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SCHEME DOCUMENT DATED 19 JANUARY 2023

The proposed privatisation of Colex Holdings Limited (the “**Target Company**”) through the acquisition (the “**Privatisation**”) of all the issued ordinary shares in the capital of the Target Company (the “**Target Company Shares**”), other than the Target Company Shares held by Bonvests Holdings Limited (the “**Offeror**”) and Coop International Pte. Ltd. (a wholly-owned subsidiary of the Offeror), by the Offeror, by way of a scheme of arrangement (the “**Scheme**”)

Colex Holdings Limited

(Company Registration No.: 197101485G)
(Incorporated in the Republic of Singapore)

Financial Adviser to Bonvests Holdings Limited



DBS Bank Ltd.

(Company Registration No.: 196800306E)
(Incorporated in the Republic of Singapore)

Independent Financial Adviser to the Non-conflicted Directors



SAC Capital Private Limited

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



Proposed Privatisation of Colex Holdings Limited

S\$0.23
in cash per
Target Company Scheme Share

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form for the Scheme Meeting	Tuesday, 31 January 2023, at 9.00 a.m.
Date and time of the Scheme Meeting	Friday, 3 February 2023, at 9.00 a.m.
Place of the Scheme Meeting	NTUC Centre, 1 Marina Boulevard Training Room 701 at Level 7, One Marina Boulevard, Singapore 018989

IMPORTANT NOTICE: If you are in any doubt about this Scheme Document (as defined herein) or 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 of your issued and paid-up ordinary shares in the capital of Colex Holdings Limited, you should immediately hand this Scheme Document and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through which the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Scheme Document has been reviewed by the Target Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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

Terms appearing on the cover of this Scheme Document bear the same meanings as defined in this Scheme Document.

1. Transaction Overview

On 17 October 2022, the Target Company and the Offeror jointly announced the proposed Privatisation of the Target Company through the acquisition of all the issued ordinary shares in the capital of the Target Company, other than the Target Company Shares held by the Offeror and Coop International Pte. Ltd. (a wholly-owned subsidiary of the Offeror) (the “**Target Company Excluded Shares**”) (the Target Company Shares excluding the Target Company Excluded Shares, the “**Target Company Scheme Shares**”), by the Offeror, to be effected by way of the Scheme

2. Transaction Rationale

- 1** An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term

- 2** The Target Company’s listing status serves limited purpose as it has not tapped on the equity capital markets to raise funds and is unlikely to do so, yet it continues to incur substantial costs associated with being listed

- 3** A Privatisation confers greater management flexibility to navigate a challenging operating environment

- 4** Opportunity for Scheme Shareholders⁽¹⁾ to realise their investment at a premium without incurring brokerage fees

- 5** The valuation multiples implied by the Scheme Consideration exceeds key benchmarks, representing a credible offer for Scheme Shareholders to exit

- 6** The Scheme Consideration implies a total return of 80.2% for a Scheme Shareholder over a 36-month holding period, this includes the S\$24.5 million paid in dividends over this period which includes one-off special dividends

⁽¹⁾ Refers to a holder of the Target Company Scheme Shares (each a “**Scheme Shareholder**”, collectively the “**Scheme Shareholders**”)

1

An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term

- a) Increased competition in participation for National Environment Agency's ("NEA") tenders for Public Waste Collection ("PWC") licenses for domestic and trade premises in Singapore with the next tender cycle only commencing in 2025.
 - The contribution from the Target Company's waste disposal segment has been declining since the expiry of the PWC contract for Jurong sector which ended in March 2020.
 - This was further compounded by the unsuccessful tenders for the 6 available PWC sectors due to stiff market competition.
 - With tenders for the next available PWC contract for the Pasir Ris-Bedok sector expected to commence only in 2025, the waste disposal segment will continue to face a difficult operating environment in the near future.
- b) Increased competition in the contract cleaning segment.
 - Contract cleaning segment profit margins are under pressure due to increased competition in tenders for new contracts, and increasing manpower costs.
- c) The Target Company ended FY2021 loss making, with the overall profitability of the Target Company expected to face further downward pressures.
 - FY2021 was a challenging year for the Target Company, although the worst of the pandemic is over, the entry into a COVID-19 endemic phase is expected to bring new pressures to profitability including the full roll-back of temporary government grants extended during the pandemic such as the Jobs Support Scheme. The Jobs Support Scheme contributed S\$3.3 million and S\$2.4 million in FY2020 and FY2021 respectively.
 - Excluding these amounts in FY2021, the Target Company's losses before income tax would have extended to approximately S\$3.8 million. This is expected to be further exacerbated by stiff market competition, rising material costs and higher wage costs stemming from the implementation of the revised Progressive Wage Model ("PWM") in both the waste disposal segment and contract cleaning segment.

2

The Target Company's listing status serves limited purpose as it has not tapped on the equity capital markets to raise funds and is unlikely to do so, yet it continues to incur substantial costs associated with being listed

- Since its initial public offering in 1999, the Target Company has not carried out any exercise to raise funds from the equity capital markets.
- Further, as the Target Company was not successful in its NEA tenders for PWC in FY2020 and FY2021, and there is no near-term plans for any substantial capital expenditures for the rest of its businesses, the Target Company does not see a need to maintain its listing status to tap the capital markets to raise funds in the near future.
- In maintaining its listed status, the Target Company incurs compliance costs and other associated costs of close to S\$150,000 each year which is significant relative to its current earnings. In the event the Target Company is delisted, it will be able to save on such expenses and focus its resources on better positioning the business to face the sector's increasingly challenging operating environment.

3

A Privatisation confers greater management flexibility to navigate a challenging operating environment

- The Offeror believes that a Privatisation will allow the Target Company's management more flexibility to manage the business and facilitate the implementation of any operational change (if required), without the corresponding costs and regulatory restrictions associated with a listing on SGX-ST.

4

Opportunity for a Scheme Shareholder to realise their investment at a premium without incurring brokerage fees

- In light of the pressures facing the Target Company and the uncertainties associated with navigating the challenging operating environment, the proposed Privatisation therefore represents a credible opportunity for Scheme Shareholders to realise their investment at a premium with the greatest certainty.
 - The Scheme Consideration of S\$0.23 represents a premium of 25.0%, 13.9% and 13.3% to the last traded price⁽¹⁾, one-month and three-month volume weighted average price (“VWAP”)⁽²⁾⁽³⁾ respectively up to and including the Last Trading Date⁽³⁾.



- Considering the low historical trading liquidity of the Target Company Shares on SGX-ST, the proposed Privatisation represents an opportunity for Scheme Shareholders who may otherwise find it difficult, to exit their investment immediately.
 - Trading volumes on the Target Company Shares have been low with no trades being done for the majority of trading days with the counter experiencing low average daily trading volumes and average daily turnover.

	One-month	Three-month	Six-month	Twelve-month
# of SGX-ST trading days	22	65	125	252
# of SGX-ST trading days when trades were done for the Target Company Shares	6	18	58	125
	One-month	Three-month	Six-month	Twelve-month
Average daily trading volume as a percentage of the total number of Target Company Shares ⁽⁴⁾	0.001% ⁽⁵⁾	0.004% ⁽⁵⁾	0.016% ⁽⁵⁾	0.023% ⁽⁵⁾
Average daily turnover of the Target Company Shares	S\$135	S\$1,051	S\$5,569	S\$7,961

Source: Bloomberg L.P.

⁽¹⁾ Refers to the closing price of the last full trading day where trades were done for the Target Company Shares prior to the date of the Joint Announcement (“**Joint Announcement Date**”), being 10 October 2022

⁽²⁾ After the announcement of the special dividend of 7.55 Singapore cents and the first and final dividend of 0.45 Singapore cents on 22 February 2022, trading price of the Target Company Shares rose from its last traded price of S\$0.215 on 22 February 2022 to a high of S\$0.345 on 28 April 2022 before closing at S\$0.250 on the ex-dividend date on 6 May 2022

⁽³⁾ The VWAPs of the Target Company Shares are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including 12 October 2022, being the last full trading day immediately prior to the Joint Announcement Date (“**Last Trading Date**”). The respective premia are rounded to the nearest one (1) decimal place

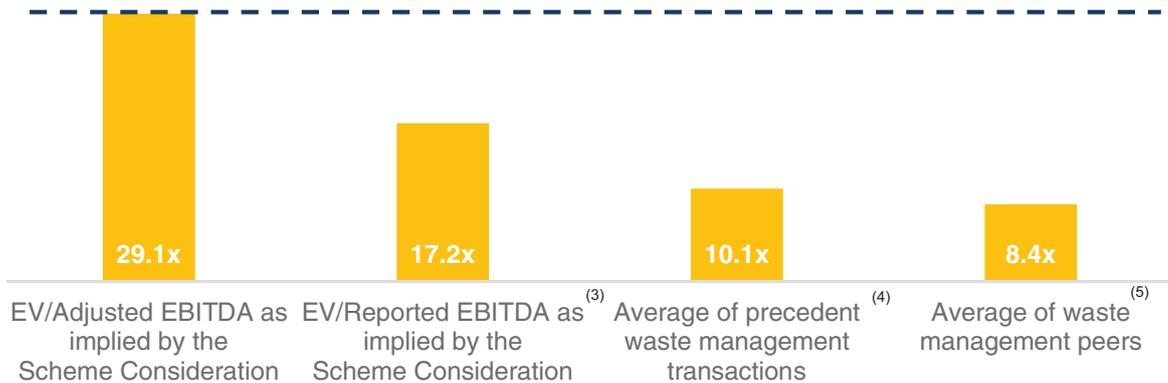
⁽⁴⁾ The average daily trading volume as a percentage of the total number of Target Company Shares is based on data extracted from Bloomberg L.P. as at the Last Trading Date and calculated using the average daily trading volume of the Target Company Shares divided by the total number of the Target Company Shares

⁽⁵⁾ The percentage figures are rounded to the nearest three (3) decimal places

5

The valuation multiples implied by the Scheme Consideration exceeds key benchmarks, representing a credible offer for Scheme Shareholders to exit

- The ratio of enterprise value (“EV”) to earnings before interest, tax, depreciation and amortisation (“EBITDA”) (“Adjusted EBITDA”) (the “EV/EBITDA”)⁽¹⁾ as implied by the Scheme Consideration of 29.1x represents significant premium⁽²⁾ of 189.5% and 245.9% to the EV/EBITDA as implied by the average of precedent waste management transactions of 10.1x and the average of waste management peers of 8.4x.



- The ratio of price to net asset value (“NAV”) (the “P/NAV”)⁽⁶⁾ as implied by the Scheme Consideration of 1.62x represents a premium⁽²⁾ of 42.6%, 88.0% and 73.7% to the historical 1-year, 3-year and 5-year average P/NAV multiples of the Target Company Shares for the period up to and including the Last Trading Date. The P/NAV as implied by the Scheme Consideration exceeds the average of precedent waste management transactions of 1.44x, and exceeds the P/NAV implied by the average of waste management peers of 0.99x.



Source: Bloomberg L.P., Capital IQ and company filings

⁽¹⁾ Enterprise value is derived from the implied market capitalisation of the Target Company by the Scheme Consideration as at the Last Trading Date, and adjusted for: (i) current and non-current lease liabilities; (ii) cash and cash equivalents; and (iii) deposits from the Target Company’s financial position as at 30 June 2022. EBITDA is derived from the Target Company’s financial performance over the last twelve months ending 30 June 2022 calculated by its profit before tax adjusted for: (i) one-off and / or non-recurring items including impairment losses on property, plant and equipment; and government grants received under the jobs support scheme, jobs growth incentive, wage credit scheme and senior employment credit scheme; (ii) depreciation expenses; (iii) finance costs; and (iv) interest income

⁽²⁾ The respective premium is rounded to the nearest one (1) decimal place. Discrepancies in the figures herein between the listed amounts and derived amounts from the EV/EBITDA or P/NAV are due to rounding

⁽³⁾ The reported EBITDA is based on the Target Company’s as reported EBITDA over the last twelve months ending 30 June 2022 of S\$1,653,000 (“Reported EBITDA”)

⁽⁴⁾ Selected precedent waste management transactions include: (i) the acquisition of 800 Super Holdings Limited announced on 24 August 2022; (ii) the acquisition of Beijing Enterprises Urban Resources Group Limited announced on 28 April 2022; (iii) the acquisition of Kolon Environmental Service Co., Ltd. announced on 31 March 2020; (iv) the acquisition of Shandong Shifang Environmental Protection & Bio-Energy Co., Ltd. announced on 4 November 2019; (v) the acquisition of Fujikoh Company Limited announced on 1 November 2019; (vi) the acquisition of 800 Super Holdings Limited announced on 6 May 2019; (vii) the acquisition of Dial A Dump Industries Pty Ltd. announced on 21 August 2018; (viii) the acquisition of Tox Free Solutions Limited announced on 11 December 2017; and (ix) the acquisition of Environment Management Corporation announced on 18 May 2016

5

The valuation multiples implied by the Scheme Consideration exceeds key benchmarks, representing a credible offer for Scheme Shareholders to exit (cont'd)

- (5) Selected waste management peers include: (i) Better World Green Public Company Limited; (ii) TexCycle Technology (M) Berhad; (iii) 5E Resources Limited; (iv) Akkhie Prakarn Public Company Limited; (v) General Environmental Conservation Public Company Limited; and (vi) LS 2 Holdings Limited. Data compiled from Bloomberg L.P and company filings as of the Last Trading Date
- (6) Derived from the Target Company's latest reported NAV of S\$18,864,000 on 30 June 2022
- (7) The historical average is computed daily up to and including the Last Trading Date and reflects the market capitalisation at the end of each trading day divided by NAV for last reported financial quarter or period, as compiled from Bloomberg L.P. and the Target Company filings
- (8) Selected precedent waste management transactions include: (i) the acquisition of Beijing Enterprises Urban Resources Group Limited announced on 28 April 2022; (ii) the acquisition of Kolon Environmental Service Co., Ltd. announced on 31 March 2020; (iii) the acquisition of Shandong Shifang Environmental Protection & Bio-Energy Co., Ltd. announced on 4 November 2019; (iv) the acquisition of Fujikoh Company Limited announced on 1 November 2019; (v) the acquisition of 800 Super Holdings Limited announced on 6 May 2019; (vi) the acquisition of Tox Free Solutions Limited announced on 11 December 2017; and (vii) the acquisition of Environment Management Corporation announced on 18 May 2016
- (9) Selected waste management peers include: (i) Better World Green Public Company Limited; (ii) TexCycle Technology (M) Berhad; (iii) 5E Resources Limited; (iv) Akkhie Prakarn Public Company Limited; (v) General Environmental Conservation Public Company Limited; (vi) LS 2 Holdings Limited; and (vii) Shanaya Limited. Data compiled from Bloomberg L.P and company filings as of the Last Trading Date

6

The Scheme Consideration implies a total return of 80.2% for a Scheme Shareholder over a 36-month holding period, this includes the S\$24.5 million paid in dividends over this period which includes one-off special dividends

- Special dividends were paid out following the Target Company's unsuccessful NEA tenders for PWC as the board of directors of the Target Company (the "**Board**") had decided that it was in the best interests of shareholders to distribute the capital that it had set aside to fund capital expenditures following a successful tender.
- The Target Company's cash and cash equivalents of S\$5.5 million as of 30 June 2022 represents the minimum amount of cash retained in order to preserve its working capital. It is therefore very unlikely that the amounts of dividends to be distributed (if any) in the near future will be close to that in FY2020 and FY2021.
- Accounting for the S\$24.5 million distributed over the past 36 months, the Scheme Consideration implies a total return of 80.2% and annualised total returns of 21.7% per annum for a Scheme Shareholder who had acquired the Target Company Shares 36 months prior to the Last Trading Date.

Closing price 36 months prior to the Last Trading Date ⁽¹⁾	Scheme Consideration	Dividends for the past 36 month up to and including the Last Trading Date ⁽²⁾	Sum of Scheme Consideration and total dividends up to the Last Trading Date	Total returns over the past 36 months ⁽³⁾	Annualised total returns over the past 36 months ⁽³⁾
S\$0.230	S\$0.230	S\$0.1845	S\$0.4145	80.2%	21.7%

Source: Bloomberg L.P., and company filings

(1) Based on the last traded price of the Target Company Shares prior to the 36 months period prior to the Last Trading Date sourced from Bloomberg L.P.

(2) This refers to the total dividends distributed per Target Company Share for the past 36 months prior to the Last Trading Date, and includes the special tax-exempt one-tier dividend of 10.00 Singapore cents per Target Company Share paid on 31 August 2020 and the special tax-exempt one-tier dividend of 7.55 Singapore cents per Target Company Share paid on 19 May 2022

(3) Total return is rounded to one (1) decimal place and subject to rounding difference

3. What does the Independent Financial Adviser recommend?

Opinion of the IFA on the Scheme



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

SAC Capital Private Limited
IFA

4. What do the Non-conflicted Directors recommend?

Recommendation of the Non-conflicted Directors on the Scheme



*The Non-Conflicted Directors, having considered carefully the terms of the Scheme and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Non-Conflicted Directors unanimously recommend that Scheme Shareholders **VOTE IN FAVOUR OF** the Scheme at the Scheme Meeting.*

Non-conflicted Directors

IT IS IMPORTANT THAT YOU READ THE ABOVE EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO SHAREHOLDERS AND THE IFA LETTER, WHICH CAN BE FOUND ON PAGES 14 to 28 AND APPENDIX 1 OF THIS SCHEME DOCUMENT RESPECTIVELY. YOU ARE ADVISED AGAINST RELYING SOLELY ON THESE EXTRACTS, WHICH ARE ONLY MEANT TO DRAW ATTENTION TO THE OPINION OF THE IFA AND RECOMMENDATIONS OF THE DIRECTORS OF THE TARGET COMPANY AND THE NON-CONFLICTED DIRECTORS.

5. What must happen for the Scheme to be approved at the Scheme Meeting?

- Two conditions must be met for the Scheme to be approved by the Scheme Shareholders at the Scheme Meeting

Head Count Condition

>50%

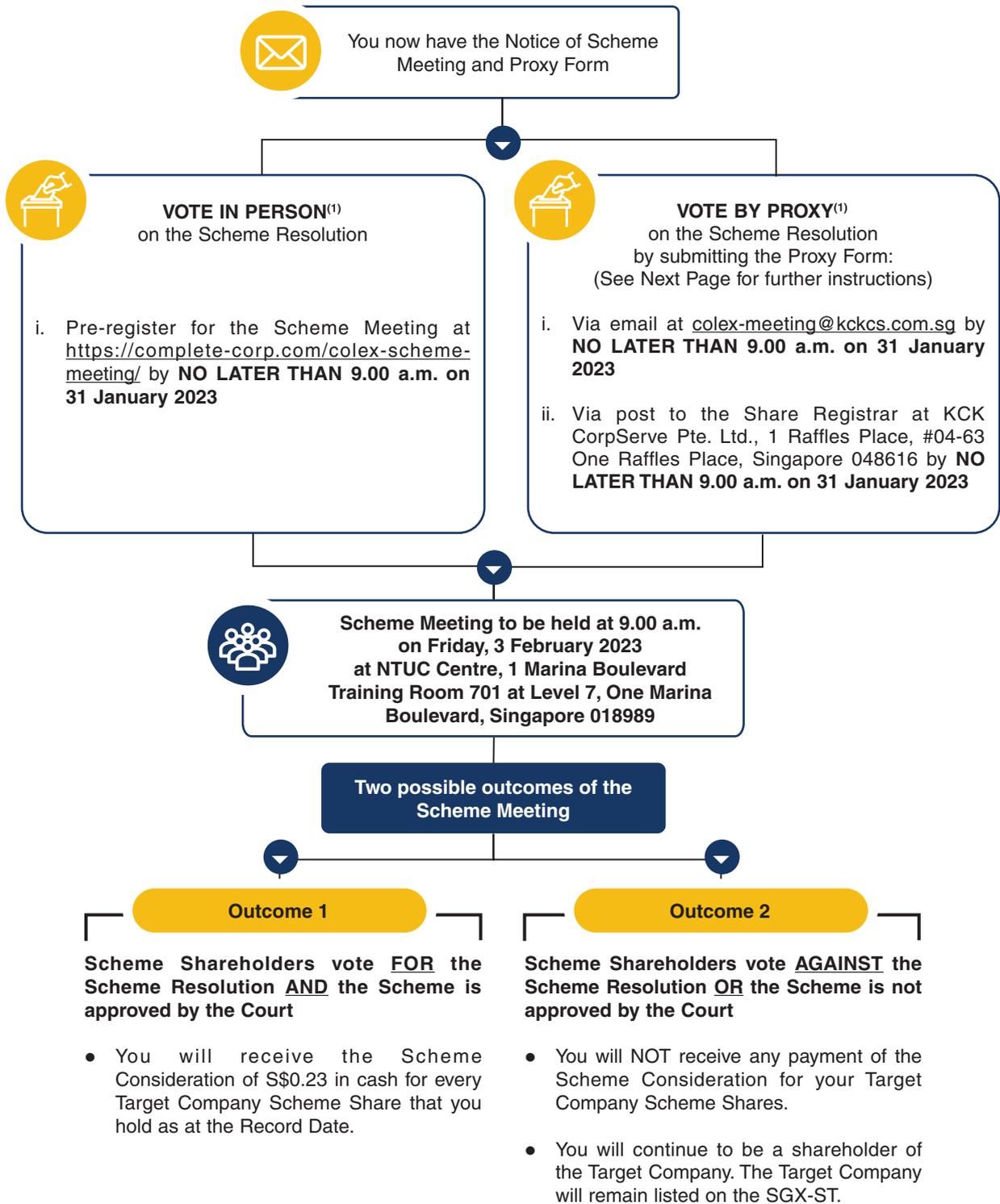
More than 50% of the Scheme Shareholders present and voting either in person or by proxy at the Scheme Meeting must vote to approve the Scheme

Share Count Condition

≥75%

Scheme Shareholders representing at least 75% in value of the Target Company Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Scheme Meeting must vote to approve the Scheme

6. How do I vote on the Scheme Resolution?



⁽¹⁾ If you are a Scheme Shareholder (other than a Relevant Intermediary), you may only cast all the votes you use at the Scheme Meeting in one way. Pursuant to the order of the Court, a Scheme Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Company Scheme Share.

6. How do I vote on the Scheme Resolution? (cont'd)

- To exercise your votes, you **MUST** vote in person at the Scheme Meeting OR appoint a proxy to vote on your behalf at the Scheme Meeting by completing and returning the Proxy Form.
- To vote in person:
 - i. Pre-register for the Scheme Meeting at <https://complete-corp.com/colex-scheme-meeting/> by **NO LATER THAN 9.00 a.m. on 31 January 2023**
 - ii. **Attend the Scheme Meeting @
NTUC Centre, 1 Marina Boulevard
Training Room 701 at Level 7, One Marina Boulevard, Singapore 018989
on Friday, 3 February 2023, at 9.00 a.m.**
- To vote by completing and returning the Proxy Form:

1. LOCATE PROXY FORM

The Proxy Form is enclosed with the Notice of Scheme Meeting and can also be obtained from the Share Registrar:

KCK CorpServe Pte. Ltd.
1 Raffles Place,
#04-63 One Raffles Place,
Singapore 048616
Email address:
colex-meeting@kckcs.com.sg

Operating hours:
Monday to Friday, 8.30 a.m. to 5.30 p.m.

OR

An electronic copy of the Proxy Form is also available on the website of the SGX-ST at www.sgx.com/securities/company-announcements and on the website of the Company at <http://www.colex.com.sg/investor-relations/>.



2. COMPLETE PROXY FORM

- I Fill in your name and particulars.
- II You may fill in the details of the appointee or leave this section blank. The Chairman of the Scheme Meeting will be the appointee if this section is left blank.
- III If you wish to exercise all your votes **FOR**, **AGAINST** or to **ABSTAIN**, please indicate with a tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.
- IV If you are an individual, you or your attorney **MUST SIGN** and indicate the date. If you are a corporation, the proxy form must be executed under your common seal or under the hand of your duly authorised officer or attorney.
- V Indicate the number of Target Company Scheme Shares you hold.

PROXY FORM FOR SCHEME MEETING			
PROXY FORM SCHEME MEETING COLEX HOLDINGS LIMITED (Incorporated in the Republic of Singapore)		Important: 1. This Proxy Form is not valid for use by persons who hold shares through Relevant Intermediaries and shall be ineffective for all matters and purposes if used or purported to be used by them. CPF and SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their votes by 9:00 a.m. on 31 January 2023 being 7 working days before the date of the Scheme Meeting. 2. CPF and SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies. 3. By submitting this Proxy Form, the Scheme Shareholders accept and agree to the personal data privacy terms set out in the Notice.	
I/We _____ (Name) _____ (NRIC/Passport No.) of _____ (Address) being a member/members of Colex Holdings Limited (the "Target Company") hereby appoint			
Name	Address	NRIC/Passport No.	
or failing him/her, the Chairman of the Scheme Meeting of the Target Company, as my/our proxy to attend and to vote for me/us on my/our behalf at the Scheme Meeting, to be held at NTUC Centre, 1 Marina Boulevard, Training Room 701 at Level 7, One Marina Boulevard, Singapore 018989 on 3 February 2023 at 9:00 a.m. and at any adjournment thereof, for the purpose of considering and, if thought fit, approving the Scheme of Arrangement referred to in the notice convening the Scheme Meeting, and at such Scheme Meeting (or at any adjournment thereof) to vote for "me/us and in my/our name(s)" for the said Scheme or against the said Scheme as hereunder indicated.			
I/We direct my/our proxy to vote for or against the Scheme of Arrangement to be proposed at the Scheme Meeting as indicated hereunder. If no specific directions as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Scheme Meeting (or at any adjournment thereof). If no person is named in the above boxes, the Chairman of the Scheme Meeting shall be my/our proxy to vote, for or against the Scheme at the Scheme Meeting, for me/us and on my/our behalf at the Scheme Meeting and at any adjournment thereof.			
RESOLUTION	FOR**	AGAINST**	ABSTAIN**
To approve the Scheme of Arrangement			
** If you wish to vote "FOR" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "FOR" set out above. If you wish to vote "AGAINST" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "AGAINST" set out above. If you wish to abstain from voting on the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "ABSTAIN" set out above. DO NOT TICK IN MORE THAN ONE BOX.			
Dated this _____ day of _____, 2023			
Signature(s) of Member(s) or Common Seal			Total no. of Target Company Scheme Shares held
IMPORTANT: PLEASE REFER TO NOTES TO PROXY FORM AND BUSINESS REPLY ENVELOPE ON REVERSE PAGE			

6. How do I vote on the Scheme Resolution? (cont'd)

3. RETURN THE COMPLETED PROXY FORM

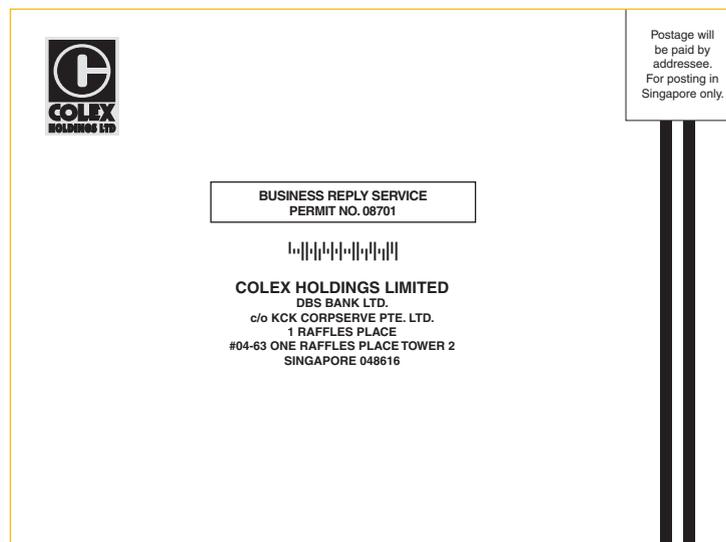
A If submitted via email:

Scan and send the completed and signed Proxy Form via email to the Share Registrar at colex-meeting@kckcs.com.sg, by **NO LATER THAN 9.00 a.m. on 31 January 2023**.

B If submitted via post:

Lodge the completed and signed Proxy Form at the office of the Share Registrar at 1 Raffles Place, #04-63 One Raffles Place, Singapore 048616, by **NO LATER THAN 9.00 a.m. on 31 January 2023**.

The envelope is prepared for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.



REMINDER

The Proxy Form must reach the Share Registrar **NO LATER THAN 9.00 a.m. on 31 January 2023**, being 72 hours before the time fixed for the Scheme Meeting. CPFIS Investors and SRS Investors who wish to appoint the Chairman of the Scheme Meeting as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by 9.00 a.m. on 25 January 2023, being seven (7) working days before the date of the Scheme Meeting.

7. Important information

How do I find out the number of Target Company Scheme Shares I own?

- 1 9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Telephone: +65 6535 7511
Fax: +65 6535 0775
Monday to Friday: 8.30 a.m. to 5.00 p.m.
Saturday: 8.30 a.m. to 12.00 p.m.
Closed on Sundays & Public Holidays
- 2 **If you own Target Company Scheme Shares through a bank, broker or any other intermediaries, you can also check by contacting them directly.**
- 3 **If you are a CPFIS Investor or SRS Investor, please consult your CPF Agent Bank or SRS Operator for further information.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form for Scheme Meeting ⁽¹⁾⁽²⁾	31 January 2023 at 9.00 a.m.
Latest date and time for online pre-registration to attend Scheme Meeting	31 January 2023 at 9.00 a.m.
Date and time of Scheme Meeting	3 February 2023 at 9.00 a.m.
Expected date of Court hearing of the application to sanction the Scheme	17 February 2023
Expected last day of trading of Target Company Shares	20 February 2023
Expected Record Date ⁽³⁾	27 February 2023 at 5.00 p.m.
Expected Effective Date ⁽⁴⁾	28 February 2023
Expected date for the payment of the Scheme Consideration ⁽³⁾	By 9 March 2023
Expected date for the delisting of Target Company Shares	13 March 2023

⁽¹⁾ Scheme Shareholders are requested to lodge the Proxy Forms for the Scheme Meeting in accordance with the instructions contained therein not less than 72 hours before the time appointed for the Scheme Meeting.

⁽²⁾ All Proxy Forms for the Scheme Meeting must be lodged with the Share Registrar, KCK Corpserve Pte. Ltd. at 1 Raffles Place, #04-63 One Raffles Place, Singapore 048616. Completion and lodgement of a Proxy Form will not prevent a Scheme Shareholder from attending and voting in person at the Scheme Meeting if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

⁽³⁾ Assuming that the Effective Date is on 28 February 2023.

⁽⁴⁾ The Scheme will only become effective and binding if all the Scheme Conditions have been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement and upon lodgement of the Court Order with ACRA. The Court Order will be lodged with ACRA after the satisfaction (or, where applicable, waiver) of all the Scheme Conditions, a list of which is set out in Appendix 6 to this Scheme Document.

Should you have any queries relating to the Scheme, please contact:

DBS Bank Ltd.
Strategic Advisory

Telephone: +65 6878 6347

THE INFORMATION PRESENTED IN THIS SECTION IS QUALIFIED IN ITS ENTIRETY BY, AND SHOULD BE READ IN CONJUNCTION WITH, THE INFORMATION CONTAINED IN THE REST OF THIS SCHEME DOCUMENT. IF THERE SHOULD BE ANY INCONSISTENCY OR CONFLICT BETWEEN THE INFORMATION CONTAINED IN THIS SECTION AND THE INFORMATION CONTAINED IN THE REST OF THIS SCHEME DOCUMENT, THE INFORMATION CONTAINED IN THE REST OF THIS SCHEME DOCUMENT SHALL PREVAIL. NOTHING IN THIS SECTION IS INTENDED TO BE, OR SHALL BE TAKEN AS, ADVICE, A RECOMMENDATION OR A SOLICITATION TO SCHEME SHAREHOLDERS OR ANY OTHER PARTY. SCHEME SHAREHOLDERS ARE ADVISED TO BE CAUTIOUS WHEN DEALING IN THEIR TARGET COMPANY SCHEME SHARES AND NOT TO TAKE ANY ACTION IN RELATION TO THEIR TARGET COMPANY SCHEME SHARES WHICH MAY NOT PROVE TO BE IN THEIR BEST INTERESTS.

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PROXY FORM FOR SCHEME MEETING	

DEFINITIONS

For the purpose of this Scheme Document, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Adjusted EBITDA”	:	Has the meaning ascribed to it in paragraph 3.5(a) of the Offeror’s Letter
“Business Day”	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
“Board”	:	The board of Directors of the Target Company
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act 1967 of Singapore
“Conflicted Director” or “Mr Ngo”	:	Henry Ngo
“Constitution”	:	The Constitution of the Target Company
“Coop International Pte Ltd”	:	A wholly owned subsidiary of the Offeror
“Court”	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“Court Order”	:	The order of the Court sanctioning the Scheme under Section 210 of the Companies Act
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who purchased Target Company Shares using their CPF savings under the CPFIS
“Cut-off Date”	:	The date falling six (6) months from the Joint Announcement Date (or such other date as may be agreed in writing between the Offeror and Target Company)
“derivatives”	:	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 which causes the holder to have a long economic exposure to the underlying securities

DEFINITIONS

“Directors”	:	The directors of the Target Company as at the Latest Practicable Date
“EBITDA”	:	Has the meaning ascribed to it in paragraph 3.5(a) of the Offeror’s Letter
“Effective Date”	:	The date on which the Scheme becomes effective and binding in accordance with its terms, which date shall, in any event, be no later than the Cut-off Date
“Encumbrances”	:	Any claim, charge, mortgage, security, pledge, lien, option, restriction, equity, power of sale, hypothecation or other third party rights or interest, retention of title, right of pre-emption, right of first refusal or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Entitled Scheme Shareholders”	:	Scheme Shareholders as at 5.00 p.m. on the Record Date
“Explanatory Statement”	:	The explanatory statement in compliance with Section 211 of the Companies Act as set out on pages 29 to 41 of this Scheme Document
“EV”	:	Has the meaning ascribed to it in paragraph 3.5(a) of the Offeror’s Letter
“EV/Adjusted EBITDA”	:	Has the meaning ascribed to it in paragraph 3.5(a) of the Offeror’s Letter
“EV/Reported EBITDA”	:	Has the meaning ascribed to it in paragraph 3.5(a) of the Offeror’s Letter
“FY”	:	The financial year ended 31 December of a particular year. A reference to “FY” followed immediately by a reference to a calendar year shall mean the financial year of the Target Company starting on 1 January of the immediately preceding calendar year and ending on 31 December of that calendar year. By way of illustration, “FY2021” shall mean the financial year of the Target Company from 1 January 2021 to 31 December 2021
“Goldvein Holdings Pte. Ltd.”	:	The controlling shareholder of the Offeror holding 240,026,769 shares, comprising approximately 59.78% shareholding interest, in the Offeror
“Governmental Authority”	:	Any supranational, national, federal, state, municipal or local court, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity, or other governmental, semi-governmental or quasi-governmental entity or authority, or any securities exchange, wherever located or other department, agency or any political or other subdivision, department or branch of any of the foregoing
“IFA”	:	SAC Capital Private Limited, the independent financial adviser appointed pursuant to Rule 1308(2) of the Catalist Rules as well as to advise the Non-conflicted Directors in respect of the Scheme

DEFINITIONS

“IFA Letter”	:	Has the meaning ascribed to it in paragraph 10.1 of the Letter to Shareholders
“Implementation Agreement”	:	The implementation agreement dated 17 October 2022 entered into between the Target Company and the Offeror setting out the terms and conditions on which the Offeror and the Target Company will implement the Scheme
“Joint Announcement”	:	The joint announcement by the Target Company and the Offeror dated 17 October 2022 in relation to, <i>inter alia</i> , the Privatisation and the Scheme
“Joint Announcement Date”	:	17 October 2022, being the date of the Joint Announcement
“Last Trading Date”	:	Has the meaning ascribed to it in paragraph 3.4(a)(iv) of the Offeror’s Letter
“Latest Practicable Date”	:	12 January 2023, being the latest practicable date prior to the printing of this Scheme Document
“Law”	:	any statute, act, code, law (including common law and equity), regulation, rule, ordinance, order, decree, ruling, determination, judgment or decision of any Governmental Authority (including, for the avoidance of doubt, the Catalist Rules)
“Letter to Shareholders”	:	The letter to the Shareholders as set out on pages 14 to 28 of this Scheme Document
“Market Day”	:	A day on which the SGX-ST is open for the trading of securities
“NAV”	:	Has the meaning ascribed to it in paragraph 3.5(b) of the Offeror’s Letter
“NEA”	:	Has the meaning ascribed to it in paragraph 3.1 of the Offeror’s Letter
“Non-conflicted Directors”	:	The Directors who are considered independent for the purposes of making a recommendation to Scheme Shareholders in respect of the Scheme, namely all the Directors excluding the Conflicted Director
“Notice”	:	The notice of the Scheme Meeting as set out in Appendix 14 to this Scheme Document
“Offer”	:	Has the meaning ascribed to it in paragraph 2.2(a) of the Letter to Shareholders
“Offeror”	:	Bonvests Holdings Limited
“Offeror Group”	:	The Offeror and its subsidiaries
“Offeror Concert Party Group”	:	The Offeror and persons acting in concert with the Offeror in relation to the Scheme
“Offeror’s Letter”	:	The letter from the Offeror to Scheme Shareholders as set out in Appendix 2 to this Scheme Document

DEFINITIONS

“Offeror Securities”	:	Collectively, any (a) shares of the Offeror; (b) securities which carry substantially the same rights as any shares of the Offeror; and (c) convertible securities, warrants, options and derivatives in respect of (a) or (b)
“Offeror Shares”	:	Ordinary shares in the capital of the Offeror
“Official List”	:	The list of issuers maintained by the SGX-ST in relation to the Catalist of the SGX-ST
“Overseas Company Shareholder”	:	Has the meaning ascribed to it in paragraph 13 of the Explanatory Statement
“P/NAV”	:	Has the meaning ascribed to it in paragraph 3.5(b) of the Offeror’s Letter
“Parties”	:	The Target Company and the Offeror, and “Party” means any one of them
“Privatisation”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders
“Proxy Form” or “form of proxy”	:	The accompanying proxy form for the Scheme Meeting as set out in this Scheme Document
“Record Date”	:	A date to be announced (before the Effective Date) by the Target Company on which the Transfer Books and the Register of Members will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme
“Register of Directors”	:	The register of directors of the Target Company
“Register of Members”	:	The register of members of the Target Company
“Relevant Intermediary”	:	A “relevant intermediary” as defined in Section 181 of the Companies Act or a “depository agent” as defined in Section 81SF of the Securities and Futures Act
“Scheme”	:	The scheme of arrangement under Section 210 of the Companies Act dated 19 January 2023 as set out in Appendix 13 to this Scheme Document (as may be amended or modified from time to time)
“Scheme Conditions”	:	The conditions precedent in the Implementation Agreement, which must be satisfied (or, where applicable, waived) by on or before 5.00 p.m. on the Cut-off Date, for the Scheme to be implemented and which are reproduced in Appendix 6 to this Scheme Document
“Scheme Consideration”	:	S\$0.23 for each Target Company Scheme Share held by each Scheme Shareholder as at the Record Date, which shall be satisfied in cash (rounded down to the nearest S\$0.01, where applicable) in accordance with the terms and conditions of the Scheme
“Scheme Document”	:	This document dated 19 January 2023 issued by the Target Company to Scheme Shareholders which contains, <i>inter alia</i> , details of the Scheme

DEFINITIONS

“Scheme Meeting”	:	The meeting of Scheme Shareholders to be convened pursuant to the order of the Court to approve the Scheme, notice of which is set out in Appendix 14 of this Scheme Document, and any adjournment thereof
“Scheme Shareholders”	:	The holders of the Target Company Scheme Shares
“Securities Account”	:	The relevant securities account maintained by a depositor with CDP but does not include a securities sub-account
“Securities and Futures Act”	:	The Securities and Futures Act 2001 of Singapore
“SGXNET”	:	Singapore Exchange Network
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGX Regco”	:	Singapore Exchange Regulation Pte. Ltd.
“Share Registrar”	:	KCK Corpserve Pte. Ltd.
“Shareholders”	:	Persons who are registered as holders of Target Company Shares in the Register of Members and depositors who have Target Company Shares entered against their names in the Depository Register
“SIC”	:	Securities Industry Council of Singapore
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Target Company Shares using their SRS contributions pursuant to the SRS
“Substantial Shareholders”	:	As defined in Section 2 of the Securities and Futures Act
“Subject Property”	:	The property located at 8 Tuas South Street 13, Singapore 637083 as set out in Appendix 5 to this Scheme Document
“Surviving Provisions”	:	Clauses 1, 3.3.6, 9, 10, 11 and 12 (save for Clause 12.1) of the Implementation Agreement which will survive the termination of the Implementation Agreement
“Switch Option”	:	Has the meaning ascribed to it in paragraph 2.2 of the Letter to Shareholders
“S\$” and “Singapore cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Target Company”	:	Colex Holdings Limited
“Target Company Competing Offer”	:	Has the meaning ascribed to it in paragraph 2.2 of the Letter to Shareholders
“Target Company Excluded Shares”	:	Target Company Shares held by the Offeror Group

DEFINITIONS

“ Target Company Group ”	:	The Target Company and its subsidiaries, and “ Target Company Group Entity ” means any one of them
“ Target Company Prescribed Occurrence ”	:	Any of the events or matters set out in Appendix 7 to this Scheme Document
“ Target Company Securities ”	:	Collectively, any (a) Target Company Shares; (b) securities which carry voting rights in the Target Company; and/or (c) convertible securities, warrants, options and derivatives in respect of Target Company Shares or securities which carry voting rights in the Target Company
“ Target Company Scheme Shares ”	:	Target Company Shares excluding the Target Company Excluded Shares
“ Target Company Shares ”	:	The shares in the Target Company
“ Target Company Warranties ”	:	The warranties given by the Target Company as set out in Appendix 9 to the Scheme Document
“ Transfer Books ”	:	The transfer books of the Target Company
“ Valuer ”	:	Cushman & Wakefield VHS Pte. Ltd.
“ Valuation Summary ”	:	The valuation summary issued by the Valuer in respect of the Subject Property, as set out in Appendix 5 to this Scheme Document
“ VWAP ”	:	Has the meaning ascribed to it in paragraph 3.4(a)(ii) of the Offeror’s Letter
“ warrants ”	:	Rights to subscribe for or purchase new shares or existing shares in the relevant company
“ % ” or “ per cent. ”	:	Per centum or percentage
“ 1H2021 ”	:	Has the meaning ascribed to it in paragraph 4 of Appendix 3
“ 1H2022 ”	:	Has the meaning ascribed to it in paragraph 4 of Appendix 3

The terms “**acting in concert**” and “**concert parties**” shall have the meanings ascribed to them respectively in the Code.

The terms “**depositor**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

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

The headings in this Scheme Document are for ease of reference only and shall be ignored in construing this Scheme Document.

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

DEFINITIONS

Any reference in this Scheme Document to any enactment or statute is a reference to that enactment or statute for the time being amended, modified, supplemented or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Code, the Catalist Rules or any modification thereof and used but not otherwise defined in this Scheme Document shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act, the Code, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

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

Any discrepancies in the figures included in this Scheme Document between the listed amounts and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in this Scheme Document may not be an arithmetic aggregation of the figures that precede them.

In this Scheme Document, the total number of Target Company Shares as at the Latest Practicable Date is 132,522,560. As at the Latest Practicable Date, the Target Company did not hold any treasury shares or subsidiary holdings. Unless stated otherwise, all references to percentage shareholding of the issued share capital of the Target Company in this Scheme Document are based on 132,522,560 Target Company Shares in the issued share capital of the Target Company as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Scheme Document are or may be forward-looking statements. Forward-looking statements include, but are not limited to, those using words such as “aim”, “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “project”, “seek”, “strategy” and similar expressions or future conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s and/or the Target 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 performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those expressed or implied in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Target Company guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

EXPECTED TIMETABLE

Last date and time for lodgement of Proxy Form for Scheme Meeting	:	31 January 2023, 9.00 a.m. ⁽ⁱ⁾⁽ⁱⁱ⁾
Latest date and time for online pre-registration to attend Scheme Meeting	:	31 January 2023, 9.00 a.m.
Expected date and time of Scheme Meeting	:	3 February 2023, 9.00 a.m.
Place of Scheme Meeting	:	NTUC Centre, 1 Marina Boulevard, Training Room 701 at Level 7, One Marina Boulevard, Singapore 018989
Expected date of Court hearing of the application to sanction the Scheme	:	17 February 2023
Expected last day of trading of the Target Company Shares	:	20 February 2023
Expected Record Date	:	27 February 2023 ⁽ⁱⁱⁱ⁾
Expected Effective Date	:	28 February 2023 ^(iv)
Expected date for the payment of the Scheme Consideration	:	By 9 March 2023 ⁽ⁱⁱⁱ⁾
Expected date for the delisting of the Target Company Shares	:	13 March 2023

You should note that save for the last date and time for the lodgement of the Proxy Form and the date, time and place of the Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the Target Company and/or the SGX-ST for the exact dates of these events.

Notes:-

- (i) Scheme Shareholders are requested to lodge the Proxy Forms for the Scheme Meeting in accordance with the instructions contained therein not less than 72 hours before the time appointed for the Scheme Meeting.
- (ii) All Proxy Forms for the Scheme Meeting must be submitted (a) via email to colex-meeting@kckcs.com.sg; or (b) via post to the Share Registrar, KCK Corpserve Pte. Ltd. at 1 Raffles Place, #04-63, One Raffles Place, Singapore 048616. Completion and lodgement of a Proxy Form will not prevent a Scheme Shareholder from attending and voting in person at the Scheme Meeting if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
- (iii) Assuming that the Effective Date is on 28 February 2023.
- (iv) The Scheme will only become effective and binding if all the Scheme Conditions have been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement and upon lodgement of the Court Order with ACRA. The Court Order will be lodged with ACRA after the satisfaction (or, where applicable, waiver) of all the Scheme Conditions, a list of which is set out in Appendix 6 to this Scheme Document.

CORPORATE INFORMATION

DIRECTORS	:	Mr Henry Ngo Mr Ding Chek Leh Mr Lim Chee San Mr Tan Soon Liang
COMPANY SECRETARY	:	Ms Foo Soon Soo
REGISTERED OFFICE	:	541 Orchard Road, #16-00, Liat Towers, Singapore 238881
SHARE REGISTRAR	:	KCK Corpserve Pte. Ltd. 1 Raffles Place, #04-63, One Raffles Place, Singapore 048616
LEGAL ADVISER TO THE TARGET COMPANY IN RELATION TO THE SCHEME	:	TSMP Law Corporation 6 Battery Road, Level 5, Singapore 049909
SPONSOR	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay, #10-00, Collyer Quay Centre, Singapore 049318
INDEPENDENT FINANCIAL ADVISER APPOINTED PURSUANT TO RULE 1308(2) OF THE CATALIST RULES AS WELL AS TO ADVISE THE NON- CONFLICTED DIRECTORS IN RESPECT OF THE SCHEME	:	SAC Capital Private Limited 1 Robinson Road, #21-00, AIA Tower, Singapore 048542
AUDITORS	:	PricewaterhouseCoopers LLP 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936

HIGHLIGHTS OF THE SCHEME

The information in this section is a summary of the terms of the Scheme and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Scheme Document.

- Target Company** : Colex Holdings Limited, a company incorporated in Singapore.
- Offeror** : Bonvests Holdings Limited, a company incorporated in Singapore.
- Scheme** : The Privatisation will be effected by way of the Scheme under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.
- Scheme Terms** : Upon the Scheme becoming effective and binding in accordance with its terms, all the Target Company Scheme Shares held by the Entitled Scheme Shareholders will be transferred to the Offeror fully paid, free from all Encumbrances and together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Target Company to the Scheme Shareholders on or after the Joint Announcement Date.
- Scheme Consideration** : S\$0.23 in cash for each Target Company Scheme Share.
- Target Company Scheme Shares** : Target Company Shares excluding the Target Company Excluded Shares.
- For the purpose of the Scheme, the expression “**Target Company Scheme Shares**” shall include existing Target Company Scheme Shares and such new Target Company Scheme Shares.
- Scheme Shareholders** : The holders of the Target Company Scheme Shares.
- Scheme Conditions** : The Scheme is conditional upon the satisfaction or waiver (as the case may be) on or before 5.00 p.m. on the Cut-off Date of the Scheme Conditions as described in paragraph 6.1 of the Explanatory Statement. Full details of the Scheme Conditions are reproduced in Appendix 6 of this Scheme Document.
- Scheme Meeting** : The Scheme must be approved by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the Target Company Scheme Shares voted at the Scheme Meeting. Voting at the Scheme Meeting will be by way of poll.
- The Offeror Concert Party Group and the common substantial shareholders of the Offeror and the Target Company will abstain from voting on the Scheme and will also decline to accept appointment as proxy from any Scheme Shareholders to vote on the Scheme unless the Scheme Shareholders concerned have given specific instructions as to the manner in which his/her votes are to be cast at the Scheme Meeting.

HIGHLIGHTS OF THE SCHEME

When the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they were present in person or by proxy or voted at the Scheme Meeting.

Delisting : Upon the Scheme becoming effective and binding in accordance with its terms, and subject to the approval of the SGX-ST, the Target Company will be delisted from the Official List of the SGX-ST.

Rationale of the Privatisation and Future Intentions for the Target Company Group : The full text of the Offeror's rationale for the Privatisation and future intentions for the Target Company Group are set out in paragraphs 3.1 to 3.7 of the Offeror's Letter as set out in Appendix 2 of this Scheme Document.

IFA's advice to the Non-conflicted Directors in relation to the Scheme : Subject to the qualifications, bases and further advice set out in the IFA's Letter on the Scheme, the IFA has advised the Non-conflicted Directors to recommend that Scheme Shareholders should vote **IN FAVOUR OF** the Scheme at the Scheme Meeting.

The summary above should be read in conjunction with, and in the context of, the full text of the advice of the IFA to the Non-conflicted Directors on the Scheme as set out in Appendix 1 of this Scheme Document.

Non-conflicted Directors' recommendation to Shareholders : Subject to the qualifications and bases set out in paragraph 11 of the Letter to Shareholders, the Non-conflicted Directors concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Non-conflicted Directors unanimously recommend that Scheme Shareholders **VOTE IN FAVOUR OF** the Scheme at the Scheme Meeting.

The Conflicted Director is exempted from the requirement to make a recommendation on the Scheme to shareholders of the Target Company. The Conflicted Director, however, must still assume responsibility for the accuracy of facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Target Company in connection with the Scheme.

The summary above should be read in conjunction with, and in the context of, the Non-conflicted Directors' recommendation as set out in paragraph 11 of the Letter to Shareholders and paragraph 17 of the Explanatory Statement.

LETTER TO SHAREHOLDERS

COLEX HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197101485G)

Directors:

Mr Henry Ngo (Executive Chairman and Executive Director)
Mr Ding Chek Leh (Executive Director)
Mr Lim Chee San (Independent Non-Executive Director)
Mr Tan Soon Liang (Independent Non-Executive Director)

Registered Office:

541 Orchard Road,
#16-00,
Liat Towers,
Singapore 238881

19 January 2023

To: The Shareholders of Colex Holdings Limited

Dear Sir/Madam

PROPOSED PRIVATISATION OF COLEX HOLDINGS LIMITED BY BONVESTS HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT

1. INTRODUCTION

1.1 Joint Announcement

On 17 October 2022, the Target Company and the Offeror jointly announced the proposed privatisation of the Target Company through the acquisition (the “**Privatisation**”) of all the Target Company Scheme Shares by the Offeror to be effected by way of the Scheme at a Scheme Consideration of S\$0.23 in cash for each Target Company Scheme Share under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the above-mentioned announcement is available on the SGXNET at www.sgx.com.

1.2 Purpose

The purpose of this Scheme Document is to set out information pertaining to the Scheme, to seek your approval of the Scheme and to give you notice of the Scheme Meeting.

1.3 Explanatory Statement

An Explanatory Statement setting out the key terms of, the rationale for, and the effect of, the Scheme and the procedures for its implementation is set out on pages 29 to 41 of this Scheme Document. The Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out in Appendix 13 of this Scheme Document.

1.4 Information on the Target Company

The Target Company was incorporated in Singapore on 31 December 1971 and was listed on the SESDAQ (now known as the Catalist of the SGX-ST) since April 1999.

The Target Company Group is a veteran of waste management in Singapore providing services through its waste disposal and contract cleaning segments and has pioneered many innovative value-added services which include the fully mechanised waste disposal vehicles and portable waste compactors used in the industry today.

As at the Latest Practicable Date, (i) the Target Company had 132,522,560 Target Company Shares in issue and no treasury shares or subsidiary holdings, and (ii) there were no options or convertible securities of the Target Company outstanding.

LETTER TO SHAREHOLDERS

1.5 Information on the Offeror

The Offeror is a company incorporated in Singapore on 15 May 1969. It was listed on the Mainboard of the SGX-ST on 26 October 1973. The Offeror Group has core businesses in (a) property development and investment; (b) hotel ownership and management; and (c) waste management and contract cleaning of buildings.

The controlling shareholder of the Offeror is Goldvein Holdings Pte. Ltd. holding 240,026,769 shares, comprising approximately 59.78% shareholding interest, in the Offeror. As at the Latest Practicable Date, Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar were deemed to be interested in these shares by virtue of their shareholdings in Goldvein Holdings Pte. Ltd. Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar respectively held 40%, 20% and 20% shareholding interest in Goldvein Holdings Pte. Ltd. Mr Henry Ngo also held an additional 98,146,928 shares (directly and indirectly), comprising approximately 24.44% shareholding interest (both direct and deemed), in the Offeror. Mr Henry Ngo was also a director of the boards of the Offeror and the Target Company. The rest of the shareholding interest in the Offeror (being 15.65%) was held in the hands of the public.

As at the Latest Practicable Date, the Offeror (i) held, in its own name, 104,611,560 shares (comprising 78.94% shareholding interest); and (ii) held, through Coop International Pte Ltd (a wholly owned subsidiary of the Offeror), 986,100 shares (comprising 0.74% shareholding interest) in the Target Company. In total, the Offeror has a direct and deemed interest in 105,597,660 Target Company Shares, representing in aggregate 79.68% of the issued Target Company Shares.

Further details on the Offeror can be found in the Offeror's Letter as set out in Appendix 2 to this Scheme Document.

2. THE PRIVATISATION AND THE SCHEME

2.1 Terms of the Scheme

The Privatisation will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

Under the Scheme:

- (a) all the Target Company Scheme Shares held by the Entitled Scheme Shareholders as at the Record Date will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from all Encumbrances; and
 - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Target Company to the Scheme Shareholders on or after the Joint Announcement Date; and
- (b) in consideration of the transfer of the Target Company Scheme Shares referred to in paragraph 2.1(a) above, each Entitled Scheme Shareholder will be entitled to receive for each Target Company Scheme Share the Scheme Consideration of S\$0.23 in cash; and
- (c) the Offeror reserves the right to reduce the Scheme Consideration if and to the extent any distribution or dividend is declared, made or paid by the Target Company on or after the date of the Implementation Agreement.

LETTER TO SHAREHOLDERS

2.2 Switch Option

- (a) Pursuant to the terms of the Implementation Agreement, in the event a Target Company Competing Offer or an intention to make a Target Company Competing Offer is announced (whether or not such Target Company Competing Offer is pre-conditional), the Offeror shall have the right, *inter alia*, at its discretion to elect at any time, and subject to prior consultation with the SIC, to proceed by way of a voluntary conditional cash offer or a preconditional voluntary cash offer made for or on behalf of the Offeror to acquire all the Target Company Scheme Shares on such terms and conditions to be set out in the offer document issued for or on behalf of the Offeror (the “Offer”) in lieu of proceeding with the Privatisation by way of the Scheme (the “Switch Option”), at any time prior to the Scheme Meeting. “Target Company Competing Offer” means any offer, proposal or expression of interest by any person other than the Offeror pursuant to which such person or any other person may, whether directly or indirectly, and whether by share purchase, scheme of arrangement, merger or amalgamation, capital reconstruction, purchase of assets, tender offer, general offer, partial offer, joint venture, dual listed company structure or otherwise:
- (i) acquire or become the holder or owner of, or otherwise have an economic interest in:
 - (a) all or any substantial part of the businesses, assets, revenues and/or undertakings of the Target Company; or
 - (b) more than 50% of the share capital of the Target Company;
 - (ii) merge with the Target Company;
 - (iii) benefit under any other arrangement having an effect similar to any of the above; or
 - (iv) effect a transaction which would preclude or restrict the Privatisation and/or the Scheme.
- (b) If the Offeror exercises the Switch Option, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme (including the same or a higher consideration than the Scheme Consideration) or the Target Company Competing Offer (whichever is the higher), and conditional upon the Offeror having received acceptances that will result in the Offeror and any person acting in concert with it holding more than 50% of the maximum potential Target Company Shares in issue (and not conditional upon a higher level of acceptances). In addition, the Offeror and the Target Company acknowledge that the acceptance condition determined in accordance with this paragraph 2.2(b) may be revised, subject to SIC’s consent, if there are any legislative amendments to Section 215 of the Companies Act, to the extent that such legislative amendments come into force on or after the date of the Implementation Agreement and prior to the exercise of the Switch Option, and such amendments alter the shareholding percentage required to be held by the Offeror in order for the Offeror to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act.
- (c) In such event, the Target Company and the Offeror have agreed that the Implementation Agreement shall terminate with effect from the date of announcement by or on behalf of the Offeror of a firm intention to make the Offer, and none of the Parties shall have any claim against the others thereunder (except for any claim in respect of the Surviving Provisions).

2.3 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Target Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement:

- (a) the Implementation Agreement shall cease to have any further force or effect (save for the Surviving Provisions); and

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- (b) neither party shall have any further liability or obligation to the other party (save for the Surviving Provisions),

provided always that such termination shall not prejudice the rights of either party which have accrued or arisen prior to such termination.

3. OFFEROR'S RATIONALE FOR THE PRIVATISATION AND THE FUTURE INTENTIONS FOR THE TARGET COMPANY GROUP

3.1 The Offeror's Rationale

As stated in the Offeror's Letter as set out in Appendix 2, the Offeror's rationale for the Privatisation is extracted below. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings ascribed to them in the Offeror's Letter.

"3.1 An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term"

- a. *Increased competition in participation for the National Environment Agency's ("NEA") tenders for Public Waste Collection ("PWC") licenses for domestic and trade premises in Singapore with the next tender cycle only commencing in 2025*

The contribution from the Target Company's waste disposal segment has been declining since the expiry of the PWC contract for Jurong sector which ended in March 2020. This was further compounded by the unsuccessful tenders for the 6 available PWC sectors due to stiff market competition. With tenders for the next available PWC contract for the Pasir Ris-Bedok sector expected to commence only in 2025, the waste disposal segment will continue to face a difficult operating environment in the near future.

- b. *Increased competition in the contract cleaning segment*

Contract cleaning segment profit margins are under pressure due to increased competition in tenders for new contracts and increasing manpower costs.

- c. *The Target Company ended FY2021 loss making, with the overall profitability of the Target Company expected to face further downward pressures*

The roll-back of temporary government grants extended due to the pandemic such as the Jobs Support Scheme, and rising wage costs stemming from the implementation of the revised Progressive Wage Model in both the waste disposal segment and contract cleaning segment will place further downward pressure on the Target Company's profitability.

The Jobs Support Scheme contributed S\$3.3 million and S\$2.4 million in FY2020 and FY2021 respectively. Excluding these amounts in FY2021, the Target Company's losses before income tax would have extended to approximately S\$3.8 million.

3.2 The Target Company's listing status serves limited purpose as it has not tapped on the equity capital markets to raise funds and is unlikely to do so, yet it continues to incur substantial costs associated with being listed

Since its initial public offering in 1999, the Target Company has not carried out any exercise to raise funds from the equity capital markets.

Further, as the Target Company was not successful in its NEA tenders for PWC in FY2020 and FY2021, and there are no near-term plans for any substantial capital expenditures for the rest of its businesses, the Target Company does not see a need to maintain its listing status to tap the capital markets to raise funds in the near future.

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In maintaining its listed status, the Target Company incurs compliance costs and other associated costs of close to S\$150,000 each year which is significant relative to its current earnings. In the event the Target Company is delisted, it will be able to save on such expenses and focus its resources on better positioning the business to face the sector's increasingly challenging operating environment.

3.3 A Privatisation confers greater management flexibility to navigate an increasingly challenging operating environment

The Offeror believes that a Privatisation will allow the Target Company's management more flexibility to manage the business and facilitate the implementation of any operational change (if required), without the corresponding costs and regulatory restrictions associated with a listing on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

3.4 Opportunity for a Scheme Shareholder to realise their investment at a premium without incurring brokerage fees

In light of the pressures facing the Target Company and the uncertainties associated with navigating the challenging operating environment, the proposed Privatisation represents a credible opportunity for the Scheme Shareholders to realise their investment at a premium with the greatest certainty.

- a. The Scheme Consideration of S\$0.23 represents a premium of 25.0%, 13.9%, and 13.3% to the last traded price⁽ⁱ⁾, one-month, and three-month volume weighted average price ("**VWAP**")⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ up to and including the Last Trading Date^(iv).



Notes:

- (i) Refers to the closing price of the last full trading day where trades were done for the Target Company Shares prior to the Joint Announcement Date, being 10 October 2022.
- (ii) After the announcement of the special dividend of 7.55 Singapore cents and the first and final dividend of 0.45 Singapore cents on 22 February 2022, the trading price of Target Company Shares rose from its last traded price of S\$0.215 on 22 February 2022 to a high of S\$0.345 on 28 April 2022 before closing at S\$0.250 on the ex-dividend date on 6 May 2022.
- (iii) The VWAPs of the Target Company Shares are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including the Last Trading Date. The respective premia are rounded to the nearest one (1) decimal place.
- (iv) Refers to the last full trading day immediately prior to the Joint Announcement Date ("**Last Trading Date**"), being 12 October 2022.
- b. Considering the low historical trading liquidity of the Target Company Shares on SGX-ST, the proposed Privatisation represents an opportunity for Scheme Shareholders who may otherwise find it difficult, to exit their investment immediately.

Trading volumes on the Target Company Shares have been low with no trades being done for the majority of trading days with the counter experiencing low average daily trading volumes and average daily turnover.

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	One-month	Three-month	Six-month	Twelve-month
Average daily trading volume as a percentage of total number of the Target Company Shares ⁽ⁱ⁾	0.001% ⁽ⁱⁱⁱ⁾	0.004% ⁽ⁱⁱⁱ⁾	0.016% ⁽ⁱⁱⁱ⁾	0.023% ⁽ⁱⁱⁱ⁾
Average daily turnover of the Target Company Shares	S\$135	S\$1,051	S\$5,569	S\$7,961

Source: Bloomberg L.P.

Notes:

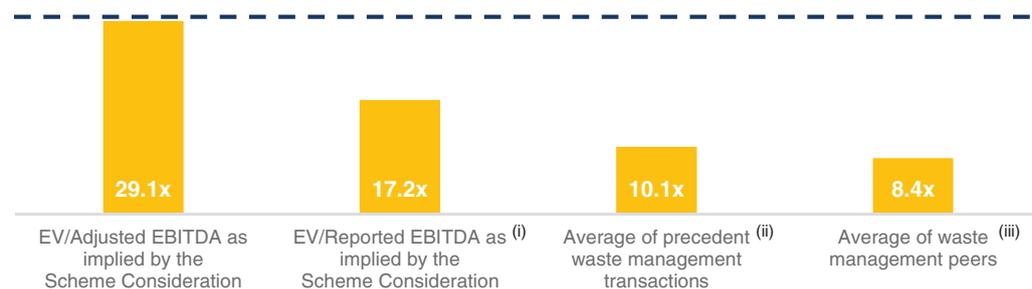
- (i) The average daily trading volume as a percentage of total number of the Target Company Shares is based on data extracted from Bloomberg L.P. as at the Last Trading Date and calculated using the average daily trading volume of the Target Company Shares divided by the total number of the Target Company Shares.
- (ii) The percentage figures are rounded to the nearest three (3) decimal places.

	One-month	Three-months	Six-months	Twelve-months
Number of SGX-ST trading days	22	65	125	252
Number of SGX-ST trading days where trades were done for the Target Company Shares	6	18	58	125

Source: Bloomberg L.P. as at the Last Trading Date

3.5 The valuation multiples implied by the Scheme Consideration exceeds key benchmarks, representing a credible offer for Scheme Shareholders to exit

- a. The ratio of enterprise value (“EV”) to the adjusted earnings before interest, tax, depreciation and amortisation (“EBITDA”) (“Adjusted EBITDA”) (the “EV/Adjusted EBITDA”)¹ as implied by the Scheme Consideration of 29.1x represents a significant premium² of 189.5% and 245.9% to the EV/EBITDA as implied by the average of precedent waste management transactions of 10.1x and the average of waste management peers of 8.4x.



Source: Bloomberg L.P., Capital IQ and company filings

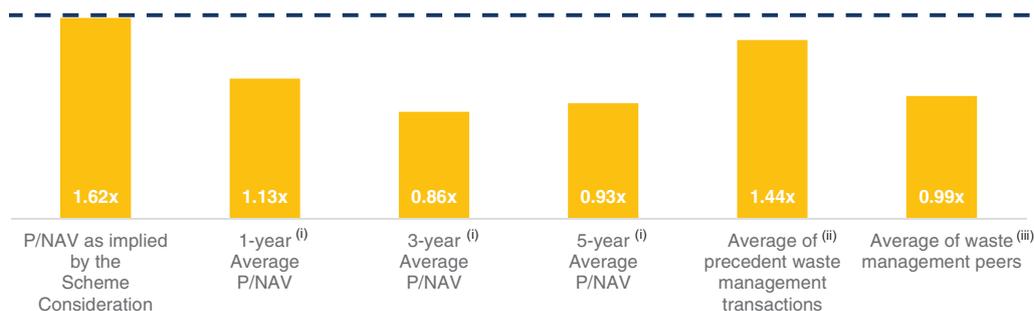
¹ Enterprise value is derived from the implied market capitalisation of the Target Company by the Scheme Consideration as at the Last Trading Date, and adjusted for: (i) current and non-current lease liabilities; (ii) cash and cash equivalents; and (iii) deposits from the Target Company's financial position as at 30 June 2022. Adjusted EBITDA is derived from the Target Company's financial performance over the last twelve months ending 30 June 2022 calculated by its profit before tax adjusted for: (i) one-off and / or non-recurring items including impairment losses on property, plant and equipment; and government grants received under the jobs support scheme, jobs growth incentive, wage credit scheme and senior employment credit scheme; (ii) depreciation expenses; (iii) finance costs; and (iv) interest income.

² The respective premium is rounded to the nearest one (1) decimal place. Discrepancies in the figures herein between the listed amounts and derived amounts from the EV/EBITDA are due to rounding.

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Notes:

- (i) The reported EBITDA is based on the Target Company's as reported EBITDA over the last twelve months ending 30 June 2022 of S\$1,653,000 ("**Reported EBITDA**").
 - (ii) Selected precedent waste management transactions include: (i) the acquisition of 800 Super Holdings Limited announced on 24 August 2022; (ii) the acquisition of Beijing Enterprises Urban Resources Group Limited announced on 28 April 2022; (iii) the acquisition of Kolon Environmental Service Co., Ltd. announced on 31 March 2020; (iv) the acquisition of Shandong Shifang Environmental Protection & Bio-Energy Co., Ltd. announced on 4 November 2019; (v) the acquisition of Fujikoh Company Limited announced on 1 November 2019; (vi) the acquisition of 800 Super Holdings Limited announced on 6 May 2019; (vii) the acquisition of Dial A Dump Industries Pty Ltd. announced on 21 August 2018; (viii) the acquisition of Tox Free Solutions Limited announced on 11 December 2017; and (ix) the acquisition of Environment Management Corporation announced on 18 May 2016.
 - (iii) Selected waste management peers include: (i) Better World Green Public Company Limited; (ii) TexCycle Technology (M) Berhad; (iii) 5E Resources Limited; (iv) Akkhie Prakarn Public Company Limited; (v) General Environmental Conservation Public Company Limited; and (vi) LS 2 Holdings Limited. Data compiled from Bloomberg L.P. and company filings as of the Last Trading Date.
- b. The ratio of price to net asset value ("**NAV**") (the "**P/NAV**")³ as implied by the Scheme Consideration of 1.62x represents a premium⁴ of 42.6%, 88.0% and 73.7% to the historical 1-year, 3-year and 5-year average P/NAV multiples of the Target Company Shares for the period up to and including the Last Trading Date. The P/NAV as implied by the Scheme Consideration exceeds the average of precedent waste management transactions of 1.44x and exceeds the P/NAV implied by the average of waste management peers of 0.99x.



Source: Bloomberg L.P., and company filings

Notes:

- (i) The historical average is computed daily up to and including the Last Trading Date and reflects the market capitalisation at the end of each trading day divided by NAV for last reported financial quarter or period, as compiled from Bloomberg L.P. and the Target Company's public filings.
- (ii) Selected precedent waste management transactions include: (i) the acquisition of Beijing Enterprises Urban Resources Group Limited announced on 28 April 2022; (ii) the acquisition of Kolon Environmental Service Co., Ltd. announced on 31 March 2020; (iii) the acquisition of Shandong Shifang Environmental Protection & Bio-Energy Co., Ltd. announced on 4 November 2019; (iv) the acquisition of Fujikoh Company Limited announced on 1 November 2019; (v) the acquisition of 800 Super Holdings Limited announced on 6 May 2019; (vi) the acquisition of Tox Free Solutions Limited announced on 11 December 2017; and (vii) the acquisition of Environment Management Corporation announced on 18 May 2016.
- (iii) Selected waste management peers include: (i) Better World Green Public Company Limited; (ii) TexCycle Technology (M) Berhad; (iii) 5E Resources Limited; (iv) Akkhie Prakarn Public Company Limited; (v) General Environmental Conservation Public Company Limited; (vi) LS 2 Holdings Limited; and (vii) Shanaya Limited. Data compiled from Bloomberg L.P. and company filings as of the Last Trading Date.

³ Derived from the Target Company's latest reported NAV of S\$18,864,000 on 30 June 2022.

⁴ The respective premium is rounded to the nearest one (1) decimal place. Discrepancies in the figures herein between the listed amounts and derived amounts from the P/NAV are due to rounding.

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3.6 **The Scheme Consideration implies a total return of 80.2% for a Scheme Shareholder over a 36-month holding period, this includes the S\$24.5 million paid in dividends over this period which includes one-off special dividends**

Special dividends were paid out following the Target Company's unsuccessful NEA tenders for PWC as the board of directors of the Target Company (the "**Board**") had decided that it was in the best interests of shareholders to distribute the capital that it had set aside to fund capital expenditures following a successful tender.

The Target Company's cash and cash equivalents of S\$5.5 million as of 30 June 2022 represents the minimum amount of cash retained in order to preserve its working capital. It is therefore very unlikely that the amounts of dividends to be distributed (if any) in the near future will be close to that in FY2020 and FY2021.

Accounting for the S\$24.5 million distributed over the past 36 months, the Scheme Consideration implies a total return of 80.2% and annualised total returns of 21.7% per annum for a Scheme Shareholder who had acquired Target Company Shares 36 months prior to the Last Trading Date.

Closing price 36 months prior to the last Trading Date ⁽ⁱ⁾	Scheme Consideration	Dividends for the past 36 month up to and including the Last Trading Date ⁽ⁱⁱ⁾	Sum of Scheme Consideration and total dividends up to the Last Trading Date	Total returns for the past 36 months ⁽ⁱⁱⁱ⁾	Annualised total returns for the past 36 months ⁽ⁱⁱⁱ⁾
S\$0.230	S\$0.230	S\$0.1845	S\$0.4145	80.2%	21.7%

Notes:

- (i) Based on the last traded price of the Target Company Shares prior to the 36 months period prior to the Last Trading Date sourced from Bloomberg L.P.
- (ii) This refers to the total dividends distributed per Target Company Share for the past 36 months prior to the Last Trading Date and includes the special tax-exempt one-tier dividend of 10.00 Singapore cents per Target Company Share paid on 31 August 2020 and the special tax-exempt one-tier dividend of 7.55 Singapore cents per Target Company Share paid on 19 May 2022.
- (iii) Total return is rounded to one (1) decimal place and subject to rounding difference.

3.2 **The Offeror's Future Intentions**

As stated in the Offeror's Letter in paragraphs 3.7 of Appendix 2, the Offeror's future intentions for the Target Company Group are extracted below. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings ascribed to them in the Offeror's Letter.

"Save as disclosed in this Offeror's Letter, the Offeror presently has no intention to (a) introduce any major changes to the existing business of the Target Company and its subsidiaries (the "**Target Company Group**"), (b) re-deploy the fixed assets of the Target Company Group, or (c) discontinue the employment of the employees of the Target Company Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Scheme. However, the Offeror retains the flexibility and from time to time to consider any options or opportunities in relation to the Target Company Group which may present themselves or which the Offeror may regard to be in the interests of the Offeror and/or the Target Company Group."

4. **NO CASH OUTLAY**

Scheme Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from Entitled Scheme Shareholders under the Scheme.

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5. WAIVER OF RIGHTS TO A GENERAL OFFER

Scheme Shareholders should note that by voting in favour of the Scheme, Scheme Shareholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Target Company Shares under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Target Company without having to make a general offer.

6. NO IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, none of the Offeror, its directors and parties acting in concert with it has received any irrevocable undertaking from any other party to vote in favour of or against the Scheme at the Scheme Meeting.

7. APPROVALS REQUIRED

7.1 Scheme Meeting and Court Sanction

The Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Scheme by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Target Company Scheme Shares held by Scheme Shareholders present and voting either in person or by proxy at the Scheme Meeting; and
- (b) the grant of the Court Order sanctioning the Scheme and such Court Order having become final.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement, and a copy of the Court Order has been lodged with ACRA.

7.2 SIC Confirmation

Pursuant to the application made by the Offeror to the SIC to seek certain rulings in relation to the Scheme, the SIC has confirmed on 6 October 2022, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
 - (i) the Offeror and its concert parties, and the common substantial shareholders of the Offeror and the Target Company abstain from voting on the Scheme;
 - (ii) the Target Company appoints an independent financial adviser to advise the Scheme Shareholders on the Scheme;
- (b) it has no objections to the Scheme Conditions;
- (c) (i) the Offeror may exercise the Switch Option, subject to:
 - (A) the Offer being on same or better terms as those which apply to the Scheme or the Target Company Competing Offer (whichever is the higher);
 - (B) the acceptance condition to the Offer being set at only more than 50% of the maximum potential Target Company Shares in issue (and not conditional upon a higher level of acceptances);
 - (C) prior consultation with the SIC to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option; and

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- (D) disclosure in the announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option; and
- (ii) the Scheme Conditions, to the extent applicable to the event of an Offer, may similarly be imposed as conditions precedent to the Offer becoming unconditional in all respects only after consultation with the SIC prior to the exercise of the Switch Option; and
- (d) Mr Ngo is exempted from the requirement to make a recommendation on the Scheme to shareholders of the Target Company. Mr Ngo, however, must still assume responsibility for the accuracy of facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Target Company in connection with the Scheme.

8. DELISTING

8.1 As stated in the Offeror's Letter, upon the Scheme becoming effective and binding, the Offeror Group will hold 100% of the Target Company Shares and consequently, the Target Company will not be able to meet the relevant listing requirements of the SGX-ST.

8.2 The Target Company had, through its Sponsor, made an application to seek approval-in-principle from the SGX Regco for the delisting of the Target Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX Regco, on 6 January 2023, advised that it has no objection to the Target Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) the Target Company's compliance with the SGX-ST's listing requirements;
- (b) approval of the Scheme by a majority in number of shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting;
- (c) the IFA opining that the financial terms of the Scheme are both fair and reasonable; and
- (d) the Court sanctioning of the Scheme.

The above decision of the SGX Regco is not an indication of the merits of the delisting of the Target Company from the Official List of the SGX-ST upon completion of the Scheme.

SCHEME SHAREHOLDERS SHOULD NOTE THAT THE TARGET COMPANY SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

9. CONFIRMATION OF FINANCIAL RESOURCES

As stated in the Offeror's Letter, DBS Bank Ltd., in its capacity as financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror pursuant to the Scheme.

10. INDEPENDENT FINANCIAL ADVISER APPOINTED PURSUANT TO RULE 1308(2) OF THE CATALIST RULES AS WELL AS TO ADVISE THE NON-CONFLICTED DIRECTORS IN RESPECT OF THE SCHEME

10.1 Appointment of IFA

SAC Capital Private Limited has been appointed as the independent financial adviser pursuant to Rule 1308(2) of the Catalist Rules as well as to advise the Non-conflicted Directors in respect of the Scheme. Scheme Shareholders should consider carefully the recommendation of the Non-conflicted Directors and the advice of the IFA to the Non-conflicted Directors before deciding whether or not to vote in favour of the Scheme. The advice of the IFA is set out in its letter dated 19 January 2023 (the "IFA Letter") as set out in Appendix 1 to this Scheme Document.

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10.2 Factors Taken Into Consideration by the IFA

In arriving at its recommendation, the IFA has taken into account certain considerations, an extract of which is reproduced below. Scheme Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in Appendix 1 to this Scheme Document.

Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings ascribed to them in the IFA Letter.

“In assessing the financial terms of the Scheme, 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 Target Company Shares;*
- (b) Historical financial performance of the Target Company Group;*
- (c) Net asset value (“NAV”) and net tangible assets (“NTA”) of the Target Company Group;*
- (d) Comparison of valuation statistics of companies broadly comparable to the Target Company Group;*
- (e) Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST;*
- (f) Dividend track record of the Target Company and selected alternative investments; and*
- (g) Other relevant considerations.”*

10.3 Advice of the IFA

After having regard to the considerations set out in the IFA Letter, and based on the information available to the IFA as at the Latest Practicable Date, the IFA had made certain recommendations to the Non-conflicted Directors, an extract of which is reproduced below. Scheme Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in Appendix 1 to this Scheme Document.

Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings ascribed to them in the IFA Letter.

8.2 Assessment of the Scheme

For the purpose of evaluating the Scheme, 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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8.2.1 Assessment of Fairness of the Scheme

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

- (a) based on the NAV/NTA approaches, 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 Scheme Consideration represents a premium of approximately 62.0% against the NAV per Target Company Share of S\$0.142 as at 30 June 2022. Accordingly, the P/NAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.62 times as at 30 June 2022;
- (b) the Scheme Consideration represents a premium of approximately 54.3% against the RNAV per Target Company Share of S\$0.149 as at 30 June 2022. Accordingly, the P/RNAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.54 times as at 30 June 2022;
- (c) the Ex-cash Scheme Consideration represents a premium of approximately 69.3% against the ex-cash NAV per Target Company Share of S\$0.127 as at 30 June 2022. Accordingly, the Ex-cash P/NAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.69 times as at 30 June 2022;
- (d) the historical EV/EBITDA, P/NAV and P/NTA ratios as implied by the Scheme Consideration compare favourably against those of the Comparable Companies;
- (e) the Scheme Consideration of S\$0.23 is above the estimated value range of the Target Company Shares of S\$0.179 and S\$0.186 per Target Company Share;
- (f) the premia as implied by the Scheme Consideration over the Adjusted VWAP of the Target Company Shares for the 12-, 6-, 3-, 1-month periods up to and including the Last Market Day and the last transacted price on the Last Market Day are within the respective range of the corresponding premia of the Take-Over Transactions;
- (g) the P/NAV ratio as implied by the Scheme Consideration of 1.62 times compares favourably against the median Price-to-NAV/NTA ratios for the Take-Over Transactions and is within the range of the Price-to-NAV/NTA ratios for the Take-Over Transactions;
- (h) the P/RNAV ratio as implied by the Scheme Consideration of 1.54 times compares favourably against the median Price-to-NAV/NTA ratios for the Take-Over Transactions and is within the range of the Price-to-NAV/NTA ratios for the Take-Over Transactions; and
- (i) the Ex-cash P/NAV ratio as implied by the Scheme Consideration of 1.69 times compares favourably against the median Price-to-NAV/NTA ratios for the Take-Over Transactions and is within the range of the Price-to-NAV/NTA ratios for the Take-Over Transactions.

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

8.2.2 Assessment of Reasonableness of the Scheme

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

- (a) the Scheme Consideration representing a premium of approximately 25.0% over the closing price of the Target Company Shares of S\$0.184 on the Last Market Day;
- (b) the Scheme Consideration represents a premium of approximately 5.99%, 0.88%, 13.30% and 13.86% over the Adjusted VWAP of the Target Company Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Market Day respectively;

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- (c) *the historical trailing P/NAV multiple of the Target Company Shares over the 5-year period prior to and including the Last Market Day have been trading below the implied P/NAV multiple of the Target Company Shares of 1.62 times;*
- (d) *the trading of the Target Company Shares is erratic and appears to be relatively illiquid in the 12-, 6-, 3-, and 1-month period up to and including the Last Market Day, and in view of the low liquidity of the Target Company Shares, the historical market prices of the Target Company Shares may not be a meaningful indicator of its market value due to the lack of liquidity for the Target Company Shares. In addition, it is to note that given the low liquidity of the Target Company Shares during the forementioned periods observed, the Scheme Consideration may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash. In the absence of the Scheme Consideration, such an exit for all Shareholders may not be readily available due to the low trading liquidity for the Target Company Shares;*
- (e) *the Target Company Group's revenue and net profit after tax had been declining from FY2019 to FY2021, and from 1H2021 to 1H2022. In this regard, the Target Company Group had recorded a net loss of approximately S\$0.68 million in FY2021 vis-à-vis a net profit after tax of approximately S\$1.77 million in FY2020, and recorded a net loss of approximately S\$0.81 million in 1H2022 vis-à-vis a net profit after tax of approximately S\$0.27 million in 1H2021;*
- (f) *as set out in paragraph 3.1 of Appendix 2 to the Scheme Document, we note that the Offeror is of the view that there is no certainty of the Target Company returning to profitability in the near term in light of an increasingly challenging operating environment ahead. In particular, we note from the Offeror's view that the contribution from the Target Company's waste disposal segment has been declining since the expiry of the PWC contract for Jurong sector which ended in March 2020. This was further compounded by the unsuccessful tenders for the 6 available PWC sectors due to stiff market competition. With tenders for the next available PWC contract for the Pasir Ris-Bedok sector expected to commence only in 2025, the waste disposal segment will continue to face a difficult operating environment in the near future;*
- (g) *the Scheme Consideration presents a premium of approximately 9.5% over the Weighted Average Price of S\$0.21 of the past acquisitions of the Target Company Shares by the Offeror Concert Party Group;*
- (h) *the historical EV/EBITDA and P/NAV ratios as implied by the Scheme Consideration compare favourably against those of the 2008 Scheme; and*
- (i) *as at the Latest Practicable Date, apart from the Scheme, no alternative or competing offer has been received by the Target Company. In addition, the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror Concert Party Group holds an aggregate of 105,597,660 Target Company Shares, representing approximately 79.68% of the total number of issued Target Company Shares.*

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

8.3 Our opinion on the Scheme

In conclusion, we are of the opinion that, on balance, the financial terms of the Scheme are fair and reasonable. Accordingly, we advise the Non-conflicted Directors to recommend Shareholders to vote in favour of the Scheme.

The Non-conflicted Directors should also highlight to Shareholders that the Scheme, when it becomes effective, will be binding on all Shareholders, whether or not they have attended or voted at the Scheme Meeting, and if they have attended and voted, whether or not they have voted in favour of the Scheme.

LETTER TO SHAREHOLDERS

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.”

11. NON-CONFLICTED DIRECTORS' RECOMMENDATION

11.1 Independence

The Conflicted Director is exempted from making a recommendation on the Scheme to the Scheme Shareholders in accordance with the terms of the exemption granted by the SIC as described in paragraph 6.1 of the Explanatory Statement for the reason set out below.

The Conflicted Director has a 21.26% direct interest and a deemed interest of 3.18% (held through Allisland Pte Ltd) in the Offeror. He also holds 40% interest in the issued share capital of Goldvein Holdings Pte. Ltd. which in turn holds 59.78% shareholding interest in the issued share capital of the Offeror. The Offeror in turn holds 104,611,560 Target Company Shares (comprising 78.94% shareholding interest) and 986,100 Target Company Shares (comprising 0.74% shareholding interest) (held through Coop International Pte Ltd) in the Target Company. Goldvein Holdings Pte. Ltd. and the Conflicted Director are deemed interested in the 105,597,660 Target Company Shares held by the Offeror by virtue of Section 7 of the Companies Act.

Accordingly, the Conflicted Director would face, or may reasonably be perceived to face, a conflict of interest, that would render him inappropriate to join the Non-conflicted Directors in making a recommendation on the Scheme to the Scheme Shareholders.

The Conflicted Director, however, still assumes responsibility for the accuracy of the facts stated and opinions expressed in the documents and advertisements issued by, or on behalf of the Target Company to the Scheme Shareholders in connection with the Scheme.

The Non-conflicted Directors consider themselves to be independent for the purpose of making a recommendation to the Scheme Shareholders in respect of the Scheme.

11.2 Recommendation

The Non-conflicted Directors, having considered carefully the terms of the Scheme and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Non-conflicted Directors unanimously recommend that Scheme Shareholders **VOTE IN FAVOUR OF** the Scheme at the Scheme Meeting.

Scheme Shareholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Target Company Scheme Shares will be maintained at the current levels prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. In the event the Scheme becomes effective, it will be binding on all Scheme Shareholders whether or not they were present in person or by proxy or voted at the Scheme Meeting. Scheme Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

Scheme Shareholders should read and consider carefully this Scheme Document in its entirety, and in particular, the advice of the IFA as set out in Appendix 1 to this Scheme Document, before deciding whether or not to vote in favour of the Scheme.

LETTER TO SHAREHOLDERS

11.3 No Regard to Specific Objectives

The Non-conflicted Directors advise Scheme Shareholders, in deciding whether or not to vote in favour of the Scheme, to carefully consider the advice of the IFA and in particular, the various considerations highlighted by the IFA in the IFA Letter.

In giving the above recommendation, the Non-conflicted Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Scheme Shareholder. As each Scheme Shareholder would have different investment objectives and profiles, the Non-conflicted Directors recommend that any individual Scheme Shareholder who may require advice in the context of his/her specific investment objectives or portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

12. DIRECTORS' INTENTIONS WITH RESPECT TO THEIR TARGET COMPANY SCHEME SHARES

In accordance with the SIC's rulings as set out in paragraph 7.2 of the Letter to Shareholders, the Conflicted Director is required to abstain from voting at the Scheme meeting.

Save for the Conflicted Director, none of the other Directors has any shares in the Target Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Scheme Document (other than the information in Appendices 1, 2 and 5 to this Scheme Document, and any information relating to or opinions expressed by the Offeror, the Offeror Concert Party Group, the Sponsor, the IFA and/or the Valuer) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Scheme Document constitutes full and true disclosure of all material facts about the Privatisation, the Scheme and the Target Company Group, and the Directors are not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the IFA Letter, the Offeror's Letter and the Valuation Summary), 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 Scheme Document in its proper form and context.

In respect of the IFA Letter and the Valuation Summary, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Target Company Group are fair and accurate.

14. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Explanatory Statement and the Appendices to this Scheme Document.

Yours faithfully
For and on behalf of the Board of Directors of
COLEX HOLDINGS LIMITED

Lim Chee San
Independent Non-Executive Director

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

**PROPOSED PRIVATISATION OF THE TARGET COMPANY BY THE OFFEROR
BY WAY OF THE SCHEME**

1. INTRODUCTION

1.1 Joint Announcement

On 17 October 2022, the Target Company and the Offeror jointly announced the Privatisation of all the Target Company Scheme Shares by the Offeror to be effected by way of the Scheme at a Scheme Consideration of S\$0.23 in cash for each Scheme Share under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the above-mentioned announcement is available on SGXNET at www.sgx.com.

1.2 Effect of the Scheme and the Delisting

As stated in the Offeror's Letter, upon the Scheme becoming effective and binding, the Offeror Group will hold 100% of the Target Company Shares and consequently, the Target Company will not be able to meet the relevant listing requirements of the SGX-ST.

The Target Company had, through its Sponsor, made an application to seek approval-in-principle from the SGX Regco for the delisting of the Target Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX Regco, on 6 January 2023, advised that it has no objection to the Target Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) the Target Company's compliance with the SGX-ST's listing requirements;
- (b) approval of the Scheme by a majority in number of shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting;
- (c) the IFA opining that the financial terms of the Scheme are both fair and reasonable; and
- (d) the Court sanctioning of the Scheme.

The above decision of the SGX Regco is not an indication of the merits of the delisting of the Target Company from the Official List of the SGX-ST upon completion of the Scheme.

1.3 Explanatory Statement

This Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out in Appendix 13. Capitalised terms used in this Explanatory Statement which are not defined in this Explanatory Statement and the Scheme shall bear the same meanings ascribed to them on pages 2 to 8 of this Scheme Document.

2. THE SCHEME

2.1 Terms of the Scheme

The Scheme is proposed to all Scheme Shareholders.

The Privatisation will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

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Under the Scheme:

- (a) all the Target Company Scheme Shares held by the Entitled Scheme Shareholders as at the Record Date will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from all Encumbrances; and
 - (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Target Company to the Scheme Shareholders on or after the Joint Announcement Date; and
- (b) in consideration of the transfer of the Target Company Scheme Shares referred to in paragraph 2.1(a) above, each Entitled Scheme Shareholder will be entitled to receive for each Scheme Share the Scheme Consideration; and
- (c) the Offeror reserves the right to reduce the Scheme Consideration if and to the extent any distribution or dividend is declared, made or paid by the Target Company on or after the date of the Implementation Agreement.

2.2 Switch Option

- (a) Pursuant to the terms of the Implementation Agreement, in the event a Target Company Competing Offer or an intention to make a Target Company Competing Offer is announced (whether or not such Target Company Competing Offer is pre-conditional), the Offeror shall have the right, *inter alia*, at its discretion to elect at any time, and subject to prior consultation with the SIC, to exercise the Switch Option, at any time prior to the Scheme Meeting.
- (b) If the Offeror exercises the Switch Option, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme (including the same or a higher consideration than the Scheme Consideration) or the Target Company Competing Offer (whichever is the higher), and conditional upon the Offeror having received acceptances that will result in the Offeror and any person acting in concert with it holding more than 50% of the maximum potential Target Company Shares in issue (and not conditional upon a higher level of acceptances). In addition, the Offeror and the Target Company acknowledge that the acceptance condition determined in accordance with this paragraph 2.2(b) may be revised, subject to SIC's consent, if there are any legislative amendments to Section 215 of the Companies Act, to the extent that such legislative amendments come into force on or after the date of the Implementation Agreement and prior to the exercise of the Switch Option, and such amendments alter the shareholding percentage required to be held by the Offeror in order for the Offeror to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act.
- (c) In such event, the Target Company and the Offeror have agreed that the Implementation Agreement shall terminate with effect from the date of announcement by or on behalf of the Offeror of a firm intention to make the Offer, and none of the Parties shall have any claim against the others thereunder (except for any claim in respect of the Surviving Provisions).

2.3 No Cash Outlay

Scheme Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from Entitled Scheme Shareholders under the Scheme.

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(in compliance with Section 211 of the Companies Act)

2.4 Waiver of Rights to a General Offer

Scheme Shareholders should note that by voting in favour of the Scheme, Scheme Shareholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Target Company Shares under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Target Company without having to make a general offer.

2.5 No Irrevocable Undertakings

As at the Latest Practicable Date and based on the latest information available to the Offeror, none of the Offeror, its directors and parties acting in concert with it has received any irrevocable undertaking from any other party to accept or reject the Scheme. None of the Shareholders has provided or will be providing any undertaking in favour of the Offeror in relation to their acceptance of the Scheme.

3. INFORMATION ON THE OFFEROR

Information on the Offeror, as well as the Offeror's rationale for the Privatisation and future intentions for the Target Company Group, are set out in Appendix 2 to this Scheme Document.

4. SCHEME MEETING

4.1 Scheme Meeting

The Scheme, which is proposed pursuant to Section 210 of the Companies Act, is required to be approved by Scheme Shareholders at the Scheme Meeting. By an order of the Court dated 12 January 2023, the Scheme Meeting was directed to be convened for the purpose of approving the Scheme.

By proposing that the Privatisation be implemented by way of a scheme of arrangement under Section 210 of the Companies Act, the Target Company is providing Scheme Shareholders with the opportunity to decide at the Scheme Meeting whether they consider the Scheme to be in their best interests.

The Scheme must be approved by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the Target Company Scheme Shares voted at the Scheme Meeting.

When the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they were present in person or by proxy or voted at the Scheme Meeting. Scheme Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

4.2 Convening of Scheme Meeting

Pursuant to an application by the Target Company to the Court, the Court has ordered, amongst other things, that:

- (a) the Target Company be at liberty to convene the Scheme Meeting within three (3) months of 12 January 2023, for the purpose of considering, and if thought fit, approving (with or without modifications) the Scheme;
- (b) the Scheme Meeting shall be convened in the manner set out in Appendix 12 to this Scheme Document;

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- (c) In the event the Scheme is approved by a majority in number of the Scheme Shareholders representing three-fourths (75.0%) in value of the shares held by the Scheme Shareholders present and voting either in person or by proxy at the Scheme Meeting, the Target Company be at liberty to apply for the Court's approval of the Scheme under Section 210(3AB)(c) of the Companies Act 1967, with such modifications as are approved at the Scheme Meeting (if any); and
- (d) the Target Company be at liberty to apply for such further or other directions as may be necessary or desirable.

The Scheme Meeting will be convened and held on 3 February 2023, 9:00 a.m., in the manner set out in Appendix 12 to this Scheme Document, for the purpose of considering, and if thought fit, passing with or without modifications, the resolution of the Scheme Shareholders to approve the Scheme.

4.3 Notice

The Notice of the Scheme Meeting is set out in Appendix 14 to this Scheme Document. You are requested to take note of the date, time and place of the Scheme Meeting.

5. CONDITIONS OF THE SCHEME

5.1 Scheme Conditions

(a) Scheme Conditions

The Scheme is conditional upon the satisfaction (or, where applicable, waiver) of all the Scheme Conditions on or before 5.00 p.m. on the Cut-off Date.

A list of the Scheme Conditions is set out in Appendix 6 to this Scheme Document.

(b) Update on Status of Scheme Conditions

Set out below is an update on the status of the Scheme Conditions:

(i) the SIC has by way of email dated 6 October 2022 confirmed, *inter alia*, that:

(A) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to certain conditions; and

(B) it has no objections to the Scheme Conditions.

Please refer to paragraph 6.1 below for further details;

(ii) the SGX Regco has on 6 January 2023 provided that it has no objection to the Target Company's application for delisting from the Official List of the SGX-ST. Please refer to paragraph 8 below for further details; and

(iii) other than as set out in this paragraph 6.1(b), none of the other Scheme Conditions have, as at the Latest Practicable Date, been satisfied or waived.

(c) Remaining Scheme Conditions

Accordingly, as at the Latest Practicable Date, the Scheme remained conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in Appendix 6 to this Scheme Document on or before 5.00 p.m. on the Cut-Off Date.

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5.2 Non-fulfilment of Scheme Conditions

The Scheme will only become effective and binding if all the Scheme Conditions have been satisfied or, where applicable, waived, in accordance with the terms of the Implementation Agreement. The Scheme Shareholders should note that if any of the Scheme Conditions is not satisfied (or, if applicable, waived) on or before 5.00 p.m. on the Cut-Off Date, the Scheme will not become effective and binding.

5.3 Benefits of the Scheme Conditions

(a) Offeror's Benefit

The Offeror alone may waive the Scheme Conditions in paragraph 6 (in relation to any Prescribed Occurrence relating to the Target Company or any Target Company Group Entity, as set out in Part 2 of Appendix 7 to this Scheme Document) or paragraph 7 (in relation to any material breach of Warranties by the Target Company) of Appendix 6. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive in writing any such breach or non-fulfilment.

(b) The Target Company's Benefit

The Target Company alone may waive the Scheme Conditions in paragraph 6 (in relation to any Prescribed Occurrence relating to the Offeror, as set out in Part 1 of Appendix 7 to this Scheme Document) and paragraph 8 (in relation to any material breach of Warranties by the Offeror) of Appendix 6 to this Scheme Document. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Target Company. The Target Company may at any time and from time to time at its sole and absolute discretion waive in writing any such breach or non-fulfilment.

(c) Mutual Benefit

The non-fulfilment of the Scheme Conditions in paragraph 5 (in relation to there being no illegality) of Appendix 6 to this Scheme Document hereto is capable of being waived with the consent in writing of both the Offeror and the Target Company (to the extent legally permissible).

(d) Other Scheme Conditions

For avoidance of doubt, the Offeror and the Target Company agree that the Scheme Conditions in paragraph 1 (in relation to approval of the Scheme by the Scheme Shareholders), paragraph 2 (in relation to the grant of the Court Order), paragraph 3 (in relation to the lodgement of the Court Order) and paragraph 4 (in relation to Regulatory Approvals) of Appendix 6 to this Scheme Document are not capable of being waived by either the Offeror or the Target Company or by both the Offeror and the Target Company.

5.4 Right to Terminate

(a) If any of the Scheme Conditions set out in paragraph 1 (in relation to approval of the Scheme by the Scheme Shareholders), paragraph 2 (in relation to the grant of the Court Order), paragraph 3 (in relation to the lodgement of the Court Order) or paragraph 4 (in relation to Regulatory Approvals) of Appendix 6 hereto is not satisfied, or if the Scheme has not become effective in accordance with its terms on or before 5.00 p.m. on the Cut-Off Date, either the Offeror or the Target Company may immediately terminate the Implementation Agreement by notice in writing to the other party.

(b) If the Scheme Condition set out in paragraph 5 (in relation to there being no illegality) of Appendix 6 to the Scheme Document is not satisfied, or is incapable of being satisfied, or if applicable, has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, either the Offeror or the Target Company may immediately terminate the Implementation Agreement by notice in writing to the other party.

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- (c) If any of the Scheme Conditions set out in paragraph 6 (in relation to any Prescribed Occurrences relating to the Target Company or any of the Target Company Group Entities) or paragraph 7 (in relation to any breach of Warranties by the Target Company) of Appendix 6 to the Scheme Document is not satisfied, or is incapable of being satisfied, or if applicable has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, the Offeror may terminate the Implementation Agreement by notice in writing to the Target Company.
- (d) If any of the Scheme Conditions set out in paragraph 6 (in relation to any Prescribed Occurrences relating to the Offeror) or paragraph 8 (in relation to any breach of Warranties by the Offeror) of Appendix 6 to the Scheme Document is not satisfied, or if applicable, had not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, the Target Company may terminate the Implementation Agreement by notice in writing to the Offeror.
- (e) For the avoidance of doubt, the Offeror and/or the Target Company (as the case may be) may only invoke the non-satisfaction of any of the Scheme Conditions to terminate the Implementation Agreement if it has first consulted the SIC and the SIC gives its approval for, or states that it has no objection to, such termination. In the event any Party intends to consult with the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other Parties.
- (f) Except as provided under this paragraph 5.4 or for fraud, no Party may terminate or rescind the Implementation Agreement.

5.5 Effect of Termination

In the event of termination of the Implementation Agreement by either the Target Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement:

- (a) the Implementation Agreement shall cease to have any further force or effect (save for the Surviving Provision); and
- (b) neither party shall have any further liability or obligation to the other party (save for the Surviving Provisions),

provided always that such termination shall not prejudice the rights of either party which have accrued or arisen prior to such termination.

6. SCHEME CONDITIONS AND REGULATORY APPROVALS

6.1 SIC

- (a) Code

The SIC has confirmed on 6 October 2022, *inter alia*, that the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

- (i) the Offeror and its concert parties, and the common substantial shareholders of the Offeror and the Target Company abstain from voting on the Scheme; and
- (ii) the Target Company appoints an independent financial adviser to advise the Scheme Shareholders on the Scheme.

As at the Latest Practicable Date:

- (A) the Offeror Concert Party Group and the common substantial shareholders of the Offeror and the Target Company would abstain from voting on the Scheme in respect of their Target Company Scheme Shares (if any); and
- (B) the Target Company had appointed the IFA to advise the Non-conflicted Directors in relation to the Scheme.

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(b) Scheme Conditions

The SIC has confirmed on 6 October 2022, *inter alia*, that it has no objections to the Scheme Conditions.

(c) Recommendation to the Scheme Shareholders

The SIC has confirmed on 6 October 2022, *inter alia*, that Mr Ngo is exempted from making a recommendation on the Scheme to shareholders of the Target Company. Mr Ngo, however, must still assume responsibility for the accuracy of facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Target Company in connection with the Scheme.

6.2 Court

The Scheme is subject to the sanction of the Court as stated in paragraph 2 of Appendix 6 to this Scheme Document.

6.3 SGX-ST

As set out in paragraph 8 below, an application was made to seek approval-in-principle from the SGX-ST for the proposed delisting of the Target Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms.

7. OBLIGATIONS OF THE TARGET COMPANY AND THE OFFEROR IN RELATION TO THE SCHEME

Pursuant to the terms of the Implementation Agreement, the Target Company and the Offeror shall, in connection with the implementation of the Scheme, as expeditiously as practicable, comply with the obligations set out respectively in Appendix 10 and Appendix 11 to this Scheme Document, including the obligation to use its reasonable endeavours to procure that the Scheme is implemented on the terms set out in the Implementation Agreement and in the Scheme Document including complying with all procedures and processes imposed by the Court in connection with the Scheme.

The obligations of the Target Company in Appendix 10 to this Scheme Document are subject to the fiduciary duties of its directors and compliance with all applicable Laws.

8. EFFECT OF THE SCHEME AND DELISTING

8.1 As stated in the Offeror's Letter, upon the Scheme becoming effective and binding, the Offeror Group will hold 100% of the Target Company Shares and consequently, the Target Company will not be able to meet the relevant listing requirements of the SGX-ST.

The Target Company had, through its Sponsor, made an application to seek approval-in-principle from the SGX Regco for the delisting of the Target Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX Regco, on 6 January 2023, advised that it has no objection to the Target Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) the Target Company's compliance with the SGX-ST's listing requirements;
- (b) approval of the Scheme by a majority in number of shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting;
- (c) the IFA opining that the financial terms of the Scheme are both fair and reasonable; and
- (d) the Court sanctioning of the Scheme.

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The above decision of the SGX Regco is not an indication of the merits of the delisting of the Target Company from the Official List of the SGX-ST upon completion of the Scheme.

SCHEME SHAREHOLDERS SHOULD NOTE THAT THE TARGET COMPANY SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

9. IMPLEMENTATION OF THE SCHEME

9.1 Application to Court for Sanction

If the Scheme is approved by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the Target Company Scheme Shares voted at the Scheme Meeting, an application will be made to the Court by the Target Company for the sanction of the Scheme.

9.2 Procedure for Implementation

If the Court sanctions the Scheme, the Offeror and the Target Company will (subject to the satisfaction (or, where applicable, waiver) of all the Scheme Conditions on or before 5.00 p.m. on the Cut-Off Date) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

- (a) the Target Company Scheme Shares held by Entitled Scheme Shareholders will be transferred to the Offeror for the Scheme Consideration to be paid by the Offeror to Entitled Scheme Shareholders for each Scheme Share as follows:
 - (i) in the case of Entitled Scheme Shareholders (not being depositors), the Target Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders an instrument or instruction of transfer of all the Target Company Scheme Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder; and
 - (ii) in the case of Entitled Scheme Shareholders (being depositors), the Target Company shall instruct CDP, for and on behalf of such Entitled Scheme Shareholders, to debit, not later than seven (7) Business Days after the Effective Date, all the Target Company Scheme Shares standing to the credit of the Securities Account of such Entitled Scheme Shareholders and credit all of such Target Company Scheme Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror;
- (b) from the Effective Date, all existing share certificates relating to the Target Company Scheme Shares held by the Entitled Scheme Shareholders (not being depositors) will cease to be evidence of title of the Target Company Scheme Shares represented thereby;
- (c) Entitled Scheme Shareholders (not being depositors) are required to forward their existing share certificates relating to their Target Company Scheme Shares to the Share Registrar, KCK Corpserve Pte. Ltd at 1 Raffles Place, #04-63, One Raffles Place, Singapore 048616, as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and
- (d) the Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Target Company Scheme Shares set out in paragraph 9.2(a) above, make payment of the aggregate Scheme Consideration payable on the transfer of the Target Company Scheme Shares pursuant to the Scheme to:

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- (i) each Entitled Scheme Shareholder (not being a depositor) by sending a cheque for the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to the first named Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Scheme Shareholders; and
- (ii) each Entitled Scheme Shareholder (being a depositor) by making payment of the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder to CDP. CDP shall (A) in the case of an Entitled Scheme Shareholder (being a depositor) who has registered for CDP's direct crediting service, credit the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder, to the designated bank account of such Entitled Scheme Shareholder and (B) in the case of an Entitled Scheme Shareholder (being depositor(s)) who has or have not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Scheme Shareholder's cash ledger with CDP and such Scheme Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified and supplemented from time to time, copies of which will be available from CDP.

Assuming that the Scheme becomes effective and binding on 28 February 2023, the crediting by CDP of the Scheme Consideration into the designated bank accounts of the Entitled Scheme Shareholders (in the case of the Entitled Scheme Shareholders being Depositors and who have registered with CDP for its direct crediting service), the crediting by CDP of the Scheme Consideration into the cash ledger with CDP of the Entitled Scheme Shareholders (in the case of the Entitled Scheme Shareholders being Depositors and who have not registered with CDP for its direct crediting service) or the posting of cheques for the Scheme Consideration in the manner set out in paragraph 9.2(d)(i) above, as the case may be, is expected to take place on or before 9 March 2023.

The despatch of payment by the Offeror to each Entitled Scheme Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

9.3 Retention and Release of Proceeds

In relation to Entitled Scheme Shareholders, on and after the day being six (6) calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Target Company's name with a licensed bank in Singapore selected by the Target Company.

The Target Company or its successor entity shall hold such moneys until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clause 3.1 of the Scheme as set out in Appendix 13 to this Scheme Document to persons who satisfy the Target Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in Clause 3.2 of the Scheme as set out in Appendix 13 to this Scheme Document for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Target Company thereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to Clause 3.5(b) of the Scheme as set out in Appendix 13 to this Scheme Document.

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On the expiry of six (6) years from the Effective Date, each of the Target Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under the Scheme and the Target Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in Clause 3.5(c) of the Scheme as set out in Appendix 13 to this Scheme Document including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.

10. CLOSURE OF BOOKS

10.1 Notice of Record Date

Subject to the approval of the Scheme by the Scheme Shareholders at the Scheme Meeting and the sanction of the Scheme by the Court, notice of the Record Date will be given in due course for the purposes of determining the entitlements of Entitled Scheme Shareholders to the Scheme Consideration under the Scheme.

The Record Date is tentatively scheduled to be 27 February 2023 at 5.00 p.m. The Target Company will make a further announcement in due course of the Record Date.

10.2 Transfer of Target Company Scheme Shares after Record Date

No transfer of the Target Company Scheme Shares where the certificates relating thereto are not deposited with CDP may be effected after the Record Date, unless such transfer is made pursuant to the Scheme.

10.3 Trading in Target Company Shares on the SGX-ST

The Scheme is tentatively scheduled to become effective and binding on or about 28 February 2023 and accordingly (assuming the Scheme becomes effective and binding on 28 February 2023), the Target Company Shares are expected to be delisted and withdrawn from the Official List of the SGX-ST after payment of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Target Company Shares will cease to be traded on the SGX-ST on or about 20 February 2023 at 5.00 p.m., being at least two (2) clear Market Days before the expected Record Date.

Scheme Shareholders (not being depositors) who wish to trade in their Target Company Scheme Shares on the SGX-ST are required to deposit with CDP their certificates relating to their Target Company Scheme Shares, together with the duly executed instruments of transfer in favour of CDP, 12 Market Days prior to the tentative last day for trading of the Target Company Shares.

11. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Scheme becoming effective and binding, the following settlement and registration procedures will apply:

11.1 Entitled Scheme Shareholders whose Target Company Scheme Shares are not deposited with CDP

Entitlements to the Scheme Consideration will be determined on the basis of Entitled Scheme Shareholders (not being depositors) and their holdings of Target Company Scheme Shares appearing in the Register of Members as at 5.00 p.m. on the Record Date.

Entitled Scheme Shareholders (not being depositors) who have not already done so are requested to take the necessary action to ensure that the Target Company Scheme Shares owned by them are registered in their names with the Share Registrar, KCK Corpserve Pte. Ltd. at 1 Raffles Place, #04-63, One Raffles Place, Singapore 048616, by 5.00 p.m. on the Record Date.

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(in compliance with Section 211 of the Companies Act)

From the Effective Date, each existing share certificate representing a former holding of Target Company Scheme Shares by Entitled Scheme Shareholders (not being depositors) will cease to be evidence of title of the Target Company Scheme Shares represented thereby.

Within seven (7) Business Days of the Effective Date, the Offeror shall make payment of the Scheme Consideration to each Entitled Scheme Shareholder (not being a depositor) based on his holding of the Target Company Scheme Shares as at 5.00 p.m. on the Record Date.

11.2 Entitled Scheme Shareholders whose Target Company Scheme Shares are deposited with CDP

Entitlements to the Scheme Consideration will be determined on the basis of Entitled Scheme Shareholders (being depositors) and the number of Target Company Scheme Shares standing to the credit of their Securities Account as at 5.00 p.m. on the Record Date.

Entitled Scheme Shareholders (being depositors) who have not already done so are requested to take the necessary action to ensure that the Target Company Scheme Shares owned by them are credited to their Securities Account by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit all the Target Company Scheme Shares standing to the credit of each relevant Securities Account of each Entitled Scheme Shareholder (being a depositor) and credit all of such Target Company Scheme Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror.

Within seven (7) Business Days of the Effective Date, CDP shall make payment of the Scheme Consideration to each Entitled Scheme Shareholder (being a depositor) based on the number of Target Company Scheme Shares standing to the credit of his/her/its Securities Account as at 5:00 p.m. on the Record Date.

12. DIRECTORS' INTERESTS

The interests of the Directors in the Target Company Scheme Shares as at the Latest Practicable Date are set out in paragraph 5.3 of Appendix 3 to this Scheme Document.

13. OVERSEAS SHAREHOLDERS

The applicability of the Scheme to the Scheme Shareholders whose addresses are outside Singapore, as shown on the register of members of the Target Company or in the records of CDP (each, an "**Overseas Company Shareholder**") (as the case may be) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Company Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror reserves the right not to send such documents to the Scheme Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Scheme Shareholders (including the Overseas Company Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction. Overseas Company Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.

13.1 Copies of Scheme Document

The Constitution provides that Shareholders who have not supplied to the Target Company or the CDP (as the case may be) an address within Singapore for the service of notices shall not be entitled to receive notices from the Target Company. Accordingly, the Scheme Document has not been and will not be sent to any Overseas Company Shareholder.

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Overseas Company Shareholders may request for printed copies of the Scheme Document and related documents by post to the Share Registrar, KCK Corpserve Pte. Ltd. at 1 Raffles Place, #04-63, One Raffles Place, Singapore 048616 or via email to colex-meeting@kckcs.com.sg to be sent to an address in Singapore by ordinary post no later than three (3) market days prior to the date of the Scheme Meeting. Printed copies of the Scheme Document will be sent to the address in Singapore specified by the Overseas Company Shareholder at his/her/its own risk.

For the avoidance of doubt, the Privatisation and the Scheme are being proposed to all Scheme Shareholders (including Overseas Company Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Privatisation and the Scheme are not being proposed in any jurisdiction in which the introduction or implementation of the Privatisation and the Scheme would not be in compliance with the laws of such jurisdiction.

13.2 Notice

The Offeror and the Target Company each reserves the right to notify any matter, including the fact that the Privatisation and the Scheme has been proposed, to any or all Scheme Shareholders (including Overseas Company Shareholders) by announcement to the SGX-ST or 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 Scheme Shareholder (including any Overseas Company Shareholder) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as the Target Company remains listed on the SGX-ST, it will continue to notify all Scheme Shareholders (including Overseas Company Shareholders) of any matter relating to the Scheme by announcement via SGXNET.

Notwithstanding that such Overseas Company Shareholder may not receive the notice of the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective.

13.3 Foreign Jurisdiction

It is the responsibility of any Overseas Company Shareholder who wishes to request the Scheme Document and any related documents or participate in the Scheme to satisfy himself/herself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting the Scheme Document and any related documents or participating in the Scheme, the Overseas Company Shareholder represents and warrants to the Offeror and the Target Company that he/she/it is in full observance of the laws of the relevant jurisdiction in that connection, and that he/she/it is in full compliance with all necessary formalities or legal requirements. **Overseas Company Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.**

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Scheme Shareholders who are unable to attend the Scheme Meeting are requested to complete the enclosed Proxy Form in accordance with the instructions therein and submit them (a) via email to colex-meeting@kckcs.com.sg; or (b) via post to the Share Registrar, KCK Corpserve Pte. Ltd., at 1 Raffles Place, #04-63, One Raffles Place, Singapore 048616 not less than 72 hours before the time fixed for the Scheme Meeting.

The completion and lodgement of Proxy Forms will not prevent Scheme Shareholders from attending and voting in person at the Scheme Meeting if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

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15. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors who wish to attend the Scheme Meeting are advised to consult their respective CPF Agent Banks and SRS Agent Banks for further information and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

16. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The IFA Letter setting out the advice of the IFA to the Non-conflicted Directors is set out in paragraph 8 in Appendix 1 to this Scheme Document.

17. NON-CONFLICTED DIRECTORS' RECOMMENDATION

The recommendation of the Non-conflicted Directors in relation to the Scheme is set out in paragraph 11 of the Letter to Shareholders.

18. GENERAL INFORMATION

Your attention is drawn to the further relevant information, including the interests in the Target Company Shares of the Directors, which are set out in the Appendices to this Scheme Document. These Appendices form part of this Scheme Document. This Explanatory Statement should be read in conjunction with, and is qualified by, the full text of this Scheme Document, including the Scheme as set out in Appendix 13 of this Scheme Document.

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LETTER FROM THE IFA TO THE NON-CONFLICTED DIRECTORS

19 January 2023

To: The directors of Colex Holdings Limited who are considered independent for the purposes of making a recommendation to the Scheme Shareholders in respect of the Scheme

Mr. Ding Chek Leh	(Executive Director)
Mr. Lim Chee San	(Independent Non-Executive Director)
Mr. Tan Soon Liang	(Independent Non-Executive Director)

Dear Sirs,

PROPOSED PRIVATISATION OF COLEX HOLDINGS LIMITED THROUGH ACQUISITION OF ALL THE TARGET COMPANY SCHEME SHARES (AS DEFINED HEREIN) BY BONVESTS HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

Unless otherwise defined or the context otherwise requires, all terms defined in the scheme document of Colex Holdings Limited dated 19 January 2023 (the “Scheme Document”) shall have the same meanings herein.

1. INTRODUCTION

On 17 October 2022 (the “**Joint Announcement Date**”), the respective boards of directors of Colex Holdings Limited (the “**Target Company**”) and Bonvests Holdings Limited (the “**Offeror**”, and together with the Target Company, the “**Parties**”, and “**Party**” means any one of them) jointly announced the proposed privatisation of the Target Company through the acquisition (the “**Privatisation**”) of all the issued ordinary shares in the capital of the Target Company (the “**Target Company Shares**”), other than the Target Company Shares held by the Offeror and Coop International Pte. Ltd. (“**Coop International**” or the “**Concert Party**”), a wholly owned subsidiary of the Offeror (the “**Target Company Excluded Shares**”) (the Target Company Shares excluding the Target Company Excluded Shares, the “**Target Company Scheme Shares**”), by the Offeror, by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).

The Scheme is conditional upon the satisfaction (or, where applicable, waiver) of all the conditions precedent (the “**Scheme Conditions**”) in the implementation agreement dated 17 October 2022 entered into between the Offeror and the Target Company (the “**Implementation Agreement**”) on or before 5.00p.m. on the date falling six months from the Joint Announcement Date (or such other date as may be agreed in writing between the Offeror and Target Company). The Scheme Conditions include, amongst others, the approval of the Scheme by a majority in number representing not less than three-fourths in value of the holder of the Target Company Scheme Shares (each a “**Scheme Shareholder**”, collectively the “**Scheme Shareholders**”) present and voting at the meeting of the Target Company to be convened to approve the Scheme or any adjournment thereof (the “**Scheme Meeting**”) pursuant to the requirements of Section 210(3AB) of the Companies Act; and the grant of the Scheme Court Order sanctioning the Scheme and such Scheme Court Order having become final.

The Scheme will be satisfied by a scheme consideration of S\$0.23 in cash for each Target Company Scheme Share (the “**Scheme Consideration**”), to be paid by the Offeror to the Scheme Shareholders as at a record date to be announced by the Target Company on which the transfer books and the register of members of the Target Company will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme (the “**Record Date**”) (the “**Entitled Scheme Shareholders**”) in accordance with the terms of the Scheme.

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Upon the Scheme becoming effective and binding in accordance with its terms, the Target Company will, subject to the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), be delisted from the Official List of the SGX-ST.

Under the Code, the Target Company is required to appoint an independent financial adviser (“**IFA**”) to advise its directors who are considered to be independent for the purpose of making a recommendation to the Scheme Shareholders in respect of the Scheme (“**Non-conflicted Directors**”). Mr Henry Ngo, who is the Target Company Director, is also director of the Offeror, and is considered to be acting in concert with the Offeror in relation to the Scheme and the Privatisation. Accordingly, Mr Henry Ngo is exempted from the requirement to make a recommendation on the Scheme to shareholders of the Target Company (the “**Shareholders**”).

In addition, as the Scheme would result in the delisting of the Target Company from the SGX-ST, pursuant to Rule 1308(2) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rule**”), the Target Company is required to appoint an IFA to opine that the exit offer is fair and reasonable.

Accordingly, the Target Company has appointed SAC Capital Private Limited (“**SAC Capital**”) as the IFA to the Non-conflicted Directors.

2. OUR TERMS OF REFERENCE

We have been appointed as the IFA to the Non-conflicted Directors to advise the Non-conflicted Directors in respect of their recommendation to Shareholders on the Scheme.

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

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

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 Target Company Scheme Shares. It is also not within our terms of reference to compare the relative merits of the Scheme *vis-à-vis* any alternative transaction that the Target 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 Scheme, we have held discussions with the directors and the management of the Target 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 Scheme Document. The Directors (including those who may have delegated detailed supervision of the Scheme Document) 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 Scheme has been disclosed in the Scheme Document; (b) such information (other than those relating to the Offeror, parties acting in concert or deemed to be

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LETTER FROM THE IFA TO THE NON-CONFLICTED DIRECTORS

acting in concert with the Offeror) 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 Scheme Document 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 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 Target Company Group that we have relied upon in arriving at our opinion and advice has been obtained from the Scheme Document, 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 Target Company Group at any time or as at 12 January 2023 (the "**Latest Practicable Date**"). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Target Company Group and have not been furnished with any such evaluation or appraisals, except for the valuation summary (the "**Valuation Summary**") and the independent valuation report (the "**Valuation Report**") prepared by Cushman & Wakefield VHS Pte. Ltd. (the "**Independent Valuer**") who were appointed to perform an independent valuation of the Leasehold Land (as defined in paragraph 7.3.3 of this letter) held by the Target Company Group as at 31 October 2022. The Valuation Summary is set out in Appendix 5 to the Scheme Document. As we are not experts in the evaluation or appraisal of the assets set out in the Valuation Summary and 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 Summary and/or the Valuation Report or if the contents in the Valuation Summary and/or 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 Scheme Shareholder or any specific group of Scheme Shareholders. We recommend that any individual Scheme Shareholder or specific group of Scheme 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 Scheme should be considered in the context of the entirety of this letter and the Scheme Document.

The Target Company has been separately advised by its own professional advisers in the preparation of the Scheme Document (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 Scheme Document (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Scheme Document (other than this letter).

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3. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Singapore on 15 May 1969 and was listed on the Mainboard of the SGX-ST on 26 October 1973. The Offeror and its subsidiaries (collectively, the “**Offeror Group**”) have core businesses in (a) property development and investment; (b) hotel ownership and management; and (c) waste management and contract cleaning of buildings.

The controlling shareholder of the Offeror is Goldvein Holdings Pte. Ltd. holding 240,026,769 shares, comprising approximately 59.78% shareholding interest, in the Offeror. As at the Latest Practicable Date, Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar were deemed to be interested in these shares by virtue of their shareholdings in Goldvein Holdings Pte. Ltd. Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar respectively held 40%, 20% and 20% shareholding interest in Goldvein Holdings Pte. Ltd.. Mr Henry Ngo also held an additional 98,146,928 shares (directly and indirectly), comprising approximately 24.44% shareholding interest (both direct and deemed), in the Offeror. Mr Henry Ngo is also a director of the boards of the Offeror and the Target Company. The rest of the shareholding interest in the Offeror (being 15.65%) was held in the hands of the public.

As at the Latest Practicable Date, the Offeror (i) held, in its own name, 104,611,560 shares (comprising 78.94% shareholding interest); and (ii) held, through Coop International Pte Ltd (a wholly owned subsidiary of the Offeror), 986,100 shares (comprising 0.74% shareholding interest) in the Target Company. In total, the Offeror has a direct and deemed interest in 105,597,660 Target Company Shares, representing in aggregate 79.68% of the issued Target Company Shares.

Additional information on the Offeror is set out in paragraph 1.5 of the “Letter to Shareholders” and Appendix 2 to the Scheme Document.

4. INFORMATION ON THE TARGET COMPANY AND THE TARGET COMPANY GROUP

The Target Company was incorporated in Singapore on 31 December 1971 and was listed on the SESDAQ (now known as the Catalist of the SGX-ST) since April 1999. The Target Company Group is a veteran of waste management in Singapore providing services through its waste disposal and contract cleaning segments and has pioneered many innovative value-added services which include the fully mechanised waste disposal vehicles and portable waste compactors used in the industry today.

As at the Latest Practicable Date, (i) the Target Company had 132,522,560 Target Company Shares in issue, and no treasury shares or subsidiary holdings; and (ii) there were no options or convertible securities of the Target Company which are outstanding.

Additional information on the Target Company and the Target Company Group is set out in paragraph 1.4 of the “Letter to Shareholders” and Appendix 3 to the Scheme Document.

5. THE SCHEME

The detailed terms of the Scheme are set out in paragraph 2 of the “Letter to Shareholders”, the “Explanatory Statement” and Appendices 6 to 13 of the Scheme Document. Shareholders are advised to refer to the Scheme Document for further details on the Scheme and read the information carefully.

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

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5.1 Terms of the Scheme

The Privatisation will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

Under the Scheme:

- (a) all the Target Company Scheme Shares held by the Entitled Scheme Shareholders as at the Record Date will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from any claim, charge, mortgage, security, pledge, lien, option, restriction, equity, power of sale, hypothecation or other third-party rights or interest, retention of title, right of pre-emption, right of first refusal 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 and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Target Company to the Scheme Shareholders on or after the Joint Announcement Date;
- (b) in consideration of the transfer of the Target Company Scheme Shares referred to in paragraph 5.1(a) above, each Entitled Scheme Shareholder will be entitled to receive for each Target Company Scheme Share the Scheme Consideration of S\$0.23 in cash; and
- (c) The Offeror reserves the right to reduce the Scheme Consideration if and to the extent any distribution or dividend is declared, made or paid by the Target Company on or after the date of the Implementation Agreement.

5.2 Switch Options

- (a) Pursuant to the terms of the Implementation Agreement, in the event a Target Company Competing Offer (as defined in the Scheme Document) or an intention to make a Target Company Competing Offer is announced (whether or not such Target Company Competing Offer is pre-conditional), the Offeror shall have the right, *inter alia*, at its discretion to elect at any time in the event of a Target Company Competing Offer, and subject to prior consultation with the Securities Industry Council of Singapore (the “**SIC**”), to proceed by way of a voluntary conditional cash offer or a preconditional voluntary cash offer made for or on behalf of the Offeror to acquire all the Target Company Scheme Shares on such terms and conditions to be set out in the offer document issued for or on behalf of the Offeror (the “**Offer**”) in lieu of proceeding with the Privatisation by way of the Scheme (the “**Switch Option**”), at any time prior to the date on which the Scheme Meeting is to be held;
- (b) If the Offeror exercises the Switch Option, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme (including the same or a higher consideration than the Scheme Consideration) or the Target Company Competing Offer (whichever is the higher), and conditional upon the Offeror having received acceptances that will result in the Offeror and any person acting in concert with it holding more than 50% of the maximum potential Target Company Shares in issue (and not conditional upon a higher level of acceptances). In addition, the Offeror and the Target Company acknowledge that the acceptance condition determined in accordance with this paragraph 5.2(b) may be revised, subject to SIC’s consent, if there are any legislative amendments to Section 215 of the Companies Act, to the extent that such legislative amendments come into force on or after the date of the Implementation Agreement and prior to the exercise of the Switch Option, and such amendments alter the shareholding

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percentage required to be held by the Offeror in order for the Offeror to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act; and

- (c) In such event, the Target Company and the Offeror have agreed that the Implementation Agreement shall terminate with effect from the date of announcement by or on behalf of the Offeror of a firm intention to make the Offer, and none of the Parties shall have any claim against the others thereunder (except for any claim in respect of the Surviving Provisions (as defined in the Scheme Document)).

Details of the Switch Option are set out in paragraph 2.2 of the “Letter to Shareholders” in the Scheme Document and Scheme Shareholders are advised to read the information carefully.

5.3 Scheme Conditions

The Privatisation is conditional upon the satisfaction (or, where applicable, waiver) of all the Scheme Conditions which includes, among others, the approval of the Scheme by a majority in number representing not less than three-fourths in value of the Scheme Shareholders present and voting at the Scheme Meeting pursuant to the requirements of Section 210(3AB) of the Companies Act; and the grant of the Scheme Court Order sanctioning the Scheme and such Scheme Court Order having become final.

Further details of the Scheme Conditions are set out in Appendix 6 of the Scheme Document and Scheme Shareholders are advised to read the information carefully.

5.4 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Target Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement:

- (a) the Implementation Agreement shall cease to have any further force or effect (save for the Surviving Provisions); and
- (b) neither party shall have any further liability or obligation to the other party (save for the Surviving Provisions),

provided always that such termination shall not prejudice the rights of either party which have accrued or arisen prior to such termination.

5.5 Delisting

As set out in Appendix 2 to the Scheme Document, upon the Scheme becoming effective and binding, the Offeror Group will hold 100% of the Target Company Shares and consequently, the Target Company will not be able to meet the relevant listing requirements of the SGX-ST.

The Target Company had, through its sponsor, made an application to seek approval-in-principle from the Singapore Exchange Regulation Pte. Ltd. (the “**SGX Regco**”) for the delisting of the Target Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX Regco has on 6 January 2023 advised that it has no objection to the Target Company’s application for delisting from the Official List of the SGX-ST, subject to:

- (a) the Target Company’s compliance with the SGX-ST’s listing requirements;
- (b) approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the Target Company Scheme Shares voted at the Scheme Meeting;

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- (c) the IFA opining that the financial terms of the Scheme are both fair and reasonable; and
- (d) the Court sanctioning of the Scheme.

Shareholders should note that the above decision of the SGX Regco is not an indication of the merits of the delisting of the Target Company from the Official List of the SGX-ST upon completion of the Scheme. Further details on the delisting are set out in paragraph 8 of the “Letter to Shareholders” and Scheme Shareholders are advised to read the information carefully.

SCHEME SHAREHOLDERS SHOULD NOTE THAT THE TARGET COMPANY SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

6. RATIONALE FOR THE SCHEME AND THE OFFEROR’S INTENTIONS IN RELATION TO THE TARGET COMPANY

The Offeror’s rationale for the Privatisation and future intentions for the Target Company Group are as set out in Appendix 2 to the Scheme Document, and Scheme Shareholders are advised to read the information carefully.

7. FINANCIAL ASSESSMENT OF THE SCHEME

In assessing the financial terms of the Scheme, 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 Target Company Shares;
- (b) Historical financial performance of the Target Company Group;
- (c) Net asset value (“NAV”) and net tangible assets (“NTA”) of the Target Company Group;
- (d) Comparison of valuation statistics of companies broadly comparable to the Target Company Group;
- (e) Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST;
- (f) Dividend track record of the Target Company and selected alternative investments; and
- (g) Other relevant considerations.

7.1 Market Quotation and Trading Liquidity of the Target Company Shares

7.1.1 Share price benchmarks

On 13 October 2022 before trading hours, the Target Company requested for a trading halt pending the release of an announcement (“Trading Halt”). As such, we consider 12 October 2022 as the last full market day of the Target Company Shares on the SGX-ST immediately prior to the Joint Announcement Date (the “Last Market Day”). Subsequently, the Target Company released the Joint Announcement on 17 October 2022 and the Trading Halt was lifted after trading hours on the Joint Announcement Date.

For the purpose of our analysis of the trading performance of the Target Company Shares in respect of the Scheme, we have compared the Scheme Consideration against the historical market price performance of the Target Company Shares and considered the historical trading

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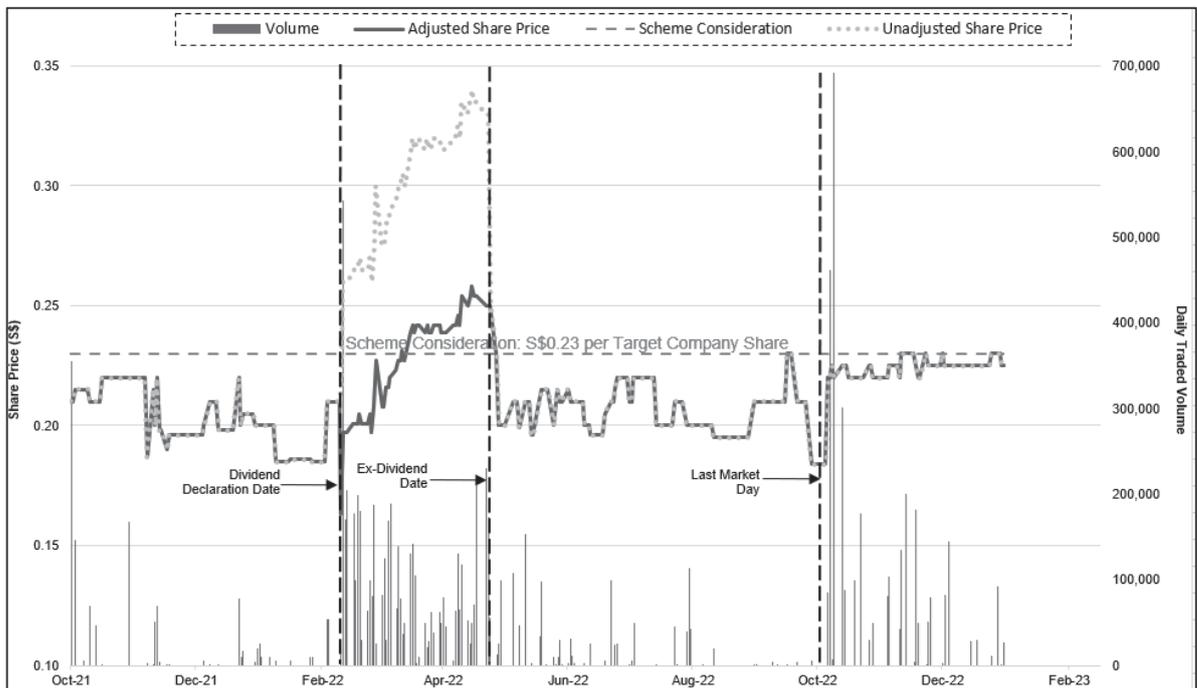
volume of the Target Company Shares for the 12-month period prior to the Last Market Day, and up to the Latest Practicable Date (the “**Period Under Review**”).

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

We note that the Target Company had on 22 February 2022, declared a first and final tax exempt one-tier dividend of S\$0.0045 per Target Company Share (the “**FY2021 Final Dividend**”) and a special tax exempt one-tier dividend of S\$0.0755 per Target Company Share (the “**FY2021 Special Dividend**”) (collectively, the “**FY2021 Dividends**”), which were paid on 19 May 2022. The one-off FY2021 Special Dividend was paid out following the Target Company Group’s unsuccessful National Environment Agency (“**NEA**”) tenders for Public Waste Collection (“**PWC**”) contracts as the Directors had decided that it was in the best interests of Shareholders to distribute the capital that it had set aside to fund capital expenditures following a successful tender.

Taking into consideration the materiality of the FY2021 Dividends declared and paid by the Target Company relative to the market prices of the Target Company Shares during the Period Under Review, we have, where relevant, adjusted the historical daily closing prices of the Target Company Shares for the FY2021 Dividends¹ for a more meaningful comparison of the Scheme Consideration *vis-à-vis* the historical market price performance of the Target Company Shares.

A graphical representation of the daily closing prices (on an unadjusted and adjusted basis taking into account the FY2021 Dividends, where relevant) and daily trading volumes of the Target Company Shares for the Period Under Review is set out as follows:



Source: Bloomberg L.P.

¹ The historical daily closing prices which have been adjusted to exclude the effect(s) of the FY2021 Dividends for the relevant periods are extracted from Bloomberg L.P..

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A summary of the salient announcements and key events relating to the Target Company Group's business operations and the Scheme during the Period Under Review is as follows:

Date	Event
14 February 2022	Announcement on profit guidance on the unaudited consolidated financial results for the financial year ended 31 December 2021 (" FY2021 "), which reported that the Target Group expects to record net loss after tax for FY2021 compared to the net profit after tax reported in the preceding financial year ended 31 December 2020 (" FY2020 "), mainly due to the loss of contribution from the waste disposal segment, resulting from the impairment loss of property, plant and equipment and lower government grants recognised for FY2021.
22 February 2022 (the " Dividend Declaration Date ")	Announcement on the unaudited interim financial results for FY2021, which reported a loss after tax of S\$0.7 million in FY2021 compared to a profit after tax of S\$1.8 million in FY2020. Announcement on the declaration of the FY2021 Final Dividend and the FY2021 Special Dividend.
8 April 2022	Release of the annual report FY2021.
6 May 2022 (the " Ex-dividend Date ")	Target Company Shares trade ex-dividend for FY2021 Dividends that was announced for FY2021 of the Target Company. Accordingly, the last cum-dividend date is 5 May 2022 (the " Cum-dividend Date "), being the last Market Day prior to the Ex-dividend Date.
3 August 2022	Announcement on the unaudited interim financial results for the six (6)-month ended 30 June 2022 (" 1H2022 "), which reported a loss after tax of S\$0.8 million in 1H2022 compared to a profit after tax of S\$0.3 million in for the six (6) month ended 30 June 2021 (" 1H2021 "). It was also disclosed that following the Target Company Group's unsuccessful NEA tenders for PWC in FY2020 and FY2021, the Target Company had distributed a significant portion of its cash (and retained earnings) in the form of 2 special dividends (10.00 and 7.55 Singapore cents per Target Company Share respectively in respect of FY2020 and FY2021). This was the capital previously set aside for capital expenditure required if the Target Company Group had been awarded 2 PWC contracts to provide refuse collection services to domestic and trade premises.
13 October 2022	Announcement on the request for Trading Halt of the Target Company Shares before market hours.
17 October 2022	Release of the Joint Announcement. Announcement on the request for lifting of Trading Halt of the Target Company Shares after release of the Joint Announcement.
9 January 2023	Announcement on the receipt of approval-in-principle from SGX Regco for the delisting of the Target Company from the Official List of the SGX-ST.

Source: Target Company's announcements on SGX-ST

Based on the chart above, we note that during the Period Under Review, save for the period between 24 March 2022 and 6 May 2022, the closing prices of the Target Company Shares (on an adjusted basis taking into account the FY2021 Dividends, where relevant) had consistently traded below or at the Scheme Consideration, with closing prices of the Target Company Shares fluctuating between S\$0.163 and S\$0.230. Following the release of the Joint Announcement which disclosed the Scheme Consideration and up to the Latest Practicable

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Date, the Target Company Shares have mostly traded close to but below or at the Scheme Consideration.

Additional information on the traded closing prices of the Target Company Shares, on an unadjusted and adjusted basis (taking into account the FY2021 Dividends, where relevant), volume-weighted average prices (“VWAP”) and the average daily trading volumes (“ADTV”) for the reference period(s) (a) prior to and including the Last Market Day; and (b) from 18 October 2022 (being the Market Day after the Joint Announcement Date) up to the Latest Practicable Date are as shown below:

Closing Prices of the Target Company Shares (unadjusted basis), VWAP (unadjusted basis) and ADTV

	Highest closing price ⁽¹⁾	Lowest closing price ⁽¹⁾	VWAP ⁽¹⁾	Premium/ (Discount) of Scheme Consideration over VWAP	ADTV ⁽²⁾	ADTV / Free Float ⁽³⁾
	(\$)	(\$)	(\$)	(%)	(shares)	(%)
Periods prior to and including the Last Market Day						
Last 12 months	0.340	0.184	0.265 ⁽⁴⁾	(13.21) ⁽⁴⁾	30,079 ⁽⁴⁾	0.12 ⁽⁴⁾
Last 6 months	0.340	0.184	0.269	(14.50)	20,699	0.08
Last 3 months	0.230	0.184	0.203	13.30	5,166	0.02
Last 1 month	0.230	0.184	0.202	13.86	668	0.00
12 October 2022 (Last Market Day) ⁽⁵⁾	0.184	0.184	0.184	25.00	5,000	0.02
Period from the Joint Announcement Date and up to the Latest Practicable Date						
Period between and including 18 October 2022 and up to the Latest Practicable Date	0.230	0.220	0.222	3.60	55,758	0.22
Latest Practicable Date	0.225	0.225	0.229	2.22	27,000	0.11

Sources: Bloomberg L.P. and SAC Capital's calculations

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 Target Company Shares is calculated based on the total volume of Target Company 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 25,204,900 Target Company Shares based on the free float of 19.02% as disclosed in the annual report of the Target Company for FY2021.
- (4) These statistics include the market purchases of an aggregate of 542,300 Target Company Shares by Coop International for the period between 13 October 2021 and 24 November 2021. Further details on the previous acquisitions of the Target Company Shares by the Offeror and persons acting or presumed to be acting in concert with the Offeror (the “Offeror Concert Party Group”) are set out in paragraph 7.7.2 of this letter. Had these market purchases been excluded, the VWAP of the Target Company Shares for the 12-month period up to and including the Last Market Day would be S\$0.269 per Target Company Share and the Scheme Consideration would have represented a discount of approximately 14.5%. The ADTV of the Target Company Shares would have been 27,927 Target Company Shares or 0.11% of the Target Company's free float.
- (5) Based on the last closing price and ADTV on 10 October 2022 as there were no trades on the Last Market Day.

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Closing Prices of the Target Company Shares (on an adjusted basis taking into account the FY2021 Dividends), VWAP (on an adjusted basis taking into account the FY2021 Dividends, the “Adjusted VWAP”) and ADTV

	Adjusted Highest closing price ⁽¹⁾	Adjusted Lowest closing price ⁽¹⁾	Adjusted VWAP ⁽¹⁾	Premium/ (Discount) of Scheme Consideration over Adjusted VWAP	ADTV ⁽²⁾	ADTV / Free Float ⁽³⁾
	(\$)	(\$)	(\$)	(%)	(shares)	(%)
Periods prior to and including the Last Market Day						
Last 12 months	0.258	0.163	0.217 ⁽⁴⁾	5.99 ⁽⁴⁾	30,079 ⁽⁴⁾	0.12 ⁽⁴⁾
Last 6 months	0.258	0.184	0.228	0.88	20,699	0.08
Last 3 months	0.230	0.184	0.203	13.30	5,166	0.02
Last 1 month	0.230	0.184	0.202	13.86	668	0.00
12 October 2022 (Last Market Day) ⁽⁵⁾	0.184	0.184	0.184	25.00	5,000	0.02
Period from the Joint Announcement Date and up to the Latest Practicable Date						
Period between and including 18 October 2022 and up to the Latest Practicable Date	0.230	0.220	0.222	3.60	55,758	0.22
Latest Practicable Date	0.225	0.225	0.229	2.22	27,000	0.11

Sources: Bloomberg L.P. and SAC Capital's calculations

Notes:

- (1) The historical daily closing prices and the Adjusted VWAPs, which have been adjusted to exclude the effect(s) of the FY2021 Dividends for the relevant periods, are extracted from Bloomberg L.P. and with the figures rounded to the nearest three (3) decimal places (where applicable).
- (2) The ADTV of the Target Company Shares is calculated based on the total volume of Target Company Shares traded divided by the number of Market Days during the relevant periods.
- (3) For the purpose of computing the ADTV as a percentage of free float, we have used the free float of approximately 25,204,900 Target Company Shares based on the free float of 19.02% as disclosed in the annual report of the Target Company for FY2021.
- (4) These statistics include the market purchases of an aggregate of 542,300 Target Company Shares by Coop International for the period between 13 October 2021 and 24 November 2021. Further details on the previous acquisitions of the Target Company Shares by the Offeror Concert Party Group are set out in paragraph 7.7.2 of this letter. Had these market purchases been excluded, the Adjusted VWAP of the Target Company Shares for the 12-month period up to and including the Last Market Day would be S\$0.218 per Target Company Share and the Scheme Consideration would have represented a premium of approximately 5.5%. The ADTV of the Target Company Shares would have been 27,927 Target Company Shares or 0.11% of the Target Company's free float.
- (5) Based on the last closing price and ADTV on 10 October 2022 as there were no trades on the Last Market Day.

As stated above, the one-off FY2021 Special Dividend was paid out following the Target Company Group's unsuccessful NEA tenders for PWC contracts as the Directors had decided that it was in the best interests of Shareholders to distribute the capital that it had set aside to fund capital expenditures following a successful tender. For the purpose of our analysis and in our evaluation of the Scheme Consideration in this letter (unless otherwise stated), we have made comparisons to the Adjusted VWAPs in view of the materiality of the FY2021 Dividends declared and paid by the Target Company relative to the market prices of the Target Company Shares during the Period Under Review.

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Accordingly, we note the following with regards to the Target Company Share prices and the ADTV of the Target Company Shares:

Periods prior to and including the Last Market Day

- (a) during the 12-month period up to and including the Last Market Day, the adjusted closing prices of the Target Company Shares ranged between a low of S\$0.163 (on 22 February 2022) and a high of S\$0.258 (on 27 April 2022). The Scheme Consideration represents: (i) a premium of 41.10% over the lowest closing price of the Target Company Shares (as adjusted for the FY2021 Dividends); and (ii) a discount of 10.85% over the highest closing price of the Target Company Shares (as adjusted for the FY2021 Dividends), during the 12-month period up to and including the Last Market Day;
- (b) the Scheme Consideration represents a premium of approximately 5.99%, 0.88%, 13.30% and 13.86% over the Adjusted VWAP of the Target Company Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Market Day respectively;
- (c) the Scheme Consideration represents a premium of approximately 25.00% over the closing price of the Target Company Shares of S\$0.184 on the Last Market Day;
- (d) the trading liquidity of the Target Company Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Market Day has been low with an ADTV of between 0.003% and 0.12% of the free float of the Target Company; and
- (e) during the 12-month period up to and including the Last Market Day, the Target Company Shares were only traded on 125 Market Days out of 252 Market Days.

Period from the Joint Announcement Date and up to the Latest Practicable Date

- (a) the Scheme Consideration represents a premium of approximately 3.60% to the VWAP of the Target Company Shares for the period from 18 October 2022 and up to the Latest Practicable Date;
- (b) the Scheme Consideration represents a premium of approximately 2.22% over the closing price of the Target Company Shares of S\$0.225 on the Latest Practicable Date; and
- (c) the ADTV of the Target Company Shares as a percentage of the free float was approximately 0.22% for the period from 18 October 2022 and up to the Latest Practicable Date.

Based on the above observations, we note that the trading volume and closing prices of the Target Company Shares were relatively higher after the Joint Announcement Date. We believe that the general upward trend is likely supported by the Scheme subsequent to the Joint Announcement.

In evaluating the Scheme Consideration, it is relevant to examine the trading volume of the Target Company Shares over a reasonable period, during which the market price of the Target Company Shares may reflect public investors' valuation of the Target Company Shares, based on publicly available information.

We note the following with regard to the trading liquidity of the Target Company Shares:

- (a) the ADTV of the Shares for the 12-month period up to and including the Last Market Day was 30,079 Target Company Shares and represented 0.12% of the Target Company's free float;

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- (b) the ADTV for the 6-, 3- and 1-month periods prior to and including the Last Market Day were only 20,699 Target Company Shares, 5,166 Target Company Shares and 668 Target Company Shares respectively; and
- (c) we also note that the Target Company Shares were traded quite thinly. We calculated that the Target Company Shares were traded on 49.6%, 46.4%, 27.7% and 27.3% of the Market Days for the 12-, 6-, 3- and 1-month periods prior to and including the Last Market Day.

Based on the above, we note that the trading of the Target Company Shares is erratic and appears to be relatively illiquid for the aforementioned periods prior to and including the Last Market Day. In addition, the ADTV for the aforementioned periods prior to the Last Market Day represents less than 0.2% of the Target Company's free float, and the ADTV during the aforementioned periods prior to the Last Market Day was significantly low at less than 31,000 Target Company Shares. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller.

Considering the low trading liquidity of the Target Company Shares and in the absence of evidence to the contrary, we are of the view that there may not be a reasonable amount of trading liquidity and information efficiency in the Target Company Shares, suggesting that the historical market prices of the Target Company Shares may not be a meaningful indicator of its market value. As such, any comparison of the historical prices of Target Company Share with the Scheme Consideration may be limited.

It is to note that given the low liquidity of the Target Company Shares during the periods observed, the Scheme Consideration may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash. In the absence of the Scheme Consideration, such an exit for all Shareholders may not be readily available due to the low trading liquidity for the Target Company Shares.

Shareholders should note that there is no assurance that the closing price of the Target Company Shares would remain at the current level prevailing as at the Latest Practicable Date and after the completion of the Scheme. Shareholders should note that the past trading performance of the Target Company 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 Target Company, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

7.2 Historical Financial Performance of the Target Company Group

The salient audited consolidated financial information of the Target Company Group for the financial years ended 31 December 2019 ("FY2019"), FY2020 and FY2021, and the unaudited interim consolidated financial information of the Target Company Group for the 1H2021 and 1H2022 are set out in the table below. The following summary financial information should be read in conjunction with the full text of the annual reports and results announcements of the Target Company Group in respect of the relevant financial periods including the notes thereto.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

<u>(\$'000)</u>	----- Audited -----			----- Unaudited -----	
	FY2019	FY2020	FY2021	1H2021	1H2022
Revenue	66,847	47,215	42,532	21,075	20,592
Other income	1,254	5,110	3,760	2,678	656
Cost of inventories and consumables used	(1,177)	(885)	(767)	(392)	(406)
Staff costs	(31,108)	(27,684)	(25,961)	(12,897)	(12,228)
Depreciation expenses	(4,002)	(3,882)	(4,087)	(1,994)	(1,946)

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(S\$'000)	----- Audited -----			----- Unaudited -----	
	FY2019	FY2020	FY2021	1H2021	1H2022
Other operating expenses	(28,499)	(18,137)	(15,939)	(7,907)	(7,240)
Impairment loss on financial assets, net	(43)	(32)	(20)	(3)	(10)
Impairment loss on property, plant and equipment	-	-	(726)	-	-
Finance costs	(189)	(178)	(179)	(88)	(89)
Profit/(Loss) before taxation	3,083	1,527	(1,387)	472	(671)
Income tax (expense)/credit	(594)	239	703	(200)	(138)
Profit/(Loss) for the year	2,489	1,766	(684)	272	(809)

Sources: Annual reports for FY2020 and FY2021 and unaudited financial statements for 1H2022 of the Target Company Group

FY2019 vs FY2020

The Target Company Group's revenue decreased by approximately S\$19.63 million from S\$66.85 million in FY2019 to S\$47.22 million in FY2020. The decrease was due to the expiry of the public waste collection contract for Jurong sector on 31 March 2020 for the waste disposal segment as well as completion of some existing contracts and lesser new contracts secured for the contract cleaning segment.

Other income increased by approximately S\$3.86 million from S\$1.25 million in FY2019 to S\$5.11 million in FY2020, mainly due to the increase in government grant received, especially the Jobs Support Scheme by Singapore Government and foreign workers levy rebates, gain from disposal of equipment, partially offset by the decrease in interest income generated from fixed deposits.

In line with the decrease in revenue, cost of inventories and consumables used, staff costs and other operating expenses, comprising mainly the dumping fees, service agency fees, distillate fees and subcontractor fees decreased accordingly.

Overall, the Target Company Group's operating profit before tax decreased by approximately S\$1.55 million from S\$3.08 million in FY2019 to S\$1.53 million in FY2020.

FY2020 vs FY2021

The Target Company Group's revenue decreased by approximately S\$4.69 million from S\$47.22 million in FY2020 to S\$42.53 million in FY2021 mainly due to expiry of the public waste collection contract for Jurong sector which was completed on 31 March 2020 for the waste disposal segment and completion of some existing contracts and fewer new contracts secured for the contract cleaning segment.

Other income decreased by approximately S\$1.35 million from S\$5.11 million in FY2020 to S\$3.76 million in FY2021, mainly due to the decrease in government grants recognised, especially the Jobs Support Scheme and foreign workers levy rebates, gain from disposal of equipment and interest income generated from fixed deposits.

In FY2021, the Target Company Group recorded higher depreciation expenses due to the addition of right-of-use assets for the contract cleaning segment, and an impairment loss of property, plant and equipment for the waste disposal segment.

In line with the reduction in headcount and lower revenue for both waste disposal and contract cleaning segments, cost of inventories and consumables used, staff costs and other operating expenses decreased accordingly.

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Overall, the Target Company Group incurred operating loss before tax of S\$1.39 million for FY2021, as compared to operating profit before tax of S\$1.53 million for FY2020.

1H2021 vs 1H2022

The Target Company Group's revenue decreased by approximately S\$0.49 million, from S\$21.08 million in 1H2021 to S\$20.59 million in 1H2022. The decrease was mainly due to fewer new contracts secured and non-renewal of contracts upon expiry for both the waste disposal and contract cleaning segments.

Other income decreased by approximately S\$2.02 million, from S\$2.68 million in 1H2021 to S\$0.66 million in 1H2022 mainly due to the decrease in government grants recognised, especially the Jobs Support Scheme and Special Employment Credit.

Cost of inventories and consumables used increased slightly mainly due to the increase in consumables used for the contract cleaning segment as a result of recovery in footfall in commercial complexes after the relaxation of more COVID-19 restrictions in the early part of this year.

Staff costs decreased by approximately S\$0.67 million, from S\$12.90 million in 1H2021 to S\$12.23 million in 1H2022 mainly due to the decrease in headcount for both segments, in-line with the decline in revenue.

Depreciation expenses decreased by approximately S\$0.04 million, from S\$1.99 million in 1H2021 to S\$1.95 million in 1H2022 mainly due to the effect from impairment of certain property, plant and equipment for FY2021 for the waste disposal segment.

Other operating expenses decreased by approximately S\$0.67 million, from S\$7.91 million in 1H2021 to S\$7.24 million in 1H2022. The decrease mainly arose from less dumping fees, service agency fees and repair and maintenance costs of the vehicles, partially offset by the increase in diesel expenses for the waste disposal segment. The decrease in dumping fees and service agency fees were in line with lower revenue while the decrease in repair and maintenance costs of the vehicles was due to better costs control measures.

Overall, the Target Company Group incurred operating loss before tax of S\$0.67 million in 1H2022 as compared to operating profit before tax of S\$0.47 million in 1H2021.

7.2.1 Consolidated Statement of Cash Flows

(\$'000)	----- Audited -----			----- Unaudited -----	
	FY2019	FY2020	FY2021	1H2021	1H2022
Net cash flows generated from/(used in) operating activities	6,141	9,610	1,622	440	(32)
Net cash flows used in investing activities	(1,713)	(521)	(659)	(429)	(68)
Net cash flows used in from financing activities	(1,378)	(14,662)	(1,071)	(477)	(11,196)
Net (decrease)/increase in cash and cash equivalents	3,050	(5,573)	(108)	(466)	(11,296)
Cash and cash equivalents at end of financial year	22,508	16,935	16,826	16,469	5,530

Sources: Annual reports of the Target Company for FY2020 and FY2021 and unaudited financial statements for 1H2022 of the Target Company Group

Net cash flows generated from operating activities was at S\$6.14 million, S\$9.61 million and S\$1.62 million for FY2019, FY2020 and FY2021 respectively. The Target Company Group

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generated a positive net cash flows from operating activities of S\$0.44 million for 1H2021 and recorded a negative net cash flows from operating activities of S\$0.03 million for 1H2022.

Net cash flows used in operating activities of S\$0.03 million in 1H2022 was mainly due to loss before taxation of S\$0.67 million and net outflow of working capital of S\$1.49 million, which was partially offset by adjustments for depreciation of property, plant and equipment of S\$1.95 million.

Net cash flows used in investing activities in 1H2022 was S\$0.07 million mainly due to addition of equipment of S\$0.16 million, partially offset by receipt of government grant relating to property, plant and equipment of S\$0.08 million.

Net cash flows used in financing activities in 1H2022 was S\$11.20 million, mainly due to payment of dividend of S\$10.60 million following the Target Company Group's unsuccessful NEA tenders for PWC in FY2020 and FY2021. The Target Company Group had previously set aside a portion of cash (and retained earnings) for capital expenditure required if the Target Company Group has been awarded 2 PWC contracts to provide refuse collection services to domestic and trade premises. The Target Company Group had declared the FY2021 Special Dividend of S\$0.0755 per Target Company Share, which was distributed in 1H2022. The Target Company Group also recorded lease payments for the land used by the Target Company Group's waste disposal segment as well as lease liabilities for workers accommodation in the contract cleaning segment of S\$0.59 million in 1H2022.

The Target Company Group's net cash and cash equivalents decreased by S\$11.30 million in 1H2022.

Taking into account the cash and cash equivalents at the beginning of 1H2022 of S\$16.83 million and the net decrease in cash and cash equivalents of S\$11.30 million, the Target Company Group's cash and cash equivalent as at 30 June 2022 amounted to S\$5.53 million.

7.3 NAV and NTA of the Target Company Group

7.3.1 Consolidated Statement of Financial Position of the Target Company Group

A summary of the financial position of the Target Company Group as at 31 December 2021 and 30 June 2022 is set out as follows:

(S\$'000)	----- Audited ----- As at 31 December 2021	----- Unaudited ----- As at 30 June 2022
Non-current assets		
Property, plant and equipment	14,209	13,057
Total non-current assets	14,209	13,057
Current assets		
Inventories	130	125
Trade and other receivables	7,636	8,137
Tax recoverable	80	-
Deposits	116	130
Prepayments	208	487
Cash and cash equivalents	16,826	5,530
Total current assets	24,996	14,409
Total assets	39,205	27,466

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(S\$'000)	----- Audited ----- As at 31 December 2021	----- Unaudited ----- As at 30 June 2022
Capital and Reserves		
Share capital	14,524	14,524
Retained profits	15,751	4,340
Total equity	30,275	18,864
Non-current liabilities		
Deferred tax liabilities	1,003	1,003
Lease liabilities	2,665	2,869
Provision	740	740
Total non-current liabilities	4,408	4,612
Current liabilities		
Trade and other payables	3,757	3,072
Lease liabilities	765	778
Current tax payable	-	140
Total current liabilities	4,522	3,990
Total liabilities	8,930	8,602
Total equity and liabilities	39,205	27,466
NAV of the Target Company Group	30,275	18,864
Less: Intangible assets	-	-
NTA of the Target Company Group	30,275	18,864
Number of issued shares (excluding treasury shares) ('000)	132,523	132,523
NAV/NTA per Target Company Share (S\$ cent)	22.85	14.23

Sources: Annual report of the Target Company for FY2021 and unaudited financial statements for 1H2022 of the Target Company Group

Assets

As at 30 June 2022, the Target Company Group has total assets of S\$27.47 million comprising current assets of S\$14.41 million (52.5% of total assets) and non-current assets of S\$13.06 million (47.5% of total assets).

The main current assets of the Target Company Group are (i) trade and other receivables of S\$8.14 million (56.5% of current assets) and (ii) cash and cash equivalents of S\$5.53 million (38.4% of current assets) as at 30 June 2022.

The only non-current assets of the Target Company Group are property, plant and equipment of S\$13.06 million (100.0% of non-current assets) as at 30 June 2022.

Liabilities and equity

As at 30 June 2022, the Target Company Group has total liabilities of S\$8.60 million, mainly comprising total lease liabilities of S\$3.65 million (42.4% of total liabilities), trade and other payables of S\$3.07 million (35.7% of total liabilities) and deferred tax liabilities of S\$1.00 million (11.6% of total liabilities).

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Total equity of the Target Company Group was S\$18.86 million as at 30 June 2022.

7.3.2 Book NAV/NTA of the Target Company 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 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 Target Company Group provides an estimate of the value of the Target Company 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 Target Company 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 financial statements of the Target Company Group as at 30 June 2022, there were no intangible assets and accordingly, the NTA of the Target Company Group is equivalent to the NAV of the Target Company Group. Based on the Target Company Group's latest consolidated financial statements as at 30 June 2022 and 132,522,560 Shares in issue as at 30 June 2022, the NAV of the Target Company Group amounted to approximately S\$18.86 million or S\$0.142 per Target Company Share. We note that the Scheme Consideration represents a premium of approximately 62.0% against the NAV per Target Company Share of S\$0.142 as at 30 June 2022. Accordingly, the Price-to-NAV ("**P/NAV**") of the Target Company Group implied by the Scheme Consideration would be approximately 1.62 times as at 30 June 2022.

7.3.3 Revalued NAV ("**RNAV**") of the Target Company Group

In our evaluation of the Scheme Consideration, 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 Target Company Group as at 30 June 2022, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Target Company Group that are likely to impact the NAV and RNAV of the Target Company Group as at 30 June 2022.

The aggregate book value of the property, plant and equipment of the Target Company Group as at 30 June 2022 (comprising (i) leasehold land, building, site improvement and properties, (ii) plant, equipment and containers, (iii) office furniture and equipment, and (iv) motor vehicles) amounted to S\$13.1 million, representing 47.5% of the Target Company Group's total assets.

The leasehold land, building, site improvement and properties mainly comprise a single storey detached factory on the leasehold land with an area of 8,854 square metres at 8 Tuas South Street 13 ("**Leasehold Land**"). The Leasehold Land has been classified and accounted for as property, plant and equipment in the Target Company Group's financial statements with a net book value of approximately S\$5.5 million as at 30 June 2022, representing approximately 20.0% of the Target Company Group's total assets.

For the assessment of the RNAV of the Target Company Group, the Target Company had commissioned the Independent Valuer to conduct an independent valuation to determine the market value of the Leasehold Land, which is as set out below:

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Description of Property	Net book value as at 30 June 2022 (S\$'000)	Market Value as at 31 October 2022 (S\$'000)	Revaluation Surplus (S\$'000)
8 Tuas South Street 13 ²	5,472	6,400 ³	928

Taking into account the above, we have made the following adjustment to the NAV of the Target Company Group to arrive at the RNAV of the Target Company Group:

	S\$'000
Unaudited NAV of the Target Company Group	18,864
Add: revaluation surplus	928
RNAV of the Target Company Group	19,792
RNAV per Target Company Share (S\$ cent)	14.93

Based on the above, we note that the Scheme Consideration represents a premium of approximately 54.3% against the RNAV per Target Company Share of S\$0.149 as at 30 June 2022. Accordingly, the Price-to-RNAV ("**P/RNAV**") of the Target Company Group implied by the Scheme Consideration would be approximately 1.54 times as at 30 June 2022.

The Independent Valuer had conducted its independent valuation of the Leasehold Land on the basis of "Market Value" which is defined as follows:

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

In arriving at the "Market Value" of the Leasehold Land, the Independent Valuer has adopted the comparable sales method as an appropriate method for the valuation of the Leasehold Land whereby comparison is made with sales of similar properties in the vicinity and in similar standard localities. Adjustments are made for differences in location, tenure, size, age and condition, facilities/improvements and dates of transaction, amongst other factors, before arriving at the "Market Value" of the Leasehold Land. Further details on the independent valuation can be found in the Valuation Summary, which is set out in Appendix 5 of the Scheme Document. Shareholders are advised to read the above in conjunction with the Valuation Summary in its entirety.

Under Rule 26.3 of the Code, the Target 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 valuation. The Management has confirmed that (i) they do not expect any potential tax liability on the revaluation surplus arising from the independent valuation of the Leasehold Land as the Leasehold Land is held for its own internal use and not held for sale, and (ii) in a hypothetical scenario where the Leasehold Land is sold at the market value, there is also no potential tax liability on the revaluation surplus as such gain (if any) will be deemed as capital gain and there is no capital gain tax in Singapore. Accordingly, no adjustments have been made in relation to such potential tax liabilities.

² Leasehold 18 years and 1 month commencing from 1 November 2012, with the expiry of no later than 30 November 2030.

³ Based on the Valuation Summary, the value (net of estimated reinstatement cost of the Leasehold Land at the end of the JTC lease term of approximately S\$740,000, as provided by the Target Company) amounts to S\$5,660,000.

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Save as disclosed above, the Directors 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 Target Company Group and its associates *vis-à-vis* their respective book values recorded in the unaudited statements of financial position of the Target Company Group as at 30 June 2022;
- (b) they are not aware of any circumstances which may cause the NAV and NTA of the Target Company 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 Target Company Group as at 30 June 2022;
- (c) there have been no material disposals or acquisitions of assets by the Target Company Group between 30 June 2022 and the Latest Practicable Date, and the Target Company Group does not have any plans for such impending material disposal or acquisition of assets, conversion of the use of the Target Company Group's material assets or material change in the nature of the Target Company Group's business;
- (d) there are no indicators of impairment on the intangible assets that would require the Target Company Group to perform further impairment tests;
- (e) 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 Target Company Group as at 30 June 2022;
- (f) there are no litigation, claim or proceedings pending or threatened against the Target Company 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 Target Company Group as at 30 June 2022; and
- (g) 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 Target Company 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 Target Company Group as at 30 June 2022.

7.3.4 Ex-cash NAV per Target Company Share

The Target Company Group recorded cash and cash equivalents, and deposits of S\$5.66 million as at 30 June 2022. After deducting for current and non-current lease liabilities, the Target Company Group would record a net cash position of S\$2.01 million (or net cash of S\$0.015 per Target Company Share). The ex-cash NAV as at 30 June 2022 is S\$16.85 million. Based on the total number of 132,522,560 issued Target Company Shares (excluding treasury shares) as at the Latest Practicable Date, the ex-cash NAV per Target Company Share is S\$0.127.

We calculate the P/NAV on an ex-cash basis as follows:

	As at 30 June 2022
	(S\$)
Net cash per Target Company Share	0.015
Ex-cash Scheme Consideration	0.215
Ex-cash NAV per Target Company Share	0.127
Ex-cash P/NAV (times)	1.69

Based on the above, we note that the ex-cash Scheme Consideration represents a premium of approximately 69.3% against the ex-cash NAV per Target Company Share of S\$0.127 as at 30 June 2022. Accordingly, the ex-cash Price-to-NAV ("**Ex-cash P/NAV**") of the Target Company

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Group implied by the Scheme Consideration would be approximately 1.69 times as at 30 June 2022.

7.3.5 Historical Trailing P/NAV multiples of the Target Company Shares

A graphical representation of the historical trading P/NAV multiple of the Target Company Shares in the 5-year period prior to and including the Last Market Day, and up to the Latest Practicable Date, as compared to the P/NAV multiple of the Target Company Shares as implied by the Scheme Consideration is set out as follows:



Source: Bloomberg L.P.

From the chart above, we further note that the historical trailing P/NAV multiple of the Target Company Shares have been trading below the implied P/NAV (Scheme Consideration) multiple of the Target Company Shares of 1.62 times. For the avoidance of doubt, the historical trailing P/NAV multiple of the Target Company Shares presented above have not been adjusted for any dividend events, including the FY2021 Dividends.

7.4 **Comparison of Valuation Statistics of Companies Broadly Comparable to the Target Company Group**

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

The Target Company is a Singapore-incorporated company which is listed on the Catalist of the SGX-ST. As set out in paragraph 1.4 of the “Letters to Shareholders” in the Scheme Document, the Target Company Group is veteran of waste management in Singapore providing services through its waste disposal and contract cleaning segments and has pioneered many innovative value-added services which include the fully mechanised waste disposal vehicles and portable waste compactors used in the industry today.

In light of the lack of direct comparable companies on the SGX-ST, we have, in consultation with the Management, used the following companies listed on the SGX-ST, the Bursa Malaysia Securities Berhad and the Stock Exchange of Thailand which are engaged in businesses that are similar to either the waste disposal or contract cleaning business segments of the Target Company Group, and with market capitalisations of not more than S\$150 million (the

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“Comparable Companies”) to get an indication of the current market expectations with regard to the perceived valuation of the Target Company Group.

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 Target Company 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 Target Company 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) Better World Green Public Company Limited;
- (b) Tex Cycle Technology (M) Berhad
- (c) 5E Resources Limited;
- (d) Akkhie Prakarn Public Company Limited ;
- (e) LS 2 Holdings Limited;
- (f) General Environmental Conservation Public Co., Ltd.; and
- (g) Shanaya Limited.

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

Valuation parameter	Description
Price-earnings ratio (“PER”)	<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 <i>vis-à-vis</i> the corresponding historical PER of the Target Company Group based on the Scheme Consideration and the trailing 12 months earnings per share (if applicable).</p>
Price-to-NAV ratio (“P/NAV”) or Price-to-NTA ratio (“P/NTA”)	<p>An 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 ratio (“EV/EBITDA”)	<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 Target Company Group based on the Scheme Consideration and the latest announced NAV and NTA per Target Company Share of the Target Company 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 Target Company Group based on the Scheme Consideration and the trailing 12 months EBITDA of the Target Company Group.</p>

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

The following table sets out the comparative valuation statistics of the Comparable Companies *vis-à-vis* the Target Company Group as implied by the Scheme Consideration:

Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$ millions)	Historical PER (times)	Historical EV/EBITDA ratio (times)	Historical P/NAV ratio (times)	Historical P/NTA ratio (times)
Better World Green Public Company Limited	136.2	n.m. ⁽²⁾	10.92	0.94	0.94
Tex Cycle Technology (M) Berhad	53.2	25.38	12.03	1.45	1.47
5E Resources Limited ⁽³⁾	41.3	6.68	3.84	1.47	1.47
Akkhie Prakarn Public Company Limited	38.0	26.87	11.81	1.59	1.59
LS 2 Holdings Limited ⁽⁴⁾	34.6	46.86	12.38	2.14	2.14
General Environmental Conservation Public Co., Ltd.	27.8	n.m. ⁽²⁾	16.78	0.52	0.52
Shanaya Limited ⁽⁵⁾	8.2	n.m. ⁽²⁾	50.89 ⁽⁶⁾	1.81	1.81

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Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$ millions)	Historical PER (times)	Historical EV/EBITDA ratio (times)	Historical P/NAV ratio (times)	Historical P/NTA ratio (times)
High		46.86	50.89	2.14	2.14
Mean		26.45	11.29	1.42	1.42
Median		26.13	11.92	1.47	1.47
Low		6.68	3.84	0.52	0.52
Company (Implied by the Scheme Consideration)⁽⁷⁾	30.5	n.m.⁽⁸⁾	17.22	1.62 1.54⁽⁹⁾ 1.69⁽¹⁰⁾	1.62

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) n.m. denotes not meaningful as Better World Green Public Company Limited, General Environmental Conservation Public Co., Ltd and Shanaya Limited were loss making in their respective latest trailing 12 months period.
- (3) 5E Resources Limited was listed on the SGX-ST on 12 May 2022, and the relevant trailing 12 months net profit attributable to shareholders, the trailing 12 months EBITDA, and the NAV and NTA have been adjusted for one-off listing expenses (where applicable).
- (4) LS 2 Holdings Limited was listed on the SGX-ST on 24 February 2022, and the relevant trailing 12 months net profit attributable to shareholders, the trailing 12 months EBITDA, and the NAV and NTA have been adjusted for one-off listing expenses (where applicable).
- (5) Shanaya Limited was listed on the SGX-ST through a reverse takeover of CPH Ltd., which was completed on 18 August 2021. The relevant trailing 12 months net profit attributable to shareholders, the trailing 12 months EBITDA, and the NAV and NTA have been adjusted for one-off listing expenses and loss on reverse acquisition arising from the reverse takeover (where applicable).
- (6) Being a statistical outlier, Shanaya Limited has been excluded from the computation of mean and median EV/EBITDA ratios.
- (7) Based on 132,522,560 Target Company Shares as at the Latest Practicable Date.
- (8) n.m. denotes not meaningful as the Target Company Group was loss making in the latest trailing 12 months period.
- (9) Based on the RNAV of the Target Group Company of S\$19.79 million as at 30 June 2022 respectively, as set out in paragraph 7.3.3 of this letter.
- (10) Based on the ex-cash NAV of the Target Group Company of S\$16.85 million as at 30 June 2022 respectively, as set out in paragraph 7.3.4 of this letter.

Historical PER comparison

As the Target Company Group was loss making in the latest trailing 12 months period, any assessment of the valuation of the Target Company Group (implied by the Scheme Consideration) based on the PER approach would not be meaningful.

Historical EV/EBITDA ratio comparison

We note that the historical EV/EBITDA ratio of 17.22 times of the Target Company Group as implied by the Scheme Consideration is:

- (a) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 3.84 times and 50.89 times; and

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- (b) above the range of the corresponding mean and median historical EV/EBITDA ratios of the Comparable Companies of 11.29 times and 11.92 times respectively.

Historical P/NAV and P/NTA ratios comparison

We note that the historical P/NAV and P/NTA ratios of 1.62 times of the Target Company Group as implied by the Scheme Consideration are:

- (a) within the range of historical P/NAV ratios of the Comparable Companies of between 0.52 times and 2.14 times; and
- (b) above the corresponding mean and median historical P/NAV ratios of the Comparable Companies of 1.42 times and 1.47 times respectively.

Historical P/RNAV ratio comparison

We note that the historical P/RNAV 1.54 times of the Target Company Group as implied by the Scheme Consideration are:

- (c) within the range of historical P/NAV ratios of the Comparable Companies of between 0.52 times and 2.14 times; and
- (d) above the corresponding mean and median historical P/NAV ratios of the Comparable Companies of 1.42 times and 1.47 times respectively.

Historical Ex-cash P/NAV ratio comparison

We note that the historical Ex-cash P/NAV ratio of 1.69 times of the Target Company Group as implied by the Scheme Consideration are:

- (a) within the range of historical P/NAV ratios of the Comparable Companies of between 0.52 times and 2.14 times; and
- (b) above the corresponding mean and median historical P/NAV ratios of the Comparable Companies of 1.42 times and 1.47 times respectively.

Estimated range of value of the Target Company Shares

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

Valuation Parameter	Implied Valuation Range (S\$ million)	
	Mean	Median
EV/EBITDA	20.7	21.7
P/NTA	26.8	27.7
Average	23.8	24.7
Implied Share Price (S\$)	0.179	0.186

Based on the above, the overall range of derived theoretical valuations is between approximately S\$23.8 million and S\$24.7 million, which translate to between S\$0.179 and S\$0.186 per Target Company Share. We note that the Scheme Consideration of S\$0.23 is above our estimated value range of the Target Company Shares.

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

In assessing the reasonableness of the Scheme, we have compared the financial terms of the Scheme with: (a) selected recent successful privatisation transactions in cash announced on the SGX-ST during the 12-month period prior to the Joint 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 Catalist Rules announced during the 12-month period prior to the Joint 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. As some of the Take-over Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their last 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 Target Company 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 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 Target Company.

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Company	Date of offer announcement	Offer price (S\$)	Last transacted price	Premium/(Discount) of offer price over				12-month VWAP	Offer price-to-NAV / NTA ratio (times) ⁽¹⁾
				1-month VWAP	3-month VWAP	6-month VWAP	Prior to announcement of offer (%)		
SingHaiyi Group Ltd	9 November 2021	0.117	8.3	7.3	10.4	18.2	19.4	0.60 ⁽²⁾	
Starburst Holdings Limited	10 November 2021	0.238	5.8	3.9	9.2	12.8	25.3	1.84 ⁽³⁾	
United Global Limited	10 December 2021	0.450	12.5	16.6	16.6	16.3	14.2	1.06 ⁽⁴⁾	
Koufu Group Limited	29 December 2021	0.770	15.8	14.4	13.6	15.1	15.3	3.21 ⁽⁵⁾	
Shinvest Holding Ltd.	16 February 2022	3.500	12.9	8.5	10.2	10.1	14.3	0.66 ⁽⁶⁾	
Singapore O&G Ltd.	7 March 2022	0.295	15.7	14.8	12.2	11.3	11.3	3.30	
Excelpoint Technology Ltd.	13 April 2022	0.193	21.4 ⁽⁷⁾	36.6 ⁽⁷⁾	31.3 ⁽⁷⁾	45.9 ⁽⁷⁾	72.3 ⁽⁷⁾	1.53 ⁽⁸⁾	
Hwa Hong Corporation Limited	17 May 2022	0.400 ⁽⁸⁾	37.9	36.1	32.0	22.0	24.6	0.79 ⁽¹⁰⁾	
T T J Holdings Limited	20 May 2022	0.230	36.1	33.7	28.5	27.8	28.5	0.50 ⁽¹¹⁾	
Allied Technologies Limited	17 June 2022	0.011 ⁽¹²⁾	- ⁽¹³⁾	- ⁽¹³⁾	- ⁽¹³⁾	- ⁽¹³⁾	- ⁽¹³⁾	0.35 ⁽¹⁴⁾	
GYP Properties Limited	8 July 2022	0.200 ⁽¹⁵⁾	34.2	37.9	33.3	28.2	30.7	0.69 ⁽¹⁶⁾	
SP Corporation Limited	20 August 2022	1.590	169.5	163.7	162.8	156.9	140.5	1.00 ⁽¹⁷⁾	
Silkroad Nickel Ltd.	29 August 2022	0.420	2.4	4.7	5.0	(5.6)	(3.2)	5.20 ⁽¹⁸⁾	
Memories Group Limited	12 September 2022	0.047	34.3	67.9	74.1	74.1	74.1	1.02 ⁽¹⁹⁾	
Singapore Medical Group Limited	13 September 2022	0.400 ⁽²⁰⁾	23.1	28.2	29.0	26.2	28.2	1.14 ⁽²¹⁾	
Moya Holdings Asia Limited	14 September 2022	0.092	41.5	43.8	48.4	48.4	46.0	4.18 ⁽²²⁾	
MS Holdings Limited	3 October 2022	0.070	16.7	-	25.0	25.0	25.0	0.48 ⁽²³⁾	
Asian Healthcare Specialists Limited	6 October 2022	0.188	17.5	18.2	21.3	22.1	19.8	5.86 ⁽²⁴⁾	

High	169.5	163.7	162.8	156.9	140.5	5.86
Mean	29.7	33.5	33.1	32.6	34.5	1.86
Median	17.5	23.2	25.0	22.1	25.0	1.04
Low	2.4	3.9	5.0	(5.6)	(3.2)	0.35

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Company	Date of offer announcement	Offer price (S\$)	Last transacted price	Premium/(Discount) of offer price over				Offer price-to-NAV / NTA ratio (times) ⁽¹⁾
				1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP	
Target Company (Implied by the Scheme Consideration)	17 October 2022	0.23	25.0 ⁽²⁵⁾	13.9 ⁽²⁵⁾	13.3 ⁽²⁵⁾	0.9 ⁽²⁵⁾	6.0 ⁽²⁵⁾	1.62 ⁽²⁶⁾ 1.54 ⁽²⁷⁾ 1.69 ⁽²⁸⁾

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 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) Based on the revalued NAV per share of SingHaiyi Group Ltd as at 30 September 2021.
- (3) Based on the revalued NAV per share of Starburst Holdings Limited as at 30 June 2021.
- (4) Based on the NAV per share of United Global Limited as at 30 June 2021. We noted from the independent financial adviser's letter that no adjustments to the NAV per share of United Global Limited as at 30 June 2021 was required.
- (5) Based on the revalued NAV per share of Koufu Group Limited as at 30 June 2021.
- (6) Based on the adjusted revalued NTA per share of Shinvest Holding Ltd as at 31 August 2021.
- (7) The market premia in the table above were computed based on the share prices for the period(s) prior to and including 25 March 2022, being the last Market Day prior to the announcement by Excelpoint Technology Ltd. of a possible transaction.
- (8) Based on the NTA per share of Excelpoint Technology Ltd. as at 31 December 2021. We noted from the independent financial adviser's letter that no adjustments to the NTA per share of Excelpoint Technology Ltd. as at 31 December 2021 was required.
- (9) On 7 June 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.
- (10) Based on the adjusted revalued NAV per share of Hwa Hong Corporation Limited as at 31 December 2021.
- (11) Based on the revalued NAV per share of T T J Holdings Limited as at 31 January 2022.
- (12) On 3 August 2022, a revised offer price of S\$0.011 per share was announced.
- (13) 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.

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- (14) Based on the adjusted NAV per share of Allied Technologies Limited as at 31 March 2022.
- (15) 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.
- (16) Based on the revalued NAV per share of GYP Properties Limited as at 30 June 2022.
- (17) 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.
- (18) 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.
- (19) Based on the revalued NAV per share of Memories Group Limited as at 30 June 2022.
- (20) 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.
- (21) 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.
- (22) Based on the NTA per share of Moya Holdings Asia Limited as at 30 June 2022.
- (23) 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.
- (24) Based on the adjusted NTA per share of Asian Healthcare Specialists Limited as at 31 March 2022.
- (25) Based on the Adjusted VWAPs, as set out in paragraph 7.1.2 of this letter.
- (26) Based on the NAV of the Target Company Group of approximately S\$18.86 million or S\$0.142 per Target Company Share, as set out in paragraph 7.3.2 of this letter.
- (27) Based on the RNAV of the Target Company Group of approximately S\$19.79 million or S\$0.149 per Target Company Share, as set out in paragraph 7.3.3 of this letter.
- (28) Based on the ex-cash NAV of the Target Company Group of approximately S\$16.85 million or S\$0.127 per Target Company Share, as set out in paragraph 7.3.4 of this letter.

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

- (a) the premium of the Scheme Consideration over the last transacted price of the Target company Shares on the Last Market Day of approximately 25.0% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 2.4% and 169.5%; and
 - (ii) below the mean of the Take-over Transactions of 29.7% but above the median of the Take-over Transactions of 17.5%;
- (b) the premium of the Scheme Consideration over the Adjusted VWAP of the Target company Shares for the 1-month period prior to the Last Market Day of approximately 13.9% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 3.9% and 163.7%; and
 - (ii) below the corresponding mean and median premia of 33.5% and 23.2% of the Take-over Transactions respectively;
- (c) the premium of the Scheme Consideration over the Adjusted VWAP of the Target company Shares for the 3-month period prior to the Last Market Day of approximately 13.3% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 5.0% and 162.8%; and
 - (ii) below the corresponding mean and median premia of 33.1% and 25.0% of the Take-over Transactions respectively;
- (d) The premium of the Scheme Consideration over the Adjusted VWAP of the Target company Shares for the 6-month period prior to the Last Market Day of approximately 0.9% is:
 - (i) within the range of the corresponding (discount)/premium of the Take-over Transactions of between (5.6)% and 156.9%; and
 - (ii) below the corresponding mean and median premia of 32.6% and 22.1% of the Take-over Transactions respectively;
- (e) the premium of the Scheme Consideration over the Adjusted VWAP of the Target company Shares for the 12-month period prior to the Last Market Day of approximately 6.0% is:
 - (iii) within the range of the corresponding (discount)/premium of the Take-over Transactions of between (3.2)% and 140.5%; and
 - (iv) below the corresponding mean and median premia of 34.5% and 25.0% of the Take-over Transactions respectively;
- (f) the P/NAV ratio as implied by the Scheme Consideration of 1.62 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) below the mean Price-to-NAV/NTA ratio of the Take-over Transactions of 1.86 times but above the median Price-to-NAV/NTA ratio of the Take-over Transactions of 1.04 times; and

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- (g) the P/RNAV ratio as implied by the Scheme Consideration of 1.54 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) below the mean Price-to-NAV/NTA ratio of the Take-over Transactions of 1.86 times but above the median Price-to-NAV/NTA ratio of the Take-over Transactions of 1.04 times; and
- (h) the Ex-cash P/NAV ratio as implied by the Scheme Consideration of 1.69 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) below the mean Price-to-NAV/NTA ratio of the Take-over Transactions of 1.86 times but above the median Price-to-NAV/NTA ratio of the Take-over Transactions of 1.04 times.

7.6 Dividend track record of the Target Company

We set out below an analysis of the dividends declared and the dividend payout ratio for the last five financial years ended 31 December, the implied dividend yield based on the closing price of the Target Company Shares on the final cum-dividend date; and the implied dividend yield based on the Scheme Consideration.

	FY2017	FY2018	FY2019	FY2020	FY2021
Final tax-exempt one-tier dividend per Target Company Share (S\$)	0.0055	0.0050	0.0045	-	0.0045
Special tax exempt one-tier dividend per Target Company Share (S\$)	-	-	-	0.1000 ⁽¹⁾	0.0755 ⁽²⁾
Total dividend per Target Company Share (S\$)	0.0055	0.0050	0.0045	0.1000	0.0800
Dividend payout ratio ⁽³⁾	15.5%	20.5%	23.9%	⁽⁴⁾ 751.9%	n.m. ⁽⁵⁾
Target Company Share price on final cum-dividend date (S\$) ⁽⁶⁾	0.370	0.265	0.200	0.325	0.330
Dividend yield (based on the Target Company Share price on final cum-dividend date)	1.5%	1.9%	2.3%	⁽⁴⁾ 30.8% ⁽⁸⁾	1.4% ⁽⁷⁾ 24.2% ⁽⁹⁾
Dividend yield (implied by the Scheme Consideration)	2.4%	2.2%	2.0%	⁽⁴⁾ 43.5%⁽⁸⁾	2.0%⁽⁷⁾ 34.8%⁽⁹⁾

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

Notes:

- (1) The special dividend of S\$0.10 per Target Company Share (declared in respect of FY2020) was paid out as the Target Company was unsuccessful in the last two PWC tenders and is unable to invest its surplus cash during the uncertain period.
- (2) The FY2021 Special Dividend was paid out following the Target Company's unsuccessful NEA tenders for PWC licenses. As such, the board of directors of the Target Company had decided that it was in the best interests of shareholders of the Target Company to distribute the capital that it had set aside to fund capital expenditures following a successful tender.

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- (3) Based on the total dividends per Target Company Share declared over the earnings per Target Company Share in each of the respective financial years.
- (4) Excluding any special one-off dividends declared and paid in FY2020.
- (5) n.m. denotes not meaningful as the Target Company Group was loss making in FY2021.
- (6) Based on the last closing market prices of the Target Company (on an unadjusted basis for any dividends events) as at the final cum-dividend date in respect of the dividends declared for each of the respective financial years.
- (7) Excluding any special one-off dividends declared and paid in FY2021.
- (8) Based on the total dividends per Target Company Share declared and paid of S\$0.1000 for FY2020.
- (9) Based on the total dividends per Target Company Share declared and paid of S\$0.0800 for FY2021.

From the table above, we note that the Target Company's total annual dividend ranged from S\$0.0045 to S\$0.1000 per Target Company Share from FY2017 to FY2021, with a dividend payout ratio ranging from 15.5% to 751.9%. The Target Company's dividend yield per annum (based on the Target Company Share price on final cum-dividend date) ranged from 1.5% to 30.8%, and the implied dividend yield based on the Scheme Consideration ranged from 2.0% to 43.5%. Shareholders should also note that the higher implied dividend yields for FY2020 and FY2021 were due to one-off special dividends declared for the respective years, arising from the Target Company's unsuccessful PWC tenders.

Notwithstanding the past dividend payouts, the Directors have confirmed that the Target Company does not have a fixed dividend policy. Shareholders should note that past dividend payouts should not be in any way relied upon as an indication or promise of the Target Company's future dividend payouts. There is no assurance that the Target Company will continue to pay dividend in future and/or maintain the level of dividends paid in the past financial years, after the completion of the Scheme or if the Scheme does not become effective. If the Scheme becomes effective, the decision on any dividend payment will be decided by the directors and controlling shareholders of the Offeror.

7.7 Other Relevant Considerations

7.7.1 Outlook of the Target Company Group

We note that the Target Company Group had, in its unaudited 1H2022 financial results announcement dated 3 August 2022, included a commentary on the significant trends and competitive conditions of the industry in which the Target Company Group operates and any known factors or events that may affect the Target Company Group in the next reporting period and the next 12 months, which is reproduced in italics below:

“As Singapore enters a COVID-19 endemic phase, temporary government grants extended due to the pandemic such as the Jobs Support Scheme have been discontinued. The Jobs Support Scheme was nil in HY2022 (S\$2.368 million in FY2021). Challenges are expected to remain in the Target Company Group's contract cleaning segment and waste disposal segment, mainly due to stiff market competition, rising material costs and higher wage costs. The implementation of the revised Progressive Wage Model (“PWM”) for the contract cleaning segment as well as the implementation of the PWM for the waste disposal segment due to take effect in July 2023 will add to further pressures on wage costs and continue to impact the Target Company Group's bottom line.

Following the Target Company Group's unsuccessful National Environment Agency tenders for Public Waste Collection (“PWC”) in FY2020 and FY2021, the Target Company had distributed a significant portion of its cash (and retained earnings) in the form of 2 special dividends (10.00 and 7.55 Singapore cents per share respectively in respect of FY2020 and FY2021). This was the capital previously set aside for capital expenditure required if the Target Company Group had been awarded 2 PWC contracts to provide refuse collection services to domestic and trade premises.

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The Target Company Group will continue to manage its cash reserves, streamline and optimise its operations and intensify efforts to secure more contracts. However, any new contracts would exclude PWC contracts as the earliest available PWC contract is expected to be in October 2025 for the Pasir Ris-Bedok Sector.

In order to preserve the Target Company Group's current working capital, it is very unlikely that the amount of dividends to be distributed (if any) in the near future will be close to that in FY2020 and FY2021."

As set out in paragraph 3.1 of Appendix 2 to the Scheme Document, we also note that the Offeror is of the view that there is no certainty of the Target Company returning to profitability in the near term in light of an increasingly challenging operating environment ahead, details of which is reproduced in italics below:

"An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term

- a. *Increased competition in participation for the National Environment Agency's ("NEA") tenders for Public Waste Collection ("PWC") licenses for domestic and trade premises in Singapore with the next tender cycle only commencing in 2025*

The contribution from the Target Company's waste disposal segment has been declining since the expiry of the PWC contract for Jurong sector which ended in March 2020. This was further compounded by the unsuccessful tenders for the 6 available PWC sectors due to stiff market competition. With tenders for the next available PWC contract for the Pasir Ris-Bedok sector expected to commence only in 2025, the waste disposal segment will continue to face a difficult operating environment in the near future.

- b. *Increased competition in the contract cleaning segment*

Contract cleaning segment profit margins are under pressure due to increased competition in tenders for new contracts and increasing manpower costs.

- c. *The Target Company ended FY2021 loss making, with the overall profitability of the Target Company expected to face further downward pressures*

The roll-back of temporary government grants extended due to the pandemic such as the Jobs Support Scheme, and rising wage costs stemming from the implementation of the revised Progressive Wage Model in both the waste disposal segment and contract cleaning segment will place further downward pressure on the Target Company's profitability.

The Jobs Support Scheme contributed S\$3.3 million and S\$2.4 million in FY2020 and FY2021 respectively. Excluding these amounts in FY2021, the Target Company's losses before income tax would have extended to approximately S\$3.8 million."

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7.7.2 Previous acquisitions of the Target Company Shares by the Offeror Concert Party Group

Based on the notification announcements made by the Target Company over the last 5 years, we noted that the Offeror Concert Party Group had made the following acquisitions of Target Company Shares in the following periods:

Name of Buyer	Date of Transaction	Price per Target Company Share (S\$)	Total Number of Target Company Shares Acquired
Coop International	24 August 2021	0.21	110,500
Coop International	25 August 2021	0.21	121,900
Coop International	12 October 2021	0.21	211,400
Coop International	13 October 2021	0.21	355,700
Coop International	22 October 2021	0.21	70,000
Coop International	25 October 2021	0.21	46,900
Coop International	23 November 2021	0.20	500
Coop International	24 November 2021	0.22	69,200
			986,100

Source: Target Company's announcements on SGX-ST

We note that the weighted average price per Target Company Shares arising from the past acquisitions above amounted to approximately S\$0.21 per Target Company Shares (the "**Weighted Average Price**"). For illustrative purposes only, we note that the Scheme Consideration represents a premium of 9.5% over the Weighted Average Price of the past acquisitions of the Target Company Shares by the Offeror Concert Party Group. In addition, taking into account of the FY2021 Dividends, the Weighted Average Price per Target Company Shares arising from the past acquisitions above would have amounted to approximately S\$0.13 per Target Company Shares.

Shareholders should note that the above comparison serves only as an illustrative guide as the determination of the transacted prices relating to the above transactions were dependent on, *inter alia*, the circumstances and market sentiment prevailing at the time of the transactions.

7.7.3 Previous Take-over Offers for the Target Company

On 6 November 2008, the Offeror and the Target Company jointly announced a proposal to privatise the Target Company by way of a scheme of arrangement (the "**2008 Scheme**") under Section 210 of the Companies Act and the Code. The scheme consideration under the 2008 Scheme was for a cash consideration of S\$0.14 per Target Company Share. On 11 March 2009, the board of directors of the Target Company then announced that the resolution set out in the 2008 Scheme was not passed.

	Announcement Date	Scheme Consideration (S\$)	PER (times)	P/NAV (times)	EV/EBITDA ratio (times)
2008 Scheme	6 November 2008	0.14 (cash)	20.5 ⁽¹⁾	1.2 ⁽¹⁾	5.0 ⁽¹⁾
Scheme	17 October 2022	0.23 (cash)	n.m.⁽²⁾	1.6	17.2

Sources: Target Company's announcements on SGX-ST and scheme document to shareholders by the Target Company

Notes:

- (1) As extracted from the independent financial adviser's letter dated 23 February 2009 on the 2008 Scheme.
- (2) n.m. denotes not meaningful as the Target Company Group was loss making in FY2021 and in the latest trailing 12 months period.

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We note that in respect of the 2008 Scheme:

- (a) the Scheme Consideration of S\$0.23 under the Scheme is higher than the scheme consideration of S\$0.14 under the 2008 Scheme;
- (b) the P/NAV of 1.6 times as implied by the Scheme Consideration is above the P/NAV ratio of 1.2 times under the 2008 Scheme; and
- (c) the EV/EBITDA ratio of 17.2 times as implied by the Scheme Consideration is above the EV/EBITDA ratio of 5.0 times under the 2008 Scheme.

Shareholders should note that the above comparison is limited and has to be assessed in the context of the economic or general market conditions for the Target Company Shares or the prices for which the Target Company Shares were traded at the time then prevailing as well as the conditions for the current Scheme may have been different from the 2008 Scheme.

Hence, any comparison between the Scheme and 2008 Scheme above is necessarily limited and meant for illustration purpose only.

7.7.4 Absence of alternative or competing offers

As at the Latest Practicable Date, other than the Scheme, there is no publicly available evidence of an alternative or competing offer for the Target Company Shares from any other party. We note that the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror Concert Party Group holds an aggregate of 105,597,660 Target Company Shares, representing approximately 79.68% of the total number of issued Target Company Shares. Further, we note that the market price of the Target Company Shares had not traded above the Scheme Consideration since the Joint Announcement Date to the Latest Practicable Date, and hence the present Scheme by the Offeror, as at the Latest Practicable Date, appears to be the highest offer price for the Shareholders.

In addition, the Directors have confirmed that as at the Latest Practicable Date, apart from the Scheme, they have not received any alternative or competing offer for the Target Company Shares from any other party.

7.7.5 Statutory control over the Target Company by the Offeror and its Concert Party

Shareholders should note that, as at the Latest Practicable Date, the Offeror Concert Party Group collectively hold 105,597,660 Target Company Shares, representing approximately 79.68% of the total number of issued Target Company Shares.

Accordingly, the Offeror Concert Party Group already have effective statutory control over the Target Company, which places the Offeror Concert Party Group in a position to significantly influence, *inter alia*, the management, operating and financial policies of the Target Company and the ability to pass all ordinary and/or special resolutions at the Target Company's general meetings on matters in which the Offeror Concert Party Group do not have any interest, save for situations where any of the Offeror Concert Party Group is required by rules or authorities to abstain from voting.

7.7.6 Effects of the Scheme and Delisting

Upon the Scheme becoming effective and binding in accordance with its terms, the Offeror Group will hold 100% of the Target Company Shares and consequently, the Target Company will not be able to meet the relevant listing requirements of the SGX-ST.

The Target Company will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms.

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When the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they were present in person or by proxy or voted at the Scheme Meeting.

Scheme Shareholders should note that by voting in favour of the Scheme, Scheme Shareholders will be regarded as having waived their rights to a general offer by the Offeror Concert Party Group to acquire the Target Company Shares under the Code and are agreeing to the Offeror Concert Party Group acquiring or consolidating effective control of the Target Company without having to make a general offer.

7.7.7 No certainty of share price trading performance

As the Privatisation is being proposed to be effected by way of the Scheme, in the event that the Scheme is not approved by the requisite majority of the Scheme Shareholders at the Scheme Meeting, no part of the Privatisation will be further proceeded with.

If the Scheme does not proceed to completion and the Target Company remains listed on the SGX-ST, there is no certainty that the Target Company share price will trade at or close to the Scheme Consideration.

In addition, pursuant to Rule 33.1 of the Code, in the event that the Scheme does not become effective and binding in accordance with its terms, is withdrawn or lapses, neither the Offeror, any persons who acted in concert with it in the course of the Scheme nor any person who is subsequently acting in concert with any of them may within 12 months from the date on which the Scheme is withdrawn or lapses: (i) announce an offer or possible offer for the Target Company; or (ii) acquire any voting rights of the Target Company if the Offeror or any persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.

8. OUR OPINION AND ADVICE

8.1 Key Considerations of the Scheme

In arriving at our opinion and advice in respect of the Scheme, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Scheme. 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 Target Company Shares as follows:
 - (i) in relation to the Target Company Share prices:
 - (aa) save for the period between 24 March 2022 and 6 May 2022, the closing prices of the Target Company Shares (on an adjusted basis taking into account the FY2021 Dividends, where relevant) being below or at the Scheme Consideration for the 12-month period up to and including the Last Market Day;
 - (bb) the Scheme Consideration representing a premium of approximately 41.10% and discount of approximately 10.85% over the lowest and highest closing prices of the Target Company Shares (as adjusted for the FY2021 Dividends) during the 12-month period up to and including the Last Market Day respectively;
 - (cc) the Scheme Consideration represents a premium of approximately 5.99%, 0.88%, 13.30% and 13.86% over the Adjusted VWAP of the Target Company Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Market Day respectively;

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- (dd) the Scheme Consideration representing a premium of approximately 25.00% over the closing price of the Target Company Shares of S\$0.184 on the Last Market Day;
 - (ee) the Scheme Consideration represents a premium of approximately 3.60% to the VWAP of the Target Company Shares for the period from the Joint Announcement Date and up to the Latest Practicable Date;
 - (ff) the Scheme Consideration represents a premium of approximately 2.22% over the closing price of the Target Company Shares of S\$0.225 on the Latest Practicable Date; and
- (ii) in relation to trading liquidity of the Target Company Shares:
 - (aa) for the 12-, 6-, 3- and 1-month periods up to and including the Last Market Day, the ADTV of the Target Company Shares ranged between approximately 668 Target Company Shares and 30,079 Target Company Shares, representing between 0.003% and 0.12% of the free float of the Target Company;
 - (bb) during the 12-month period up to and including the Last Market Day, the Target Company Shares were only traded on 125 Market Days out of 252 Market Days;
- (b) historical financial performance of the Target Company Group, as set out in paragraph 7.2 of this letter;
- (c) in relation to the book NAV of the Target Company Group:
 - (i) as set out in paragraph 7.3.2 of this letter, the Scheme Consideration represents a premium of approximately 62.0% against the NAV per Target Company Share of S\$0.142 as at 30 June 2022. Accordingly, the P/NAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.62 times as at 30 June 2022.
 - (ii) as set out in paragraph 7.3.5 of this letter, the historical trailing P/NAV multiple of the Target Company Shares over the 5-year period prior to and including the Last Market Day have been trading below the implied P/NAV (Scheme Consideration) multiple of the Target Company Shares of 1.62 times;
- (d) as set out in paragraph 7.3.3 of this letter, the Scheme Consideration represents a premium of approximately 54.3% against the RNAV per Target Company Share of S\$0.149 as at 30 June 2022. Accordingly, the P/RNAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.54 times as at 30 June 2022.
- (e) as set out in paragraph 7.3.4 of this letter, the ex-cash Scheme Consideration represents a premium of approximately 69.3% against the ex-cash NAV per Target Company Share of S\$0.127 as at 30 June 2022. Accordingly, the Ex-cash P/NAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.69 times as at 30 June 2022; and
- (f) a comparison with the valuation statistics of the Comparable Companies as follows:
 - (i) the historical EV/EBITDA ratio of 17.22 times of the Target Company Group as implied by the Scheme Consideration are: (aa) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 3.84 times and 50.89 times; and (bb) above the range of the corresponding mean and median

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- historical EV/EBITDA ratios of the Comparable Companies of 11.29 times and 11.92 times respectively;
- (ii) the historical P/NAV and P/NTA ratios of 1.62 times of the Target Company Group as implied by the Scheme Consideration are: (aa) within the range of historical P/NAV ratios of the Comparable Companies of between 0.52 times and 2.14 times; and (bb) above the corresponding mean and median historical P/NAV ratios of the Comparable Companies of 1.42 times and 1.47 times respectively;
 - (iii) the historical P/RNAV ratios of 1.54 times of the Target Company Group as implied by the Scheme Consideration are: (aa) within the range of historical P/NAV ratios of the Comparable Companies of between 0.52 times and 2.14 times; and (bb) above the corresponding mean and median historical P/NAV ratios of the Comparable Companies of 1.42 times and 1.47 times respectively;
 - (iv) the historical Ex-cash P/NAV ratio of 1.69 times of the Target Company Group as implied by the Scheme Consideration are: (aa) within the range of historical P/NAV ratios of the Comparable Companies of between 0.52 times and 2.14 times; and (bb) above the corresponding mean and median historical P/NAV ratios of the Comparable Companies of 1.42 times and 1.47 times respectively;
 - (v) the Scheme Consideration of S\$0.23 is above the estimated value range of the Target Company Shares of S\$0.179 and S\$0.186 per Target Company Share;
- (g) a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST as follows:
- (i) the premium of the Scheme Consideration over the last transacted price of the Target Company Shares on the Last Market Day of approximately 25.0% is: (aa) within the range of the corresponding premia of the Take-over Transactions of between 2.4% and 169.5%; and (bb) below the mean of the Take-over Transactions of 29.7% but above the median of the Take-over Transactions of 17.5%;
 - (ii) the premium of the Scheme Consideration over the Adjusted VWAP of the Target Company Shares for the 1-month period prior to the Last Market Day of approximately 13.9% is: (aa) within the range of the corresponding premia of the Take-over Transactions of between 3.9% and 163.7%; but (bb) below the corresponding mean and median premia of 33.5% and 23.2% of the Take-over Transactions respectively;
 - (iii) the premium of the Scheme Consideration over the Adjusted VWAP of the Target Company Shares for the 3-month period prior to the Last Market Day of approximately 13.3% is: (aa) within the range of the corresponding premia of the Take-over Transactions of between 5.0% and 162.8%; but (bb) below the corresponding mean and median premia of 33.1% and 25.0% of the Take-over Transactions respectively;
 - (iv) the premium of the Scheme Consideration over the Adjusted VWAP of the Target Company Shares for the 6-month period prior to the Last Market Day of approximately 0.9% is: (aa) within the range of the corresponding (discount)/premium of the Take-over Transactions of between (5.6)% and 156.9%; but (bb) below the corresponding mean and median premia of 32.6% and 22.1% of the Take-over Transactions respectively;
 - (v) the premium of the Scheme Consideration over the Adjusted VWAP of the Target Company Shares for the 12-month period prior to the Last Market Day of approximately 6.0% is: (aa) within the range of the corresponding (discount)/premium of the Take-over Transactions of between (3.2)% and

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140.5%; but (bb) below the corresponding mean and median premia of 34.5% and 25.0% of the Take-over Transactions respectively;

- (vi) the P/NAV ratio as implied by the Scheme Consideration of 1.62 times is: (aa) within the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.35 times and 5.86 times; and (bb) below the mean Price-to-NAV/NTA ratio of the Take-over Transactions of 1.86 times but above the median Price-to-NAV/NTA ratio of the Take-over Transactions of 1.04 times;
- (vii) the P/RNAV ratio as implied by the Scheme Consideration of 1.54 times is: (aa) within the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.35 times and 5.86 times; and (bb) below the mean Price-to-NAV/NTA ratio of the Take-over Transactions of 1.86 times but above the median Price-to-NAV/NTA ratio of the Take-over Transactions of 1.04 times;
- (viii) the Ex-cash P/NAV ratio as implied by the Scheme Consideration of 1.69 times is: (aa) within the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.35 times and 5.86 times; and (bb) below the mean Price-to-NAV/NTA ratio of the Take-over Transactions of 1.86 times but above the median Price-to-NAV/NTA ratio of the Take-over Transactions of 1.04 times;
- (h) dividend analysis, as set out in paragraph 7.6 of this letter, Target Company's dividend yield per annum (based on the Target Company Share price on final cum-dividend date) ranged from 1.5% to 30.8%, and the implied dividend yield based on the Scheme Consideration ranged from 2.0% to 43.5%. It is to note that the higher dividend payout ratios and implied dividend yields for FY2020 and FY2021 were due to one-off special dividends declared during the respective years, arising from the Target Company's unsuccessful PWC tenders;
- (i) other relevant considerations as follows:
 - (i) outlook of the Target Company Group, as set out in paragraph 7.7.1 of this letter;
 - (ii) previous acquisitions of the Target Company Shares by the Offeror Concert Party Group, as set out in paragraph 7.7.2 of this letter;
 - (iii) previous take-over offers for the Target Company, as set out in paragraph 7.7.3 of this letter;
 - (iv) the absence of alternative or competing offers, as set out in paragraph 7.7.4 of this letter;
 - (v) the Offeror and its Concert Party having effective statutory control over the Target Company as at the Latest Practicable Date, as set out in paragraph 7.7.5 of this letter;
 - (vi) the effects of the Scheme and Delisting, as set out in paragraph 7.7.6 of this letter; and
 - (vii) no certainty of share price trading performance, as set out in paragraph 7.7.7 of this letter.

8.2 Assessment of the Scheme

For the purpose of evaluating the Scheme, 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

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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.

8.2.1 Assessment of Fairness of the Scheme

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

- (a) based on the NAV/NTA approaches, 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 Scheme Consideration represents a premium of approximately 62.0% against the NAV per Target Company Share of S\$0.142 as at 30 June 2022. Accordingly, the P/NAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.62 times as at 30 June 2022;
- (b) the Scheme Consideration represents a premium of approximately 54.3% against the RNAV per Target Company Share of S\$0.149 as at 30 June 2022. Accordingly, the P/RNAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.54 times as at 30 June 2022;
- (c) the Ex-cash Scheme Consideration represents a premium of approximately 69.3% against the ex-cash NAV per Target Company Share of S\$0.127 as at 30 June 2022. Accordingly, the Ex-cash P/NAV of the Target Company Group implied by the Scheme Consideration would be approximately 1.69 times as at 30 June 2022;
- (d) the historical EV/EBITDA, P/NAV and P/NTA ratios as implied by the Scheme Consideration compare favourably against those of the Comparable Companies;
- (e) the Scheme Consideration of S\$0.23 is above the estimated value range of the Target Company Shares of S\$0.179 and S\$0.186 per Target Company Share;
- (f) the premia as implied by the Scheme Consideration over the Adjusted VWAP of the Target Company Shares for the 12-, 6-, 3-, 1-month periods up to and including the Last Market Day and the last transacted price on the Last Market Day are within the respective range of the corresponding premia of the Take-Over Transactions;
- (g) the P/NAV ratio as implied by the Scheme Consideration of 1.62 times compares favourably against the median Price-to-NAV/NTA ratios for the Take-Over Transactions and is within the range of the Price-to-NAV/NTA ratios for the Take-Over Transactions;
- (h) the P/RNAV ratio as implied by the Scheme Consideration of 1.54 times compares favourably against the median Price-to-NAV/NTA ratios for the Take-Over Transactions and is within the range of the Price-to-NAV/NTA ratios for the Take-Over Transactions; and
- (i) the Ex-cash P/NAV ratio as implied by the Scheme Consideration of 1.69 times compares favourably against the median Price-to-NAV/NTA ratios for the Take-Over Transactions and is within the range of the Price-to-NAV/NTA ratios for the Take-Over Transactions.

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

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8.2.2 Assessment of Reasonableness of the Scheme

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

- (a) the Scheme Consideration representing a premium of approximately 25.0% over the closing price of the Target Company Shares of S\$0.184 on the Last Market Day;
- (b) the Scheme Consideration represents a premium of approximately 5.99%, 0.88%, 13.30% and 13.86% over the Adjusted VWAP of the Target Company Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Market Day respectively;
- (c) the historical trailing P/NAV multiple of the Target Company Shares over the 5-year period prior to and including the Last Market Day have been trading below the implied P/NAV multiple of the Target Company Shares of 1.62 times;
- (d) the trading of the Target Company Shares is erratic and appears to be relatively illiquid in the 12-, 6-, 3-, and 1-month period up to and including the Last Market Day, and in view of the low liquidity of the Target Company Shares, the historical market prices of the Target Company Shares may not be a meaningful indicator of its market value due to the lack of liquidity for the Target Company Shares. In addition, it is to note that given the low liquidity of the Target Company Shares during the forementioned periods observed, the Scheme Consideration may represent a realistic exit opportunity for Shareholders to realise their entire investment for cash. In the absence of the Scheme Consideration, such an exit for all Shareholders may not be readily available due to the low trading liquidity for the Target Company Shares;
- (e) the Target Company Group's revenue and net profit after tax had been declining from FY2019 to FY2021, and from 1H2021 to 1H2022. In this regard, the Target Company Group had recorded a net loss of approximately S\$0.68 million in FY2021 vis-à-vis a net profit after tax of approximately S\$1.77 million in FY2020, and recorded a net loss of approximately S\$0.81 million in 1H2022 vis-à-vis a net profit after tax of approximately S\$0.27 million in 1H2021;
- (f) as set out in paragraph 3.1 of Appendix 2 to the Scheme Document, we note that the Offeror is of the view that there is no certainty of the Target Company returning to profitability in the near term in light of an increasingly challenging operating environment ahead. In particular, we note from the Offeror's view that the contribution from the Target Company's waste disposal segment has been declining since the expiry of the PWC contract for Jurong sector which ended in March 2020. This was further compounded by the unsuccessful tenders for the 6 available PWC sectors due to stiff market competition. With tenders for the next available PWC contract for the Pasir Ris-Bedok sector expected to commence only in 2025, the waste disposal segment will continue to face a difficult operating environment in the near future;
- (g) the Scheme Consideration presents a premium of approximately 9.5% over the Weighted Average Price of S\$0.21 of the past acquisitions of the Target Company Shares by the Offeror Concert Party Group;
- (h) the historical EV/EBITDA and P/NAV ratios as implied by the Scheme Consideration compare favourably against those of the 2008 Scheme; and
- (i) as at the Latest Practicable Date, apart from the Scheme, no alternative or competing offer has been received by the Target Company. In addition, the likelihood of an alternative or competing offer from any third party is remote in view that as at the Latest Practicable Date, the Offeror Concert Party Group holds an aggregate of 105,597,660 Target Company Shares, representing approximately 79.68% of the total number of issued Target Company Shares.

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

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8.3 Our opinion on the Scheme

In conclusion, we are of the opinion that, on balance, the financial terms of the Scheme are fair and reasonable. Accordingly, we advise the Non-conflicted Directors to recommend Shareholders to vote in favour of the Scheme.

The Non-conflicted Directors should also highlight to Shareholders that the Scheme, when it becomes effective, will be binding on all Shareholders, whether or not they have attended or voted at the Scheme Meeting, and if they have attended and voted, whether or not they have voted in favour of the Scheme.

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 Non-conflicted Directors for their benefit and for the purposes of their consideration of the Scheme. The recommendation to be made by them to the Shareholders in respect of the Scheme shall remain the responsibility of the Non-conflicted Directors. Whilst a copy of this letter may be reproduced in the Scheme Document, 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 Scheme.

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

Company	Stock exchange	Business description	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (millions)	Financial year end	Revenue (millions)	----- Trailing 12 Months -----	
							Net profit/(loss) after tax attributable to shareholders (millions)	THB(160.3)
Better World Green Public Company Limited	Stock Exchange of Thailand	Better World Green Public Company Limited provides non-hazardous and hazardous industrial waste management services.	THB0.750	THB3,413.3	31 December	THB2,475.0		
Tex Cycle Technology (M) Berhad	Bursa Malaysia Securities Berhad	Tex Cycle Technology (M) Berhad is an investment holding company. The company, through its subsidiaries, collects soiled rags, wipes and gloves from the electronics, engineering, automobile, oil and gas, printing, and other manufacturing industries and safely disposes of them.	RM0.690	RM174.4	31 December	RM32.8		RM6.9
5E Resources Limited	SGX-ST	5E Resources Limited operates as a waste management services company. The company offers scheduled waste management, recovery reuse, and logistic services. 5E Resources Limited serves customers in Singapore.	S\$0.280	S\$41.3	31 December	S\$20.2		S\$4.1
Akkhie Prakarn Public Company Limited	Stock Exchange of Thailand	Akkhie Prakarn Public Company Limited manages and operates an Industrial Waste Management Centre (Waste Incinerator) in the Samut Prakarn province, Thailand.	THB2.360	THB953.4	31 December	THB368.6		THB35.5
LS 2 Holdings Limited	SGX-ST	LS 2 Holdings Limited operates as a holding company. The company, through its subsidiaries, provides environmental services such as school, facilities, and facade cleaning, conservancy, housekeeping, pandemic disinfection, and maintenance services. LS 2 Holdings serves customers in Singapore.	S\$0.187	S\$34.6	31 December	S\$58.2		S\$(0.1)
General Environmental Conservation Public Co., Ltd.	Stock Exchange of Thailand	General Environmental Conservation Public Co., Ltd. provides waste management services. The company operates three plants providing treatment and disposal of hazardous and non-hazardous industrial waste.	THB0.620	THB695.8	31 December	THB271.3		THB(15.5)
Shanaya Limited	SGX-ST	Shanaya Limited is a holding Company. The company, through its subsidiaries, is principally engaged in the provision of waste management and disposal services to industrial and commercial clients.	S\$0.073	S\$6.2	31 December	S\$6.8		S\$(5.7)

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

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BONVESTS HOLDINGS LIMITED
(Incorporated in Singapore)
(Company Registration Number: 196900282M)

19 January 2023

To: The Shareholders of Colex Holdings Limited

Dear Sir/Madam

PROPOSED PRIVATISATION OF COLEX HOLDINGS LIMITED BY BONVESTS HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT

1. INTRODUCTION

1.1 Privatisation

On 17 October 2022 (the “**Joint Announcement Date**”), Bonvests Holdings Limited (the “**Offeror**”, and together with its subsidiaries, the “**Offeror Group**”) and Colex Holdings Limited (the “**Target Company**”) (the “**Parties**”, each a “**Party**”) jointly announced the proposed privatisation of the Target Company through the acquisition (the “**Privatisation**”) of all the issued ordinary shares in the capital of the Target Company (the “**Target Company Shares**”), other than the Target Company Shares held by the Offeror and Coop International Pte. Ltd. (a wholly owned subsidiary of the Offeror) (the “**Target Company Excluded Shares**”) (the Target Company Shares excluding the Target Company Excluded Shares, the “**Target Company Scheme Shares**”), by the Offeror, by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).

1.2 Implementation Agreement

In connection with the Scheme, the Offeror and the Target Company have on 17 October 2022 entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Offeror and the Target Company will implement the Scheme.

1.3 Scheme Document

This Letter from the Offeror (the “**Offeror’s Letter**”) to shareholders of the Target Company (“**Target Company Shareholders**”) should be read and construed together with, and in the context of, the scheme document dated 19 January 2023 (“**Scheme Document**”) issued by the Target Company to the Target Company Shareholders containing details of the Scheme. Unless otherwise stated, terms used but not defined in this Offeror’s Letter shall have the same meanings as defined in the Scheme Document.

If you are in any doubt about this Offeror’s Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE PRIVATISATION AND THE SCHEME

2.1 Terms of the Scheme

The Privatisation will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

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Under the Scheme:

- (a) all the Target Company Scheme Shares held by the Target Company Shareholders entitled to the Target Company Scheme Shares (the “**Scheme Shareholders**”, each a “**Scheme Shareholder**”) as at a record date to be announced by the Target Company on which the transfer books and the register of members of the Target Company will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme (the “**Record Date**”) will be transferred to the Offeror:
 - (i) fully paid up;
 - (ii) free from any claim, charge, mortgage, security, pledge, lien, option, restriction, equity, power of sale, hypothecation or other third-party rights or interest, retention of title, right of pre-emption, right of first refusal 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 and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Target Company to the Scheme Shareholders on or after the Joint Announcement Date.
- (b) In consideration of the transfer of the Target Company Scheme Shares referred to in **paragraph 2.1(a)** above, each Scheme Shareholder as at 5.00 p.m. on the Record Date (each an “**Entitled Scheme Shareholder**”) will be entitled to receive for each Target Company Scheme Share S\$0.23 in cash (the “**Scheme Consideration**”).
- (c) The Offeror reserves the right to reduce the Scheme Consideration if and to the extent any distribution or dividend is declared, made or paid by the Target Company on or after the date of the Implementation Agreement.

2.2 Scheme Conditions

The Privatisation is conditional upon the satisfaction (or, where applicable, the waiver) of all the conditions precedent (the “**Scheme Conditions**”) on or before 5.00 p.m. on the Cut-Off Date. Additional information on the Scheme Conditions is set out in **paragraph 5** of the Explanatory Statement. The Scheme Conditions are reproduced in **Appendix 6** to the Scheme Document.

Pursuant to the application made by the Offeror to the Securities Industry Council of Singapore (the “**SIC**”), the SIC has confirmed on 6 October 2022 that it has no objections to the Scheme Conditions.

2.3 Switch Option

- (a) Pursuant to the terms of the Implementation Agreement, in the event a Target Company Competing Offer (as defined below) or an intention to make a Target Company Competing Offer is announced (whether or not such Target Company Competing Offer is pre-conditional), the Offeror shall have the right, *inter alia*, at its discretion to elect at any time in the event of a Target Company Competing Offer, and subject to prior consultation with the SIC, to elect to proceed by way of a voluntary conditional cash offer or a preconditional voluntary cash offer made for or on behalf of the Offeror to acquire all the Target Company Scheme Shares on such terms and conditions to be set out in the offer document issued for or on behalf of the Offeror (the “**Offer**”) in lieu of proceeding with the Privatisation by way of the Scheme (the “**Switch Option**”), at any time prior to the date on which the meeting of the Target Company Shareholders to be convened to approve the Scheme or any adjournment thereof (the “**Scheme Meeting**”) is to be held. “**Target Company Competing Offer**” means any offer, proposal or expression of interest by any person other than the Offeror pursuant to which such person or any other person may, whether directly or indirectly, and whether by share purchase, scheme of arrangement, merger or amalgamation, capital reconstruction, purchase of

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assets, tender offer, general offer, partial offer, joint venture, dual listed company structure or otherwise:

- (i) acquire or become the holder or owner of, or otherwise have an economic interest in: (a) all or any substantial part of the businesses, assets, revenues and/or undertakings of the Target Company; or (b) more than 50 per cent. of the share capital of the Target Company;
 - (ii) merge with the Target Company;
 - (iii) benefit under any other arrangement having an effect similar to any of the above; or
 - (iv) effect a transaction which would preclude or restrict the Privatisation and/or the Scheme.
- (b) If the Offeror exercises the Switch Option, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme (including the same or a higher consideration than the Scheme Consideration) or the Target Company Competing Offer (whichever is the higher), and conditional upon the Offeror having received acceptances that will result in the Offeror and any person acting in concert with it holding more than 50% of the maximum potential Target Company Shares in issue (and not conditional upon a higher level of acceptances). In addition, the Offeror and the Target Company acknowledge that the acceptance condition determined in accordance with this paragraph 2.3(b) may be revised, subject to SIC's consent, if there are any legislative amendments to Section 215 of the Companies Act, to the extent that such legislative amendments come into force on or after the date of the Implementation Agreement and prior to the exercise of the Switch Option, and such amendments alter the shareholding percentage required to be held by the Offeror in order for the Offeror to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act.
- (c) In such event, the Target Company and the Offeror have agreed that the Implementation Agreement shall terminate with effect from the date of announcement by or on behalf of the Offeror of a firm intention to make the Offer, and none of the Parties shall have any claim against the others hereunder (except for any claim in respect of the Surviving Provisions (as defined in the Scheme Document)).
- (d) Pursuant to the application made by the Offeror to the SIC, the SIC has confirmed on 6 October 2022 that:-
- (aa) the Offeror may exercise the Switch Option, subject to:
 - (i) the Offer being on the same or better terms as those which apply to the Scheme or the Target Company Competing Offer (whichever is the higher),
 - (ii) the acceptance condition to the Offer being set at only more than 50% of the maximum potential Target Company Shares in issue (and not conditional upon a higher level of acceptances),
 - (iii) prior consultation with SIC to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option, and
 - (iv) disclosure in the Announcement and the Scheme Document of the fact that the Offeror reserves the right to exercise the Switch Option; and
 - (bb) the Scheme Conditions, to the extent applicable to the event of an Offer, may similarly be imposed as conditions precedent to the Offer becoming unconditional in all respects only after consultation with SIC prior to the exercise of the Switch Option.

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2.4 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Target Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement:

- (a) the Implementation Agreement shall cease to have any further force or effect (save for the Surviving Provisions); and
- (b) neither party shall have any further liability or obligation to the other party (save for the Surviving Provisions),

provided always that such termination shall not prejudice the rights of either party which have accrued or arisen prior to such termination.

Except as provided in this paragraph 2.4 or for fraud, no Party may terminate or rescind the Implementation Agreement.

Please refer to **paragraph 5.4** of the Explanatory Statement for additional details on the termination rights under the Implementation Agreement.

2.5 Effect of Scheme

In the event the Scheme becomes effective, it will be binding on all Scheme Shareholders whether or not they were present in person or by proxy or voted to approve the Scheme at the Scheme Meeting. Scheme Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

3. **THE OFFEROR'S RATIONALE FOR THE PRIVATISATION AND FUTURE INTENTIONS FOR THE TARGET COMPANY GROUP**

3.1 An increasingly challenging operating environment ahead for the Target Company means there is no certainty of returning to profitability in the near term

- a. *Increased competition in participation for the National Environment Agency's ("NEA") tenders for Public Waste Collection ("PWC") licenses for domestic and trade premises in Singapore with the next tender cycle only commencing in 2025*

The contribution from the Target Company's waste disposal segment has been declining since the expiry of the PWC contract for Jurong sector which ended in March 2020. This was further compounded by the unsuccessful tenders for the 6 available PWC sectors due to stiff market competition. With tenders for the next available PWC contract for the Pasir Ris-Bedok sector expected to commence only in 2025, the waste disposal segment will continue to face a difficult operating environment in the near future.

- b. *Increased competition in the contract cleaning segment*

Contract cleaning segment profit margins are under pressure due to increased competition in tenders for new contracts and increasing manpower costs.

- c. *The Target Company ended FY2021 loss making, with the overall profitability of the Target Company expected to face further downward pressures*

The roll-back of temporary government grants extended due to the pandemic such as the Jobs Support Scheme, and rising wage costs stemming from the implementation of the revised Progressive Wage Model in both the waste disposal segment and contract cleaning segment will place further downward pressure on the Target Company's profitability.

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The Jobs Support Scheme contributed S\$3.3 million and S\$2.4 million in FY2020 and FY2021 respectively. Excluding these amounts in FY2021, the Target Company's losses before income tax would have extended to approximately S\$3.8 million.

3.2 The Target Company's listing status serves limited purpose as it has not tapped on the equity capital markets to raise funds and is unlikely to do so, yet it continues to incur substantial costs associated with being listed

Since its initial public offering in 1999, the Target Company has not carried out any exercise to raise funds from the equity capital markets.

Further, as the Target Company was not successful in its NEA tenders for PWC in FY2020 and FY2021, and there are no near-term plans for any substantial capital expenditures for the rest of its businesses, the Target Company does not see a need to maintain its listing status to tap the capital markets to raise funds in the near future.

In maintaining its listed status, the Target Company incurs compliance costs and other associated costs of close to S\$150,000 each year which is significant relative to its current earnings. In the event the Target Company is delisted, it will be able to save on such expenses and focus its resources on better positioning the business to face the sector's increasingly challenging operating environment.

3.3 A Privatisation confers greater management flexibility to navigate an increasingly challenging operating environment

The Offeror believes that a Privatisation will allow the Target Company's management more flexibility to manage the business and facilitate the implementation of any operational change (if required), without the corresponding costs and regulatory restrictions associated with a listing on the Singapore Exchange Securities Trading Limited ("SGX-ST").

3.4 Opportunity for a Scheme Shareholder to realise their investment at a premium without incurring brokerage fees

In light of the pressures facing the Target Company and the uncertainties associated with navigating the challenging operating environment, the proposed Privatisation represents a credible opportunity for the Scheme Shareholders to realise their investment at a premium with the greatest certainty.

- a. The Scheme Consideration of S\$0.23 represents a premium of 25.0%, 13.9%, and 13.3% to the last traded price⁽ⁱ⁾, one-month, and *volume weighted average price* ("VWAP")⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ up to and including the Last Trading Date^(iv).



Notes:

- (i) Refers to the closing price of the last full trading day where trades were done for the Target Company Shares prior to the Joint Announcement Date, being 10 October 2022.
- (ii) After the announcement of the special dividend of 7.55 Singapore cents and the first and final dividend of 0.45 Singapore cents on 22 February 2022, the trading price of Target Company Shares rose from its last traded price of S\$0.215 on 22 February 2022 to a high of S\$0.345 on 28 April 2022 before closing at S\$0.250 on the ex-dividend date on 6 May 2022.
- (iii) The VWAPs of the Target Company Shares are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including the Last Trading Date. The respective premia are rounded to the nearest one (1) decimal place.

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(iv) Refers to the last full trading day immediately prior to the Joint Announcement Date (“**Last Trading Date**”), being 12 October 2022.

- b. Considering the low historical trading liquidity of Target Company Shares on SGX-ST, the proposed Privatisation represents an opportunity for Scheme Shareholders who may otherwise find it difficult, to exit their investment immediately.

Trading volumes on Target Company Shares have been low with no trades being done for the majority of trading days with the counter experiencing low average daily trading volumes and average daily turnover.

	One-month	Three-month	Six-month	Twelve-month
Average daily trading volume as a percentage of total number of the Target Company Shares ⁽ⁱ⁾	0.001% ⁽ⁱⁱ⁾	0.004% ⁽ⁱⁱ⁾	0.016% ⁽ⁱⁱ⁾	0.023% ⁽ⁱⁱ⁾
Average daily turnover of the Target Company Shares	S\$135	S\$1,051	S\$5,569	S\$7,961

Source: Bloomberg L.P.

Notes:

(i) The average daily trading volume as a percentage of total number of the Target Company Shares is based on data extracted from Bloomberg L.P. as at the Last Trading Date and calculated using the average daily trading volume of the Target Company Shares divided by the total number of the Target Company Shares.

(ii) The percentage figures are rounded to the nearest three (3) decimal places.

	One-month	Three-months	Six-months	Twelve-months
Number of SGX-ST trading days	22	65	125	252
Number of SGX-ST trading days where trades were done for the Target Company Shares	6	18	58	125

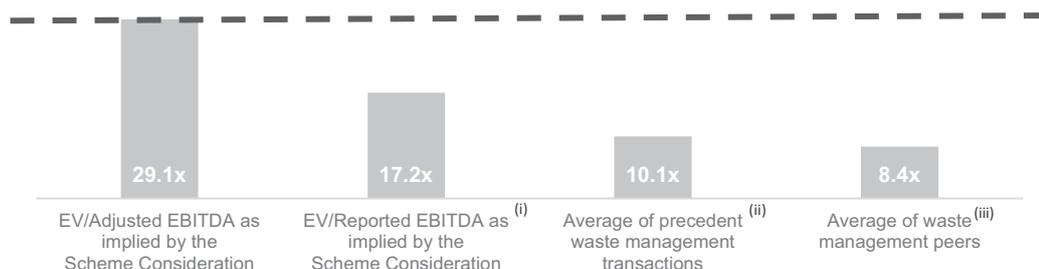
Source: Bloomberg L.P. as at the Last Trading Date

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3.5 The valuation multiples implied by the Scheme Consideration exceeds key benchmarks, representing a credible offer for Scheme Shareholders to exit

- a. The ratio of enterprise value (“EV”) to the adjusted earnings before interest, tax, depreciation and amortisation (“EBITDA”) (“Adjusted EBITDA”) (the “EV/Adjusted EBITDA”)¹ as implied by the Scheme Consideration of 29.1x represents a significant premium² of 189.5% and 245.9% to the EV/EBITDA as implied by the average of precedent waste management transactions of 10.1x and the average of waste management peers of 8.4x.



Source: Bloomberg L.P., Capital IQ and company filings

Notes:

- (i) The reported EBITDA is based on the Target Company’s as reported EBITDA over the last twelve months ending 30 June 2022 of S\$1,653,000 (“Reported EBITDA”).
- (ii) Selected precedent waste management transactions include: (i) the acquisition of 800 Super Holdings Limited announced on 24 August 2022; (ii) the acquisition of Beijing Enterprises Urban Resources Group Limited announced on 28 April 2022; (iii) the acquisition of Kolon Environmental Service Co., Ltd. announced on 31 March 2020; (iv) the acquisition of Shandong Shifang Environmental Protection & Bio-Energy Co., Ltd. announced on 4 November 2019; (v) the acquisition of Fujikoh Company Limited announced on 1 November 2019; (vi) the acquisition of 800 Super Holdings Limited announced on 6 May 2019; (vii) the acquisition of Dial A Dump Industries Pty Ltd. announced on 21 August 2018; (viii) the acquisition of Tox Free Solutions Limited announced on 11 December 2017; and (ix) the acquisition of Environment Management Corporation announced on 18 May 2016.
- (iii) Selected waste management peers include: (i) Better World Green Public Company Limited; (ii) TexCycle Technology (M) Berhad; (iii) 5E Resources Limited; (iv) Akkhie Prakarn Public Company Limited; (v) General Environmental Conservation Public Company Limited; and (vi) LS 2 Holdings Limited. Data compiled from Bloomberg L.P and company filings as of the Last Trading Date.
- b. The ratio of price to net asset value (“NAV”) (the “P/NAV”)³ as implied by the Scheme Consideration of 1.62x represents a premium⁴ of 42.6%, 88.0% and 73.7% to the historical 1-year, 3-year and 5-year average P/NAV multiples of the Target Company Shares for the period up to and including the Last Trading Date. The P/NAV as implied by the Scheme Consideration exceeds the average of precedent waste management transactions of 1.44x and exceeds the P/NAV implied by the average of waste management peers of 0.99x.

¹ Enterprise value is derived from the implied market capitalisation of the Target Company by the Scheme Consideration as at the Last Trading Date, and adjusted for: (i) current and non-current lease liabilities; (ii) cash and cash equivalents; and (iii) deposits from the Target Company’s financial position as at 30 June 2022. Adjusted EBITDA is derived from the Target Company’s financial performance over the last twelve months ending 30 June 2022 calculated by its profit before tax adjusted for: (i) one-off and / or non-recurring items including impairment losses on property, plant and equipment; and government grants received under the jobs support scheme, jobs growth incentive, wage credit scheme and senior employment credit scheme; (ii) depreciation expenses; (iii) finance costs; and (iv) interest income.

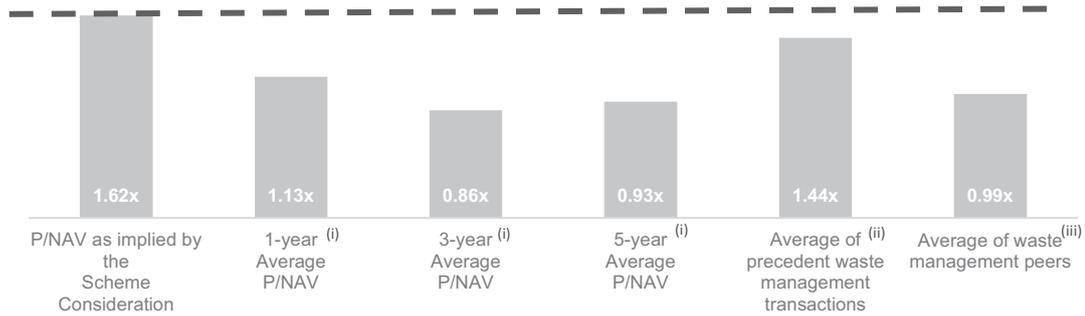
² The respective premium is rounded to the nearest one (1) decimal place. Discrepancies in the figures herein between the listed amounts and derived amounts from the EV/EBITDA are due to rounding.

³ Derived from the Target Company’s latest reported NAV of S\$18,864,000 on 30 June 2022.

⁴ The respective premium is rounded to the nearest one (1) decimal place. Discrepancies in the figures herein between the listed amounts and derived amounts from the P/NAV are due to rounding.

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Source: Bloomberg L.P., and company filings

Notes:

- (i) The historical average is computed daily up to and including the Last Trading Date and reflects the market capitalisation at the end of each trading day divided by NAV for last reported financial quarter or period, as compiled from Bloomberg L.P. and the Target Company's public filings.
- (ii) Selected precedent waste management transactions include: (i) the acquisition of Beijing Enterprises Urban Resources Group Limited announced on 28 April 2022; (ii) the acquisition of Kolon Environmental Service Co., Ltd. announced on 31 March 2020; (iii) the acquisition of Shandong Shifang Environmental Protection & Bio-Energy Co., Ltd. announced on 4 November 2019; (iv) the acquisition of Fujikoh Company Limited announced on 1 November 2019; (v) the acquisition of 800 Super Holdings Limited announced on 6 May 2019; (vi) the acquisition of Tox Free Solutions Limited announced on 11 December 2017; and (vii) the acquisition of Environment Management Corporation announced on 18 May 2016.
- (iii) Selected waste management peers include: (i) Better World Green Public Company Limited; (ii) TexCycle Technology (M) Berhad; (iii) 5E Resources Limited; (iv) Akkhie Prakarn Public Company Limited; (v) General Environmental Conservation Public Company Limited; (vi) LS 2 Holdings Limited; and (vii) Shanaya Limited. Data compiled from Bloomberg L.P. and company filings as of the Last Trading Date.

3.6 The Scheme Consideration implies a total return of 80.2% for a Scheme Shareholder over a 36-month holding period, this includes the S\$24.5 million paid in dividends over this period which includes one-off special dividends

Special dividends were paid out following the Target Company's unsuccessful NEA tenders for PWC as the board of directors of the Target Company (the "**Board**") had decided that it was in the best interests of shareholders to distribute the capital that it had set aside to fund capital expenditures following a successful tender.

The Target Company's cash and cash equivalents of S\$5.5 million as of 30 June 2022 represents the minimum amount of cash retained in order to preserve its working capital. It is therefore very unlikely that the amounts of dividends to be distributed (if any) in the near future will be close to that in FY2020 and FY2021.

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Accounting for the S\$24.5 million distributed over the past 36 months, the Scheme Consideration implies a total return of 80.2% and annualised total returns of 21.7% per annum for a Scheme Shareholder who had acquired Target Company Shares 36 months prior to the Last Trading Date.

Closing price 36 months prior to the Last Trading Date ⁽ⁱ⁾	Scheme Consideration	Dividends for the past 36 month up to and including the Last Trading Date ⁽ⁱⁱ⁾	Sum of Scheme Consideration and total dividends up to the Last Trading Date	Total returns for the past 36 months ⁽ⁱⁱⁱ⁾	Annualised total returns for the past 36 months ⁽ⁱⁱⁱ⁾
S\$0.230	S\$0.230	S\$0.1845	S\$0.4145	80.2%	21.7%

Notes:

- (i) Based on the last traded price of the Target Company Shares prior to the 36 months period prior to the Last Trading Date sourced from Bloomberg L.P.
- (ii) This refers to the total dividends distributed per Target Company Share for the past 36 months prior to the Last Trading Date and includes the special tax-exempt one-tier dividend of 10.00 Singapore cents per Target Company Share paid on 31 August 2020 and the special tax-exempt one-tier dividend of 7.55 Singapore cents per Target Company Share paid on 19 May 2022.
- (iii) Total return is rounded to one (1) decimal place and subject to rounding difference.

3.7 Intentions for the Target Company Group

Save as disclosed in this Offeror's Letter, the Offeror presently has no intention to (i) introduce any major changes to the existing business of the Target Company and its subsidiaries (the "**Target Company Group**"), (ii) re-deploy the fixed assets of the Target Company Group, or (iii) discontinue the employment of the employees of the Target Company Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring which may be implemented after the Scheme. However, the Offeror retains and reserves the right and flexibility at any time and from time to time to consider any options or opportunities in relation to the Target Company Group which may present themselves or which the Offeror may regard to be in the interests of the Offeror and/or the Target Company Group.

4. **DELISTING**

Upon the Scheme becoming effective and binding in accordance with its terms, the Offeror Group will hold 100% of the Target Company Shares and consequently, the Target Company will not be able to meet the relevant listing requirements of the SGX-ST.

An application was made to seek approval-in-principle from the Singapore Exchange Regulation Pte. Ltd. (the "**SGX Regco**") for the delisting of the Target Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX Regco has advised that it has no objection to the Target Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) the Target Company's compliance with the SGX-ST's listing requirements;
- (b) approval of the Scheme by a majority in number of shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting; and
- (c) the IFA opining that the financial terms of the Scheme are both fair and reasonable; and

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(d) the Court sanctioning the Scheme.

The above decision of the SGX Regco is not an indication of the merits of the delisting of the Target Company from the Official List of the SGX-ST upon completion of the Scheme.

5. INFORMATION RELATING TO THE TARGET COMPANY

5.1 Material Changes in the Financial Position of the Target Company

Save as disclosed in the Scheme Document and any other information on the Target Company which is publicly available (including, without limitation, the announcements released by the Target Company on the SGXNET), and save for the costs and expenses incurred or to be incurred in connection with the Scheme, as at the Latest Practicable Date, to the knowledge of the Offeror after making reasonable enquiries, there have been no material changes to the financial position or prospects of the Target Company since 31 December 2021, being the date of the last published audited consolidated financial statements of the Target Company laid before the Target Company Shareholders in general meeting.

5.2 Transfer Restrictions

The Constitution does not contain any restrictions on the right to transfer the Target Company Scheme Shares in connection with the Privatisation or the Scheme.

5.3 Additional Information

Additional information relating to the Target Company is set out in **Appendix 3** to the Scheme Document.

6. INFORMATION RELATING TO THE OFFEROR

6.1 The Offeror

The Offeror is a company incorporated in Singapore on 15 May 1969. It is listed on the Mainboard of the SGX-ST. The Offeror and its subsidiaries have core businesses in (a) property development and investment; (b) hotel ownership and management; and (c) waste management and contract cleaning of buildings.

The controlling shareholder of the Offeror is Goldvein Holdings Pte. Ltd. holding 240,026,769 shares, comprising approximately 59.78% shareholding interest, in the Offeror. As at the Latest Practicable Date, Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar are deemed to be interested in these shares by virtue of their shareholdings in Goldvein Holdings Pte. Ltd.. Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar respectively hold 40%, 20% and 20% shareholding interest in Goldvein Holdings Pte. Ltd.. Mr Henry Ngo also holds an additional 98,146,928 shares (directly and indirectly), comprising approximately 24.44% shareholding interest (both direct and deemed), in the Offeror. Mr Henry Ngo is also a director of the boards of the Offeror and the Target Company. The rest of the shareholding interest in the Offeror (being 15.65%) is held in the hands of the public.

As at the Latest Practicable Date, the Offeror (i) holds, in its own name, 104,611,560 shares (comprising 78.94% shareholding interest); and (ii) holds, through Coop International Pte. Ltd. (a wholly owned subsidiary of the Offeror), 986,100 shares (comprising 0.74% shareholding interest) in the Target Company. In total, the Offeror has a direct and deemed interest in 105,597,660 Target Company Shares, representing in aggregate 79.68% of the issued Target Company Shares.

6.2 Further Details

Schedule A of this Offeror's Letter sets out certain additional information relating to the Offeror.

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7. DISCLOSURE OF INTERESTS

7.1 Holdings of and Dealings in the Target Company Securities

As at the Latest Practicable Date, save as disclosed in **Schedule B** of this Offeror's Letter and in the Scheme Document:

- (a) none of the Offeror, its directors, or parties acting in concert with it in connection with the Scheme owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any (i) Target Company Shares, (ii) securities which carry voting rights in the Target Company and (iii) convertible securities, warrants, options or derivatives in respect of such Target Company Shares or securities which carry voting rights in the Target Company (collectively, the "**Target Company Securities**"); and
- (b) none of the Offeror, its directors, or parties acting in concert with it in connection with the Scheme has dealt for value in the Target Company Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date (the "**Relevant Period**").

Save for the Target Company Shares, the Target Company has not issued any other Target Company Securities.

Upon the Scheme becoming effective in accordance with its terms, the Offeror Group will hold and control all the voting rights in the Target Company.

7.2 Other Arrangements

No Agreement having any Connection with or Dependence upon the Scheme. As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Offeror's Letter), there is no agreement, arrangement or understanding between (i) the Offeror or any party acting in concert with it and (ii) any of the current or recent directors of the Target Company or any of the current or recent Target Company Shareholders or any other person that has any connection with, or is dependent on or is conditional upon, the Scheme or its outcome.

Indemnity Arrangements and other Arrangements. As at the Latest Practicable Date, save as publicly disclosed, to the best knowledge of the Offeror, none of the Offeror, its directors and parties acting in concert with it has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any arrangement or understanding, formal or informal, of whatever nature, relating to the Target Company Securities, which may be an inducement to deal or refrain from dealing in the Target Company Securities. As at the Latest Practicable Date and based on the latest information available to the Offeror, none of the Offeror, its directors and parties acting in concert with it has: (a) entered into an arrangement (whether by way of option, indemnity or otherwise) in relation to Target Company Securities which might be material to the Offer; (b) granted any security interest relating to any Target Company Securities to another person, whether through a charge, pledge or otherwise; (c) borrowed any Target Company Securities from another person (excluding borrowed Target Company Securities which have been on-lent or sold); or (d) lent any Target Company Securities to another person.

Transfer of Shares. As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Offeror's Letter), there is no agreement, arrangement or understanding whereby any of the Target Company Shares acquired by the Offeror pursuant to the Scheme will be transferred to any other person. However, the Offeror reserves the right to direct or transfer any of the Target Company Shares to any of its related corporations.

No Payment or Benefit to Directors of the Target Company. As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Offeror's Letter), there is no agreement,

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arrangement or understanding for any payment or other benefit to be made or given to any director of the Target Company or of any of its related corporations (within the meaning of Section 6 of the Companies Act) as compensation for loss of office or otherwise in connection with the Scheme.

Directors' and Managers' Service Contracts. The emoluments of the directors of the Offeror will not be varied or affected by the implementation of the Scheme or any other associated relevant transaction.

No Undertakings. As at the Latest Practicable Date, none of the Offeror, its directors and parties acting in concert with it has received any irrevocable undertaking from any other party to vote in favour of or against the Scheme at the Scheme Meeting.

8. OVERSEAS SHAREHOLDERS

8.1 Overseas Shareholders

The applicability of the Scheme to the Scheme Shareholders whose addresses are outside Singapore, as shown on the register of members of the Target Company or in the records of the CDP (each, an "**Overseas Target Company Shareholder**") (as the case may be) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Target Company Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror reserves the right not to send such documents to the Scheme Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Scheme Shareholders (including the Overseas Target Company Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction. Overseas Target Company Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.

8.2 Copies of Scheme Document

The Constitution provides that the Target Company Shareholders who have not supplied to the Target Company or CDP (as the case may be) an address within Singapore for the service of notices shall not be entitled to receive notices from the Target Company. Accordingly, the Scheme Document has not been and will not be sent to any Overseas Target Company Shareholder.

Overseas Target Company Shareholders may request for printed copies of the Scheme Document and related documents by post to the Share Registrar, KCK Corpserve Pte. Ltd. at 1 Raffles Place, #04-63 One Raffles Place, Singapore 048616 or via email to colex-meeting@kckcs.com.sg to be sent to an address in Singapore by ordinary post no later than three (3) market days prior to the date of the Scheme Meeting. Printed copies of the Scheme Document will be sent to the address in Singapore specified by the Overseas Target Company Shareholder at his/her/its own risk.

For the avoidance of doubt, the Privatisation and the Scheme are being proposed to all Scheme Shareholders (including Overseas Target Company Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Privatisation and the Scheme are not being proposed in any jurisdiction in which the introduction or implementation of the Privatisation and the Scheme would not be in compliance with the laws of such jurisdiction.

It is the responsibility of any Overseas Target Company Shareholder who wishes to request for the Scheme Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting

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for the Scheme Document and any related documents or participating in the Scheme, the Overseas Target Company Shareholder represents and warrants to the Offeror and the Target Company that he/she/it is in full observance of the laws of the relevant jurisdiction in that connection, and that he/she/it is in full compliance with all necessary formalities or legal requirements. **Overseas Target Company Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.**

8.3 Notice

The Offeror and the Target Company each reserves the right to notify any matter, including the fact that the Privatisation and the Scheme have been proposed, to any or all Scheme Shareholders (including Overseas Target Company Shareholders) by announcement to the SGX-ST or 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 Scheme Shareholder (including any Overseas Target Company Shareholders) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as the Target Company remains listed on the SGX-ST, the Target Company will continue to notify all Scheme Shareholders (including Overseas Target Company Shareholders) of any matter relating to the Privatisation and the Scheme by announcement via the SGXNET.

Notwithstanding that such Overseas Target Company Shareholder may not receive the notice of the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective.

9. SETTLEMENT AND REGISTRATION

9.1 Entitlements

Entitlements to the Scheme Consideration will be determined on the basis of the Scheme Shareholders and their holdings of Shares appearing in the Register of Members or Securities Account (as the case may be) as at 5.00 p.m. on the Record Date.

Scheme Shareholders who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are registered in their names with the Share Registrar or credited to their Securities Account (as the case may be) by 5.00 p.m. on the Record Date.

9.2 Procedure for Implementation

If the Court sanctions the Scheme, the Offeror and the Target Company will (subject to the satisfaction (or, if applicable, waiver) of all the Scheme Conditions on or before 5.00 p.m. on the Cut-Off Date) take the necessary steps to render the Scheme effective and binding in accordance with its terms, and the following will be implemented:

- (a) the Target Company Scheme Shares held by Entitled Scheme Shareholders will be transferred to the Offeror for the Scheme Consideration to be paid by the Offeror to the Entitled Scheme Shareholders for each Scheme Share, in the following manner:
 - (i) in the case of Entitled Scheme Shareholders (not being Depositors), the Target Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders an instrument or instruction of transfer of all the Target Company Scheme Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder; and
 - (ii) in the case of Entitled Scheme Shareholders (being Depositors), the Target Company shall instruct CDP, for and on behalf of such Entitled Scheme Shareholders, to debit, not later than seven (7) Business Days after the Effective Date, all the Target Company Scheme Shares standing to the credit of the Securities Account of such Entitled Scheme Shareholders and credit

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all of such Target Company Scheme Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror;

- (b) from the Effective Date, all existing share certificates relating to the Target Company Scheme Shares held by the Entitled Scheme Shareholders (not being Depositors) will cease to be evidence of title of the Target Company Scheme Shares represented thereby;
- (c) Entitled Scheme Shareholders (not being Depositors) are required to forward their existing share certificates relating to their Target Company Scheme Shares to the Share Registrar's office at 1 Raffles Place, #04-63 One Raffles Place, Singapore 048616, as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and
- (d) the Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Target Company Scheme Shares set out in paragraph 9.2(a) above, make payment of the aggregate Scheme Consideration payable on the transfer of the Target Company Scheme Shares pursuant to the Scheme to:
 - (i) each Entitled Scheme Shareholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of such Entitled Scheme Shareholder by ordinary post to his/her/its address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to the first named Entitled Scheme Shareholder made out in favour of such joint Entitled Scheme Shareholders by ordinary post to the address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Entitled Scheme Shareholders; and
 - (ii) each Entitled Scheme Shareholder (being a Depositor) by making payment of the Scheme Consideration payable to such Entitled Scheme Shareholder to CDP. CDP shall (A) in the case of an Entitled Scheme Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Scheme Consideration payable to such Entitled Scheme Shareholder, to the designated bank account of such Entitled Scheme Shareholder; and (B) in the case of an Entitled Scheme Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Scheme Shareholder's cash ledger with CDP and such Scheme Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which will be available from CDP:

Assuming that the Scheme becomes effective and binding on 28 February 2023, the crediting by CDP of the Scheme Consideration into the designated bank accounts of the Entitled Scheme Shareholders (in the case of the Entitled Scheme Shareholders being Depositors and who have registered with CDP for its direct crediting service), the crediting by CDP of the Scheme Consideration into the cash ledger with CDP of the Entitled Scheme Shareholders (in the case of the Entitled Scheme Shareholders being Depositors and who have not registered with CDP for its direct crediting service) or the posting of cheques for the Scheme Consideration in the manner set out in paragraph 9.2(d)(i) above, as the case may be, is expected to take place on or before 9 March 2023.

The despatch of payment by the Offeror to each Entitled Scheme Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

9.3 Settlement

The procedures for settlement are more particularly described in **paragraphs 9.2 and 11** of the Explanatory Statement.

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10. FINANCIAL ADVISER, CONFIRMATION OF FINANCIAL RESOURCES AND CONSENTS

10.1 Appointment of Financial Adviser

DBS has been appointed as the financial adviser to the Offeror (the “**Financial Adviser**”) in respect of the Privatisation and the Scheme.

10.2 Confirmation of Financial Resources

The Financial Adviser confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror for all the Target Company Scheme Shares to be acquired by the Offeror pursuant to the Scheme.

10.3 Consents

The Financial Adviser has given and has not withdrawn their written consent to the issue of this Offeror’s Letter with the inclusion herein of their name and all references to their names in the form and context in which it appears in this Offeror’s Letter.

PricewaterhouseCoopers LLP has given and not withdrawn their written consent to the incorporation by reference of the following reports in the Scheme Document: (a) its auditor’s report dated 9 April 2020 in relation to the audited consolidated financial statements of the Offeror Group for the financial year ended 31 December 2019; (b) its auditor’s report dated 7 April 2021 in relation to the audited consolidated financial statements of the Offeror Group for the financial year ended 31 December 2020; and (c) its auditor’s report dated 8 April 2022 in relation to the audited consolidated financial statements of the Offeror Group for the financial year ended 31 December 2021, and the references to its name in form and context in which they are included.

11. DOCUMENTS FOR INSPECTION

A copy of the following documents will be made available for inspection during normal business hours at the registered office of the Offeror from the date of this Offeror’s Letter up until the Effective Date:

- (a) the Implementation Agreement;
- (b) the letter of consents referred to in paragraph 10.3 above; and
- (c) the annual reports of the Offeror Group for the financial year ended 31 December 2019 (“**FY2019**”), the financial year ended 31 December 2020 (“**FY2020**”) and the financial year ended 31 December 2021 (“**FY2021**”) and the unaudited interim consolidated financial information of the Offeror Group for the 6-month financial periods ended 30 June 2021 (“**HY2021**”) and 30 June 2022 (“**HY2022**”).

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12. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Offeror's Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offeror's Letter (excluding any information relating to or opinions expressed by the Target Company) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Offeror's Letter, and the directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Target Company, the sole responsibility of the directors of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offeror's Letter. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by the Target Company.

Yours faithfully
For and on behalf of the Board of Directors of
BONVESTS HOLDINGS LIMITED

Gary Xie
Executive Director

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SCHEDULE A INFORMATION RELATING TO THE OFFEROR

(A) INFORMATION RELATING TO THE OFFEROR

1. DIRECTORS OF THE OFFEROR

The relevant information of the directors of the Offeror as at the Latest Practicable Date is set out below:

Name	Address	Designation
Henry Ngo	c/o 541 Orchard Road #16-00 Liat Towers, Singapore 238881	Executive Chairman and Executive Director
Gary Xie	c/o 541 Orchard Road #16-00 Liat Towers, Singapore 238881	Executive Director
Andy Xie	c/o 541 Orchard Road #16-00 Liat Towers, Singapore 238881	Executive Director
Chew Heng Ching	c/o 541 Orchard Road #16-00 Liat Towers, Singapore 238881	Independent Director
Fong Heng Boo	c/o 541 Orchard Road #16-00 Liat Towers, Singapore 238881	Independent Director
Benedict Teo	c/o 541 Orchard Road #16-00 Liat Towers, Singapore 238881	Independent Director

2. PRINCIPAL ACTIVITIES

The Offeror is a company incorporated in Singapore on 15 May 1969. The registered office of the Offeror is at 541 Orchard Road #16-00 Liat Towers, Singapore 238881.

The Offeror and its subsidiaries have core businesses in (a) property development and investment; (b) hotel ownership and management; and (c) waste management and contract cleaning of buildings.

3. SHARE CAPITAL

As at the Latest Practicable Date, there is only one class of shares in the capital of the Offeror, comprising ordinary shares. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$254,138,501, comprising 401,516,968 ordinary shares.

4. FINANCIAL INFORMATION ON THE OFFEROR

A summary of the financial information relating to the Offeror Group for FY2019, FY2020 and FY2021 and the unaudited interim consolidated financial information of the Offeror Group for HY2021 and HY2022 is set out below.

The following summary financial information should be read in conjunction with the full text of the annual reports and results announcements of the Offeror Group in respect of the relevant financial periods including the notes thereto.

Copies of the annual reports of the Offeror Group for FY2019, FY2020 and FY2021, and the unaudited interim consolidated financial information of the Offeror Group for HY2021 and HY2022 are available on

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the SGXNET at www.sgx.com or available for inspection at the registered office of the Offeror during normal business hours from the date of this Offeror's Letter up to the Effective Date.

Consolidated Income Statements of the Offeror

A summary of the audited consolidated income statements of the Offeror Group for FY2019, FY2020 and FY2021 and the unaudited interim consolidated financial information of the Offeror for HY2021 and HY2022 is set out below:

	HY2022 1 January 2022 – 30 June 2022 S\$'000 (Unaudited)	HY2021 1 January 2021 – 30 June 2021 S\$'000 (Unaudited)	FY2021 1 Jan 2021 – 31 Dec 2021 S\$'000 (Audited)	FY2020 1 Jan 2020 – 31 Dec 2020 S\$'000 (Audited)	FY2019 1 Jan 2019 – 31 Dec 2019 S\$'000 (Audited)
Revenue	93,168	59,943	134,414	120,588	227,778
Net profit/(loss) after tax	4,788	(7,287)	12,111	(40,846)	4,348
Net profit/(loss) after tax					
Attributable to:					
Owners of the company	4,958	(7,338)	12,250	(41,211)	3,815
Non-controlling interests	(170)	51	(139)	365	533
Net earnings per share (in cents)	1.235	(1.828)	3.051	(10.264)	0.950
Net dividends per ordinary share (in cents)	-	-	0.75	0.30	-

Consolidated Balance Sheet of the Offeror

The audited consolidated balance sheet of the Offeror Group as at 31 December 2021 and the unaudited consolidated balance sheet of the Offeror Group as at 30 June 2022 are summarised below:

	HY2022 S\$'000 (Unaudited)	FY2021 S\$'000 (Audited)
<i>Cash and bank balance</i>	27,116	37,354
Total assets	1,313,597	1,330,421
<i>Total borrowings</i>	362,946	379,843
Total liabilities	461,857	476,527
Net assets ⁽¹⁾	847,790	847,614
<i>Equity attributable to owners of the company</i>	847,790	847,614
<i>Non-controlling interests</i>	3,950	6,280
Total equity	851,740	853,894

Note:

(1) Net assets = total assets – total liabilities – non-controlling interests

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save (a) as disclosed herein, (b) for the Scheme (and the financing thereof and the costs and expenses incurred or to be incurred in connection with the Scheme), and (c) for the unaudited interim consolidated financial information of the Offeror Group and any publicly available information on the Offeror (including, without limitation, the announcements released by the Offeror on the SGXNET), there have been no known material changes in the financial position of the Offeror Group subsequent to 31 December 2021, being the date of its last published audited accounts.

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6. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Offeror Group are disclosed in Note 2 of the audited financial statements of the Offeror Group for FY2021 and a copy of the annual report of the Offeror Group for FY2021 is available for inspection at the registered office of the Offeror during normal business hours from the date of this Offeror's Letter up to the Effective Date.

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SCHEDULE B DISCLOSURES

1. HOLDINGS IN TARGET COMPANY SECURITIES

As at the Latest Practicable Date, based on the latest information available to the Offeror, the interests in the Target Company Shares held by the Offeror, its directors and persons acting in concert with the Offeror in connection with the Scheme are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾
Offeror	104,611,560	78.94	-	-	104,611,560	78.94
Coop International Pte. Ltd.	986,100	0.74	-	-	986,100	0.74
Directors of the Offeror						
Henry Ngo ⁽³⁾⁽⁴⁾						
- Through Goldvein Holdings Pte. Ltd.	-	-	105,597,660	79.68	105,597,660	79.68
- In his own name	1,720,000	1.30	-	-	1,720,000	1.30
Certain shareholders of Goldvein Holdings Pte. Ltd.⁽⁴⁾						
Djitu Sianandar	-	-	105,597,660	79.68	105,597,660	79.68
Witu Sianandar	-	-	105,597,660	79.68	105,597,660	79.68

Notes:

- (1) Rounded to the nearest two (2) decimal places (unless indicated otherwise).
- (2) Computed based on a total of 132,522,560 Target Company Shares as at the Latest Practicable Date.
- (3) Mr Henry Ngo has a 21.26% direct interest and a deemed interest of 3.18% (held through Allsland Pte Ltd) in the Offeror. He also holds 40% interest in the issued share capital of Goldvein Holdings Pte. Ltd. which in turn holds 59.78% shareholding interest in the issued share capital of the Offeror. The Offeror in turn holds 104,611,560 Target Company Shares (comprising 78.94% shareholding interest) and 986,100 Target Company Shares (comprising 0.74% shareholding interest) (held through Coop International Pte. Ltd.) in the Target Company. Goldvein Holdings Pte. Ltd. is deemed interested in the 105,597,660 Target Company Shares held by the Offeror by virtue of Section 7 of the Companies Act.
- (4) Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar are siblings who respectively hold 40%, 20% and 20% shareholding interest in Goldvein Holdings Pte. Ltd. and accordingly, are each deemed to be interested in the 105,597,660 Target Company Shares deemed to be held by Goldvein Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act. Mr James Sookanan was previously a holder of 20% shareholding interest in Goldvein Holdings Pte. Ltd. (as at the Joint Announcement Date), but his relevant shares in Goldvein Holdings Pte. Ltd. has since been gifted to his children by bequest

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due to his demise. None of his children hold more than 5% shareholding interest in Goldvein Holdings Pte. Ltd..

2. DEALINGS IN TARGET COMPANY SECURITIES

Based on the latest information available to the Offeror, none of the Offeror, its directors and persons acting in concert with the Offeror in connection with the Scheme have dealt for value in the Target Company Securities during the Relevant Period.

3. MARKET QUOTATIONS

Closing Prices. The closing prices of the Target Company Shares on the SGX-ST (as extracted from Bloomberg L.P.) on (i) the Latest Practicable Date was S\$0.225 and (ii) 10 October 2022 (being the last full trading day where trades were done for the Target Company Shares prior to the Joint Announcement Date) was S\$0.184.

The following table sets out the closing prices of the Target Company Shares on the SGX-ST (as extracted from Bloomberg L.P.) on a monthly basis commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date, and the corresponding premium/(discount) based on the Scheme Consideration of S\$0.23:

Month	Closing Price (S\$)	Premium / (Discount) based on the Scheme Consideration of S\$0.23
29 April 2022	0.335	(31.3%)
31 May 2022	0.215	7.0%
24 June 2022	0.196	17.3%
26 July 2022	0.200	15.0%
23 August 2022	0.195	17.9%
28 September 2022	0.230	0.0%
31 October 2022	0.220	4.5%
30 November 2022	0.225	2.2%
30 December 2022	0.225	2.2%
Latest Practicable Date	0.225	2.2%

Highest and Lowest Prices. The highest and lowest closing prices of the Shares on the SGX-ST (as extracted from Bloomberg L.P.) during the period commencing on the six months prior to the Joint Announcement Date and ending on the Latest Practicable Date and the corresponding premium/(discount) based on the Scheme Consideration of S\$0.23 are as follows:

	Price (S\$)	Date	Premium/(Discount) based on the Scheme Consideration of S\$0.23
Highest Closing Price	0.340	27 April 2022	(32.4%)
Lowest Closing Price	0.184	10 October 2022	25.0%

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GENERAL INFORMATION RELATING TO THE TARGET COMPANY

1. DIRECTORS

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

Name	Address	Designation
Henry Ngo	c/o 541 Orchard Road, #16-00, Liat Towers, Singapore 238881	Executive Chairman and Executive Director
Ding Chek Leh	c/o 541 Orchard Road, #16-00, Liat Towers, Singapore 238881	Executive Director
Lim Chee San	c/o 541 Orchard Road, #16-00, Liat Towers, Singapore 238881	Independent Director
Tan Soon Liang	c/o 541 Orchard Road, #16-00, Liat Towers, Singapore 238881	Independent Director

2. PRINCIPAL ACTIVITIES

The Target Company was incorporated in Singapore on 31 December 1971 and was listed on the SESDAQ (now known as the Catalist of the SGX-ST) since April 1999.

The Target Company Group is a veteran of waste management in Singapore providing services through its waste disposal and contract cleaning segments and has pioneered many innovative value-added services which include the fully mechanised waste disposal vehicles and portable waste compactors used in the industry today.

3. SHARE CAPITAL

3.1 Target Company Shares

As at the Latest Practicable Date, there was only one (1) class of shares in the capital of the Target Company, comprising ordinary shares.

As at the Latest Practicable Date, the Target Company had an issued and paid-up share capital of S\$14,523,504 comprising 132,522,560 Target Company Shares. The Target Company had no treasury shares or subsidiary holdings.

3.2 Rights of the Shareholders in respect of Capital, Dividends and Voting

Selected texts of the Constitution relating to the rights of the Shareholders in respect of capital, dividends and voting have been extracted and reproduced in Appendix 4 to this Scheme Document.

3.3 Issue of Target Company Shares

Since 31 December 2022, being the end of the last financial year of the Target Company, no new Target Company Shares have been issued by the Target Company.

3.4 Convertible Instruments

As at the Latest Practicable Date, there were no outstanding instruments convertible into, rights to subscribe for, and options in respect of, Target Company Shares or securities which carry voting rights affecting the Target Company Shares.

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GENERAL INFORMATION RELATING TO THE TARGET COMPANY

4. FINANCIAL INFORMATION

The salient audited consolidated financial information of the Target Company Group for FY2019, FY2020 and FY2021, and the unaudited interim consolidated financial information of the Target Company Group for the 6-month financial periods ended 30 June 2021 (“1H2021”) and 30 June 2022 (“1H2022”) are set out in the table below.

The following summary financial information should be read in conjunction with the full text of the annual reports and results announcements of the Target Company Group in respect of the relevant financial periods including the notes thereto.

Copies of the annual reports of the Company for FY2019, FY2020 and FY2021, and the unaudited interim consolidated financial information of the Target Company Group for 1H2021 and 1H2022 are available on the SGXNET at www.sgx.com or available for inspection at the registered office of the Target Company at 541 Orchard Road, #16-00,7 Liat Towers, Singapore 238881 during normal business hours from the date of this Scheme Document up to the Effective Date.

4.1 Consolidated Income Statement

(S\$'000)	Audited			Unaudited	
	FY2019	FY2020	FY2021	1H2021	1H2022
Revenue	66,847	47,215	42,532	21,075	20,592
Other income	1,254	5,110	3,760	2,678	656
Cost of inventories and consumables used	(1,177)	(885)	(767)	(392)	(406)
Staff costs	(31,108)	(27,684)	(25,961)	(12,897)	(12,228)
Depreciation expenses	(4,002)	(3,882)	(4,087)	(1,994)	(1,946)
Other operating expenses	(28,499)	(18,137)	(15,939)	(7,907)	(7,240)
Impairment loss on financial assets, net	(43)	(32)	(20)	(3)	(10)
Impairment loss on property, plant and equipment	–	–	(726)	–	–
Finance costs	(189)	(178)	(179)	(88)	(89)
(Loss)/Profit before taxation	3,083	1,527	(1,387)	472	(671)
Income tax (expense)/credit	(594)	239	703	(200)	(138)
(Loss)/Profit for the year	2,489	1,766	(684)	272	(809)

Source: Annual reports for FY2020 and FY2021 and unaudited financial statements for 1H2021 and 1H2022 of the Target Company

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GENERAL INFORMATION RELATING TO THE TARGET COMPANY

Set out below is also a summary of the earnings per share and dividend per share declared in respect of each of FY2019, FY2020, FY2021 and, 1H2021 and 1H2022. This information was extracted from the annual reports of the Company for FY2019, FY2020 and FY2021 and the unaudited interim consolidated financial information of the Target Company Group for 1H2021 and 1H2022.

		Audited		Unaudited	
	FY2019	FY2020	FY2021	1H2022	1H2021
(Loss)/Earnings per share					
(in cents)					
- Basic	1.88	1.33	(0.52)	(0.61)	0.21
- Diluted	1.88	1.33	(0.52)	(0.61)	0.21
Dividends declared per share					
(in cents)					
- tax-exempt (one-tier) final dividend	0.45	Nil	0.45	Nil	Nil
- tax-exempt (one-tier) special dividend	Nil	10 ⁽ⁱ⁾	7.55 ⁽ⁱⁱ⁾	Nil	Nil

Notes:-

- (i) The special dividend of S\$0.10 per Target Company Share (declared in respect of FY2020) was paid out as the Target Company was unsuccessful in the last two PWC tenders and is unable to invest its surplus cash during the uncertain period.
- (ii) The FY2021 Special Dividend was paid out following the Target Company's unsuccessful NEA tenders for PWC licenses. As such, the board of directors of the Target Company had decided that it was in the best interests of shareholders of the Target Company to distribute the capital that it had set aside to fund capital expenditures following a successful tender.

4.2 Consolidated Balance Sheet

	Audited	Unaudited
(S\$'000)	As at	As at
	31 December 2021	30 June 2022
Non-current assets		
Property, plant and equipment	14,209	13,057
Total non-current assets	14,209	13,057
Current assets		
Inventories	130	125
Trade and other receivables	7,636	8,137
Tax recoverable	80	-
Deposits	116	130
Prepayments	208	487
Cash and cash equivalents	16,826	5,530
Total current assets	24,996	14,409
Total assets	39,205	27,466
Capital and Reserves		
Share capital	14,524	14,524
Retained profits	15,751	4,340
Total equity	30,275	18,864

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(\$S'000)	Audited As at 31 December 2021	Unaudited As at 30 June 2022
Non-current liabilities		
Deferred tax liabilities	1,003	1,003
Lease liabilities	2,665	2,869
Provision	740	740
Total non-current liabilities	4,408	4,612
Current liabilities		
Trade and other payables	3,757	3,072
Lease liabilities	765	778
Current tax payable	–	140
Total current liabilities	4,522	3,990
Total liabilities	8,930	8,602
Total equity and liabilities	39,205	27,466
NAV of the Target Company Group	30,275	18,864
Less: Intangible assets	–	–
NTA of the Target Company Group	30,275	18,864
Number of issued shares (excluding treasury shares) ('000)	132,523	132,523
NAV/NTA per Target Company Share (\$S cent)	22.85	14.23

4.3 Material Changes in Financial Position

Save as disclosed in this Scheme Document, the unaudited interim consolidated financial information of the Target Company Group for 1H2022 and any other information on the Target Company Group which is publicly available (including, without limitation, the announcements released by the Company on the SGXNET), and save for the costs and expenses incurred or to be incurred in connection with the Scheme, as at the Latest Practicable Date, there had been no material changes to the financial position or prospects of the Company since 31 December 2021, being the date of the last published audited consolidated financial statements of the Target Company Group laid before the Shareholders in general meeting.

4.4 Significant Accounting Policies

The significant accounting policies of the Target Company Group are set out in the notes to the audited consolidated financial statements of the Target Company Group for FY2021 and the unaudited interim consolidated financial information of the Target Company Group for 1H2022. Save as disclosed in the notes to the audited consolidated financial statements of the Target Company Group for FY2021 and the unaudited interim consolidated financial information of the Target Company Group for 1H2022, there are no significant accounting policies or any matter from the notes of the financial statements of the Target Company Group which are of any major relevance for the interpretation of the financial statements of the Target Company Group.

4.5 Changes in Accounting Policies

As at the Latest Practicable Date, there were no changes in the accounting policies of the Target Company Group which would cause the figures disclosed in this paragraph 4 to not be comparable to a material extent.

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GENERAL INFORMATION RELATING TO THE TARGET COMPANY

5. DISCLOSURE OF INTERESTS

5.1 Holdings of Offeror Shares and Offeror Securities by the Target Company

As at the Latest Practicable Date, none of the Target Company Group Entities owned, controlled or had agreed to acquire any Offeror Securities.

5.2 Interests of Directors in Offeror Shares and Offeror Securities

As at the Latest Practicable Date, the Conflicted Director was interested in the Offeror Shares. The Conflicted Director had a 21.26% direct interest and a deemed interest of 3.18% (held through Allsland Pte Ltd) in the Offeror. He also held 40% interest in the issued share capital of Goldvein Holdings Pte. Ltd. which in turn held 59.78% shareholding interest in the issued share capital of the Offeror. The Offeror in turn held 104,611,560 Target Company Shares (comprising 78.94% shareholding interest) and 986,100 Target Company Shares (comprising 0.74% shareholding interest) (held through Coop International Pte Ltd) in the Target Company. Goldvein Holdings Pte. Ltd. and the Conflicted Director were deemed interested in the 105,597,660 Target Company Shares held by the Offeror by virtue of Section 7 of the Companies Act.

As at the Latest Practicable Date, save as disclosed in this paragraph 5.2 and this Scheme Document, none of the Directors owned, controlled or had agreed to acquire, or had any interest, direct or indirect, in the Offeror Securities.

5.3 Interests of Directors in Target Company Securities

As at the Latest Practicable Date, the interests in the Target Company Shares held by a director of the Target Company are set out below:

Name of Director	Direct Interest		Deemed Interest		Total Interest	
	No. of Target Company Shares	%	No. of Target Company Shares	%	No. of Target Company Shares	%
Mr Henry Ngo						
– Through Goldvein Holdings Pte. Ltd.	–	–	105,597,660 ⁽ⁱ⁾⁽ⁱⁱ⁾	79.68	105,597,660	79.68
– In own name	1,720,000	1.30	–	–	1,720,000	1.30

Notes:-

- (i) Mr Henry Ngo had a 21.26% direct interest and a deemed interest of 3.18% (held through Allsland Pte Ltd) in the Offeror. He also held 40% interest in the issued share capital of Goldvein Holdings Pte Ltd which in turn held 59.78% shareholding interest in the issued share capital of the Offeror. The Offeror in turn held 104,611,560 Target Company Shares (comprising 78.94% shareholding interest) and 986,100 Target Company Shares (comprising 0.74% shareholding interest) (held through Coop International Pte Ltd) in the Target Company. Goldvein Holdings Pte. Ltd. and Mr Henry Ngo are deemed interested in the 105,597,660 Target Company Shares held by the Offeror by virtue of Section 7 of the Companies Act.
- (ii) Mr Henry Ngo, Mr Djitu Sianandar and Mr Witu Sianandar are siblings who respectively held 40%, 20% and 20% shareholding interest in Goldvein Holdings Pte. Ltd. and accordingly, are each deemed to be interested in the 105,597,660 Target Company Shares deemed to be held by Goldvein Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act. Mr James Sookanan was previously a holder of 20% shareholding interest in Goldvein Holdings Pte. Ltd (as at the Joint Announcement Date), but his relevant shares in Goldvein Holdings Pte. Ltd. had since been gifted to his children by bequest due to his demise. None of his children held more than 5% shareholding interest in Goldvein Holdings Pte. Ltd.

Save as disclosed in this paragraph 5.3, no director or controlling shareholder of the Target Company has any interest in the Scheme (other than by reason only of being a director of the Target Company or a Target Company Shareholder).

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5.4 Interests of Substantial Shareholders in Target Company Shares

As at the Latest Practicable Date, based on the Register of Substantial Shareholders maintained by the Target Company, the interests of the Substantial Shareholders of the Target Company in the Target Company Shares were as follows:

	Direct Interest	%	Deemed Interest	%
Bonvests Holdings Limited⁽ⁱⁱⁱ⁾				
– In own name	104,611,560	78.94	–	–
– through Coop International Pte Ltd	–	–	986,100	0.74
Goldvein Holdings Pte. Ltd.⁽ⁱ⁾	–	–	105,597,660	79.68
Mr Henry Ngo⁽ⁱⁱ⁾				
– In own name	1,720,000	1.30	–	–
– through Goldvein Holdings Pte. Ltd.	–	–	105,597,660	79.68
Mr Djitu Sianandar⁽ⁱⁱ⁾				
– through Goldvein Holdings Pte. Ltd.	–	–	105,597,660	79.68
Mr Witu Sianandar⁽ⁱⁱ⁾				
– through Goldvein Holdings Pte. Ltd.	–	–	105,597,660	79.68

Notes:-

- (i) Goldvein Holdings Pte. Ltd. has a 59.78% interest in the issued share capital of the Offeror. The Offeror in turn holds 104,611,560 Target Company Shares (comprising 78.94% shareholding interest) and 986,100 Target Company Shares (comprising 0.74% shareholding interest) (held through Coop International Pte Ltd) in the Target Company. Accordingly, Goldvein Holdings Pte. Ltd. is deemed to be interested in the 105,597,660 shares in the issued and paid-up capital of the Target Company held by the Offeror and Coop International Pte Ltd by virtue of Section 7 of the Companies Act.
- (ii) the Conflicted Director, Mr Djitu Sianandar and Mr Witu Sianandar are siblings who respectively held 40%, 20% and 20% shareholding interest in Goldvein Holdings Pte. Ltd. and accordingly, are each deemed to be interested in the 105,597,660 Target Company Shares deemed to be held by Goldvein Holdings Pte. Ltd. by virtue of Section 7 of the Companies Act. Mr James Sookanan was previously a holder of 20% shareholding interest in Goldvein Holdings Pte. Ltd (as at the Joint Announcement Date), but his relevant shares in Goldvein Holdings Pte. Ltd. had since been gifted to his children by bequest due to his demise. None of his children held more than 5% shareholding interest in Goldvein Holdings Pte. Ltd..
- (iii) 986,100 ordinary shares was registered in the name of Coop International Pte Ltd, which is a wholly-owned subsidiary of Bonvests Holdings Limited.

6. DEALINGS DISCLOSURE

6.1 Dealings in Offeror Shares and Offeror Securities by the Target Company

None of the Target Company Group Entities has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

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GENERAL INFORMATION RELATING TO THE TARGET COMPANY

6.2 Dealings in Offeror Shares and Offeror Securities by the Directors

Saved as disclosed in this paragraph 6.2, none of the Directors has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

Name	Transaction Date	Transaction Type	Number of Ordinary Shares	Transaction Price per Share (excluding brokerage commission, clearing fee and/or applicable tax) (S\$)
Henry Ngo ⁽ⁱ⁾	10 August 2022	Acquisition	4,100	0.98
Henry Ngo ⁽ⁱ⁾	22 August 2022	Acquisition	1,676,900	0.98
Henry Ngo ⁽ⁱ⁾	12 September 2022	Acquisition	3,900	0.98
Henry Ngo ⁽ⁱ⁾	13 September 2022	Acquisition	37,100	0.98

Notes:-

- (i) The Offeror Securities purchased by Henry Ngo were purchased through Allsland Pte Ltd, a Singapore incorporated company that is 100% owned by Henry Ngo.

6.3 Dealings in Target Company Securities by the Directors

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

7. INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

7.1 Interests of the IFA in Offeror Shares and Offeror Securities

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owned or controlled any Offeror Shares and Offeror Securities.

7.2 Interests of the IFA in Target Company Shares and Target Company Securities

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owned or controlled any Target Company Shares or any Target Company Securities.

7.3 Dealings in Target Company Shares and Target Company Securities by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis had dealt for value in the Target Company Shares or the Target Company Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

8. ARRANGEMENTS AFFECTING DIRECTORS

8.1 No Payment or Benefit to Directors

As at the Latest Practicable Date, there was no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, was deemed to be related to the Target Company as compensation for loss of office or otherwise in connection with the Scheme.

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GENERAL INFORMATION RELATING TO THE TARGET COMPANY

8.2 No Agreement Conditional upon Outcome of the Scheme

As at the Latest Practicable Date, there was no agreement, arrangement or understanding made between any of the Directors and any other person in connection with or conditional upon the outcome of the Scheme.

8.3 No Material Interest in Material Contracts

As at the Latest Practicable Date, there were no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

9. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (a) none of the Target Company Group Entities was engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Target Company Group taken as a whole; and
- (b) the Directors were not aware of any proceedings pending or threatened against any of the Target Company Group Entities or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Target Company Group taken as a whole.

10. GENERAL DISCLOSURE

10.1 Financial Statements for FY2019, FY2020, FY2021 and 1H2022

The audited consolidated financial statements of the Target Company Group for FY2019, FY2020, and FY2021, are set out in the annual reports of the Target Company for FY2019, FY2020, and FY2021, respectively. Copies of the annual reports of the Target Company for FY2019, FY2020, and FY2021, the unaudited interim consolidated financial information for 1H2021 and 1H2022 of the Target Company Group are available on the SGXNET at www.sgx.com or available for inspection at the registered office of the Target Company at 541 Orchard Road, #16-00, Liat Towers, Singapore 238881 during normal business hours from the date of this Scheme Document up to the Effective Date.

10.2 Directors' Service Contracts

As at the Latest Practicable Date:

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

10.3 Material Contracts with Interested Persons

As at the Latest Practicable Date, save for the entry into the Implementation Agreement by the Target Company and save as disclosed in the annual reports of the Target Company for FY2019, FY2020 and FY2021 and any other information on the Target Company Group which is publicly available (including without limitation, the announcements released by the Target Company on the SGXNET), none of the Target Company Group Entities had entered into any material contracts (not being contracts entered into in the ordinary course of business) with any interested person (as defined in Note 1 of Rule 23.12 of the Code) during the period beginning three (3) years before the Joint Announcement Date and ending on the Latest Practicable Date.

APPENDIX 3

GENERAL INFORMATION RELATING TO THE TARGET COMPANY

10.4 Costs and Expenses

In the event that the Scheme does not become effective for any reason, the expenses and costs incurred by the Target Company in connection with the Scheme will be borne by the Target Company.

10.5 Directors' Intentions with respect to their Target Company Scheme Shares

In accordance with the SIC's rulings as set out in paragraph 7.2 of the Letter to Shareholders, the Conflicted Director is required to abstain from voting at the Scheme meeting.

Save for the Conflicted Director, none of the other directors has any shares in the Target Company.

11. VALUATION

The Target Company has commissioned the Valuer to conduct an independent valuation of the Subject Property. Please refer to paragraph 7.3.3. of the IFA Letter for further details on the independent valuation of the Subject Property. A copy of the Valuation Summary issued by the Valuer are set out in Appendix 5 to this Scheme Document.

Under Rule 26.3 of the Code, the Target 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 valuation. The management of the Company has confirmed that (i) they do not expect any potential tax liability on the revaluation surplus arising from the independent valuation of the Subject Property as the Subject Property is held for its own internal use and not held for sale, and (ii) in a hypothetical scenario where the Subject Property is sold at the market value, there is also no potential tax liability on the revaluation surplus as such gain (if any) will be deemed as capital gain and there is no capital gain tax in Singapore. Accordingly, no adjustments have been made in relation to such potential tax liabilities.

12. CONSENTS

12.1 General

TSMP Law Corporation, PricewaterhouseCoopers LLP and the Share Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to their names in the form and context in which they respectively appear in this Scheme Document.

12.2 IFA

The IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the IFA Letter as set out in Appendix 1 to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

12.3 Valuer

The Valuer has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the copy of the Valuation Summary as set out in Appendix 5 to this Scheme Document and all references to its name in the form and context in which they appear in this Scheme Document.

APPENDIX 3
GENERAL INFORMATION RELATING TO THE TARGET COMPANY

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Target Company's registered office at 541 Orchard Road, #16-00, Liat Towers, Singapore 238881 during normal business hours from the date of this Scheme Document up to the Effective Date:

- (a) the Constitution of the Target Company;
- (b) the annual reports of the Target Company for FY2019, FY2020, and FY2021;
- (c) the unaudited interim consolidated financial statements of the Target Company Group for 1H2021 and 1H2022;
- (d) the Implementation Agreement;
- (e) the Valuation Summary; and
- (f) the letters of consent referred to in paragraph 12 of this Appendix.

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

The rights of Scheme Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution of the Target Company are set out below:

All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution of the Target Company, a copy of which is available for inspection at the registered office of the Target Company during normal business hours from the date of this Scheme Document up to the Effective Date.

PUBLIC COMPANY

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| 5. | 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 |
| 6. | Save to the extent permitted by the Act, none of the funds or assets of the Company or of any subsidiary thereof shall be directly or indirectly employed in the purchase or subscription of or in loans upon the security of the Company's shares (or its holding company, if any) and the Company shall not, except as authorised by the Act, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any). | Company's shares as security |
| 7. | (1) Subject to the Act and the requirements of the Exchange, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to Regulation 51, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, subject to any ordinary resolution or special resolution of the Company (as the case may be), 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:

(i) the total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time;

(ii) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and

(iii) where the capital of the Company consists of shares of different monetary denominations, the voting rights shall be prescribed in such manner that a unit of capital in each class when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

(2) The Company may issue shares for which no consideration is payable to the Company.

(3) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. | Issue of new shares |

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

8. (1) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote any 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 meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears. Rights attached to certain shares
- (2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issues or about to be issued.
9. (1) If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only made, varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class and to every such special resolution, the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate general meeting the regulations 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 or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided Always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the issued shared 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 repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned, Provided Always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting. Rights of preference shareholders
10. 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 are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith. Creation or issue of further shares with special rights

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

11. (1) The Company may exercise the powers of paying commission at such rate and in such manner as the Directors may deem fit. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other. The Company may also on any issue pay such brokerage as may be lawful. Power to pay commission and brokerage
- (2) Any expenses (including brokerage and commission) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital of the Company.
12. 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 lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. Power to charge interest on capital
13. 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) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register as the Depositor in respect of that share. Nothing contained herein in this Regulation relating to the Depository or the Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust. No trust recognised
14. (1) The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or administrators of the estate of a deceased Member. Joint holders
- (2) If two or more persons are registered as joint holders of any share any one of such person may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.

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EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

- (3) 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 and any notice given to such person shall be deemed notice to all the joint holders. Only the person whose name stands first in the Depository Register shall be entitled to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.
15. No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share. Fractional part of a share
16. If by the conditions of allotment of any shares, the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. Payment of instalments
17. The certificate of title to shares or debentures in the capital of the Company shall be issued under the Seal (or signed by the authorised persons as prescribed at Regulation 126 as an alternative to affixation of the Seal), in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least two Directors, or by one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and the amount unpaid (if any) thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company. Share certificates
18. Shares must be allotted and certificates despatched within 10 Market Days of the final closing date for applications to subscribe for a new issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must dispatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within 10 Market Days after lodgment of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S\$2 (or such other sum as may be approved by the Exchange from time to time). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding S\$2 (or such other sum as may be approved by the Exchange from time to time) for each such new certificate as the Directors may determine. Where the member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement. Entitlement to certificate

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19. (1) Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Directors of the Company 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 (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss. New certificates may be issued
- (2) When any shares under the powers in this Constitution herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up. New certificate in place of one not surrendered

ALTERATION OF CAPITAL

49. The Company in general meetings may from time to time by ordinary resolution increase its share capital by the creation of new shares of such amount as may be deemed expedient. Power to increase capital
50. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise. Rights and privileges of new shares
51. (1) Unless otherwise determined by the Company in general meeting or except as permitted under the Exchange's listing rules, any new shares shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as early as may be, to the number of the existing shares held by them. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such 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, subject to this Constitution, dispose of the same in such manner as they think most beneficial to the Company. The directors may, in like manner, dispose of any such new shares as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any difficulty in apportioning the same, cannot in the opinion of the directors be conveniently offered in manner hereinbefore provided. Issues of new shares to Members

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(2) Notwithstanding paragraph (1) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

52. Except so far as otherwise provided by the conditions of issue or by this Constitution, any capital raised by the creation of new shares shall be considered part of the capital of the Company and shall be subject to the provisions of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise. New shares otherwise subject to provisions of Constitution
53. (1) The Company may by ordinary resolution:
- (i) consolidate and divide all or any of its share capital;
 - (ii) cancel any shares which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled;
 - (iii) subdivide its shares or any of them (subject, nevertheless, to the provisions of the Act), Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
 - (iv) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency, and special resolution;
 - (v) subject to and in accordance with the Act and the listing rules of the Exchange, convert any class of shares into any other class of shares.
- (2) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in general meeting to purchase or otherwise acquire any of its issued ordinary shares on such terms as the Company may think fit and in the manner prescribed by the Act. Power to consolidate, cancel and subdivide shares
54. The Company may by special resolution reduce its share capital in any manner and subject to any incident authorised and consent required by law. Power to reduce capital

STOCK

55. The Company may by ordinary resolution convert any or all its paid up shares into stock and may from time to time by resolution reconvert any stock in to paid up shares of any denomination. Power to convert into stock

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

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| 56. | The holders of stock may transfer the same or any part thereof in the same manner and subject to this Constitution as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine, and direct that fractions of a dollar shall not be dealt with but with power nevertheless at their discretion to waive such rules in any particular case. | Transfer of stock |
| 57. | The holders of stock shall, according to the amount of stock 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 p) shall be conferred by any such aliquot part of the stock 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 |
| 58. | All provisions of this Constitution applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expression herein shall include "stock" or "stockholder". | Interpretation |

GENERAL MEETINGS

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| 59. | (1) Subject to the provisions of the Act, the Company shall in each year hold a general meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. | Annual General Meeting |
| | (2) All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. | Extraordinary General Meetings |
| | (3) Unless not required by the listing rules of the Exchange, all general meetings, including extraordinary general meetings, shall be held in Singapore. | Place of general meetings |
| 60. | The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting 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 of Extraordinary General Meeting |

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EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

NOTICE OF GENERAL MEETINGS

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| 61. | (1) | Subject to the provisions of the Act as to special resolutions and special notice and the calling of meetings at short notice, at least fourteen days' notice in writing (exclusive in every case both of the day on which the notice is served or deemed to be served and of the day of the meeting for which the notice is given) of every general meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen days' notice of such general meeting shall be given by advertisement in the daily press and in writing to the Exchange. | Notice of meetings |
| | (2) | Where notices contain special resolutions, they must be given to Members at least twenty-one days before the meeting (exclusive in every case both of the day on which the notice is served or deemed to be served and of the day of the meeting for which the notice is given). | |
| | (3) | 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. | |
| 62. | (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 of the Company. | Contents of notice |
| | (2) | In the case of an Annual General Meeting, the notice shall also specify the Meeting as such. | Notice of Annual General Meeting |
| | (3) | In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a special resolution or as requiring special notice, the notice shall contain a statement to that effect. | Nature of special business to be specified |
| 63. | | All business shall be deemed special that is transacted at any Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the financial statements and the Directors' statement and Auditors' report, and any other documents required to be annexed to the financial statement, electing Directors in place of those retiring by rotation or otherwise and the fixing of the Directors' remuneration and the appointment and fixing of the remuneration and the appointment and fixing of the remuneration is to be fixed, Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. | Special business |

PROCEEDINGS AT GENERAL MEETINGS

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| 64. | | No business shall be transacted at any general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two Members present in person shall form a quorum. For the purpose of this Regulation, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Provided that (i) a proxy representing more than one Member shall only count as one Member; and (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. | Quorum |
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65. If within half an hour from the time appointed for the general meeting a quorum is not present, the general meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned general meeting a quorum is not present within half an hour from the time appointed for holding the general meeting, the general meeting shall be dissolved.
66. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an ordinary resolution of the Company passed at a general meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members. Resolutions in writing
67. The Chairman of the Board of Directors or, in his absence, the Deputy Chairman (if any) shall preside as the chairman at every general meeting. If there is no such Chairman or Deputy Chairman or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the general meeting or is unwilling to act, the Members present shall choose a Director present to be the chairman of the general meeting or, if no Director is present or if all the Directors present decline to take the chair, some Member present to be chairman of the general meeting. Chairman
68. The chairman of the general meeting may, with the consent of any general meeting at which a quorum is present (and shall if so directed by the general meeting), adjourn the general meeting from time to time and from place to place, but no business shall be transacted at any adjourned general meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a general meeting is adjourned for thirty days or more, notice of the adjourned general meeting shall be given as in the case of the original general meeting. Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned general meeting. Adjournment
69. Unless not required by the listing rules of the Exchange, the chairman of the general meeting shall appoint scrutineers as follows: Appointment of scrutineer
- (i) At least one scrutineer shall be appointed for each general meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process at the general meeting; and
 - (ii) The appointed scrutineer(s) shall:
 - (a) ensure that satisfactory procedures of the voting process are in place before the general meeting; and
 - (b) direct and supervise the count of votes cast through proxy and in person and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
 - (iii) Where the appointed scrutineer is interested in any resolution(s) proposed to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s).

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

70. (1) Unless not required by the listing rules of the Exchange, at any general meeting, all resolution(s) put to the vote at the meeting shall be decided by poll. Method of voting
- (2) Subject to paragraph (1), at any general meeting a resolution put to the vote of the general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (i) by the chairman of the general meeting;
 - (ii) at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative and entitled to vote thereat;
 - (iii) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than 5% of the total voting rights of all the Members having the right to vote at the general meeting; or
 - (iv) by a Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares in the Company 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 5% of the total sum paid up on all the shares conferring that right.
- Provided Always that no poll shall be demanded on the election of a chairman of the general meeting or on a question of adjournment. Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the chairman of the general meeting that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of 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.
- (3) If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the general meeting may direct and the result of a poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.
- (4) If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the general meeting may direct and the result of a poll shall be deemed to be the resolution of the general meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the general meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

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| 71. (1) An ordinary resolution or special resolution to be proposed at a general meeting by the directors may be amended by ordinary resolution if: | (a) notice of the proposed amendment is given to the secretary in writing by a person entitled to vote at the general meeting at which such resolution is to be proposed, not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and | Amendments to resolutions |
| | (b) the proposed amendment does not, as determined by the chairman of the meeting in his sole discretion, go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution. | |
| (2) The company may at any time prior to a general meeting, withdraw any resolution proposed to be tabled at that general meeting | | |
| (3) At any general meeting, the chairman of the meeting may in his sole discretion, withdraw any resolution prior to a vote being called for the resolution. | | |
| 72. | If any votes are counted which ought not have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same general meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman of the general meeting be of sufficient magnitude. | Votes counted in error |
| 73. | Subject to the Act and the requirements of the Exchange, in the case of equality of votes, whether on a show of hands or on a poll, the chairman of the general meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member. | Chairman's casting vote |
| 74. | A poll demanded on any questions shall be taken either immediately or at such subsequent time and pace as the chairman of the general meeting may direct. No notice need to be given of a poll not taken immediately. | Time for taking a poll |
| 75. | The demand for a poll shall not prevent the continuance of a general meeting for the transaction of any business, other than the question on which the poll has been demanded. | Continuance of business after demand for a poll |

VOTES OF MEMBERS

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| 76. (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 each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. | Voting rights of members |
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APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

- (2) On a show of hands every Member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote Provided Always 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 shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the chairman of the general meeting (or by a person authorised by him) shall 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.
- (3) On a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents Provided Always that notwithstanding anything contained in this Constitution, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not earlier than 72 hours before that general meeting (the "cut-off time") as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

77. 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 or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.

Voting rights of
joint holders

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

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| 78. If a Member becomes mentally disordered and incapable of managing himself or his affairs, he may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, Provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than 72 hours before the time appointed for holding the general meeting. | Voting rights of Members who are mentally disordered |
| 79. Subject to the provisions of this Constitution, every Member either personally or by attorney or in the case of a corporation by a representative and every proxy shall be entitled to be present and to vote at any general meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. | Right to vote |
| 80. 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 general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the general meeting whose decision shall be final and conclusive. | Objections |
| 81. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. | Votes on a poll |
| 82. (1) Subject to the Act, a Member who is not a relevant intermediary may appoint not more than two proxies to attend and vote at the same general meeting. Subject to the Act, a member who is a relevant intermediary may appoint more than two proxies to attend 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. | Appointment of proxies |
| (2) If the Member is a Depositor, the Company shall be entitled:

(i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at the cut-off time as certified by the Depository to the Company; and

(ii) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in its Securities Account of that Depositor as at the cut-off time 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 the Depositor. | |
| (3) Where a Member appointed more than one proxy, he shall specify the proportion of his shareholding or the number and the class of shares to be represented by each proxy. If no such proportion or number and class is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. | |

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- (4) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercise at the relevant general meeting by the member personally or by his attorney, or in the case of a corporation by its representative.
- (5) Where a member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case of a Depositor, standing to the credit of that Depositor's Securities Account, such proxy may not exercise any of the votes or rights of the shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as at the cut-off time, as the case may be.
- (6) 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. The company is entitled to disregard any votes cast by a proxy that is not in accordance with the instructions or notes (if any).

83. A proxy or attorney need not be a Member, and shall be entitled to vote on a show of hands on any question at any general meeting.

Proxy need not be a Member

84. (1) Any instrument appointing a proxy shall be in writing and:

Instrument appointing a proxy

(i) in the case of an individual, shall be:

- (a) signed by the appointed or his attorney if the instrument is delivered personally or sent by post; or
- (b) 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 communications; and

(ii) in the case of a corporation, shall be:

- (a) either given under its common seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to affixation of the seal) or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or
- (b) 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 paragraph (1), 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.

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- (2) Subject to paragraph (1), the signature on, or authorization of, such instrument need not be witnessed. Where an instrument appointed a proxy is signed or authorised on behalf of the appointer by an attorney, the letter of power of attorney of 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.
- (3) The Directors may, in their absolute discretion:
- (i) approve the method and manner for an instrument appointing a proxy to be authorised; and
 - (ii) designate the procedure for authenticating an instrument appointing a proxy,

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

85. (1) The instrument appointing a proxy, together with the power of attorney or other authority, if any, under the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy and, Deposit of proxies
- (i) must be left at the Office or such other place (if any) as is specified fro the purpose in or by way of note or in any document accompanying the notice convening the general meeting; or
 - (ii) 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) at which it is to be used failing which the instrument may be treated as invalid)

- (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 paragraph (1)(ii). Where the directors do not so specify in relation to a Member (whether of a class or otherwise), paragraph (1)(i) shall apply.

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- (3) An instrument appointing a proxy shall, unless contrary is stated thereon, be valid as well for any adjournment of the general meeting as for the general meeting to which it related Provided that any instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.
- (4) An instrument of proxy shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Unless otherwise instructed, a proxy shall vote as he thinks fit. The signature on an instrument appoint a proxy need not be witnessed.

86. 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 insanity 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, insanity, 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 insanity of principal not to revoke proxy
87. 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 of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company. The Company shall be entitled to treat a certificate under the seal of corporation (or signed by the authorised persons in the manner set out under the Act as an alternative to affixation of the seal) as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation. Corporation acting by representatives

DIVIDENDS AND RESERVES

130. The Directors may, with the sanction of the Company, by ordinary resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company. Payment of dividends
131. Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Regulation only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly. Apportionment of dividends

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

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| 132. Notwithstanding Regulation 131, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit. | Payment of preference and interim dividends |
| 133. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company. | Dividends not to bear interest |
| 134. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith, or any other account which the Company is required by law to withhold or deduct. | Deduction from dividend |
| 135. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Retention of dividends on shares subject to lien |
| 136. The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same. | Retention of dividends on shares pending transmission |
| 137. 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 and other moneys payable unclaimed after a period of six years after first being payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. | Unclaimed dividends |
| 138. The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such Resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. | Payment of dividend in specie |

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139. (1) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- Scrip Dividend
Scheme
- (i) the basis of any such allotment shall be determined by the Directors;
 - (ii) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such election or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation;
 - (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded Provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion;
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been fully exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid, and for such purpose and notwithstanding the provisions of Regulation 51, the Directors shall (a) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the financial statements or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

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

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140. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct. Provided that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque and warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque and warrant shall be sent at the risk of the person entitled to the money represented thereby.

Dividends payable by cheque

141. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.

Effect of transfer

RESERVES

142. 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

APPENDIX 4
EXTRACTS FROM THE TARGET COMPANY'S CONSTITUTION

CAPITALISATION OF PROFITS AND RESERVES

143. The Company may, upon the recommendation of the Directors, by ordinary resolution resolve that it is desirable to capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts (or any sum standing to the credit of the financial statements or otherwise available for distribution), Provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members holding shares in the Company in the proportions in which such sum would have been divisible among them had the same been applied or have been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a number equal to such sum, such shares or debentures to be allotted and distributed and credited as fully paid up to and among such Members in the proportion aforesaid or partly in one way and partly in the other. Where any difficulty arises in respect of any such distribution the Directors may settle the same as they think expedient and in particular they may fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any Members on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective.
- Power to capitalise profits
144. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby, all allotments and issues of fully paid shares or debentures (if any), and generally shall do all acts and things required to give effect thereto and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.
- Directors to do all acts and things to give effect

APPENDIX 5 VALUATION SUMMARY



Cushman & Wakefield VHS Pte. Ltd.
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CapitaSpring
Singapore 048948
Tel +65 6535 3232
Fax +65 6535 1028
www.cushmanwakefield.com
Company Registration No. 200709839D

6 December 2022

Colex Holdings Limited

541 Orchard Road
#16-00 Liat Towers
Singapore 238881

Dear Sirs

VALUATION OF 8 TUAS SOUTH STREET 13, SINGAPORE 637083 ("THE PROPERTY")

Cushman & Wakefield ("C&W") has been instructed by Colex Holdings Limited ("the client"), to provide the Market Value as at 31 October 2022 and valuation report in respect of the abovementioned Property for the purpose of proposed privatisation of Colex Holdings Limited through acquisition of the Target Company Scheme Shares (as defined in the Scheme Document) by Bonvests Holdings Limited by way of a scheme of arrangement (the "Proposed Privatisation").

The valuation and report has been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2022 Edition

The Property has been valued on the basis of Market Value as at the Valuation Date.

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

We have valued the Property based on its existing use and condition.

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 outgoings 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 freely transferable, leased and sub-leased in the market. Cushman & Wakefield has no reason to doubt the truth and accuracy of the information provided to us by the Client which is material to the valuation.

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 C&W who worked on the valuation in respect to the Property, market conditions and available data.

Reliance on This Letter

This letter is a summary of the report that C&W 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 and other related parties. Whilst C&W 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 or any other structural defects. For the purpose of this valuation, the Property is assumed to be in sound structural condition.

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.

APPENDIX 5 VALUATION SUMMARY

VALUATION OF 8 TUAS SOUTH STREET 13, SINGAPORE 637083



The Property

Property address:	8 Tuas South Street 13, Singapore 637083
Description:	The Property is a single-storey purpose-built factory building. The Property was completed circa 1990s.
Site Area:	8,854.4 sq m (95,308 sq ft)
Gross Floor Area:	Approximately 5,451.24 sq m (58,677 sq ft) – according to information provided to us by the client.
Tenure/ Interest Valued:	Leasehold 18 years 1 month commencing 1 November 2012 (the balance lease term is approximately 8.1 years)
Occupancy:	The Property is presently owner-occupied.

Valuation Methodology and Rationale

We have valued the Property by the Comparable Sales Method taking into consideration there are sufficient comparable sales evidence and the Property is owner-occupied. In this method, comparison is made with sales of similar properties in the vicinity and in similar standard localities. Adjustments are made for differences in location, tenure, size, age and condition, facilities/ improvements and dates of transaction, amongst other factors, before arriving at the value of the Property.

Summary of Valuation

The valuation of the Property is summarized as follows:

Market Value

S\$6,400,000/-

(Singapore Dollars Six Million and Four Hundred Thousand Only)

Value, net of estimated reinstatement cost¹

S\$5,660,000/-

(Singapore Dollars Five Million Six Hundred and Sixty Thousand Only)

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 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.

¹ Estimated reinstatement costs for the Property at the end of the JTC lease term of approximately S\$740,000, as provided by the client.

**APPENDIX 5
VALUATION SUMMARY**

VALUATION OF 8 TUAS SOUTH STREET 13, SINGAPORE 637083



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,

For and on behalf of

CUSHMAN & WAKEFIELD VHS PTE. LTD.

A handwritten signature in black ink, appearing to read "C. Woo", with a horizontal line underneath.

Claire Woo

Director

Valuation & Advisory

MSISV, Licensed Appraiser No. AD 041-2006273E

Enc: Valuation Certificate

APPENDIX 5 VALUATION SUMMARY

VALUATION OF 8 TUAS SOUTH STREET 13, SINGAPORE 637083



VALUATION CERTIFICATE

Date of Valuation:	31 October 2022
Client:	Colex Holdings Limited
Valuation Purpose:	To determine Market Value of the Property for the proposed privatisation of Colex Holdings Limited through acquisition of the Target Company Scheme Shares (as defined in the Scheme Document) by Bonvests Holdings Limited by way of a scheme of arrangement (the " <i>Proposed Privatisation</i> ").
Property:	8 Tuas South Street 13, Singapore 637083
Brief Description of Property:	A single-storey purpose-built factory building. The Property was completed circa 1990s.
Legal Description:	Lot 4683K of Mukim 7
Tenure/ Interest Valued:	Leasehold for 18 years 1 month from 1 November 2012 (the balance lease term is approximately 8.1 years)
Registered Lessee:	Colex Environmental Pte. Ltd.
Master Plan (2019 Edition):	Zoned "Business 2" use with plot ratio 1.0
Land Area:	8,854.4 sq m
Gross Floor Area (GFA):	5,451.24 sq m – according to information provided
Condition:	Average
Tenancy Details:	The Property is owner-occupied at the time of inspection.
Methods of Valuation:	Comparable Sales Method
Basis of Valuation:	Based on its existing use and condition.
Market Value:	S\$6,400,000/- (Singapore Dollars Six Million and Four Hundred Thousand Only)
Value over land:	S\$67 per square foot
Value, net of Estimated Reinstatement Costs²:	S\$5,660,000/-
Assumptions, Disclaimers, Limitations & Qualifications	We have valued the Property based on its existing use and condition. 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 outgoings of an onerous nature which could affect value. The value conclusion reflects all information known by the valuers of C&W who worked on the valuation in respect to the Property, market conditions and available data.

² Estimated reinstatement costs for the Property at the end of the JTC lease term of approximately S\$740,000, as provided by the client.

APPENDIX 5 VALUATION SUMMARY

VALUATION OF 8 TUAS SOUTH STREET 13, SINGAPORE 637083



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 from or false or misleading statement included in the Scheme Document, 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 full report dated 15 November 2022 that Cushman & Wakefield have 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 Colex Holdings Limited.

APPENDIX 6 SCHEME CONDITIONS

All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Target Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The Privatisation is conditional upon the satisfaction (or, where applicable, the waiver) of the following Scheme Conditions:

1. **Approval by Scheme Shareholders:** the approval of the Scheme by a majority in number representing three-fourths in value of the Scheme Shareholders present and voting at the Scheme Meeting pursuant to the requirements of Section 210(3AB) of the Companies Act;
2. **Scheme Court Order:** the grant of the Scheme Court Order sanctioning the Scheme and such Scheme Court Order having become final;
3. **Lodgement of Scheme Court Order with ACRA:** the lodgement of the Scheme Court Order in accordance with Section 210(5) of the Companies Act;
4. **Regulatory Approvals:** prior to the first application to the Court for the order to convene the Scheme Meeting, the following Regulatory Approvals having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to the Relevant Date and where such Regulatory Approvals are subject to conditions, such conditions being satisfied on or prior to the Relevant Date:
 - (a) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code do not apply to the Scheme, subject to any conditions that the SIC may deem fit to impose; and
 - (b) confirmation from the SIC that it has no objections to the Scheme Conditions;
 - (c) confirmation from the SIC that it has no objections should the Offeror exercise the Switch Option at any time prior to the Scheme Meeting in the event of a Target Company Competing Offer, subject to, inter alia, the Offer being on same or better terms as those which apply to the Scheme and consultation with SIC to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option.
 - (d) approval-in-principle from the SGX-ST for the proposed delisting of the Target Company from the SGX-ST.
5. **No Illegality:** between the date of the Implementation Agreement and up to the Relevant Date:
 - (a) no order, injunction, judgment or decree issued by any Governmental Authority or other legal restraints or prohibition preventing the consummation of the Privatisation or implementation of the Scheme shall be in effect;
 - (b) no bona fide official proceeding initiated by any Governmental Authority shall be pending which has the effect of restraining, enjoining or otherwise preventing the consummation of the Privatisation or implementation of the Scheme or resulting in the same; and
 - (c) no law shall have been enacted, entered, promulgated or enforced by any Governmental Authority that prohibits, restricts or makes illegal the consummation of the Privatisation or the implementation of the Scheme;
6. **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence (as set out in Appendix 7 hereto) in relation to (i) the Offeror or (ii) the Target Company or any Target Company Group Entity, in each case, occurring other than as required or contemplated by the Implementation Agreement or the Scheme;

APPENDIX 6 SCHEME CONDITIONS

7. **Target Company Warranties:** there having been no material breach by the Target Company of its Target Company Warranties given under the Implementation Agreement as at the date of the Implementation Agreement and as at the Relevant Date as though made on and as at each such date except to the extent any Warranty expressly relates to an earlier date (in which case as at such earlier date), in each such case which has resulted in a material adverse effect on the business of the Target Company Group (taken as a whole) and is material in the context of the Scheme; and
8. **Offeror Warranties:** there having been no material breach by the Offeror of its Warranties given under the Implementation Agreement as at the date of the Implementation Agreement and as at the Relevant Date as though made on and as at each such date except to the extent any Warranty expressly relates to an earlier date (in which case as at such earlier date), in each such case which has resulted in a material adverse effect on the business of the Offeror (taken as a whole) and is material in the context of the Scheme.

For the purpose of the Implementation Agreement, (i) in relation to the **Target Company Warranties**, references to “**material**” and/or “**material adverse effect**” shall mean (a) any such occurrence which has the effect of decreasing the net asset value of the Target Company Group as at 30 June 2022 (the “**30 June Target NAV**”), being the latest announced net asset value of the Target Company Group; by twenty percent (20%); or (b) any such amount which is equivalent to twenty percent (20%) of the 30 June Target NAV, as the case may be; and (ii) in relation to the **Offeror Warranties**, references to “**material**” and/or “**material adverse effect**” shall mean (a) any such occurrence which has the effect of decreasing the net asset value of the Offeror Group as at 30 June 2022 (the “**30 June Offeror NAV**”), being the latest announced net asset value of the Offeror Group; by twenty percent (20%); or (b) any such amount which is equivalent to twenty percent (20%) of the 30 June Offeror NAV, as the case may be.

APPENDIX 7 PRESCRIBED OCCURRENCES

All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Target Company during normal business hours from the date of this Scheme Document up to the Effective Date.

Part 1 – Prescribed Occurrence in relation to the Offeror

“**Prescribed Occurrence**” means, in relation to the Offeror, any of the following:

1. **Injunction:** an injunction or other order issued against the Offeror by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Privatisation or any part thereof by the Offeror;
2. **Resolution for Winding Up:** the Offeror resolving that it be wound up;
3. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or any other similar officer of the Offeror;
4. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Offeror;
5. **Composition:** the Offeror entering into any arrangement or general assignment or composition for the benefits of its creditors generally;
6. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Offeror;
7. **Insolvency:** the Offeror becoming or being deemed by Law or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;
8. **Cessation of Business:** the Offeror ceases or threatens to cease for any reason to carry on business in the usual and ordinary course;
9. **Investigations and Proceedings:** if the Offeror or any of its directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding; or
10. **Analogous Event:** any event occurs which, under the Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

Part 2 – Prescribed Occurrence in relation to the Target Company (and where applicable, any Target Company Group Entity)

“**Prescribed Occurrence**” means, in relation to the Target Company (or where applicable, any Target Company Group Entity), any of the following:

1. **Conversion of Shares:** any Target Company Group Entity converting all or any of its shares into a larger or smaller number of shares;
2. **Share Buy-back:** any Target Company Group Entity (a) undertaking any share buy-backs pursuant to its existing share buy-back mandate; or (b) entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;

APPENDIX 7 PRESCRIBED OCCURRENCES

3. **Alteration of Share Capital:** any Target Company Group Entity resolving to reduce or otherwise alter its share capital in any way;
4. **Allotment of Shares or Units:** any Target Company Group Entity making an allotment of, or granting an option to subscribe for, any shares, units or securities convertible into shares or units or agreeing to make such an allotment or to grant such an option or convertible security;
5. **Issuance of Debt Securities:** any Target Company Group Entity issuing, or agreeing to issue, convertible notes or other debt securities;
6. **Dividends:** any Target Company Group Entity declaring, making or paying any dividends or any other form of distribution to its shareholders, except for any dividends declared, paid or made in the ordinary course of business;
7. **Injunction:** an injunction or other order issued against any Target Company Group Entity by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Privatisation or any part thereof by any Target Company Group Entity;
8. **Resolution for Winding Up:** any Target Company Group Entity resolving that it be wound up;
9. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or any other similar officer of any Target Company Group Entity;
10. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of any Target Company Group Entity;
11. **Composition:** any Target Company Group Entity entering into any arrangement or general assignment or composition for the benefits of its creditors generally;
12. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of any Target Company Group Entity;
13. **Insolvency:** any Target Company Group Entity becoming or being deemed by Law or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;
14. **Cessation of Business:** any Target Company Group Entity ceases or threatens to cease for any reason to carry on business in the usual ordinary course;
15. **Investigations and Proceedings:** if any Target Company Group Entity or any of their respective directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding; or
16. **Analogous Event:** any event occurs which, under the Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

APPENDIX 8 OFFEROR'S WARRANTIES

All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Target Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The Offeror warrants to the Target Company that:

1. Status

The Offeror is duly incorporated, organised and validly existing as a legal entity under the laws of Singapore.

2. Entry into the Implementation Agreement

2.1 The Offeror has the power to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

2.2 The Offeror's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

2.3 All actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties) in order to (i) enable Offeror to lawfully enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement have been or will be taken, fulfilled and done; and (ii) ensure that those obligations are valid and legally binding and have been or will be taken, fulfilled and done.

3. No Breach

Save for the required approvals and consents as set out in paragraphs 1 and 4 of Appendix 6, neither the execution nor performance by Offeror of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will violate or accelerate the obligations of Offeror under any order, writ, injunction or decree of any Governmental Authority applicable to Offeror or its assets or will impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4. Legal Matters

4.1 Compliance with Laws

4.1.1 The Offeror has carried on and is carrying on its business and operations such that there have been no breaches of applicable Laws and by-laws in the country(ies) in which it is carried on which will impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4.1.2 There have not been and there are no breaches by the Offeror of its constitutional documents which will impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4.2 Litigation, Arbitration and Investigations

4.2.1 No litigation, arbitration or administrative proceeding is current or pending or, as far as the Offeror is aware, threatened, to restrain the entry into, the exercise of the Offeror's rights under, performance or enforcement of or compliance with its obligations under the Implementation Agreement, except as will not impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4.2.2 No litigation, arbitration or administrative proceeding is current or pending or, as far as the Offeror is aware, threatened (other than in the ordinary course of business), which has or could impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

APPENDIX 8 OFFEROR'S WARRANTIES

4.2.3 As of the date hereof, the Offeror is not aware of any investigation or enquiry by any court, tribunal, arbitrator, Governmental Authority or regulatory body outstanding or anticipated against the Offeror, which has or could impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4.3 **Insolvency**

No Insolvency Event has occurred or is continuing in relation to the Offeror which has or could impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

5. **Effect of Merger**

The execution and delivery of, and the performance by the Offeror of its obligations under the Implementation Agreement and the transactions contemplated hereunder:

5.1 does not and will not result in a breach of any provision of the constitutive documents of the Offeror; and

5.2 does not and will not:

5.2.1 conflict with, result in the breach of or constitute a default under any agreement or contract to which the Offeror is a party, or any loan to or mortgage created by the Offeror;

5.2.2 relieve any other party to such contract with the Offeror of its obligations under such contract;

5.2.3 entitle any other party to such contract with the Offeror to terminate or modify such contract, whether summarily or by written notice;

5.2.4 result in the creation of any Encumbrance under any such contract; or

5.2.5 result in a breach of any order, judgment or decree of any Governmental Authority to which the Offeror is a party or by which the Offeror or any of their respective assets is bound,

in each case, except as will not impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

6. **Sufficiency of Financial Resources**

The Offeror has sufficient financial resources to satisfy in full the aggregate Scheme Consideration in cash required for the Scheme.

APPENDIX 9

TARGET COMPANY'S WARRANTIES

All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Target Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The Target Company warrants to the Offeror that:

1. Status

- 1.1 The Target Company is duly incorporated, organised and validly existing as a legal entity under the laws of the Singapore.

2. Entry into the Implementation Agreement

- 2.1 The Target Company has the power to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.
- 2.2 The Target Company's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.
- 2.3 All actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties) in order to (i) enable the Target Company to lawfully enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement have been or will be taken, fulfilled and done; and (ii) ensure that those obligations are valid and legally binding and have been or will be taken, fulfilled and done.

3. No Breach

Save for the required approvals and consents as set out in paragraphs 1 and 4 of Appendix 6, neither the execution nor performance by the Target Company of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will violate or accelerate the obligations of the Target Company under any order, writ, injunction or decree of any Governmental Authority applicable to the Target Company or its assets or will impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4. Legal Matters

4.1 Compliance with Laws

- 4.1.1 The Target Company has carried on and is carrying on its business and operations such that there have been no breaches of applicable Laws and by-laws in the country(ies) in which it is carried on which will impede or prohibit the completion of the Privatisation or the implementation of the Scheme.
- 4.1.2 There have not been and there are no breaches by the Target Company of its constitutional documents which will impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4.2 Litigation, Arbitration and Investigations

- 4.2.1 No litigation, arbitration or administrative proceeding is current or pending or, as far as the Target Company is aware, threatened, to restrain the entry into, the exercise of the Target Company's rights under, performance or enforcement of or compliance with its obligations under the Implementation Agreement, except as will not impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

APPENDIX 9

TARGET COMPANY'S WARRANTIES

4.2.2 No litigation, arbitration or administrative proceeding is current or pending or, as far as the Target Company is aware, threatened (other than in the ordinary course of business), which has or could impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4.2.3 As of the date hereof, the Target Company is not aware of any investigation or enquiry by any court, tribunal, arbitrator, Governmental Authority or regulatory body outstanding or anticipated against the Target Company, which has or could impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

4.3 Insolvency

No Insolvency Event has occurred or is continuing in relation to the Target Company which has or could impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

5. Effect of Merger

The execution and delivery of, and the performance by the Target Company of its obligations under the Implementation Agreement and the transactions contemplated hereunder:

5.1 does not and will not result in a breach of any provision of the constitutive documents of the Target Company; and

5.2 does not and will not:

5.2.1 conflict with, result in the breach of or constitute a default under any agreement or contract to which the Target Company is a party, or any loan to or mortgage created by the Target Company;

5.2.2 relieve any other party to such contract with the Target Company of its obligations under such contract;

5.2.3 entitle any other party to such contract with the Target Company to terminate or modify such contract, whether summarily or by written notice;

5.2.4 result in the creation of any Encumbrance under any such contract; or

5.2.5 result in a breach of any order, judgment or decree of any Governmental Authority to which the Target Company is a party or by which the Target Company or any of their respective assets is bound,

in each case, except as will not impede or prohibit the completion of the Privatisation or the implementation of the Scheme.

APPENDIX 10

OBLIGATIONS OF THE TARGET COMPANY IN RELATION TO THE SCHEME

All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Target Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The Target Company (to the extent applicable for the implementation of the Privatisation and the Scheme only) shall execute all documents and do or cause to be done all acts and things necessary for the implementation of the Privatisation and the Scheme, as expeditiously as practicable, including the following:

1. release the Joint Announcement jointly with the Offeror on the SGX-ST on the Joint Announcement Date;
2. use its reasonable endeavours to procure that the Scheme is implemented on the terms set out in the Implementation Agreement and to be set out in the Scheme Document including complying with all procedures and processes imposed by the Court in connection with the Scheme;
3. appoint an IFA to (a) advise the Non-conflicted Directors in connection with the Scheme; and (b) publicly state in its opinion whether the terms of the Scheme are fair and reasonable;
4. prepare the requisite shareholder documents, including the Scheme Document in consultation with the Offeror and in accordance with any order of the Court, the Code, the Companies Act, the Listing Manual and all applicable Laws and regulations and despatch the same; and provide the Scheme Document in draft form to the Offeror with sufficient time for the Offeror's review, being at least five Business Days, or such longer time as the Offeror may reasonably require and obtain the Offeror's written approval (such approval not to be unreasonably withheld or delayed) prior to (I) despatching all documents required for the implementation of the Scheme; (II) the making of any application to the Court under Section 210 of the Companies Act; and (III) the filing of any documents with a Governmental Authority in connection with the Scheme;
5. file the draft Scheme Document with the Target Company's continuing sponsor (the "**Continuing Sponsor**") for clearance, together with a draft of the IFA opinion; as soon as reasonably practicable after receiving comments or queries from the Continuing Sponsor, file a revised draft of the Scheme Document with the Continuing Sponsor; and diligently pursue the Continuing Sponsor's clearance for the draft Scheme Document and submit the application for the delisting of the Target Company after the Effective Date and diligently pursue the SGX-ST's approval-in-principle of the delisting of the Target Company after the Effective Date;
6. subject to obtaining the clearance of the draft Scheme Document from the Continuing Sponsor and the prior written approval-in-principle of the SGX-ST for delisting of the Target Company after the Effective Date: (a) apply to the Court for an order under Section 210(1) of the Companies Act to convene the Scheme Meeting and for any ancillary orders relating thereto, all such applications and orders, including the originating summons for the Scheme and all affidavits in support thereof, to be in such form and substance as may be approved by the Offeror, such approval not to be unreasonably withheld or delayed; (b) diligently pursue such application so as to obtain the Court's order to convene the Scheme Meeting and other necessary ancillary orders as soon as reasonably practicable; and (c) convene the Scheme Meeting;
7. subject to obtaining the Court's order under Section 210(1) of the Companies Act to convene the Scheme Meeting, despatch to the Scheme Shareholders the Scheme Document and appropriate forms of proxy in such form and within such period as may be directed by the Court, each in form and substance reasonably acceptable to the Offeror, for use at the Scheme Meeting;

APPENDIX 10
OBLIGATIONS OF THE TARGET COMPANY IN RELATION TO THE SCHEME

8. subject to the Scheme being approved by the requisite majority of the Scheme Shareholders at the Scheme Meeting, apply to the Court for the Scheme Court Order and for any ancillary orders relating thereto (all such applications, orders and all affidavits in support thereof, including the Scheme Court Order, to be in such form and substance as may be approved by the Offeror, such approval not to be unreasonably withheld or delayed) and diligently pursue such application so as to obtain the sanction and confirmation of the Scheme by the Court as soon as reasonably practicable;
9. subject to the Scheme Court Order being granted, expeditiously deliver a copy of the Scheme Court Order to ACRA for lodgement in accordance with Section 210(5) of the Companies Act;
10. from the date of the Implementation Agreement until the Effective Date, subject to the Target Company's and every Target Company Group Entity's legal obligations or restrictions and to every Target Company Group Entity's directors' fiduciary duties, provide (and procure that the Target Company Group and their respective Representatives will so provide) the Offeror with access to such information relating to the Target Company, the Target Company Group, the Target Company's directors and the Target Company's concert parties which the Offeror may reasonably require in relation to or in connection with the Privatisation, the Scheme, the Offeror's financing arrangements or the Offeror's post-Privatisation plans for the Business and to facilitate the timely notification of material matters affecting the Target Company to the Offeror. To the extent that any legal or contractual obligations in relation to third parties or any Target Company Group Entity's directors' fiduciary duties may limit the Target Company's obligations to comply with this paragraph 10 of this Appendix, the Target Company shall forthwith inform the Offeror of that fact;
11. upon the Offeror providing reasonable notice and as the Offeror may reasonably require, make available its Representatives during Working Hours to discuss and assist with the Offeror's transition planning and financing arrangements;
12. ensure that its directors shall take responsibility for all information included in the Scheme Document (other than information relating to the Offeror and its concert parties provided by or on behalf of the Offeror to the Target Company for inclusion in the Scheme Document) and all ancillary documents, as required by all applicable Laws and regulations, including any order of the Court, the Code, the Listing Manual and the Companies Act;
13. save for the exercise of any of its rights under the Implementation Agreement and subject to the Target Company's legal obligations or restrictions, take no action which may be prejudicial to the completion of the Privatisation or the implementation of the Scheme;
14. subject to the Target Company's legal obligations or restrictions, during the period from the date of the Implementation Agreement up to (and including) the Effective Date or the date on which the Implementation Agreement is terminated pursuant to Clause 3.3 thereof, undertake that the Target Company (and undertake to procure that all the Target Company Group Entities):
 - (a) shall carry on the Business of the Target Company Group as a going concern in the ordinary and usual course consistent with past practices, and save insofar as otherwise agreed in writing by the Offeror, not:
 - (i) alter the general nature or scope of its Business;
 - (ii) effect any material change in strategy, or enter into any new joint ventures if and to the extent that doing so would represent a material deviation from the current business strategy of the Target Company Group or entry into a new geographic market; or
 - (iii) take any action which would be prejudicial to, or could reasonably be expected to materially delay the successful outcome of the Scheme; and

APPENDIX 10

OBLIGATIONS OF THE TARGET COMPANY IN RELATION TO THE SCHEME

- (b) without prejudice to the generality of paragraph 14(a) of this Appendix and save as required by Law, shall not (and shall procure that all the Target Company Group Entities shall not), without the prior written consent of the Offeror (such consent not to be unreasonably withheld or delayed):
- (i) to the extent it is within its power or control, make, permit or suffer any Target Company Prescribed Occurrences;
 - (ii) modify, amend or waive the terms of any material contracts, if such modification, amendment or waiver would have a material adverse effect on the financial position of the Target Company Group (taken as a whole);
 - (iii) enter into any agreements or arrangements containing a change in control provision which would give a counterparty any rights exercisable as a result of the Scheme or Privatisation;
 - (iv) incur any additional borrowings or incur any other indebtedness other than in the ordinary and usual course of business, provided that the aggregate borrowings shall not exceed S\$100,000 in aggregate;
 - (v) make any change to its accounting practices or policies or amend its Constitutional Documents, other than for compliance with applicable Law; and/or
 - (vi) make (or seek the approval of the Court to make) any amendments to the Scheme Document after it has been despatched to the Scheme Shareholders or adjournment of the Scheme Meeting in respect of the Scheme, provided that nothing in paragraph 14 of this Appendix shall restrict any Target Company Group Entity from fulfilling its obligations under existing contractual commitments, which have been disclosed to the Offeror prior to the date of the Implementation Agreement;
15. as soon as practicable after the Effective Date, but in any event not later than two Business Days thereafter, the Target Company will appoint such nominees of the Offeror to the Board as the Offeror may direct, subject to applicable Laws and restrictions under the Constitutional Documents of the Target Company; and
16. if the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme, the Target Company shall appeal the Court's decision to the fullest extent possible (except to the extent that the Parties agree otherwise in writing). If an appeal of the Court's decision is made by the Target Company, the Offeror shall furnish to the Target Company and its advisers such information relating to the Offeror and its concert parties as required by them for the purposes only of the appeal and, where necessary, provide all reasonable assistance as the Target Company and its advisers may reasonably request for the purposes of the appeal.

APPENDIX 11

OBLIGATIONS OF THE OFFEROR IN RELATION TO THE SCHEME

All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Target Company during normal business hours from the date of this Scheme Document up to the Effective Date.

Offeror's Obligations

The Offeror shall execute all documents and do or cause to be done all acts and things necessary for the implementation of the Privatisation and the Scheme, as expeditiously as practicable, including the following:

1. the release of the Joint Announcement by the Offeror, jointly with the Target Company, on the date hereof;
2. subject to the Offeror's legal and regulatory obligations, to consult in good faith with the Target Company with a view to establishing appropriate procedures to provide the Target Company with access to information which they may reasonably require for the purposes of the Privatisation or the Scheme, provided that any such procedures and notifications are made in compliance with all applicable Laws;
3. subject to the Offeror's legal and regulatory obligations, from the date hereof until the Effective Date, to furnish to the Target Company and their advisers such information relating to the Offeror and/or its shareholders as the Target Company and their advisers may reasonably request for the purpose of the preparation of the Scheme Document in accordance with the Implementation Agreement (with such redactions as it may consider reasonably necessary or required);
4. (if necessary) to ensure that the Offeror, through its legal counsel, is represented at Court hearings in relation to the Scheme at which, if requested by the Court, the Offeror shall do or cause to be done all things and take or cause to be taken all steps as may be reasonably required to ensure the fulfilment of its obligations under the Implementation Agreement and the Scheme;
5. subject to the satisfaction or waiver of the Scheme Conditions and the Scheme becoming effective in accordance with its terms, be bound by the Scheme, and pay or cause to be paid the aggregate Scheme Consideration after the Effective Date but in any event by the Scheme Settlement Date pursuant to the Scheme, in accordance with the Code and on the terms set out in the Implementation Agreement and the Scheme Document; and
6. without prejudice to the satisfaction of, or discretion to waive, the Scheme Conditions and subject to any legal or statutory obligations or fiduciary duties that the Offeror Directors and/or the Offeror may be subject to, not take any action which would be or is reasonably likely to be prejudicial to the successful completion of the Privatisation and the Scheme.

APPENDIX 12

MANNER OF CONVENING SCHEME MEETING

The manner of convening the Scheme Meeting as ordered by the Court is set out below:

Convening, holding and/or conducting the Scheme Meeting

1. The Target Company shall be at liberty to convene the Scheme Meeting at a date, time and/or location to be determined by the Target Company.
2. The Scheme Meeting may be convened, held or conducted, wholly physically, in accordance with and subject to such vaccinated-differentiated safe management measures and other measures which may be prescribed by any prevailing regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time. Due to the constantly evolving COVID-19 situation in Singapore, the Target Company may be required to change the arrangements for the Scheme Meeting at short notice.
3. The minutes of the Scheme Meeting shall be published on SGXNET and the website of the Target Company within one month after the date of the Scheme Meeting.

Attendance at the Scheme Meeting

4. The Target Company may provide that each Scheme Shareholder may only attend the Scheme Meeting physically.

Right or entitlement to be heard or to require representations to be read out at the Scheme Meeting

5. The Target Company may provide that each Scheme Shareholder may only be heard physically at the Scheme Meeting in the manner provided in paragraphs 6 and/or 6A. A representation may be read out at the Scheme Meeting.

Right or entitlement to speak on a resolution at the Scheme Meeting

6. The Target Company may require that a Scheme Shareholder shall, before the Scheme Meeting, send to the Chairman of the Scheme Meeting, by post, electronic mail and/or such other electronic means as the Target Company considers appropriate, including electronic submission via the Target Company's pre-registration website at which the Scheme Shareholder registers to attend the Scheme Meeting, the matters which the Scheme Shareholder wishes to raise at the Scheme Meeting, and each such matter, if substantial and relevant and sent within a reasonable time before the Scheme Meeting, is to be responded to at or before the Scheme Meeting either by electronic means or at the Scheme Meeting.
- 6A. In addition to paragraph 6, the Target Company shall provide that Scheme Shareholders in attendance may ask questions relating to the agenda of the Scheme Meeting and for such questions to be responded to at the Scheme Meeting.

Quorum at the Scheme Meeting

7. A quorum may be formed by two Scheme Shareholders physically present. A Scheme Shareholder is present at the Scheme Meeting if the Scheme Shareholder attends the Scheme Meeting in the manner provided in paragraph 4.

Voting at the Scheme Meeting

8. The Target Company may provide for each Scheme Shareholder to vote at the Scheme Meeting or by its proxy by depositing with the Share Registrar the Proxy Form by post, electronic mail to an electronic mail address stated in the Notice of the Scheme Meeting and/or such other electronic means as the Target Company considers appropriate, including electronic submission via the Target Company's pre-registration website at which the Scheme Shareholder registers to attend the Scheme Meeting proceedings, in either case, not less than 72 hours before the time fixed for the Scheme Meeting.

APPENDIX 12

MANNER OF CONVENING SCHEME MEETING

9. For the purposes of satisfying the condition under Section 210(3AB)(b) of the Companies Act:-
- 9.1. a Scheme Shareholder (other than a Scheme Shareholder who is a Relevant Intermediary) may only cast all the votes it uses at the Scheme Meeting in one way and may only:
- (a) cast all its votes “for” the Scheme;
 - (b) cast all its votes “against” the Scheme; or
 - (c) abstain from voting;
- 9.2. a Scheme Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Company Scheme Share. A Relevant Intermediary may:-
- (a) vote “for” the Scheme;
 - (b) vote “against” the Scheme; or
 - (c) abstain from voting.
10. For the purposes of satisfying the condition under Section 210(3AB)(a) of the Companies Act:-
- 10.1. each Scheme Shareholder that appoints a proxy (including the Chairman of the Scheme Meeting) to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Scheme Shareholders present and voting at the Scheme Meeting. Where the Chairman has been appointed as the proxy of more than one Scheme Shareholder to vote at the Scheme Meeting, the votes of the Chairman shall be counted as the votes of the number of appointing Scheme Shareholders;
- 10.2. the Target Company shall treat a Relevant Intermediary that casts votes both for and against the Scheme as follows:-
- (a) the Target Company shall treat the Relevant Intermediary as casting 1 vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
 - (b) the Target Company shall treat the Relevant Intermediary as casting 1 vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
 - (c) the Target Company shall treat the Relevant Intermediary as casting 1 vote for and 1 vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.

Laying and production of documents at the Scheme Meeting

11. The Scheme Document and any other document to be laid or produced before the Scheme Meeting may be so laid or produced by being:
- 11.1. sent or published in the manner provided in paragraph 12 with the Notice (as defined in paragraph 12 of this Appendix); or
- 11.2. published at an online location, the address of which is sent with the Notice, or published on the website of the Target Company.

APPENDIX 12

MANNER OF CONVENING SCHEME MEETING

Giving of Notice of the Scheme Meeting

12. The Scheme Meeting (including any adjourned or postponed meeting) may be called by notice in writing of not less than 14 days (excluding the date of the Notice and the date of the Scheme Meeting), published on SGXNET and the website of the Target Company (the “**Notice**”).
13. The Notice:
 - 13.1. shall provide instructions on how the Scheme Shareholders can locate the Scheme Document (as defined in paragraph 16 of this Appendix) electronically;
 - 13.2. shall provide the address in which the Scheme Meeting will be convened, held or conducted;
 - 13.3. shall set out how the Scheme Shareholder shall vote at the Scheme Meeting and appoint a proxy to vote at the Scheme Meeting;
 - 13.4. shall state how a Scheme Shareholder may send to Target Company the substantial and relevant matters which the Scheme Shareholder wishes to raise; and
 - 13.5. may be accompanied by any other documents relevant to the Scheme Meeting.
14. Not less than 14 days before the day appointed for the Scheme Meeting (excluding the date of the Notice and the date of the Scheme Meeting), the Notice shall be advertised in one issue of “The Straits Times” newspaper.

Other Matters

15. Lim Chee San or failing him, any other director of the Target Company, shall be appointed Chairman of the Scheme Meeting and to report the results of the Scheme Meeting to the Court.
16. Not less than 14 days before the day appointed for the Scheme Meeting (excluding the date of the Notice and the date of the Scheme Meeting), a document (the “**Scheme Document**”) consisting of, *inter alia*, the following:
 - 16.1. a Letter to Shareholders from the Target Company to the Scheme Shareholders containing details of, *inter alia*, the purpose of the Scheme Document and information relating to the Scheme;
 - 16.2. an Explanatory Statement which contains, *inter alia*, the information required to be disclosed under Section 211 of the Companies Act;
 - 16.3. a letter from the IFA to the directors of the Target Company who are considered independent for the purposes of making a recommendation to the Scheme Shareholders in respect of the Scheme;
 - 16.4. a letter from the Offeror to the Scheme Shareholders;
 - 16.5. the Notice; and
 - 16.6. a proxy form for use at the Scheme Meeting,shall be published on SGXNET and the website of the Target Company.
17. Any accidental omission to give any Scheme Shareholder notice of the Scheme Meeting or the non-receipt of such notice by any Scheme Shareholder shall not invalidate the proceedings at the Scheme Meeting, unless ordered by the Court.
18. The Chairman of the Scheme Meeting shall be at liberty to adjourn the Scheme Meeting for such period as he or she shall deem appropriate.

**APPENDIX 13
THE SCHEME**

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Originating Summons No.

In the matter of Section 210 of the
Companies Act 1967

AND

In the matter of Colex Holdings Limited
(Singapore UEN No. 197101485G)

...Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Between

Colex Holdings Limited

And

Scheme Shareholders (as defined herein)

And

Bonvests Holdings Limited

APPENDIX 13 THE SCHEME

PRELIMINARY

In this Scheme of Arrangement, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings:

“Business Day”	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act 1967 of Singapore
“Court”	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“Cut-off Date”	:	The date falling six months from the Joint Announcement Date (or such other date as may be agreed in writing between the Offeror and Target Company)
“Effective Date”	:	The date on which the Scheme becomes effective and binding in accordance with its terms, which date shall, in any event, be no later than the Cut-off Date
“Encumbrances”	:	Any claim, charge, mortgage, security, pledge, lien, option, restriction, equity, power of sale, hypothecation or other third party rights or interest, retention of title, right of pre-emption, right of first refusal or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Entitled Scheme Shareholders”	:	Scheme Shareholders as at 5.00 p.m. on the Record Date
“Joint Announcement”	:	The joint announcement by the Target Company and the Offeror dated 17 October 2022 in relation to, <i>inter alia</i> , the Privatisation and the Scheme
“Joint Announcement Date”	:	17 October 2022, being the date of the Joint Announcement
“Latest Practicable Date”	:	12 January 2023, being the latest practicable date prior to the printing of this Scheme Document
“Offeror”	:	Bonvests Holdings Limited
“Offeror Group”	:	The Offeror and its subsidiaries
“Record Date”	:	A date to be announced (before the Effective Date) by the Target Company on which the Transfer Books and the Register of Members will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme

APPENDIX 13 THE SCHEME

“Register of Members”	:	The register of members of the Target Company
“Scheme Consideration”	:	S\$0.23 for each Target Company Scheme Share held by each Scheme Shareholder as at the Record Date, which shall be satisfied in cash (rounded down to the nearest S\$0.01, where applicable) in accordance with the terms and conditions of the Scheme
“Scheme Document”	:	This document dated 19 January 2023 issued by the Target Company to Scheme Shareholders which contains, <i>inter alia</i> , details of the Scheme
“Scheme Shareholders”	:	The holders of the Target Company Scheme Shares
“Securities Account”	:	The relevant securities account maintained by a depositor with CDP but does not include a securities sub-account
“Securities and Futures Act”	:	The Securities and Futures Act 2001 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Target Company Shares in the Register of Members and depositors who have Target Company Shares entered against their names in the Depository Register
“S\$” and “Singapore cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Target Company”	:	Colex Holdings Limited
“Target Company Excluded Shares”	:	Target Company Shares held by the Offeror Group
“Target Company Scheme Shares”	:	Target Company Shares excluding the Target Company Excluded Shares
“Target Company Shares”	:	Means the shares in the Target Company
“Transfer Books”	:	The transfer books of the Target Company
“%” or “per cent.”	:	Per centum or percentage

The terms “**depositor**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

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

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

APPENDIX 13 THE SCHEME

Any reference in this Scheme to any enactment or statute is a reference to that enactment or statute for the time being amended, modified, supplemented or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Code, the Catalist Rules or any modification thereof and used but not otherwise defined in this Scheme shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act, the Code, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

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

RECITALS

- (A) The Target Company was incorporated in Singapore on 31 December 1971 and was listed on the SESDAQ (now known as the Catalist of the SGX-ST) since April 1999. As at the Latest Practicable Date, (i) the Target Company had 132,522,560 Target Company Shares in issue and no treasury shares or subsidiary holdings, and (ii) there were no options or convertible securities of the Target Company outstanding.
- (B) The primary purpose of this Scheme is the acquisition by the Offeror of all the Target Company Scheme Shares.
- (C) The Company and the Offeror have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme and the implementation thereof.
- (D) The Offeror has agreed to appear by legal counsel at the hearing of the Originating Summons to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

1. CONDITIONS PRECEDENT

This Scheme is conditional upon each condition precedent set out in Schedule 1 to the Implementation Agreement (as reproduced in Appendix 6 to the Scheme Document) being satisfied or, subject to the terms of the Implementation Agreement, being waived on or before the Cut-off Date.

2. TRANSFER OF THE SCHEME SHARES

- 2.1 With effect from the Effective Date, all of the Target Company Scheme Shares held by Entitled Scheme Shareholders will be transferred to the Offeror fully paid, free from all Encumbrances and together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Target Company to the Scheme Shareholders on or after the Joint Announcement Date.
- 2.2 For the purpose of giving effect to the transfer of the Target Company Scheme Shares provided for in Clause 2 of this Scheme:
 - (a) in the case of Entitled Scheme Shareholders (not being depositors), the Target Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders an instrument or instruction of transfer of all the Target Company Scheme Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder; and

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- (b) in the case of Entitled Scheme Shareholders (being depositors), the Target Company shall instruct CDP, for and on behalf of such Entitled Scheme Shareholders, to debit, not later than seven (7) Business Days after the Effective Date, all the Target Company Scheme Shares standing to the credit of the Securities Account of such Entitled Scheme Shareholders and credit all of such Target Company Scheme Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror.

3. PAYMENT OF SCHEME PRICE

- 3.1 In consideration for the transfer of the Scheme Shares to the Offeror under Clause 2.1 of this Scheme and subject to Clause 1 of this Scheme, the Offeror shall pay or procure that there shall be paid to each Entitled Scheme Shareholder the Scheme Consideration of S\$0.23 in cash for each Target Company Scheme Share transferred pursuant to this Scheme.
- 3.2 The Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Target Company Scheme Shares set out in Clause 2.2 above, make payment of the aggregate Scheme Consideration payable on the transfer of the Target Company Scheme Shares pursuant to the Scheme to:
- (a) each Entitled Scheme Shareholder (not being a depositor) by sending a cheque for the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to the first named Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Scheme Shareholders; and
- (b) each Entitled Scheme Shareholder (being a depositor) by making payment of the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder to CDP. CDP shall (A) in the case of an Entitled Scheme Shareholder (being a depositor) who has registered for CDP's direct crediting service, credit the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder, to the designated bank account of such Entitled Scheme Shareholder and (B) in the case of an Entitled Scheme Shareholder (being depositor(s)) who has or have not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Scheme Shareholder's cash ledger with CDP and such Scheme Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified and supplemented from time to time, copies of which will be available from CDP.
- 3.3 Assuming that the Scheme becomes effective and binding on 28 February 2023, the crediting by CDP of the Scheme Consideration into the designated bank accounts of the Entitled Scheme Shareholders (in the case of the Entitled Scheme Shareholders being Depositors and who have registered with CDP for its direct crediting service), the crediting by CDP of the Scheme Consideration into the cash ledger with CDP of the Entitled Scheme Shareholders (in the case of the Entitled Scheme Shareholders being Depositors and who have not registered with CDP for its direct crediting service) or the posting of cheques for the Scheme Consideration in the manner set out in Clause 3.2(a) above, as the case may be, is expected to take place on or before 9 March 2023.
- 3.4 The despatch of payment by the Offeror to each Entitled Scheme Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

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- 3.5 (a) In relation to Entitled Scheme Shareholders, on and after the day being six (6) calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Target Company's name with a licensed bank in Singapore selected by the Target Company.
- (b) The Target Company or its successor entity shall hold such moneys until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clause 3.2 of this Scheme to persons who satisfy the Target Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in Clause 3.2 of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Target Company thereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to Clause 3.1 of this Scheme.
- (c) On the expiry of six (6) years from the Effective Date, each of the Target Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under the Scheme and the Target Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in Clause 3.5(a) of the Scheme including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.
- (d) Clause 3.5(c) of this Scheme shall take effect subject to any prohibition or condition imposed by law.
- 3.6 From the Effective Date, each existing share certificate representing a former holding of Target Company Scheme Shares by Entitled Scheme Shareholders (not being depositors) will cease to be evidence of title of the Target Company Scheme Shares represented thereby.
- 3.7 Entitled Scheme Shareholders (not being depositors) who have not already done so are requested to take the necessary action to ensure that the Target Company Scheme Shares owned by them are registered in their names with the Share Registrar, KCK Corpserve Pte. Ltd. at 1 Raffles Place, One Raffles Place, #04-63, Singapore 048616, by 5.00 p.m. on the Record Date.

4. EFFECTIVE DATE

- 4.1 Subject to the satisfaction of the conditions precedent set out in Clause 1 of this Scheme, this Scheme shall become effective and binding if all the Scheme Conditions have been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement and upon a copy of the order of the Court sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with the Accounting and Corporate Regulatory Authority of Singapore for registration.
- 4.2 Unless this Scheme shall have become effective and binding as aforesaid on or before the Cut-off Date (or such other date as the Court on the application of the Target Company or the Offeror may allow), this Scheme shall lapse.
- 4.3 The Target Company and the Offeror may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.

APPENDIX 13 THE SCHEME

- 4.4 In the event that this Scheme does not become effective and binding for any reason, the costs and expenses incurred by the Target Company in connection with this Scheme will be borne by the Target Company.
- 4.5 This Scheme shall be governed by, and construed in accordance with, the laws of Singapore, and the Target Company, the Offeror and Scheme Shareholders submit to the non-exclusive jurisdiction of the courts of Singapore. A person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term or provision of this Scheme.

Dated 19 January 2023

APPENDIX 14
NOTICE OF SCHEME MEETING

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Case no: HC/OA 820/2022

In the Matter of Section 210 of the
Companies Act 1967

And

In the Matter of Colex Holdings Limited
(Company Registration No. 197101485G)

...Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Between

Colex Holdings Limited

And

Scheme Shareholders (as defined herein)

And

Bonvests Holdings Limited

APPENDIX 14 NOTICE OF SCHEME MEETING

NOTICE OF SCHEME MEETING

NOTICE IS HEREBY GIVEN that by an Order of Court made in the above matter, the High Court of the Republic of Singapore (the “**Court**”) has directed a meeting (the “**Scheme Meeting**”) of Scheme Shareholders of Colex Holdings Limited (the “**Target Company**”) to be convened and such Scheme Meeting shall be held at NTUC Centre, 1 Marina Boulevard, Training Room 701 at Level 7, One Marina Boulevard, Singapore 018989 on 3 February 2023 at 9:00 a.m., for the purpose of considering and, if thought fit, approving the following resolution.

All references to the Scheme Document in this Notice of Scheme Meeting shall mean the Target Company’s Scheme Document to Scheme Shareholders dated 19 January 2023. All capitalised terms not otherwise defined herein shall have the meanings given to them in the Scheme Document.

By the said Order of Court, the Court has appointed Lim Chee San, or failing him, any other director of the Target Company, to act as Chairman of the Scheme Meeting and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to, inter alia, the subsequent sanction of the Court.

RESOLUTION

RESOLVED THAT the Scheme of Arrangement dated 19 January 2023 proposed to be made pursuant to Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”), between (i) the Target Company, (ii) Scheme Shareholders and (iii) Bonvest Holdings Limited, a copy of which has been circulated with this Notice convening this Scheme Meeting, be and is hereby approved.

NOTES AND IMPORTANT INFORMATION

1. A copy of the said Scheme and a copy of the Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act, are incorporated in the printed document of which this Notice forms part.

Physical Meeting

2. The Scheme Meeting is being convened, and will be held physically at NTUC Centre, 1 Marina Boulevard, Training Room 701 at Level 7, One Marina Boulevard, Singapore 018989, in accordance with and subject to such vaccinated-differentiated safe management measures and other measures which may be prescribed by any prevailing regulations, directives, measures or guidelines that may be issued by any government and regulatory agency in light of the COVID-19 situation from time to time. **There will be no option for Scheme Shareholders to participate virtually.**
3. All documents (including the Scheme Document dated 19 January 2023, Proxy Form and this Notice) are published on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements?value=COLEX%20HOLDINGS%20LIMITED&type=company>, and the Target Company’s website at <http://www.colex.com.sg/investor-relations> or by scanning the QR code below.



APPENDIX 14 NOTICE OF SCHEME MEETING

4. Overseas Company Shareholders may request for printed copies of the Scheme Document and related documents by post to the Share Registrar, KCK Corpserve Pte. Ltd. at 1 Raffles Place, #04-63, One Raffles Place, Singapore 048616 or via email to colex-meeting@kckcs.com.sg to be sent to an address in Singapore by ordinary post no later than three (3) market days prior to the date of the Scheme Meeting. Printed copies of the Scheme Document will be sent to the address in Singapore specified by the Overseas Company Shareholder at his/her/its own risk.

Pre-registration

5. Scheme Shareholders who wish to attend the Scheme Meeting are strongly encouraged to pre-register their interest at the Target Company's Scheme Meeting pre-registration website ("**Scheme Meeting Pre-Registration Website**") at <https://complete-corp.com/colex-scheme-meeting/> before 9:00 a.m. on 31 January 2023 ("**Pre-Registration Deadline**") for the Target Company to verify their status as Scheme Shareholders. Authenticated Scheme Shareholders will receive an email ("**Confirmation Email**") containing details of the physical Scheme Meeting. Scheme Shareholders must not forward the email to third persons who are not verified as Scheme Shareholders or who are not entitled to attend the Scheme Meeting.
6. Scheme Shareholders who do not receive the Confirmation Email by 9:00 a.m. on 2 February 2023 but have registered by the Pre-Registration Deadline should contact the Target Company via email at colex-sm@complete-corp.com.

Any registrations received after the Pre-Registration Deadline will not be processed.

Submission of Questions in Advance

7. Scheme Shareholders who have any substantial and relevant questions in relation to any agenda item of this Notice, are encouraged to submit their questions to the Target Company in advance, by 9:00 a.m. on 26 January 2023 via the following means:
- (a) electronic submission via the Target Company's Scheme Meeting Pre-Registration Website at <https://complete-corp.com/colex-scheme-meeting/>;
 - (b) electronic mail to investorrelations@colex.com.sg; or
 - (c) post to Target Company's registered office at 541 Orchard Road #16-00 Liat Towers, Singapore 238881.
8. Scheme Shareholders who submit questions by post must include the following information in their submission:
- (a) their (i) full name, (ii) full NRIC/Passport/Company Registration No., and (iii) address; and
 - (b) the manner in which the Target Company Scheme Shares are held by them (e.g. via CDP, scrip, CPF or SRS).
9. The Target Company will address the substantial and relevant questions by 9:00 a.m. on 28 January 2023 (at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms) and the Target Company's responses will be posted on the SGXNet and the Target Company's website. Should there be subsequent clarification sought, or follow-up questions after the deadline of the submission of questions, the Target Company will address those substantial and relevant questions at the Scheme Meeting.

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Submission of questions during the Scheme Meeting

10. Authenticated Scheme Shareholders and proxy(ies) attending the Scheme Meeting will be able to ask questions in person at the Scheme Meeting venue.
11. Where there are substantially similar questions submitted (whether the questions are submitted in advance or at the Scheme Meeting), the Target Company will consolidate these questions. As such, not all questions may be individually addressed.

Voting

12. Live voting will be conducted during the Scheme Meeting for Scheme Shareholders and proxy(ies) attending the Scheme Meeting.
13. Scheme Shareholders who wish to appoint proxy(ies) to attend and vote at the Scheme Meeting on their behalf must complete and submit the Proxy Form in accordance with the instructions set out in the Proxy Form.
14. A Scheme Shareholder, who is entitled to attend, and vote at the Scheme Meeting, is entitled to appoint 1 (and not more than 1) proxy to attend and vote at the Scheme Meeting.
15. For CPF and SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their votes at least seven 7 working days before the Scheme Meeting (i.e. by 9:00 a.m. on 25 January 2023), to ensure that their votes are submitted. Other investors holding the Target Company Scheme Shares through Relevant Intermediaries who wish to vote should approach their Relevant Intermediaries as soon as possible to specify voting instructions.
16. In the case of Target Company Scheme Shares entered in the Depository Register, the Target Company may reject any instrument appointing a proxy/proxies lodged if the Scheme Shareholders, being the appointor, is not shown to have Target Company Scheme Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Scheme Meeting (i.e. by 9:00 a.m. on 31 January 2023), as certified by CDP to the Target Company.
17. A proxy need not be a Scheme Shareholder of the Target Company.
18. A form of proxy applicable for the Scheme Meeting is enclosed with the printed document of which this Notice forms part.
19. Please see the Scheme Document and the Notes to Proxy Form for more information.
20. In the case of joint holders of Target Company Scheme Shares, any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting, the person whose name stands first in the Register of Members of the Target Company or, as the case may be, the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore (the "**Securities and Futures Act**")) shall alone be entitled to vote.
21. For the purposes of satisfying the condition under Section 210(3AB)(b) of the Companies Act:
 - (a) a Scheme Shareholder (other than a Scheme Shareholder who is a Relevant Intermediary) may only cast all the votes it uses at the Scheme Meeting in one way and may only:
 - (i) cast all its votes "for" the Scheme;
 - (ii) cast all its votes "against" the Scheme; or
 - (iii) abstain from voting;

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NOTICE OF SCHEME MEETING

- (b) a Scheme Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Company Scheme Share. A Relevant Intermediary may:
- (i) vote “for” the Scheme;
 - (ii) vote “against” the Scheme; or
 - (iii) abstain from voting.

“Relevant Intermediary” shall mean a “relevant intermediary” as defined in Section 181 of the Companies Act or a “depository agent” as defined in Section 81SF of the Securities and Futures Act.

22. For the purposes of satisfying the condition under Section 210(3AB)(a) of the Companies Act:

- (a) each Scheme Shareholder that appoints a proxy (including the Chairman of the Scheme Meeting) to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Scheme Shareholders present and voting at the Scheme Meeting. Where the Chairman has been appointed as the proxy of more than one Scheme Shareholder to vote at the Scheme Meeting, the votes of the Chairman shall be counted as the votes of the number of appointing Scheme Shareholders;
- (b) the Target Company shall treat a Relevant Intermediary that casts votes both for and against the Scheme as follows:
 - (i) the Target Company shall treat the Relevant Intermediary as casting 1 vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
 - (ii) the Target Company shall treat the Relevant Intermediary as casting 1 vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
 - (iii) the Target Company shall treat the Relevant Intermediary as casting 1 vote for and 1 vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.

23. The duly completed and signed Proxy Form must be deposited not less than 72 hours before the time scheduled for the Scheme Meeting (i.e. by 9:00 a.m. on 31 January 2023) via the following means:

- (a) post to the Share Registrar, KCK Corpserve Pte. Ltd., to 1 Raffles Place, #04-63 One Raffles Place, Singapore 048616; or
- (b) electronic mail to colex-meeting@kckcs.com.sg.

24. A Scheme Shareholder who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

25. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Scheme Shareholders to submit completed Proxy Forms by post, Scheme Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.**

26. Any incomplete or unsigned Proxy Forms will be treated as voided.

APPENDIX 14
NOTICE OF SCHEME MEETING

Personal data privacy

27. By submitting an instrument appointing a proxy or proxies and/or representative(s) to attend, speak and vote at the Scheme Meeting and/or adjournment thereof, a Scheme Shareholder:
- (a) consents to the collection, use and disclosure of the Scheme Shareholder's personal data by the Target Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Target Company (or its agents or service providers) of the proxies for the Scheme Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Scheme Meeting (including any adjournment thereof), and in order for the Target Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively the "**Purposes**");
 - (b) warrants that where the Scheme Shareholder discloses the personal data of the Scheme Shareholder's proxy(ies) and/or representative(s) to the Target Company (or its agents), the Scheme Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Target Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
 - (c) agrees that the Scheme Shareholder will indemnify the Target Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Scheme Shareholder's breach of warranty.

Due to the constantly evolving COVID-19 situation in Singapore, the Target Company may be required to change the arrangements for the Scheme Meeting at short notice. Scheme Shareholders should check Target Company's website at <http://www.colex.com.sg/investor-relations/> and SGXNet at <https://www.sgx.com/securities/company-announcements?value=COLEX%20HOLDINGS%20LIMITED&type=company> for the latest updates on the Scheme Meeting.

Dated this 19th day of January 2023

TSMP Law Corporation
6 Battery Road
Level 5
Singapore 049909

Solicitors for
COLEX HOLDINGS LIMITED

PROXY FORM FOR SCHEME MEETING

PROXY FORM SCHEME MEETING COLEX HOLDINGS LIMITED

(Company Registration No.: 197101485G)
(Incorporated in the Republic of Singapore)

Important:

1. This Proxy Form is not valid for use by persons who hold shares through Relevant Intermediaries and shall be ineffective for all intents and purposes if used or purported to be used by them CPF and SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their votes by 9:00 a.m. on 25 January 2023 being 7 working days before the date of the Scheme Meeting.
2. CPF and SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting this Proxy Form, the Scheme Shareholders accepts and agrees to the personal data privacy terms set out in the Notice.

I/We _____ (Name) _____ (NRIC/Passport No.)

of _____ (Address)

being a member/members of Colex Holdings Limited (the "**Target Company**") hereby appoint

Name	Address	NRIC/Passport No.

or failing him/her, the Chairman of the Scheme Meeting of the Target Company, as my/our proxy to attend and to vote for me/us on my/our behalf at the Scheme Meeting, to be held at NTUC Centre, 1 Marina Boulevard, Training Room 701 at Level 7, One Marina Boulevard, Singapore 018989 on 3 February 2023 at 9:00 a.m. and at any adjournment thereof, for the purpose of considering and, if thought fit, approving the Scheme of Arrangement referred to in the notice convening the Scheme Meeting, and at such Scheme Meeting (or at any adjournment thereof) to vote for *me/us and in *my/our name(s) for the said Scheme or against the said Scheme as hereunder indicated.

I/We direct my/our proxy to vote for or against the Scheme of Arrangement to be proposed at the Scheme Meeting as indicated hereunder. If no specific directions as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Scheme Meeting (or at any adjournment thereof). If no person is named in the above boxes, the Chairman of the Scheme Meeting shall be my/our proxy to vote, for or against the Scheme at the Scheme Meeting, for me/us and on my/our behalf at the Scheme Meeting and at any adjournment thereof.

RESOLUTION	FOR**	AGAINST**	ABSTAIN**
To approve the Scheme of Arrangement			

** If you wish to vote "FOR" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "FOR" set out above. If you wish to vote "AGAINST" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "AGAINST" set out above. If you wish to abstain from voting on the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "ABSTAIN" set out above. **DO NOT TICK IN MORE THAN ONE BOX.**

Dated this _____ day of _____ 2023

**Total no. of Target Company
Scheme Shares held**

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

IMPORTANT: PLEASE REFER TO NOTES TO PROXY FORM AND BUSINESS REPLY ENVELOPE ON REVERSE PAGE

NOTES TO PROXY FORM:

1. Please insert the total number of Target Company Scheme Shares held by you. If you have Target Company Scheme Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Target Company Scheme Shares. If you have Target Company Scheme Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Target Company Scheme Shares. If you have Target Company Scheme Shares entered against your name in the Depository Register and Target Company Scheme Shares registered in your name in the Register of Members, you should insert the aggregate number of Target Company Scheme Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If the number of Target Company Scheme Shares is not inserted, this instrument shall be deemed to relate to the entire number of Target Company Scheme Shares registered in your name(s).
2. The duly completed and signed Proxy Form must be deposited not less than 72 hours before the time scheduled for the Scheme Meeting (i.e. by 9:00 a.m. on 31 January 2023) via either the following means:
 - (a) post to the Share Registrar, KCK Corpserve Pte. Ltd., to 1 Raffles Place, #04-63 One Raffles Place, Singapore 048616; or
 - (b) electronic mail to colex-meeting@kckcs.com.sg.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Scheme Shareholders to submit completed Proxy Forms by post, Scheme Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.
3. A proxy need not be a Scheme Shareholder of the Target Company.
4. Where an instrument appointing a proxy is submitted by electronic mail, it must be by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
5. The instrument appointing a proxy must be under the hand of the appointor or his attorney duly authorised in writing or, where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Any alteration made to the Proxy Form should be initialled by the person who signs it.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Target Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
7. The Share Registrar shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of Scheme Shareholders whose Target Company Scheme Shares are entered against their names in the Depository Register, the Share Registrar may reject any instrument appointing a proxy if such Scheme Shareholders are not shown to have Target Company Scheme Shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Scheme Meeting as certified by The Central Depository (Pte) Limited to the Share Registrar.
8. A Depositor shall not be regarded as a Scheme Shareholder entitled to attend the Scheme Meeting and to speak and vote there at unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
9. In the case of joint holders of Target Company Scheme Shares, any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting, the person whose name stands first in the Register of Members of the Target Company or, as the case may be, the Depository Register (as defined in Section 81SF of the Securities and Futures Act) shall alone be entitled to vote.
10. The submission of an instrument appointing a proxy by a Scheme Shareholder does not preclude him from attending and voting at the Scheme Meeting if he so wishes. In such event, the instrument appointing a proxy will be deemed to be revoked and the Target Company reserves the right to refuse to admit any person appointed under the instrument appointing, to the Scheme Meeting.
11. For the purposes of satisfying the condition under Section 210(3AB)(b) of the Companies Act:
 - (a) a Scheme Shareholder (other than a Scheme Shareholder who is a Relevant Intermediary) may only cast all the votes it uses at the Scheme Meeting in one way and may only:
 - (i) cast all its votes "for" the Scheme;
 - (ii) cast all its votes "against" the Scheme; or
 - (iii) abstain from voting;
 - (b) a Scheme Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Company Scheme Share. A Relevant Intermediary may:
 - (i) vote "for" the Scheme;
 - (ii) vote "against" the Scheme; or
 - (iii) abstain from voting."Relevant Intermediary" shall mean a "relevant intermediary" as defined in Section 181 of the Companies Act or a "depository agent" as defined in Section 81SF of the Securities and Futures Act.
12. For the purposes of satisfying the condition under Section 210(3AB)(a) of the Companies Act:
 - (a) each Scheme Shareholder that appoints a proxy (including the Chairman of the Scheme Meeting) to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Scheme Shareholders present and voting at the Scheme Meeting. Where the Chairman has been appointed as the proxy of more than one Scheme Shareholder to vote at the Scheme Meeting, the votes of the Chairman shall be counted as the votes of the number of appointing Scheme Shareholders;
 - (b) the Target Company shall treat a Relevant Intermediary that casts votes both for and against the Scheme as follows:
 - (i) the Target Company shall treat the Relevant Intermediary as casting 1 vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
 - (ii) the Target Company shall treat the Relevant Intermediary as casting 1 vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
 - (iii) the Target Company shall treat the Relevant Intermediary as casting 1 vote for and 1 vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.

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**BUSINESS REPLY SERVICE
PERMIT NO. 08701**



**COLEX HOLDINGS LIMITED
DBS BANK LTD.
c/o KCK CORP SERVE PTE. LTD.
1 RAFFLES PLACE
#04-63 ONE RAFFLES PLACE TOWER 2
SINGAPORE 048616**

