not exceeding S\$2 for each such new certificate as the Directors may determine. In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders. | Entitlement to certificates |
| 19. | Subject to the provisions of the Act, if any certificate shall be defaced, worn out, destroyed, lost or stolen, a new certificate may be issued in lieu thereof on such evidence being produced and a letter of indemnity, undertaking and/or statutory declaration (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any securities exchange upon which the shares of the Company may be listed 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 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such new 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. | New certificates may be issued |

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TRANSFER OF SHARES

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| 20. | Subject to the provisions of this Constitution and any restrictions imposed by law or the applicable laws or, such limitation thereof as may be prescribed by any securities exchange upon which the shares of the Company may be listed, all transfers of shares shall be effected by written instrument of transfer in the form as approved by the Singapore Exchange Securities Trading Limited (or any securities exchange upon which the shares of the Company may be listed) or in any other form acceptable to the Directors. | Form of transfer of shares |
| 21. | The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the share concerned until the name of the transferee is entered in the Register of Members in respect thereof. | Execution of transfer of shares |
| 22. | No shares shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs. | Person under disability |
| 23. | There shall be no restriction on the transfer of fully paid-up shares (except as required by law, the listing rules of any securities exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any securities exchange upon which the shares of 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. | Directors' power to decline to register |
| 24. | If the Directors refuse to register a transfer of any share, they shall within ten market days after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of refusal as required by the Act | Notice of refusal |
| 25. | The Directors may decline to register any instrument of transfer unless:

(a) such fee not exceeding S\$2 as the Directors may from time to time require, is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of shares. | Terms of registration of transfers |

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same except in the case of fraud.

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| 26. | The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine provided always that such registration shall not be suspended for more than thirty days in any year. The Company shall give prior notice of such closure as may be required to any securities exchange upon which the shares of the Company may be listed, stating the period and the purpose or purposes of such closure. | Suspension of registration |
| 27. | Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person. | Renunciation of allotment |

TRANSMISSION OF SHARES

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| 28. | (1) In the case of the death of a Member whose name is entered in the Register of Members, the survivor or survivors 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 persons recognised by the Company as having any title to his interest in the shares. | Survivor, executors or administrators entitled to shares of a deceased Member |
| | (2) In the case of the death of a Member who is a Depositor, the survivor or survivors where the deceased was 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 in the Depository Register in respect of any shares of the deceased Member, shall be the only persons recognised by the Company as having any title to his interest in the shares. | |
| | (3) Nothing in this Regulation shall release the estate of a deceased holder from any liability in respect of any share solely or jointly held by him. | |
| 29. | Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or transfer the share to some other person, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by a Member. | Transmission of shares |
| 30. | If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing in a form approved by the Directors signed by him stating that he so elects. If he shall elect to transfer the share to another person he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer signed by the person from whom the title by transmission is derived. | Requirements regarding transmission of shares |

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| 31. | A person becoming entitled to a share by transmission shall be entitled to receive and give a discharge for the same dividends and be entitled to the other advantages to which he would be entitled if he were the Member in respect of the share, except that he shall not, before being registered as a Member in the Register of Members or before his name shall have been entered in the Depository Register in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to General Meetings. | Rights of persons entitled to a share by transmission |
| 32. | The Directors may at any time give notice requiring any person entitled to a share by transmission to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, or other moneys payable in respect of the share until the requirements of the notice have been complied with. | Person entitled may be required to register or transfer share |
| 33. | There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2 as the Directors may from time to time require or prescribe. | Fee for registration of probate, etc |

CALLS ON SHARES

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| 34. | The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, and 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. A call may be revoked or postponed as the Directors may determine. | Amounts and periods |
| 35. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments. | When made |
| 36. | 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 it 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 eight per cent (8%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. | Interest on overdue calls |
| 37. | Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution 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. | On allotment |
| 38. | 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. | Directors may differentiate between holders |

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39. 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 payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceed the amount of the call then made upon the shares concerned, the Company may pay interest at such rate not exceeding eight per cent (8%) per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits. Payment in advance of calls
40. The Directors may apply all dividends which may be declared in respect of any shares in payment of any calls made or instalments payable and which may remain unpaid in respect of the same shares. Lien on dividends to pay call

LIEN AND FORFEITURE

41. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof. 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 amount as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. Company’s lien
42. For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit but no sale shall be made until such time as the moneys owing to the Company are presently payable and until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default shall have been served in such manner as the Directors shall think fit on such Member or the person (if any) entitled to effect a transmission of the shares and who shall have produced to the Company satisfactory evidence of such capacity and default in payment shall have been made by him or them for fourteen days after such notice. Provided always that if a Member shall have died or become mentally disordered and incapable of managing himself or his affairs or bankrupt and no person shall have given to the Company satisfactory proof of his right to effect a transmission of the shares held by such Member the Directors may exercise such power of sale without serving any such notice. Notice to pay the amount due, and sale on non-compliance therewith
43. Upon any sale being made by the Directors of any shares to satisfy the lien of the Company thereon the proceeds shall be applied first in the payment of the costs of such sale, next in satisfaction of the debt, obligation, engagement or liability of the Member to the Company and the residue (if any) shall be paid to the Member whose shares have been forfeited or as he shall direct or to his executors, administrators or assigns, as he may direct, provided always that the Company shall be entitled to a lien upon such residue in respect of any money due to the Company but not presently payable like to that which it had upon the shares immediately before the sale thereof. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser. Application of sale proceeds

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| 44. | A statutory declaration in writing that the declarant is a Director and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, reallocated or disposed of 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. | Title to shares forfeited or surrendered or sold to satisfy a lien |
| 45. | In the event of a forfeiture of shares or a sale of shares to satisfy the Company’s lien thereon the Member or other person who prior to such forfeiture or sale was entitled thereto shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited or sold. | Certificate of shares to be delivered to the Company |
| 46. | If a Member fails to pay any call or any part thereof on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, 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 and any expenses incurred by the Company by reason of such non-payment. | If call or instalment not paid, notice may be given |
| 47. | The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. | Form of notice |
| 48. | If the requirements of such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter before all payments required by the notice have been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. Notwithstanding any forfeiture, the Directors may, at any time before the forfeited shares have been disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit. | If notice not complied with shares may be forfeited |
| 49. | A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such person as aforesaid. | Sale of shares forfeited |

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50. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at eight per cent (8%) per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.
- Rights and liabilities of Members whose shares have been forfeited or surrendered
51. The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified.
- Forfeiture applies to non-payment of call due at fixed time

ALTERATION OF CAPITAL

52. To the extent permitted by existing laws and regulations which the Company may be subject, without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special, limited or conditional rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution or, if required by the Act, by Special Resolution determine (or, in the absence of any such determination, but subject to the Act, as the Directors may determine) and subject to the provisions of the Act, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.
- Rights and privileges of new shares
53. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Singapore Exchange Securities Trading Limited, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as far as the circumstances admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the 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 and the Directors may dispose of any such new shares which by reason of the proportion borne by them to the shares held by holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Regulation.
- Issue of new shares to Members

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- (2) Notwithstanding Regulation 53(1) but subject to Regulation 8(3), 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:
- (a) issue shares of the Company whether by way of rights, bonus or otherwise and/or make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
 - (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force, provided that:
 - (i) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited;
 - (ii) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and this Constitution; and
 - (iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
54. Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Act and this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
55. (1) The Company may by Ordinary Resolution:
- (a) consolidate and divide all or any of its shares;
 - (b) subdivide its shares or any of them (subject nevertheless to the provisions of the Act and this Constitution) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

New shares otherwise subject to provisions of the Act and this Constitution

Power to consolidate, subdivide, redenominate and convert shares

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- (c) cancel shares which at the date of passing of the resolution in that behalf have not been take or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of shares so cancelled in accordance with the Act; and
 - (d) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.
- (2) The Company may by Special Resolution, subject to and in accordance with the Act and other applicable laws, convert one class of shares into another class of shares.
56. The Company may by Special Resolution reduce its share capital, or any other undistributable reserve in any manner and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. Power to reduce capital

CONVERSION OF SHARES INTO STOCK

57. The Company may by Ordinary Resolution convert any paid-up shares into stock, and may from time to time by like resolution re-convert any stock into paid-up shares of any denomination. Conversion of shares into stock and re-conversion
58. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum. Transfer of stock
59. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Rights of stockholders
60. The provisions of this Constitution which are applicable to paid-up shares shall, so far as circumstances will admit, apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”. Shares/stock

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2 VOTING RIGHTS

GENERAL MEETINGS

61. (1) Save as otherwise permitted under the Act, an Annual General Meeting shall be held within four (4) months after the immediate preceding financial year, at such time and place as may be determined by the Directors. Unless prohibited by law, all General Meetings shall be held in Singapore at such location as may be determined by the Board. Annual General Meeting
- (2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 61A. Subject always to the Act, applicable laws and the listing rules of the Singapore Exchange Securities Trading Limited, the Members may participate at a general meeting by electronic means, including but not limited to electronic communication, video conferencing, tele-conferencing or such other electronic means whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and Members (or their proxy or, in the case of a corporation, their respective corporate representatives) so participating shall be counted in the quorum for the meeting. Unless otherwise is determined by the Board, the “place” of such meeting (when it is convened, held and/or conducted by electronic means) shall be deemed to be the Company’s place of business in Singapore. Meetings via electronic means
62. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by such requisition or, in default, may be convened by such requisitionists, in accordance with the provisions of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. Calling Extraordinary General Meetings

NOTICE OF GENERAL MEETINGS

63. (1) Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by at least twenty-one days’ notice in writing and any Annual General Meeting and any other Extraordinary General Meeting by at least fourteen days’ notice in writing. 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 General Meeting is to be held and shall be given in the manner hereinafter mentioned to such persons as are under the provisions herein contained and the Act 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: Notice of General Meetings
- (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 (95%) of the total voting rights of all the Members having a right to vote at that meeting.

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Provided also that the accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.

At least fourteen days’ notice of any General Meeting shall be given by advertisement in the daily press and in writing to any securities exchange upon which the shares of the Company may be listed.

- (2) Notice of every General Meeting shall be given to:
- (a) every Member;
 - (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the General Meeting; and
 - (c) the Auditor for the time being of the Company.

64. (1) 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 to vote instead of him and that a proxy need not be a Member. Contents of notice

(2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(3) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

65. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say: Routine business

(a) declaring dividends;

(b) considering and adopting the financial statements, the Directors’ statement, the Auditor’s report and other documents required to be attached to the financial statements;

(c) appointing or re-appointing the Auditor and fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed; and

(d) appointing or re-appointing Directors in place of those retiring by rotation or otherwise and fixing the remuneration of the Directors.

All other business to be transacted at any General Meeting shall be deemed to be special business.

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66. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. Special business

PROCEEDINGS AT GENERAL MEETINGS

67. No business 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, two (2) Members present in person or by proxy shall form a quorum. Provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; (ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum; and (iii) joint holders of any share shall be treated as one Member. Quorum
68. If within half an hour from the time appointed for the 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 to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be deemed to be a quorum. Adjournment if quorum not present
69. The Chairman, if any, of the Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any General Meeting he be not present within fifteen minutes after the time appointed for holding the meeting or be unwilling to act, the Members present shall choose some Director to be Chairman of the meeting or, if no Director be present or if all the Directors present decline to take the chair, one of their number present to be Chairman. Chairman
70. The Chairman may, with the consent of any General Meeting at which a quorum is present (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 General Meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty days or more or sine die, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting. Adjournment
71. (1) If required by the listing rules of any securities exchange upon which the shares of the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such securities exchange). Mandatory polling

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- (2) Subject to Regulation 71(1), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded:
- (a) by the Chairman; or
 - (b) by not less than five (5) Members present in person or by proxy and entitled to vote thereat; or
 - (c) by any Member or Members present in person or by proxy and representing not less than five per cent (5%) of the total voting rights of all the Members having the right to vote at the General Meeting; or
 - (d) by a Member or Members present in person or by proxy, holding shares conferring a right to vote at the General Meeting, being shares on which an aggregate sum has been paid-up equal to not less than five per cent (5%) of the total sum paid-up on all the shares conferring that right.

A demand for a poll made pursuant to this Regulation 71(2) shall not prevent the continuance of the General Meeting for the transaction of any business, other than the question on which the poll has been demanded. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

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| 72. | Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the General Meeting. The Chairman may (and, if required by the listing rules of any securities exchange upon which the shares of the Company may be listed or if so requested 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. | Taking a poll |
| 73. | If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. | Votes counted in error |
| 74. | In the case of an equality of votes, whether on a poll or on a show of hands, the Chairman of the meeting at which the poll or show of hands takes place shall be entitled to a casting vote. | Chairman's casting vote |
| 75. | A poll on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the General Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. | Time for taking a poll |

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76. After the Chairman of any meeting shall have declared the General Meeting to be over and shall have left the chair no business or question shall under any pretext whatsoever be brought forward or discussed. End of General Meeting

VOTES OF MEMBERS

77. (1) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Regulation 9, each Member entitled to vote may vote in person or by proxy. Every Member who is present in person or by proxy shall: Voting rights of Members

- (a) on a poll, have one vote for every share which he holds or represents; and
- (b) on a show of hands, have one vote, provided that:
- (i) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
- (ii) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

- (2) Save as otherwise provided in the Act:
- (a) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
- (b) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

APPENDIX VII – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (3) In any case where a Member is a Depositor, the Company shall be entitled and bound:
- (a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
 - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (4) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
78. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation would exercise if it were an individual Member and such corporation shall for the purpose of this Constitution (but subject to the Act) be deemed to be present in person at any such General Meeting if a person so authorised is present thereat. Corporations acting by representatives
79. Where there are joint holders of any share any one of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy as if he were solely entitled thereto and if more than one of such joint holders be so present at any General Meeting that one of such persons so present whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof. Voting rights of joint holders
80. Subject to the provisions of this Constitution every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy and to be reckoned in a quorum in respect of any share or shares upon which all calls due have been paid. Rights to vote
- 80A. Subject to this Constitution, the Act and the listing rules of the Singapore Exchange Securities Trading Limited, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. Voting in absentia
81. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive. Objections

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82. 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. Votes on a poll

83. (1) An instrument appointing a proxy shall be in writing and: Execution of proxies

(a) in the case of an individual shall be:

(i) signed by the appointor or his attorney if the instrument of proxy is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a corporation shall be:

(i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post; or

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of Regulations 83(1)(a)(a)(ii) and 83(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor (which shall, for purposes of this paragraph include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Regulation 85, failing which the instrument may be treated as invalid.

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

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in Regulations 83(1)(1)(a)(ii) and 83(1)(1)(b)(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 83(1)(a)(i) and/or (as the case may be) Regulation 83(1)(b)(i) shall apply.

84. A proxy need not be a Member. Proxy need not be a member

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85. (1) An instrument appointing a proxy or the power of attorney or other authority, if any: Deposit of proxies
- (a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,
- and in either case not less than 72 hours before the time appointed for the holding of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.
- (2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 85(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 85(1)(a) shall apply.
86. An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting. Rights of proxies
87. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve. An instrument appointing a proxy shall, unless the contrary is stated therein be valid as well for any adjournment of the General Meeting as for the General Meeting to which it relates and need not be witnessed. Form of proxies
88. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. Intervening death or mental disorder of principal not to revoke proxy
- 16. RIGHTS TO DIVIDENDS**
- DIVIDENDS**
137. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. Declaration of ordinary dividend
138. The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. Interim dividend

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139. No dividend shall be paid otherwise than out of profits. Dividend only out of profits
140. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act: Application and apportionment of dividends
- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.
- For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.
141. 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. Scrip Dividend Scheme
142. The Directors may retain any dividends or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists. Dividend may be retained
143. Any General Meeting declaring a dividend may direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. No valuation, adjustment or arrangement so made shall be questioned by any Member. Payment of dividend in specie
144. Any dividend, interest or other moneys payable in cash on or in respect of shares may be paid by cheque, draft, warrant or cashiers’ order sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or (as the case may be) the Depository Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque, draft, warrant or Post Office order shall be payable to the order of the person to whom it is sent. Payment by post

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| 145. | Every such cheque, draft, warrant or Post Office order shall be sent at the risk of the person entitled to the money represented thereby, and the Company shall not be responsible for the loss of any cheque, draft, warrant or Post Office order which shall be sent by post duly addressed to the person for whom it is intended. | Company not responsible for loss |
| 146. | No unpaid dividend shall bear interest against the Company. | No interest |
| 147. | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. | No dividend before registration |
| 148. | 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 under that Regulation is entitled to transfer, until such person shall become a Member in respect thereof or shall duly transfer the same. | Power to retain dividends pending transmission |
| 149. | The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. 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 of the declaration of such dividend or the date on which such other moneys are first payable. | Unclaimed dividends |
| 150. | 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 to the Depositor in respect of that payment. | Payment to Depository good discharge |

RESERVES

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| 151. | The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide. | Power to carry profit to reserve |
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APPENDIX VII – EXTRACTS FROM THE COMPANY’S CONSTITUTION

CAPITALISATION OF PROFITS AND RESERVES

152. (1) The Directors may, with the sanction of an Ordinary Resolution of the Company, including any Ordinary Resolution passed pursuant to Regulation 53(2) (but subject to Regulation 8(3)): Power to capitalise profits
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 53(2)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares; and/or
- (b) capitalise any sum standing to the credit of any of the Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 53(2)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new 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.
- (2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Regulation 152(1), 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 authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

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- (3) In addition and without prejudice to the powers provided for by Regulations 152(1) and 152(2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:
- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or
 - (b) be held by or for the benefit of non-executive Directors as part of their remuneration under Regulation 91 and/or Regulation 92(2) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

Premas

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30 August 2023

M/s Hean Nerng Logistics Pte Ltd
10 Raeburn Park
#02-15
Singapore 088702

Dear Sir/ Madam

REVALIDATION OF DESKTOP VALUATION REPORT FOR 7 GUL AVENUE SINGAPORE 629651 ("THE PROPERTY")

PREMAS Valuers & Property Consultants Pte Ltd ("Premas") has been instructed by Hean Nerng Logistics Pte Ltd ("the Client"), to provide the Market Value(s) as at 31 July 2023 and desktop valuation report in respect of the abovementioned Property for the purpose of proposed voluntary conditional general offer.

In accordance with your instructions, we are not required to inspect the subject property as it is still under construction, and we have not made any legal searches/ further investigations for the purpose of this valuation. It is assumed that there has been no material change in the property and to the surroundings since our last formal valuation report dated 23 September 2022. This revalidation of desktop report is to provide an update to our last desktop report dated 05 April 2023 and is to be read in conjunction with our last formal valuation report dated 23 September 2022.

Basis of valuations are to be provided as follows:

- 1) Lessee's Right-of-Use over the balance lease term; and
- 2) Market Value of investment property under construction

The valuation and report have been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2022 Edition and International Valuation Standards (IVS), which incorporate latest standards set by the Financial Reporting Standard that governs fair value measurement. The Property has been valued on the basis of Market Value as at the Valuation Date.

"Market Value is the estimated amount for which a Property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

The valuation has been made on the assumption that the Property is sold in the open market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement other than that mentioned above, that would serve to alter the value of the Property.

Where Market Value is assessed, it reflects the full contract value and no allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect value.

We have also assumed that all the leases are legally valid and enforceable and the Property has a proper legal title that can be transferable, leased and sub-leased in the market upon satisfactory completion and issuance of Temporary Occupation Permit (TOP) of the proposed factory

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development and subject to Lessor, Jurong Town Corporation's consent. Premas Valuers & Property Consultants Pte. Ltd. has no reason to doubt the truth and accuracy of the information provided to us by the Client which is material to the valuation.

Reliance on This Letter

This letter is a summary of the report that Premas has prepared and it does not contain all the necessary information, assumptions, disclaimers, limitations and qualifications that are included in the report. Further reference may be made to the report, copy of which are held by the Client.

The valuation contained in the report is not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, the Client. Whilst Premas has endeavoured to obtain accurate information, it has not independently verified all the information provided by the Client or other reliable and reputable agencies.

We have not conducted structural surveys as this is not part of our terms of reference and, as such, we cannot report that the Property is free from rot, infestation and any other structural defects. For the purpose of this valuation, the Property is assumed to be in sound structural condition upon satisfactory completion of the proposed factory development.

We have not carried out any environmental baseline study as this is outside our terms of engagement. We will reserve the right to review the valuation if we are subsequently provided with any environmental study that may adversely affect the valuation of the Property.

We provide a valuation summary on the Property together with the key factors that have been considered in determining the market value of the Property. The value conclusion reflects all information known by the valuers of Premas Valuers & Property Consultants Pte. Ltd. who worked on the valuation in respect to the Property, market conditions and available data.

The Property

Property Type : A proposed single-storey factory development with open storage, ancillary mezzanine office, above ground diesel tank and open chemical storage sited on 2 plots of land.

Legal Description : MK 7 Lot 215W and Lot 307T (Private Lot Nos. A3008234 and A3008235) Tenure/ Interest Valued : MK 7 Lot 215W – 60 years wef 01 November 1972
MK 7 Lot 307T - 57 years wef 01 November 1975

Registered Lessee: Hean Nerng Logistics Pte Ltd (for both lots)

Total Land Area (According to Certificates of Title (SUB)) : 22,479.7 sq m (approx. 241,971 sq ft) Gross Floor Area : Approx. 9,547.56 sq m (approx 102,770 sq ft)
(Based on last formal report done on 23 Sept 22, subject to survey)

APPENDIX VIII – SUMMARY VALUATION REPORT

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Zoning : Business 2 Completion Date : The construction has commenced since April 2022 (According to Master Plan 2019) and will be completed circa October 2023.

Proposed Accommodation & Facilities	1 st Storey	Repair and maintenance areas, Mechanical and engineering area, , Boiler rooms, Control room, LT room, Transformer room, Genset room, Switch room, Workers' toilet, Bin centre, Stores.
	1 st Storey Platform	Survey platform.
	Mezzanine Level	Ancillary office area comprises ancillary training room, Meeting room, Accountant room, 3 Manager's rooms, Pantry, Reception and administration room, Switch room, Female/ Male toilets, Stores.
	Other facilities will include guardhouse, driveway, open container storage, reinforced concrete staircases, lorry/ car/ bicycle parking lots, detention tanks, substation, fire prevention and protection system and diesel tanks.	

Valuation Methodology and Assumptions : In determining the Market Value of lessee's Right-of-Use over the balance lease term, we have adopted Comparison Method and made reference to sales of industrial properties leased from the JTC Corporation with annual land rent payable for redevelopment purposes or land with very old buildings erected thereon and industrial Government land sale sites.

As for the Market Value of investment property under construction, the Cost Approach is adopted where Market Value of lessee's Right-of-Use is inclusive. We have relied upon the property data provided to us by the Client and we assume this property data provided to be true and accurate. We understand that the total contract sum is S\$14,812,955 and as at 31 July 2023, the total sum of S\$13,618,071.21 has been incurred.

In view of the foregoing and from our knowledge of the market conditions, we are of the opinion on the following at **7 Gul Avenue Singapore 629651**, *both lots expiring on 31 October 2032*, is valued as follows:

Date of Valuation	:	31 July 2023
Market Value of Lessee's Right-of-Use over the balance lease term	:	S\$5,600,000 (Singapore Dollars Five Million Six Hundred Thousand Only)
Market Value of investment property under construction	:	S\$22,000,000 (Singapore Dollars Twenty Two Million Only)

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Our valuation is exclusive of Goods and Services Tax, where applicable.

The Valuation Certificate containing more property details is attached.

Disclaimers and General Comments

We have prepared this valuation summary on the Property for the Client for the purpose mentioned above. We only make warranty or representation as to the accuracy of the information in this valuation summary and the report.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the Client is contracting with.

The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers in the respective jurisdictions and have the necessary experience in valuing similar types of properties.

Yours faithfully,



Ms Yvonne Tok, Director
Appraiser's Licence No.: AD041-2008807B
For and on behalf of
PREMAS Valuers & Property Consultants Pte. Ltd

(Our Ref: YT/YT/YT/181763)

This desktop valuation report is subject to the attached Terms and Conditions.

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VALUATION CERTIFICATE

Date of Valuation:	31 July 2023
Client:	Hean Nerng Logistics Pte Ltd
Valuation purpose:	To determine Market Value(s) of the Property for the purpose of proposed voluntary conditional general offer.
Property:	7 Gul Avenue Singapore 629651
Brief Description of Property:	A proposed single-storey factory development with open storage, ancillary mezzanine office, above ground diesel tank and open chemical storage sited on 2 plots of land.
Legal Description:	MK 7 Lot 215W and Lot 307T (Private Lot Nos. A3008234 and A3008235)
Tenure/ Interest Valued:	MK 7 Lot 215W – 60 years with effect from 01 November 1972 MK 7 Lot 307T - 57 years with effect from 01 November 1975 <i>Remarks: Both lots expiring on 31 October 2032</i>
Registered Lessee (for both lots):	Hean Nerng Logistics Pte Ltd
Master Plan (2019 Edition):	Business 2
Total Land Area (According to Certificates of Title (SUB)):	22,479.7 sq m (approx. 241,971 sq ft)
Gross Floor Area (Based on last formal report done on 23 Sept 22, subject to survey):	Approx. 9,547.56 sq m (approx 102,770 sq ft)
Completion Date:	The construction has commenced since April 2022 and will be completed circa October 2023.
Proposed Accommodation & Facilities:	<u>1st Storey</u> Repair and maintenance areas, Mechanical and engineering area, Boiler rooms, Control room, LT room, Transformer room, Genset room, Workers' toilet, Bin centre, Stores. <u>1st Storey Platform</u> Survey platform. <u>Mezzanine Level</u> Ancillary office area comprises ancillary training room, Meeting room, Accountant room, 3 Manager's rooms, Pantry, Reception and Administration room, Switch room, Female/Male toilets, Stores.

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Other facilities will include guardhouse, driveway, open container storage, reinforced concrete staircases, lorry/ car/ bicycle parking lots, detention tanks, substation, fire prevention and protection system and diesel tanks.

Valuation Methods:	Comparison and Cost Methods
Basis of Valuation:	Market Value as at the Valuation Date in the following: <ul style="list-style-type: none">- Lessee's Right-of-Use over the balance lease term; and- Market Value of investment property under construction (Inclusive of Lessee's Right-of-Use)
Market Value:	<u>Lessee's Right-of-Use</u> S\$5,600,000 (Singapore Dollars Five Million Six Hundred Thousand Only) <u>Market Value of Investment Property Under Construction</u> S\$22,000,000 (Singapore Dollars Twenty Two Million Only)
Assumptions, Disclaimers, Limitations & Qualifications:	<p>The valuation has been made on the assumption that the Property is sold in the open market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement other than that mentioned above, that would serve to alter the value of the Property.</p> <p>Where Market Value is assessed, it reflects the full contract value and no allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect value.</p> <p>We have also assumed that all the leases are legally valid and enforceable and the Property has a proper legal title that can be transferable, leased and sub-leased in the market <u>upon satisfactory completion and issuance of Temporary Occupation Permit (TOP)</u> of the proposed factory development and subject to Lessor, Jurong Town Corporation's consent. Premas has no reason to doubt the truth and accuracy of the information provided to us by the Client which is material to the valuation.</p>

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In accordance with your instructions, we are not required to inspect the subject property as it is still under construction, and we have not made any legal searches/ further investigations for the purpose of this valuation. It is assumed that there has been no material change in the property and to the surroundings since our last formal valuation report dated 23 September 2022. This revalidation of desktop report is to provide an update to our last desktop report dated 05 April 2023 and is to be read in conjunction with our last formal valuation report dated 23 September 2022.

We provide a valuation summary on the Property together with the key factors that have been considered in determining the market value of the Property. The value conclusion reflects all information known by the valuers of Premas who worked on the valuation in respect to the Property, market conditions and available data.

The reported analyses, opinions and conclusions are limited by the reported assumptions and limiting conditions and are our professional analyses, opinions and conclusions. We disclaim liability to any person in the event of any omission form or false or misleading statement included in the circular issued by LHN Logistics Limited, other than in respect of the information provided within the valuation summary letter (including the valuation certificate) and the report.

Remarks:

This Valuation Certificate is a summary of the desktop valuation report dated 30 August 2023 that Premas has carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copy of which is held by Hean Nerng Logistics Pte Ltd.

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TERMS AND CONDITIONS

The Report is prepared subject to the following terms and conditions: -

- 1) The Report is:
 - a. restricted to the use by the client to whom this report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the Valuation Date. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.
- 2) Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
- 3) Where it is stated in the report that information has been supplied to us by you or another party, this information is believed to be complete, reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
- 4) The values assessed in this report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation (where applicable). The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- 5) While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects (where applicable). We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order (where applicable).
- 6) Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments (where applicable). We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s) (where applicable).
- 7) Any plans that are included in this report are meant for identification purposes and to assist the client in visualising the subject property (where applicable). The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters (where applicable).
- 8) We have not taken into account of any plant and machinery in our valuation.
- 9) We have not made any requisition for the Road Line Plan or for drainage proposal (where applicable). We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client (where applicable).
- 10) As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition (where applicable).
- 11) Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations (where applicable).
- 12) Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid (where applicable).
- 13) Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies) (where applicable).
- 14) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a) any direct loss of profit;

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- b) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
- 15) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
- 16) Where you or a third party has caused or contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of such liability.
- 17) Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you (where applicable).
- 18) Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) SGD500,000.00, whichever is lower.
- 19) We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.
- 20) Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.
- 21) Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees.
- These fees are exclusive of GST & expenses (including the cost of re-addressing the report) and are subject to a minimum fee of SGD1,000. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
- 22) Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
- 23) Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.
- 24) Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 21 and 22, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the valuation report.
- 25) Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy (where applicable).
- 26) Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not meet all the criteria of a normal market transaction. Such Forced Sale Value is not a representation of the market value (where applicable).
- 27) The report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
- 28) We retain ownership of the intellectual property rights in the valuation report and we provide you with an irrevocable, non-transferrable and royalty-free license (with no right to sub-licence) to use the intellectual property for the purpose or purposes stated in the valuation report.

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29)

- a) In connection with performance of this agreement, each party represent and warrant to the other party that they comply with, will comply with, and will not cause the other Party to violate, all applicable laws related to anti-bribery or anti-corruption ("Anti-Corruption Laws"), including, but not limited to, the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1 et seq.), and the UK Bribery Act of 2010.
- b) You represent and warrant that:
- (i) in connection with performance of this agreement, you and your shareholders, directors, officers, or employees comply with, will comply with, and will not cause us to violate applicable laws related to the import and export of goods, technology and services, economic or financial sanctions, trade embargoes, or other restrictions on trade ("Sanctions & Trade Controls"), including, but not limited to, sanctions laws and regulations of the United States (as administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and U.S. Department of State), the U.S. Export Administration Regulations (31 C.F.R. Parts 730-774), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), U.S. antiboycott regulations (as administered and enforced by the U.S. Department of Commerce's Office of Antiboycott Compliance and the U.S. Department of the Treasury's Internal Revenue Service), and sanctions laws and regulations of the United Kingdom (as administered and enforced by Her Majesty's Treasury), provided that the representations and warranties contained in this Clause b(i) are given only to the extent that they would not result in a violation of or conflict with Council Regulation (EC) No. 2271/96, as amended (or any law or regulation implementing such Regulation in any member state of the European Union or any equivalent law or regulation in the United Kingdom), the German Foreign Trade Act or any similar, applicable anti-boycott or blocking law or regulation;
 - (ii) in connection with performance of this agreement, you and your shareholders, directors, officers, or employees comply with, will comply with, and will not cause us to violate applicable laws related to money laundering, terrorist financing, or related financial recordkeeping and reporting requirements ("AML Laws"), including, but not limited to, the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956 et seq.), USA PATRIOT Act, EU Money Laundering Directives, UK Prevention of Terrorism Act 2005, UK Serious Organised Crime and Police Act 2005, UK Money Laundering Regulations 2003, UK Proceeds of Crime Act 2002, and UK Anti-Terrorism, Crime and Security Act 2001;
 - (iii) neither you nor any of your shareholders, directors, officers, or employees (i) is blocked, debarred, designated, excluded, sanctioned, or denied import or export privileges under applicable Sanctions & Trade Controls and/or AML Laws; (ii) located in, resident in or organized under the laws of a country or territory which is a subject of country-wide or territory-wide Sanctions and Trade Controls at the date of the this Agreement, Crimea, Cuba, Iran, Syria or North Korea); or (iii) owned (with a 20% or greater interest) or controlled by any person identified in (i) (collectively, "Restricted Persons"); and
 - (iv) in connection with performance of this agreement, you are not engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with Restricted Persons in violation of Applicable Law or provided that, if a person is considered a Restricted Person solely based on its inclusion in a relevant list, but its inclusion on that list is limited to a specific purpose or purposes, that person would be considered a Restricted Person only with respect to that specific purpose or purposes and not any other purpose or purposes.
- c) Notice
- If, at any time, you become aware that any of the representations set out in Clause b are no longer accurate, you will notify us immediately in writing.
- d) Termination
- We will have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and will be entitled to receive payment of the fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination in the event that:
- (i) in connection with performance of this agreement, you violate, or causes us to violate, applicable Anti-Bribery Laws and Rules or Sanctions and AML Laws;
 - (ii) we believe in good faith that you have acted in a way that may subject us to liability under applicable Anti-Bribery Laws and Rules or Sanctions and AML Laws; or
 - (iii) you or any of your direct or indirect shareholders becomes a Restricted Person.