

CIRCULAR DATED 7 MARCH 2023

THIS CIRCULAR IS ISSUED BY SAKARI RESOURCES LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF PRIMEPARTNERS CORPORATE FINANCE PTE. LTD., THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

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

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company ("**Shares**"), you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



Sakari

SAKARI RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199504024R)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY UNCONDITIONAL CASH OFFER

by

PHILLIP SECURITIES PTE LTD

(Incorporated in the Republic of Singapore)
Company Registration No.: 197501035Z

for and on behalf of

PT SINTESA BARA GEMILANG

(Incorporated in the Republic of Indonesia)
Company Registration No.: 9120317062282

to acquire all the issued and paid-up ordinary shares in the capital of the Company, other than Shares held in treasury and those already owned, controlled or agreed to be acquired by PT Sintesa Bara Gemilang and parties acting or deemed to be acting in concert with it

Independent Financial Adviser to the Independent Directors



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No.: 200207389D

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER (AS DEFINED HEREIN) AT 5.30 P.M. (SINGAPORE TIME) ON 30 MARCH 2023 ("CLOSING DATE"). ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

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DEFINITIONS

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

"Acquisition"	:	The acquisition of the entire issued share capital of the Target in accordance with the terms of the Share Purchase Agreement
"Astrindo"	:	PT Astrindo Nusantara Infrastruktur TBK
"Business Day"	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for general business in Singapore
"Circular"	:	This circular to Shareholders dated 7 March 2023 in relation to the Offer
"Closing Date"	:	5.30 p.m. (Singapore time) on 30 March 2023, such date being the last day for the lodgement of acceptances of the Offer
"Code"	:	The Singapore Code on Take-overs and Mergers
"Company"	:	Sakari Resources Limited
"Companies Act"	:	The Companies Act, 1967 of Singapore
"Company Securities"	:	Shares, securities which carry voting rights in the Company, and convertible securities, warrants, options and derivatives in respect of any Shares or such securities
"Constitution"	:	The Constitution of the Company
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"FAT"	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document
"FY"	:	The financial year ended or ending 31 December
"Group"	:	The Company and its subsidiaries
"IFA"	:	PrimePartners Corporate Finance Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
"IFA Letter"	:	The letter dated 7 March 2023 from the IFA to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular
"Independent Directors"	:	The Directors who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Offer, namely, Mr Cherdchai Boonchoochauy, Mr Ekachai Sirithammasan, Mr Thanakorn Poolthavee, Mr Han Eng Juan, and Mrs Sujirat Thientawach
"Latest Practicable Date"	:	2 March 2023, being the latest practicable date prior to the electronic despatch of this Circular, save that where parts of the Offer Document are reproduced, references to the "Latest Practicable Date" in such reproduction shall mean the Offer Document Latest Practicable Date
"Offer"	:	The mandatory unconditional cash offer made by Phillip Securities, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document and/or the FAT
"Offer Announcement"	:	The announcement relating to the Offer released by Phillip Securities, for and on behalf of the Offeror, on the Offer Announcement Date

"Offer Announcement Date"	:	15 February 2023
"Offer Document"	:	The document in respect of the Offer dated 2 March 2023, including the FAT, and any other document which may be issued by Phillip Securities, for and on behalf of the Offeror, to amend, revise, supplement or update such document from time to time
"Offer Document Latest Practicable Date"	:	28 February 2023, being the latest practicable date prior to the electronic despatch of the Offer Document as stated in the Offer Document
"Offer Price"	:	S\$0.5846 in cash for each Offer Share
"Offer Shares"	:	All the issued and paid-up Shares other than Shares held in treasury and those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it
"Offeror"	:	PT Sintesa Bara Gemilang
"Offeror Securities"	:	(a) Offeror Shares, (b) securities which carry substantially the same rights as any Offeror Shares, and (c) convertible securities, warrants, options and derivatives in respect of any Offeror Shares or such securities in (b)
"Offeror Shares"	:	Ordinary shares in the capital of the Offeror
"Overseas Shareholders"	:	Shareholders whose addresses are outside Singapore as shown on the Register
"Phillip Securities"	:	Phillip Securities Pte Ltd
"Pre-Conditions"	:	Conditions precedent in the Share Purchase Agreement
"Pre-Conditional Offer Announcement"	:	The notice on The Straits Times made by the Offeror relating to the pre-conditional mandatory general cash offer made by the Offeror on the Pre-Conditional Offer Announcement Date
"Pre-Conditional Offer Announcement Date"	:	22 November 2022
"Reference Period"	:	The period commencing on 23 May 2022, being the date falling six (6) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date
"Register"	:	The register of members of the Company
"SFA"	:	Securities and Futures Act, 2001 of Singapore, as amended, modified and supplemented from time to time
"Shareholders"	:	Persons who are registered as holders of Shares in the Register
"Shares"	:	Issued and paid-up ordinary shares in the capital of the Company
"Share Purchase Agreement"	:	Shall have the meaning as ascribed to it in Section 1.1(a) of this Circular
"SIC"	:	Securities Industry Council of Singapore
"Target"	:	Nusantara Mining Limited (formerly known as PTT Mining Limited)

"Vendor" : PTT International Holdings Limited

Currencies and Units of Measurement

"S\$" and "cents" : Singapore dollars and cents, respectively, being the lawful currency of Singapore

"US\$" and "US cents" : United States dollars and cents, respectively, being the lawful currency of the United States of America

"per cent." or "%" : Per centum or percentage

- (a) The expression "**acting in concert**" shall have the meaning ascribed to it in the Code.
- (b) Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.
- (c) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.
- (d) References to "**Offer Document**" shall include the FAT, unless the context otherwise requires.
- (e) Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in the totals of the figures in this Circular may not be an arithmetic aggregation of the figures that precede them.
- (f) References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to the Shareholders.
- (g) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code, the SFA or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the SFA, or that modification, as the case may be, unless the context otherwise requires.
- (h) The expression "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.
- (i) Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise specified.
- (j) Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.
- (k) Any reference in this Circular to the total number of Shares is a reference to a total of 1,129,144,119 Shares in issue as at the Latest Practicable Date (excluding 7,908,101 Shares held in treasury), unless the context otherwise requires.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**expect**", "**anticipate**", "**believe**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**will**", "**would**", "**should**", "**could**", "**may**" and "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward- looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of despatch of Offer Document	:	2 March 2023
Date of despatch of this Circular	:	7 March 2023
Closing Date	:	5:30 p.m. (Singapore time) on 30 March 2023
Date of settlement of consideration for valid acceptances of the Offer ⁽¹⁾	:	Within seven (7) Business Days after receipt of valid acceptances

Note:

(1) Please refer to Appendix 1 to the Offer Document for further details.

LETTER TO SHAREHOLDERS

SAKARI RESOURCES LIMITED

(Company Registration Number: 199504024R)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr Cherdchai Boonchoochau (*Director and Chairman*)
Mr Ekachai Sirithammasan (*Director*)
Mr Thanakorn Poolthavee (*Director*)
Mr Han Eng Juan (*Director*)
Mrs Sujirat Thientawach (*Director*)

Registered Address:

391B Orchard Road
#17-01
Ngee Ann City
Singapore 238874

7 March 2023

To: The Shareholders of Sakari Resources Limited

Dear Sir/Madam

MANDATORY UNCONDITIONAL CASH OFFER BY PHILLIP SECURITIES PTE LTD, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 **Pre-Conditional Offer Announcement.** On the Pre-Conditional Offer Announcement Date, the Offeror announced, *inter alia*, that:

- (a) The Offeror had on 1 August 2022 (together with Astrindo, acting as its guarantor, to guarantee the Offeror's performance of its obligations) entered into a conditional share purchase agreement with the Vendor for the Acquisition ("**Share Purchase Agreement**"). The Target is the holder of 1,081,942,625 Shares, comprising approximately 95.15% of the issued and paid-up share capital of the Company.
- (b) Under Rule 14.1 of the Code, where any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company, such person is required to make a mandatory general offer for all the shares in the company which the person and/or persons acting in concert do not already own or control.
- (c) The Offeror will make an Offer for the Offer Shares upon fulfilment of the Pre-Conditions and subject to completion of the Acquisition.

1.2 **Offer Announcement.** On the Offer Announcement Date, the Offeror announced that as a result of completion of the Acquisition which had taken place on 15 February 2023, the Offeror is required to make an Offer, in accordance with Rule 14.1(a) of the Code, for the Offer Shares.

A copy of the Offer Announcement is available on the Company's corporate website at <https://www.sakariresources.com>.

1.3 **Offer Document.** Shareholders should have, as at the date of this Circular, received a hard copy notification ("**Hardcopy Notification**") containing instructions on how to access the electronic copy of the Offer Document, together with the appropriate hardcopy form for acceptance of the Offer. Shareholders who have not received the Hardcopy Notification should contact Phillip Securities immediately.

Shareholders are advised to read the terms and conditions of the Offer contained therein carefully.

Copies of the Offer Document and the FAT are available on the Company's corporate website at <https://www.sakariresources.com/>.

- 1.4 **IFA.** The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as the independent financial adviser to advise the Independent Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.
- 1.5 **Purpose of this Circular.** The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

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

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

2. THE OFFER

2.1 Principal Terms

The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below.

2.2 Offer Price

Paragraph 2.3 of the Offer Document states that the Offeror makes the Offer to acquire all the Offer Shares, on the following basis:

"For each Offer Share: S\$0.5846 being the Singapore dollar equivalent of USD0.44 in cash determined by reference to the USD:SGD foreign exchange reference rate which appears on the page designated as BFIX on Bloomberg on 15 February 2023 at approximately 10:00am (the "Offer Price")."

The Offer Price is final and the Offeror will not revise the Offer Price."

2.3 No Encumbrances

Paragraph 2.5 of the Offer Document states the following:

"2.5. No Encumbrances

*The Offer Shares will be acquired (i) fully paid, (ii) free from Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions announced, declared, paid or made thereon by the Offeree (collectively, the "**Distributions**") (if any), the Record Date for which falls on or after the Offer Announcement Date. For the purpose of this section, "**Record Date**" means, in relation to any Distributions, the date on which Shareholders must be registered with the Offeree in order to participate in such Distributions."*

2.4 Adjustments for Distribution

Paragraph 2.6 of the Offer Document states the following:

"2.6. Adjustments for Distributions

Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the Record Date for which falls on or after the Offer Announcement Date. In the event of any such Distribution, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is

equal to the amount of such Distribution as follows, depending on when the date of settlement of the Offer (the "**Offer Settlement Date**") falls:

- (i) if the Offer Settlement Date falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S\$0.5846 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Offeree; and
- (ii) if the Offer Settlement Date falls after the Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Offeree."

2.5 Closing Date

Paragraph 1 of Appendix 1 to the Offer Document states the following:

"1.1. Closing Date

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. (Singapore time) on the Closing Date (i.e. 30 March 2023). The Offeror will not extend the Offer beyond the Closing Date. Accordingly, notice is hereby given that acceptances of the Offer received after 5.30 p.m. (Singapore time) on the Closing Date will be rejected.

2.6 No Condition to the Offer

Paragraph 2.4 of the Offer Document states the following:

"2.4. Offer Unconditional

*The Offer is wholly unconditional. **Therefore, the Offer is not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer.** As set out in **Paragraph 2 of Appendix 1** of this Offer Document, Shareholders who accept the Offer will be paid the net Offer Price for their Offer Shares, as soon as practicable, and in any case within 7 Business Days after receipt by the Offeror of their valid acceptances."*

2.7 Warranty

Paragraph 2.7 of the Offer Document states the following:

"2.7. Warranty

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder to the Offeror that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from Encumbrances; and (c) together with all rights, benefits entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including but not limited to the right to receive and retain all Distributions, if any, which may be announced, declared, paid or made thereon by the Offeree, the Record Date for which falls on or after the Offer Announcement Date)."

2.8 Further Details of the Offer

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

2.9 Procedures for acceptance of the Offer

The procedures for acceptance of the Offer are set out in Appendix 2 of the Offer Document and the accompanying FAT.

3. INFORMATION ON THE OFFEROR AND ASTRINDO

3.1 Offeror and Astrindo

Information on the Offeror and Astrindo is set out in Paragraph 3 of the Offer Document, which has been extracted from the Offer Document and reproduced below.

"3.1. **The Offeror**

The Offeror is a company incorporated in the Republic of Indonesia. As at the Latest Practicable Date:-

1. *the Offeror has an issued and paid-up share capital of IDR 5,000,000,000 comprising 5,000 ordinary shares; and*
2. *the directors of the Offeror were (i) Wong Michael and (ii) Ferdy Yustianto;*

3.2. **Astrindo**

*The Offeror is 99.99% owned by PT Astrindo Nusantara Infrastruktur Tbk ("**Astrindo**"), a company incorporated in the Republic of Indonesia and listed on the Indonesian Stock Exchange. Astrindo's principal activities include integrated coal mining infrastructure services and coal mining, exploration, production and trading.*

As at the Latest Practicable Date, the directors of Astrindo were (i) Raymond Anthony Gerungan, (ii) Michael Wong, (iii) Ferdy Yustianto and (iv) Andreas Kastono Ahadi."

3.2 Further information on the Offeror and Astrindo

Shareholders should refer to Appendix 3 of the Offer Document for further information on the Offeror and Astrindo.

4. INFORMATION ON THE COMPANY

Please refer to Appendix II of this Circular for information on the Company.

5. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer as set out in paragraphs 5.1 and 5.2 of the Offer Document has been extracted from the Offer Document and reproduced below.

"5.1. **Compliance with the Code**

Under Rule 14.1(a) of the Code, where any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company, such person must extend a mandatory offer in accordance with Rule 14 of the Code.

*The Offeror had on 15 February 2023, completed the Holdco Acquisition, which resulted in the Offeror's indirect acquisition of an aggregate of 1,081,942,625 Shares, representing approximately 95.15% of the total number of issued Shares. The Offeror consulted with the SIC on the application of the chain offer principle as set out in Note 7 to Rule 14.1(a) of the Code ("**Chain Offer Principle**"), and the SIC confirmed in its ruling dated 21 October 2022 that the Chain Offer Principle applies, and that the Offeror shall be required to make the Offer.*

5.2. **Low Trading Liquidity**

Since the voluntary delisting of the Offeree from the Main Board of the Singapore Exchange Securities Trading Limited on 17 February 2013, Shareholders have experienced a lower trading liquidity of the Shares. The Offeror has no intention to seek to have the Shares relisted."

In addition, paragraph 5 of the section entitled "Highlights of PT Sintesa's Mandatory Unconditional Cash Offer for Sakari" of the Offer Document states the following:

"5. Unique Cash Exit Opportunity

The Offer represents a unique cash exit opportunity for the Shareholders to realise their entire investment, an option which may not otherwise be readily available due to the low trading liquidity of the Shares, without incurring brokerage and other trading costs.

The Offeror currently indirectly holds approximately 95.15% of the total number of Shares. The Offeror intends to procure the exercise of rights in respect of those Shares in such manner as will best meet its own corporate, commercial and financial objectives and those of the wider Astrindo group of companies. This includes to seek to invest profits of the Offeree and its subsidiaries in the development of the Indonesian mining businesses and for this reason the future dividend policy of the Offeree cannot be predicted or assured."

6. **OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY**

The full text of the Offeror's intentions in relation to the Company as set out in paragraph 5.3 of the Offer Document has been extracted from the Offer Document and reproduced below.

"5.3. Offeror's Intentions for the Offeree

It is the current intention of the Offeror for the Offeree to continue to carry on its existing business, and for the Offeree to continue evaluating strategic options and potential acquisitions from time to time.

Save as disclosed in this Offer Document, the Offeror presently has no intention to (i) introduce any major changes to the business of the Offeree, (ii) re-deploy the fixed assets of the Offeree, or (iii) discontinue the employment of the employees of the Offeree and its subsidiaries, save in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options in relation to the Offeree and its subsidiaries which may present themselves and which it may regard to be in the interest of the Offeror and/or the Offeree."

7. **COMPULSORY ACQUISITION**

The full text of the Offeror's intentions in relation to compulsory acquisition as set out in paragraph 6 of the section entitled "Highlights of PT Sintesa's Mandatory Unconditional Cash Offer for Sakari" and paragraph 5.4 of the Offer Document has been extracted from the Offer Document and reproduced below.

"6. Offeror's Intentions

The Offer will be extended to Shares, other than treasury Shares, not already owned, controlled or agreed to be acquired by the Offeror Concert Party Group. The Offeror intends to exercise any rights of compulsory acquisition that may arise under the Companies Act pursuant to or in connection with the Offer.

5.4. Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act 1967 (2020 Rev Ed) of Singapore (the "Companies Act"), if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than

90% of the total number of issued Shares (other than those already held by the Offeror Concert Party Group and their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer, at the Offer Price. **In such event, the Offeror reserves its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Offer Price, all the Shares of Shareholders who have not accepted the Offer.**

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by the Offeror Concert Party Group or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice."

8. DISCLOSURES OF HOLDINGS AND DEALINGS IN RELEVANT SECURITIES

The full text of information relating to the disclosure of holdings and dealings in relevant securities by the Offeror and persons acting in concert with the Offeror as set out in Appendix 5 to the Offer Document has been extracted from the Offer Document and reproduced below.

"1. DISCLOSURE OF INTERESTS

1.1. Holdings in Company Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Offeror and its Concert Parties owned, controlled or agreed to acquire any Shares:

No.	Name	Details of Shares	Percentage
1.	<i>Nusantara Mining Limited (formerly known as PTT Mining Limited)</i>	1,081,942,625	95.15%

1.2. Dealings

As at the Latest Practicable Date, none of the Offeror and its Concert Parties owned, controlled or agreed to acquire any Company Securities (other than Shares).

1.3. Security

As at the Latest Practicable Date, none of the Offeror and its Concert Parties has (i) granted a security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise save that 95.15% of the Offeree's shares (1,081,942,625 of the Offeree's shares) owned by Nusantara Mining Limited (formerly known as PTT Mining Limited) will be pledged to the lenders in respect of the Proposed Financing, (ii) borrowed any Company Securities from another person (excluding borrowed securities which have been on-lent or sold), or (iii) lent to another person any Company Securities.

1.4. No Agreement having any Connection with or Dependence upon Offer.

As at the Latest Practicable Date, save in respect of the Holdco Acquisition, there was no agreement, arrangement or understanding between (i) the Offeror or any of its Concert Parties and (ii) any of the current or recent directors of the Offeree or any of the current or recent shareholders of the Offeree having any connection with or dependence upon the Offer.

1.5. Transfer of Offer Shares.

As at the Latest Practicable Date, there was no agreement, arrangement or understanding whereby any Offer Shares acquired pursuant to the Offer will be transferred to any other person. However, the Offeror reserves the right in its absolute discretion to sell, dispose of or transfer any or all of the Offer Shares to any person at any time and from time to time after the close of the Offer.

1.6. No Payment or Benefit to Directors of the Offeree.

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 of the Offeree or any of its Concert Parties as compensation for loss of office or otherwise in connection with the Offer.

1.7. No Agreement Conditional upon Outcome of Offer.

As at the Latest Practicable Date, there was no agreement, arrangement or understanding between (i) the Offeror, and (ii) any of the directors of the Offeree or any other person in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.

1.8. Transfer Restrictions.

The Memorandum and Articles of Association of the Offeree do not contain any restrictions on the right to transfer the Offer Shares, which has the effect of requiring holders of such Offer Shares, before transferring them, to offer them for purchase to members of the Offeree or to any person.

1.9. Indemnity and Other Arrangements.

As at the Latest Practicable Date, neither the Offeror nor any of its Concert Parties has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to Shares which may be an inducement to deal or refrain from dealing in Shares."

9. CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources by Phillip Securities as set out in paragraph 6 of the Offer Document has been extracted from the Offer Document and reproduced below.

"6. CONFIRMATION OF FINANCIAL RESOURCES

Phillip Securities, as financial adviser to the Offeror in connection with the Offer, has confirmed that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by holders of the Offer Shares on the basis of the Offer Price."

10. INDEPENDENCE OF THE DIRECTORS

As at the Latest Practicable Date, all of the Directors consider themselves to be independent for the purposes of making a recommendation on the Offer.

11. ADVICE OF THE IFA ON THE OFFER

11.1 IFA

PrimePartners Corporate Finance Pte. Ltd. has been appointed as the IFA to advise the Independent Directors in respect of the Offer. Shareholders should read and consider carefully the advice of the IFA to the Independent Directors in respect of the Offer as set out in the IFA Letter (set out in Appendix I herein) and the recommendation of the Independent Directors to the Shareholders as set out in Section 13 of this Circular before deciding whether to accept or reject the Offer.

11.2 Evaluation of the Offer by the IFA

The IFA Letter setting out the advice and recommendation of the IFA to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular. The key factors relied upon by the IFA in arriving at its advice to the Independent Directors are set out in paragraph 8 of the IFA Letter.

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

11.3 Advice of the IFA to the Independent Directors in respect of the Offer

Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has made certain recommendation to the Independent Directors as set out in paragraph 8 of the IFA Letter, an extract of which is reproduced below.

8. OPINION

In arriving at our opinion in respect of the Offer, we have taken into account the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):

Factors in favour of the Offer Price:

- (a) *In respect of the Precedent Privatisation Transactions, the Company's implied P/NAV ratio of 0.96 times is higher than the median P/NAV ratios of 0.92 times;*
- (b) *In respect of the Precedent Acquisition Transactions, the EV/Reserves ratio as implied by the Offer Price of the Company of 4.3 times is higher than the mean and median EV/Reserves ratios of 2.6 and 2.1 times respectively;*
- (c) *We note that the Group operates in a highly regulated industry any ongoing and future legal and regulatory developments could have a potential adverse impact on the financial performance of the Group;*
- (d) *Pursuant to the change in control over the Company, we note that there is no assurance that the Company will continue to pay dividends in the future and/or maintain the level of dividends in past periods;*
- (e) *We note that there is no assurance that Company's future performance and dividend payout will improve or be maintained in respect of performance in past periods should there be any changes or new proposals implemented by the Offeror;*
- (f) *We note that there is no assurance that Company's future performance will continue to be positively correlated with coal prices, or that it will improve or be maintained at the current level;*
- (g) *The Offeror has expressed its intention to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer;*
- (h) *We note that following the delisting, it has become difficult for the independent Shareholders to realise their investment in the Shares given the lack of a public market for the Shares. If the independent Shareholders do not accept the Offer, there may not be another opportunity in the future for the independent Shareholders to realise their investment in the Shares; and*

- (i) *We note that the Management and Independent Directors have confirmed that as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal similar to or in competition with the Offer has been received by the Company.*

Factors against the Offer Price:

- (a) *Based on the Group's NAV per Share, the Offer Price represents a slight discount of 4.4% to the NAV per Share and the P/NAV ratio as implied by the Offer Price of 0.96 times;*
- (b) *Based on the Group's Ex-cash NAV per Share, the Offer Price as adjusted for cash and cash equivalents, represents a discount of 8.6% to the Ex-cash NAV per Share;*
- (c) *In respect of the Comparable Companies, the EV/EBITDA ratio as implied by the Offer Price of the Company of 0.6 times is lower than the mean and median of the EV/EBITDA ratios of the Comparable Companies of 2.4 times and 2.4 times respectively;*
- (d) *In respect of the Comparable Companies, the P/E ratio as implied by the Offer Price of the Company of 1.9 times is lower than the mean and median of the P/E ratios of the Comparable Companies of 3.4 times and 3.8 times respectively;*
- (e) *In respect of the Comparable Companies, the P/NAV ratio as implied by the Offer Price of the Company of 1.0 times is lower than the mean and median of the P/NAV ratios of the Comparable Companies of 1.5 times and 1.2 times respectively;*
- (f) *In respect of the Comparable Companies, the EV/Reserves ratio as implied by the Offer Price of the Company of 4.3 times is lower than the mean and median of the EV/Reserves ratios of the Comparable Companies of 8.3 times and 6.6 times respectively;*
- (g) *In respect of the Comparable Companies, the EV/Resources ratio as implied by the Offer Price of the Company of 0.6 times is lower than the mean and median of the EV/Resources ratios of the Comparable Companies of 2.3 times and 1.4 times respectively;*
- (h) *In respect of the Precedent Privatisation Transactions, the Company's implied P/NAV ratio of 0.96 times is lower than the mean P/NAV ratios of 1.62 times;*
- (i) *In respect of the Precedent Acquisition Transactions, the P/E ratio as implied by the Offer Price of the Company of 1.9 times is lower than the mean and median P/E ratios of 4.5 and 3.3 times respectively;*
- (j) *In respect of the Precedent Acquisition Transactions, the P/NAV as implied by the Offer Price of the Company of 1.0 times is lower than the mean and median P/NAV ratios of 3.0 and 2.7 times respectively;*
- (k) *In respect of the Precedent Acquisition Transactions, the EV/Resources ratio as implied by the Offer Price of the Company of 0.6 times is lower than the mean and median EV/Resources ratio of 0.9 and 1.0 times respectively;*
- (l) *The Offer Price of S\$0.5846 is below our estimated valuation range of the Shares between S\$0.917 and S\$0.991; and*
- (m) *The LTM dividend yield of the Company as implied by the Offer Price of 47.9% is higher than the range of LTM dividend yield of Comparable Companies.*

Having considered as at the Latest Practicable Date the aforementioned factors set out in this letter and summarised in this section, we are of the opinion that the financial terms of the Offer are not fair but reasonable. Based on our opinion, we advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able

to obtain a price higher than the Offer Price, taking into account all the transactions costs including stamp duties in connection with such transactions.

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

12. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors, having carefully considered the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, **CONCUR** with the advice of the IFA in respect of the Offer.

Accordingly, the Independent Directors recommend that Shareholders **ACCEPT** the Offer.

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

Further, in rendering the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

13. OVERSEAS SHAREHOLDERS

13.1 Overseas Shareholders

The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Overseas Shareholders should refer to paragraph 7 of the Offer Document which is reproduced below.

"7. OVERSEAS SHAREHOLDERS

7.1. Overseas Jurisdiction

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

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

*Copies of this Offer Document, the Notification Letter and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving*

such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

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

7.2. **Overseas Shareholders.**

The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Offer Document and the relevant acceptance forms have not been, or will not be, sent, provided that this Offer 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 Offer is not being made into any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

It is the responsibility of any Overseas Shareholder who wishes to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Shareholder shall be liable for the payment of any taxes, imposts, duties or other requisite payments payable. In accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

7.3. **Notice**

The Offeror and Phillip Securities reserve the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders by paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement."

13.2 **Copies of Circular**

This Circular may not be sent to Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date, from the offices of the Registrar at BoardRoom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632. Alternatively, an Overseas Shareholder may write to the Company at the aforementioned address to request for the Circular and any related documents to be sent to an address in Singapore by ordinary post at his/her own risk (the last date for despatch in respect of such request shall be a date falling five (5) Business Days prior to the Closing Date).

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

14. **ACTION TO BE TAKEN BY SHAREHOLDERS**

14.1 **Shareholders who wish to accept the offer**

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore Time) on 30 March 2023, being the Closing Date, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document and/or the FAT.

14.2 **Shareholders who do not wish to accept the offer**

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

15. **RESPONSIBILITY STATEMENT**

Save for the (a) IFA Letter, (b) information extracted from the Offer Announcement and the Offer Document and (c) information relating to the Offeror, Astrindo, the Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular are fair and accurate, and that no other material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading, and they jointly and severally accept responsibility accordingly.

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

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

16. **ADDITIONAL INFORMATION**

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of

SAKARI RESOURCES LIMITED

MR CHERDCHAI BOONCHOOCHAUY

Chairman and Director

**APPENDIX I – LETTER FROM PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
TO THE INDEPENDENT DIRECTORS OF SAKARI RESOURCES LIMITED
IN RESPECT OF THE OFFER**

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

7 March 2023

To: The Independent Directors of **Sakari Resources Limited**
(deemed to be independent in respect of the Offer)
391B Orchard Road
Ngee Ann City
Tower B #17-01
Singapore 238874

Mr Cherdchai Boonchoochauy (Director and Chairman)
Mr Ekachai Sirithammasan (Director)
Mr Thanakorn Poolthavee (Director)
Mr Han Eng Juan (Director)
Mrs Sujirat Thientawach (Director)

Dear Sirs

INDEPENDENT FINANCIAL ADVICE TO THE DIRECTORS DEEMED INDEPENDENT IN RESPECT OF THE MANDATORY UNCONDITIONAL CASH OFFER (THE “OFFER”) BY PT SINTESA BARA GEMILANG (“SINTESA” OR THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SAKARI RESOURCES LIMITED (THE “COMPANY”) OTHER THAN TREASURY SHARES AND THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND ITS CONCERT PARTIES (“OFFEROR CONCERT PARTY GROUP”)

Unless otherwise defined or the context otherwise requires, all terms defined in the circular issued by the Company dated 7 March 2023 (the “Circular”) shall have the same meaning herein. For the purpose of our letter, where applicable, we have used the foreign exchange rate of US\$1:S\$1.3448 and S\$1:IDR11,358 on the Latest Practicable Date. The above foreign exchange rate is extracted from published information by the Monetary Authority of Singapore (“MAS”) and is provided solely for information only.

1. INTRODUCTION

On 1 August 2022, Sintesa (together with PT Astrindo Nusantara Infrastruktur Tbk (“**Astrindo**”), with market capitalisation of IDR9,420 billion (S\$829.4 million) as at the Latest Practicable Date, acting as its guarantor, to guarantee the Offeror’s performance of its obligations) entered into a conditional share purchase agreement (as amended from time to time) with PTT International Holdings Limited in respect of the acquisition of the entire issued share capital of PTT Mining Limited (now known as Nusantara Mining Limited) (the “**Target**”).

As the Target directly owns 1,081,942,625 issued and paid-up ordinary shares of the Company (“**Shares**”), comprising approximately 95.15% of the entire issued share capital of the Company, the Offeror had consulted with the Securities Industry Council (“**SIC**”) on the application of the chain offer principle (“**Chain Offer Principle**”) as set out in Note 7 to Rule 14.1(a) of the Singapore Code on Take-overs and Mergers (the “**Code**”), and the SIC confirmed in its ruling dated 21 October 2022 that the Chain Offer Principle applies. Accordingly, the Offeror incurred the obligation to make a mandatory conditional cash offer for all the Shares, other than treasury Shares and those already owned, controlled or agreed to

be acquired by the Offeror Concert Party Group, and released a pre-conditional offer announcement in The Straits Times on 22 November 2022.

Subsequently, all the conditions to the making of the offer were fulfilled, and Phillip Securities Pte Ltd had, on 15 February 2023 (the “**Offer Announcement Date**”), for and on behalf of the Offeror, announced that all the conditions detailed in the pre-conditional offer announcement have been fulfilled and the Offeror had on 15 February 2023 completed the purchase of the Target.

As a result, the Offeror has made a mandatory unconditional cash offer (the “**Offer**”) for all the Shares, other than treasury Shares and those already owned, controlled or agreed to be acquired by the Offeror Concert Party Group at the Offer Announcement Date in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and Rule 14 of the Code. The Offer was subsequently published in The Straits Times on 16 February 2023.

The Offeror is a company incorporated in the Republic of Indonesia and is 99.99% owned by Astrindo. As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital of IDR5,000,000,000 comprising 5,000 ordinary shares, and the directors of the Offeror are Michael Wong and Ferdy Yustianto. Astrindo is a company incorporated in the Republic of Indonesia and listed on the Indonesian Stock Exchange (“**IDX**”) and its principal activities include integrated coal mining infrastructure services and coal mining, exploration, production and trading. As at 28 February 2023, the directors of Astrindo are Raymond Anthony Gerungan, Michael Wong, Ferdy Yustianto and Andreas Kastono Ahadi.

In connection with the Offer, PrimePartners Corporate Finance Pte. Ltd. (“**PPCF**”) has been appointed by the Company as independent financial adviser (“**IFA**”) to advise directors of the Company who are deemed independent in respect of the Offer (“**Independent Directors**”) for the purpose of making their recommendation to the shareholders of the Company (“**Shareholders**”) in relation to the Offer. This letter sets out, *inter alia*, our views and evaluation of the financial terms of the Offer and our opinion thereon, and forms part of the Circular providing, *inter alia*, details of the Offer and the recommendation of the Independent Directors.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors on the financial terms of the Offer in compliance with the provisions of the Code. We have confined our evaluation to the financial terms of the Offer and have not taken into account the commercial risks and/or commercial merits of the Offer.

Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Offer or on the future prospects of the Company or the Company and its subsidiaries (the “**Group**”) or the method and terms by which the Offer is made or any other alternative methods by which the Offer may be made. We have not relied on any financial projections or forecasts in respect of the Group in our evaluation to the financial terms of the Offer. We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter.

We are not authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Offer. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction that may be available to the Company (or its Shareholders), or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation of the financial terms of the Offer, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Group. We have also relied to a considerable extent on information provided (including but not limited to the Group's audited financial statements) and representations made, including relevant financial analyses and estimates, by the management of the Company (the "**Management**"), the Directors and the Group's solicitors. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such reasonable enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the accuracy or reliability of the information.

We have relied on publicly available information and also upon the assurances of the Directors that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer and the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

Our analysis and opinion as set out in this letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 2 March 2023 (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcement(s) relevant to their consideration of the Offer which may be released or published by the Company after the Latest Practicable Date.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether or not to accept the Offer.

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

Our opinion in respect of the Offer, as set out in paragraph 8 of this letter, should be considered in the context of the entirety of this letter and the Circular.

3. THE OFFER

Shareholders should by now have received a copy of the notification containing instructions on how to access the electronic copy of the offer document dated 2 March 2023 (the "**Offer Document**"), setting out, *inter alia*, the terms and conditions of the Offer, together with the appropriate hardcopy form for acceptance of the Offer. The principal terms and conditions of the Offer are set out in paragraph 2 of the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer as set out in the Offer Document carefully.**

3.1 Offer Shares

The Offer is extended, on the same terms and conditions, to all the Shares, other than treasury Shares and those Shares already owned, controlled or agreed to be acquired by the Offeror Concert Party Group (the “**Offer Shares**”).

3.2 Offer Price

As stated in paragraph 2.3 of the Offer Document, the consideration for each Offer Share is as follows:

FOR EACH OFFER SHARE: S\$0.5846 in cash.

The Offer Price is final and the Offeror will not revise the Offer Price.

3.3 Offer Unconditional

The Offer is not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer and is **wholly unconditional**. As set out in paragraph 2 of Appendix 1 to the Offer Document, Shareholders who accept the Offer will be paid the net Offer Price for their Offer Shares, as soon as practicable, and in any case within 7 business days after receipt by the Offeror of their valid acceptances.

3.4 No Encumbrances

The Offer Shares will be acquired (a) fully paid, (b) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (collectively, the “**Encumbrances**”), and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions announced, declared, paid or made thereon by the Company (collectively, the “**Distributions**”) (if any), where the record date for which falls on or after the Offer Announcement Date. The “**record date**” means, in relation to any Distributions, the date on which Shareholders must be registered with the Company in order to participate in such Distributions.

3.5 Adjustments for Distributions

Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the record date for which falls on or after the Offer Announcement Date. In the event of any such Distribution, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution as follows, depending on when the date of settlement of the Offer (the “**Offer Settlement Date**”) falls:

- (i) if the Offer Settlement Date falls on or before the record date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S\$0.5846 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and
- (ii) if the Offer Settlement Date falls after the record date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

3.6 Warranty

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder to the Offeror that each Offer Share tendered in

acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from Encumbrances; and (c) together with all rights, benefits entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including but not limited to the right to receive and retain all Distributions, if any, which may be announced, declared, paid or made thereon by the Company, the record date for which falls on or after the Offer Announcement Date).

3.7 Offer Period

As set out in the Offer Document, the Offer will close at **5.30 p.m. (Singapore time) on 30 March 2023** (the “Closing Date”).

The Offeror will not extend the Offer beyond the Closing Date. Accordingly, notice is hereby given that acceptances of the Offer received after 5.30 p.m. (Singapore time) on the Closing Date will be rejected.

3.8 Further details of the Offer

Further details of the Offer are set out in paragraph 2 and Appendix 1 to the Offer Document, including details on (i) the duration of the Offer, (ii) the settlement of the consideration for the Offer; and (iii) the requirements relating to the announcement of the level of acceptances of the Offer. Procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

4. INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company, engaged in the exploration, mining and marketing of coal in Asia and was incorporated in Singapore on 10 June 1995.

The Group owns the Sebuku mine comprising approximately 14,243 hectares on the west portion of Sebuku, an island on the most eastern position of south Kalimantan, Indonesia and the Jembayan mine comprising approximately 12,000 hectares in east Kalimantan, Indonesia. The Sebuku mine operations have been suspended since 31 December 2020 taking into account cost considerations. The Group markets and sells the coal it mines through its own subsidiary marketing company in Singapore, Tiger Energy Trading Pte Ltd.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$328,481,000 comprising 1,129,144,119 ordinary shares (excluding 7,908,101 treasury shares). The Company does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company.

Further information on the Company can be found in paragraph 4 and Appendix II to the Circular.

5. INFORMATION ON THE OFFEROR

The information on the Offeror as set out below in italics have been extracted from paragraph 3 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“3. INFORMATION ON THE OFFEROR AND ASTRINDO

3.1. *The Offeror*

The Offeror is a company incorporated in the Republic of Indonesia. As at the Latest Practicable Date:-

1. *the Offeror has an issued and paid-up share capital of IDR 5,000,000,000 comprising 5,000 ordinary shares; and*
2. *the directors of the Offeror were (i) Wong Michael and (ii) Ferdy Yustianto;*

3.2. **Astrindo**

The Offeror is 99.99% owned by PT Astrindo Nusantara Infrastruktur Tbk (“Astrindo”), a company incorporated in the Republic of Indonesia and listed on the Indonesian Stock Exchange. Astrindo's principal activities include integrated coal mining infrastructure services and coal mining, exploration, production and trading.

As at the Latest Practicable Date, the directors of Astrindo were (i) Raymond Anthony Gerungan, (ii) Michael Wong, (iii) Ferdy Yustianto and (iv) Andreas Kastono Ahadi.

3.3. **Additional Information**

Appendix 3 of this Offer Document sets out certain additional information on both the Offeror and Astrindo.”

6. **OFFEROR’S INTENTIONS FOR THE COMPANY**

The full text of the Offeror’s intentions for the Company has been extracted from paragraph 6 of “Highlights of PT Sintesa’s Mandatory Unconditional Cash Offer for Sakari” and from paragraphs 5.1 to 5.5 in the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully.**

“6. **Offeror’s Intentions**

The Offer will be extended to Shares, other than treasury Shares, not already owned, controlled or agreed to be acquired by the Offeror Concert Party Group. The Offeror intends to exercise any rights of compulsory acquisition that may arise under the Companies Act pursuant to or in connection with the Offer.

...

5. **THE OFFEROR’S INTENTIONS FOR THE OFFEREE**

5.1 **Compliance with the Code**

Under Rule 14.1(a) of the Code, where any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company, such person must extend a mandatory offer in accordance with Rule 14 of the Code.

*The Offeror had on 15 February 2023, completed the Holdco Acquisition, which resulted in the Offeror’s indirect acquisition of an aggregate of 1,081,942,625 Shares, representing approximately 95.15% of the total number of issued Shares. The Offeror consulted with the SIC on the application of the chain offer principle as set out in Note 7 to Rule 14.1(a) of the Code (“**Chain Offer Principle**”), and the SIC confirmed in its ruling dated 21 October 2022 that the Chain Offer Principle applies, and that the Offeror shall be required to make the Offer.*

5.2 **Low Trading Liquidity**

Since the voluntary delisting of the Offeree from the Main Board of the Singapore Exchange Securities Trading Limited on 17 February 2013, Shareholders have experienced a lower trading liquidity of the Shares. The Offeror has no intention to seek to have the Shares relisted.

5.3 **Offeror's Intentions for the Offeree**

It is the current intention of the Offeror for the Offeree to continue to carry on its existing business, and for the Offeree to continue evaluating strategic options and potential acquisitions from time to time.

Save as disclosed in this Offer Document, the Offeror presently has no intention to (i) introduce any major changes to the business of the Offeree, (ii) re-deploy the fixed assets of the Offeree, or (iii) discontinue the employment of the employees of the Offeree and its subsidiaries, save in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options in relation to the Offeree and its subsidiaries which may present themselves and which it may regard to be in the interest of the Offeror and/or the Offeree.

5.4 **Compulsory Acquisition**

*Pursuant to Section 215(1) of the Companies Act 1967 (2020 Rev Ed) of Singapore (the "**Companies Act**"), if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror Concert Party Group and their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer, at the Offer Price. **In such event, the Offeror reserves its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Offer Price, all the Shares of Shareholders who have not accepted the Offer.***

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by the Offeror Concert Party Group or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

5.5 **Potential Restructuring for Tax Efficiency**

Under the existing corporate structure of the Offeree, if the profits from the Indonesian operating subsidiaries of the Offeree are distributed ultimately by way of dividend to the Offeror, there are certain potential tax inefficiencies for the Offeror including (a) the imposition of withholding tax in Indonesia at a rate of 20% (which may be reduced to 10% under the relevant tax treaty) on any dividend distributed from the Indonesian subsidiaries to the Offeree (being a Singapore incorporated entity) and (b) corporate income tax in Indonesia at a rate of 22% on any dividend distributed from Nusantara Mining Limited (formerly known as PTT Mining Limited) to the Offeror. These tax inefficiencies may also apply to certain of the Shareholders depending on their holding structure.

In addition, Indonesian tax exemption facility on offshore dividend income will not be applicable since the dividend income will be used to repay the loan to certain offshore lenders, instead of being used to reinvest in Indonesia as is required to access the relevant tax exemptions.

Considering the above tax implications, the Offeror is conducting an analysis to determine the most tax-efficient corporate structure for the holding of its interests which may include the Offeror subscribing for shares in PT Separi Energy, the holding company of the Indonesian operating subsidiaries.

As at the Latest Practicable Date, the Offeror has not made any final determination to implement any change in the corporate and capital structure of the subsidiaries of the Offeree to mitigate the tax implications as set out above. However, the Offeror does not guarantee that any such corporate restructuring to mitigate its tax exposure will not proceed. This includes the Offeror subscribing for shares in PT Separi Energy, subject to compliance with all applicable laws and regulations.”

7. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the fairness and reasonableness of the financial terms of the Offer, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment of the Offer:

- (i) Financial performance of coal;
- (ii) Financial information of the Group;
- (iii) Net asset value (“NAV”) per Share and Ex-cash NAV per Share;
- (iv) Valuation ratios of selected listed companies broadly comparable to the Group;
- (v) Precedent privatisation and delisting transactions on the SGX-ST;
- (vi) Precedent acquisition transactions in comparable companies or assets;
- (vii) Estimated valuation of the Shares; and
- (viii) Dividend track record of the Company.

We have also considered other relevant considerations which have a significant bearing on our assessment as set out in paragraph 7.9 of this letter.

The figures, underlying financial and market data used in our analysis, including securities prices, trading volumes and foreign exchange rates have been extracted from S&P Capital IQ, the MAS, the SGX-ST, publicly available data and other public filings as at the Latest Practicable Date. PPCF makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

7.1 Financial performance of coal

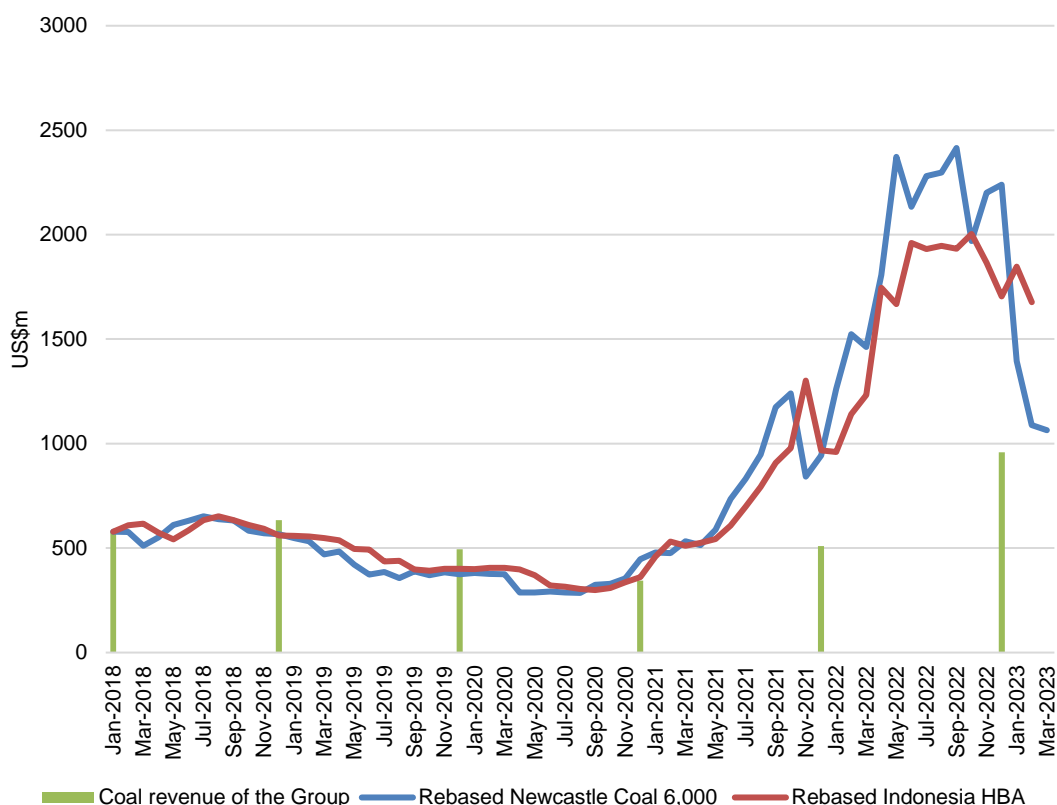
7.1.1 Historical price performance of coal

In order to contextualise the movements of the financial results of the Group, we have compared the Group’s coal revenue against two indices for the preceding five (5) years in the chart below.

The indices we have used are the Coal Intercontinental Exchange (“ICE”) globalCOAL Newcastle Near Month coal futures which is cash settled against the globalCOAL Monthly NEWC Index, which represents the benchmark price for seaborne thermal coal in the Asia-Pacific region with 6,000 kilocalories per kilogram (“**Newcastle Coal 6,000**”) and the Harga Batubara Acuan (“**Indonesia HBA**”) or the thermal coal reference price set by the Ministry of Energy and Mineral Resources of the Republic of Indonesia which comprises a monthly average price from multiple indices. Newcastle Coal 6,000 and Indonesia HBA (the “**Indices**”) have been rebased to the coal revenue of the Group as at 31 December 2017 to facilitate

comparison.

Newcastle Coal 6,000 and Indonesia HBA rebased to coal revenue of the Group as at 31 December 2017



Source: S&P Capital IQ, Kementerian Energi dan Sumber Daya Mineral Republik Indonesia (Ministry of Energy and Mineral Resources of the Republic of Indonesia), and the Company's respective annual reports. The Indices were rebased to the coal revenue of the Group as at 31 December 2017.

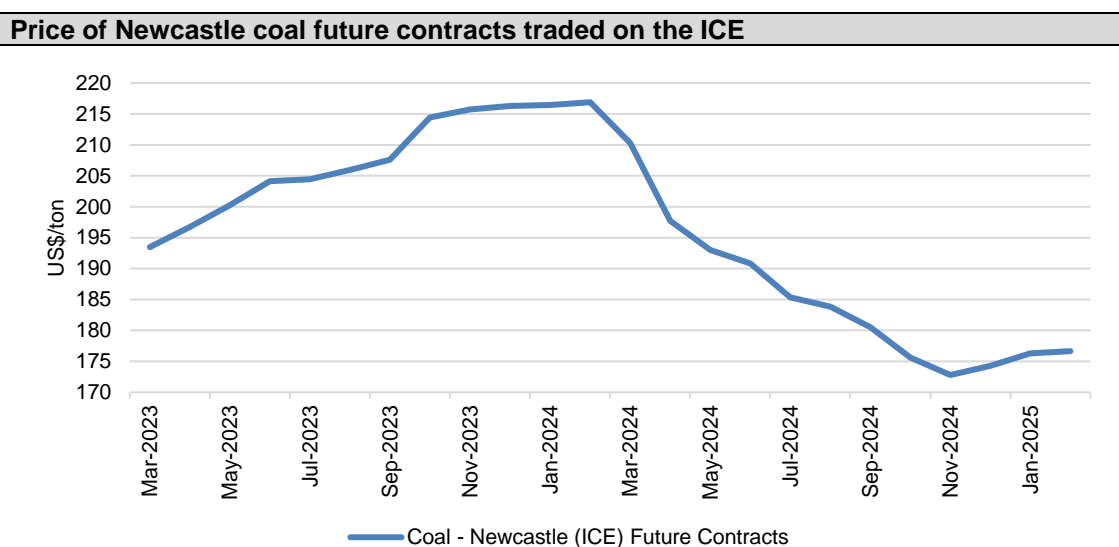
We note that there is a historical positive correlation between the movement trend of coal revenue of the Group and the Indices. However, we wish to highlight that Indonesian coal producers are required to allocate 25% of its total production to the domestic market¹ every year at prices capped at US\$70 per tonne for local power plants and US\$90 per tonne for local industries (“**Domestic Market Obligation**” or “**DMO**”). We further note that in December 2022², the Indonesia government announced that it plans to establish a coal fund agency and start collecting a tiered coal levy in the first quarter of 2023 to help ensure supply security for domestic power plants and industries in Indonesia (the “**New Regulation**”). The plan to set up the coal fund agency follows a coal supply crunch at local power plants at the beginning of 2022 which forced the Indonesia government to temporarily halt coal exports to avoid power outages.

We wish to highlight that the New Regulation may impact the coal revenue of the Group and there is no assurance that the coal revenue of the Group and the Indices will continue to be positively correlated in the future.

¹ Extracted from <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/coal/011922-indonesia-mulls-penalty-for-coal-miners-not-meeting-domestic-obligation-sources>

² Extracted from <https://www.reuters.com/markets/commodities/indonesia-aims-starts-collecting-coal-levy-q1-2023-minister-2022-12-02/>

7.1.2 Financial performance of coal future contracts



Source: S&P Capital IQ

We have also considered the price of future contracts in respect of Newcastle coal traded on the ICE on the Latest Practicable Date for a 2-year period with settlement dates of the future contracts ranging from 31 March 2023 to 28 February 2025. The price of future contracts decreased from US\$193.50/tonne for settlement date 31 March 2023 to US\$176.65/tonne for settlement date 28 February 2025.

We wish to highlight that the financial performance of the Group could potentially be affected assuming that the historical correlation between the Group's coal revenue and coal prices continues into the future and that the price of coal future contracts is representative of the expected future spot prices of coal.

In the interpretation of future contract prices, we wish to highlight that future contract prices should in no way be construed as a forecast of coal prices or representative of the future financial performance of the Company. Spot prices of coal in the future are subject to a wide range of factors including, *inter alia*, macroeconomic, geo-political, technological, legislative factors and any unforeseen uncertainty that may affect the supply and demand conditions of coal in a prevailing period.

7.2 Financial information of the Group

7.2.1 Financial performance of the Group

For the purpose of evaluating the financial terms of the Offer, we have considered the Group's audited financial statements for the financial years ended 31 December ("FY") 2019, 2020, 2021 and 2022.

A summary of the consolidated income statement of the Group for FY2019, FY2020, FY2021, FY2022 is set out in the table below. The following summary consolidated income statement should be read in conjunction with the full text of the annual reports and the financial statements of the Group in respect of the relevant financial years including the notes thereto.

Summary consolidated income statement (US\$'000)	FY2019 (Audited)	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)
Revenue	496,560	345,683	511,183	959,484
Cost of sales	(450,026)	(300,612)	(331,281)	(490,948)
Gross profit	46,534	45,071	179,902	468,536
<i>Gross profit margin (%)</i>	9.4%	13.0%	35.2%	48.8%
Profit/(loss) before income tax	39,651	(207,199)	139,594	353,977
Income tax credit/(expense)	19,405	8,596	(43,816)	(99,854)
Profit/(loss) for the year	59,056	(198,603)	95,778	254,123
Profit/(loss) attributable to:				
Equity holders of the Company	59,056	(198,816)	95,778	254,123
Non-controlling interests	-	213	-	-
	59,056	(198,603)	95,778	254,123
Sales volume (Mt)	7.8	6.4	6.1	6.1
Production volume (Mt)	7.7	6.2	6.0	6.1
Average selling price (US\$/t)	63.52	51.21	77.54	154.91

Sources: The Group's annual reports for the respective years, audited financial statements for FY2022 and information provided by Management

Review of operating results

FY2020 as compared to FY2019³

The Group reported revenue of US\$345.7 million (S\$476.7 million) in FY2020, which was a decrease of US\$150.9 million (S\$208.1 million) or 30.4% as compared to US\$496.6 million (S\$677.4 million) in FY2019. The decrease in revenue was mainly due to the decrease of the Group's average selling price from US\$63.52/t in FY2019 to US\$51.21/t in FY2020, in line with the global impact of COVID-19 pandemic which exerted downward pressure on international coal prices. The Group recorded a corresponding decrease in cost of sales of US\$149.4 million (S\$206.1 million) due to the decrease in coal sales volume from 7.8 million tonnes in FY2019 to 6.4 million tonnes in FY2020. Despite the decrease in revenue, the Group reported a higher gross profit margin of 13.0% in FY2020, which was an increase of 3.6 percentage points as compared to the gross profit margin of 9.4% in FY2019. The higher gross profit margin in FY2020 was due to the Group's successful implementation of cost reduction and efficiency improvement initiatives which resulted in cash cost reduction of approximately 20% as compared to the previous year.

³Respective average exchange rate for FY2019 and FY2020 was US\$1:S\$1.3641 and US\$1:S\$1.3791 as extracted from MAS.

The Group reported loss before income tax of US\$207.2 million (S\$285.7 million) in FY2020, which was a decrease of US\$246.9 million (S\$340.4 million) or 622.6% from profit before income tax of US\$39.7 million (S\$54.2 million) in FY2019. The decrease in profit before income tax to a loss was due to a non-cash write down of US\$227.0 million (S\$313.1 million) due mainly to an impairment loss of US\$237.8 million (S\$328.0 million) in respect of the book value of the Group's mining assets and spare parts inventory recognised in FY2020. The impairment loss recognised was in line with the Group's "Rationalisation of Existing Assets" ("REA") strategy aimed at expediting the monetisation of existing assets to maximise returns, which resulted in the decision to suspend the Sebuk mine operation (Western Leases and Northern Leases), and to defer the development of the JMB Prangat project because of restrictions on approvals for conversion of forest reserves. The strategy also resulted in capital expenditure rationalisation pertaining to Jembayan mine operations with the objective of monetising the Group's existing assets with minimal low risk investment. As a result, the Group reported loss for the year of US\$198.6 million (S\$273.9 million) in FY2020 which was a decrease of US\$257.7 million (S\$355.4 million) or 436.3% from profit for the year of US\$59.1 million (S\$80.6 million) in FY2019.

FY2021 as compared to FY2020⁴

The Group reported revenue of US\$511.2 million (S\$687.0 million) in FY2021, which was an increase of US\$165.5 million (S\$222.4 million) or 47.9% as compared to US\$345.7 million (S\$476.7 million) in FY2020. The increase in revenue was mainly due to the recovery of the Group's average selling price from US\$51.21/t in FY2020 to US\$77.54/t in FY2021 while coal sales volume fell slightly from 6.4 million tonnes in FY2020 to 6.1 million tonnes in FY2021. We note that there was a gradual recovery of coal prices since early December 2020 with coal prices spiking to a record high of US\$222.35/t⁵ in October 2021 owing to the tight supply of seaborne coal caused by adverse weather conditions and the COVID-19 pandemic restrictive measures affecting many countries.

The Group also reported a higher gross profit margin of 35.2% in FY2021, which was an increase of 22.2 percentage points as compared to the gross profit margin of 13.0% in FY2020. The higher gross profit margin in FY2021 was due to the Group's continued focus on cost reduction and efficient improvement initiatives such as maximising the Jembayan mine capacity, and optimising mining sequence and parameters of the Group's contractor to minimise cost and maintain production targets.

The Group reported profit before income tax of US\$139.6 million (S\$187.6 million) in FY2021, which was an increase of US\$346.8 million (S\$466.1 million) or 167.4% from loss before income tax of US\$207.2 million (S\$285.7 million) in FY2020. The improvement was due to one-off impairment loss of US\$237.8 million (S\$328.0 million) that was recognised in FY2020. Accordingly, the Group reported profit for the year of US\$95.8 million (S\$128.7 million) in FY2021 which was an increase of US\$294.4 million (S\$395.6 million) or 148.2% from loss for the year of US\$198.6 million (S\$273.9 million) in FY2020.

FY2022 as compared to FY2021⁶

The Group reported revenue of US\$959.5 million (S\$1.3 billion) in FY2022, which was an increase of US\$448.3 million (S\$618.2 million) or 87.7% as compared to US\$511.2 million (S\$687.0 million) in FY2021. The increase in revenue was due to higher coal prices in FY2022 as the Group's average selling price increased from US\$77.54/t in FY2021 to US\$154.91/t in FY2022 while coal sales volume remained at 6.1 million tonnes in FY2021 and FY2022. We note that coal prices had also reached a historical high of US\$457.80/t on 6 September 2022.⁷ The Group's cost of sales had increased from US\$331.3 million (S\$445.2 million) in FY2021 to US\$490.9 million (S\$677.0 million) in FY2022 due to higher fuel prices, increase in royalties paid to the Indonesia government from higher average selling prices and

⁴Respective average exchange rate for FY2020 and FY2021 was US\$1:S\$1.3791 and US\$1:S\$1.3440 as extracted from MAS.

⁵Extracted from the Group's annual report for FY2021

⁶Respective average exchange rate for FY2021 and FY2022 was US\$1:S\$1.3440 and US\$1:S\$1.3789 as extracted from MAS.

⁷Based on Newcastle Coal 6,000 extracted from S&P Capital IQ

increase in the royalty rate, as well as rise and fall adjustments payable to certain contractors that charge prices based on coal indices. Accordingly, the Group also reported higher gross profit margin of 48.8% in FY2022 which was an increase of 13.6 percentage points as compared to the gross profit margin of 35.2% in FY2021.

The Group reported profit before income tax of US\$354.0 million (S\$488.1 million) in FY2022, which was an increase of US\$214.4 million (S\$295.6 million) or 153.6% from US\$139.6 million (S\$187.6 million) in FY2021. The improvement was due mainly to the increase in gross profit from US\$179.9 million (S\$241.8 million) in FY2021 to US\$468.5 million (S\$646.1 million) in FY2022 which was partially offset by the increase in fair value loss on derivative financial instruments from US\$26.1 million (S\$35.1 million) in FY2021 to US\$114.5 million (S\$157.8 million) in FY2022. Accordingly, the Group reported profit for the year of US\$254.1 million (S\$350.4 million) in FY2022, which was an increase of US\$158.3 million (S\$218.3 million) or 165.3% from profit for the year of US\$95.8 million (S\$128.7 million) in FY2021.

Enterprise Value-to-EBITDA (“EV/EBITDA”) ratio as implied by the Offer Price

The EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its historical pre-tax operating cash flow performance, without regard to the company’s existing capital structure.

We have evaluated the enterprise value (“EV”) of the Group based on the market capitalisation (as implied by the Offer Price) of S\$660.1 million after adding back lease liabilities and deducting cash and bank balances as at 31 December 2022 to arrive at an EV of S\$322.5 million. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) of the Group is based on profit before income tax in FY2022 after adjusting for one-off items and adding depreciation and amortisation expenses, amounted to US\$404.2 million (S\$543.6 million)⁸ and accordingly, the Group’s EV/EBITDA ratio as implied by the Offer Price was approximately **0.6 times**.

Historical price-to-earnings (“P/E”) ratio as implied by the Offer Price

The P/E ratio illustrates the valuation ratio of the market value of a company’s shares relative to its earnings per share as stated in its financial statements. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.

As the Group recorded a profit for the year of US\$254.1 million (S\$341.7 million)⁷ in FY2022, the Company’s P/E ratio as implied by the Offer Price was **1.9 times**.

7.2.2 Balance sheet of the Group

The balance sheet of the Group as at 31 December 2022 is set out in the table below. The following balance sheet of the Group should be read in conjunction with the full text of the financial statements of the Group including the notes thereto.

Balance sheet (US\$'000)	As at 31 December 2022 (Audited)
Current assets	
Cash and cash equivalents	251,488
Derivative financial instruments	327
Inventories	16,182
Trade and other receivables	119,971

⁸Based on exchange rate as at Latest Practicable Date

Balance sheet (US\$'000)	As at 31 December 2022 (Audited)
Tax receivables	228
	388,196
Non-current assets	
Other receivables	27,839
Tax receivables	8,755
Property, plant and equipment ("PPE")	257,441
Goodwill	174
Deferred income tax assets	295
	294,504
Total assets	682,700
Current liabilities	
Trade and other payables	87,861
Current income tax liabilities	45,061
Lease liabilities	289
Provisions	9,988
	143,199
Non-current liabilities	
Deferred income tax liabilities	12,501
Lease liabilities	135
Provisions	13,307
	25,943
Total liabilities	169,142
Net assets	513,558
Equity	
Capital and reserves attributable to equity holders of the Company	
Share capital	328,767
Treasury shares	(286)
Other reserves	(11,111)
Retained profits	196,188
Total equity	513,558
Issued share capital	1,137,052,220
Treasury shares	(7,908,101)
Number of outstanding Shares	1,129,144,119
<i>Net asset value ("NAV") / net tangible assets ("NTA") per Share (US\$)</i>	<i>0.4548</i>
<i>NAV/NTA per Share (S\$)⁽¹⁾</i>	<i>0.6115</i>

Source: *The Group's audited financial statements for FY2022*

Note:

(1) The exchange rate used was US\$1:S\$1.3446 as at 31 December 2022 as extracted from MAS.

Assets

As at 31 December 2022, the Group had total assets of US\$682.7 million (S\$918.0 million) comprising current assets of US\$388.2 million (S\$522.0 million), representing 56.9% of total assets and non-current assets of US\$294.5 million (S\$396.0 million), representing 43.1% of total assets.

The current assets of the Group comprised mainly cash and cash equivalents of US\$251.5 million (S\$338.2 million), representing 36.8% of total assets and trade and other receivables of US\$120.0 million (S\$161.3 million), representing 17.6% of total assets. Trade and other receivables mainly comprised (i) trade receivables of US\$78.7 million (S\$105.9 million) and (ii) other receivables of US\$40.1 million (S\$53.9 million) representing 11.5% and 5.9% of total assets respectively.

The non-current assets of the Group mainly comprised PPE of US\$257.4 million (S\$346.1 million), representing 37.7% of total assets. PPE mainly relates to mining properties with net book value of US\$169.2 million (S\$227.5 million) and land rights with net book value of US\$70.2 million (S\$94.5 million), representing 24.8% and 10.3% of total assets respectively. PPE pertain mainly to the Group's Jembayan mine in Kalimantan, Indonesia as the Group had suspended operations at the Sebuk mine since 2021 given that the Group did not renew the Sebuk mining contract after its expiry in 31 December 2020 and has focused on maximising capacity of the Jembayan mine in line with its REA strategy.

Please refer to the Company's annual report for FY2021 for more details on the Group's PPE.

Liabilities and Net Assets

As at 31 December 2022, the Group has total liabilities of US\$169.1 million (S\$227.4 million) comprising current liabilities of US\$143.2 million (S\$192.5 million) and non-current liabilities of US\$25.9 million (S\$34.9 million) representing 84.7% and 15.3% of total liabilities respectively.

The Group's liabilities mainly comprised (i) trade and other payables of US\$87.9 million (S\$118.1 million) and (ii) current income tax liabilities of US\$45.1 million (S\$60.6 million) representing 51.9% and 26.6% of total liabilities respectively.

Trade and other payables mainly comprised (i) accrued expenses of US\$46.0 million (S\$61.8 million) and (ii) trade payables of US\$30.5 million (S\$41.0 million) representing 27.2% and 18.0% of total liabilities respectively.

The capital and reserves attributable to equity holders of the Company comprised (i) share capital of US\$328.8 million (S\$442.1 million), (ii) retained profits of US\$196.2 million (S\$263.8 million), (iii) negative other reserves of US\$11.1 million (S\$14.9 million) comprising mainly negative capital reserve of US\$13.5 million (S\$18.2 million) and negative merger reserve of US\$7.8 million (S\$10.4 million) which were offset by the share-based compensation reserve of US\$8.4 million (S\$11.3 million) and (iv) treasury shares of US\$0.3 million (S\$0.4 million) which were bought back by the Company in relation to the termination of the executive share acquisition plan.

7.2.3 Historical cash flow of the Group

A summary of the consolidated statement of cash flows of the Group for FY2019, FY2020, FY2021 and FY2022 is set out in the table below. The following summary consolidated statement of cash flows should be read in conjunction with the full text of the annual reports and financial statements of the Group in respect of the relevant financial years including the notes thereto.

Summary Consolidated Statement of Cash Flows (US\$'000)	FY2019 (Audited)	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)
Net cash provided by operating activities	81,378	73,000	107,731	278,040
Net cash (used in)/provided by investing activities	(35,105)	(15,296)	1,649	528
Net cash (used in) financing activities	(10,055)	(20,451)	(90,136)	(225,104)
Net increase in cash and cash equivalents	36,218	37,253	19,244	53,464

Sources: The Group's annual reports for the respective years and audited financial statements for FY2022

FY2019⁹

During FY2019, the Group recorded net cash provided by operating activities of US\$81.4 million (S\$111.0 million) which was mainly attributable to the Group's receipts from customers of US\$521.2 million (S\$711.0 million), offset by the Group's payments to suppliers and employees of US\$419.4 million (S\$572.1 million).

The net cash used in investing activities of US\$35.1 million (S\$47.9 million) in FY2019 was due mainly to additions to property, plant and equipment of US\$23.5 million (S\$32.1 million) and payment for acquisition of subsidiaries, net of cash acquired of US\$11.7 million (S\$16.0 million).

The net cash used in financing activities of US\$10.1 million (S\$13.8 million) in FY2019 was mainly attributable to dividends paid to equity holders of the Company amounting to US\$8.9 million (S\$12.2 million).

As a result of the above cash movements, the Group's net cash and cash equivalents increased by US\$36.2 million (S\$49.4 million) in FY2019.

FY2020¹⁰

During FY2020, the Group recorded net cash provided by operating activities of US\$73.0 million (S\$100.7 million), which was mainly attributable to the Group's receipts from customers of US\$367.5 million (S\$506.9 million), offset by the Group's payments to suppliers and employees of US\$290.6 million (S\$400.7 million).

The net cash used in investing activities of US\$15.3 million (S\$21.1 million) in FY2020 was substantially due to US\$15.3 million (S\$21.1 million) of net additions to property, plant and equipment.

The net cash used in financing activities of US\$20.5 million (S\$28.2 million) in FY2020 was substantially attributable to dividends paid to equity holders of the Company amounting to US\$19.9 million (S\$27.4 million).

As a result of the above cash movements, the Group's net cash and cash equivalents increased by US\$37.3 million (S\$51.4 million) in FY2020.

⁹ Average exchange rate used for FY2019 was US\$1:S\$1.3641 as extracted from MAS.

¹⁰ Average exchange rate used for FY2020 was US\$1:S\$1.3791 as extracted from MAS.

FY2021¹¹

During FY2021, the Group recorded net cash provided by operating activities of US\$107.7 million (S\$144.8 million), which was mainly attributable to the Group's receipts from customers of US\$479.8 million (S\$644.9 million), offset by the Group's payments to suppliers and employees of US\$326.6 million (S\$438.9 million).

The net cash provided by investing activities of US\$1.6 million (S\$2.2 million) in FY2021 was mainly due to disposal of financial assets at fair value through other comprehensive income of US\$1.2 million (S\$1.6 million), but partially offset by net disposals of property, plant and equipment of US\$0.5 million (S\$0.6 million).

The net cash used in financing activities of US\$90.1 million (S\$121.1 million) in FY2021 was mainly attributable to dividends paid to equity holder of the Company amounting to US\$89.4 million (S\$120.1 million).

As a result of the above cash movements, the Group's net cash and cash equivalents increased by US\$19.2 million (S\$25.9 million) in FY2021.

FY2022¹²

During FY2022, the Group recorded net cash provided by operating activities of US\$278.0 million (S\$383.4 million), which was mainly attributable to the Group's receipts from customers of US\$950.5 million (S\$1,310.7 million), offset by the Group's payments to suppliers and employees of US\$482.9 million (S\$665.9 million) and net payments for derivative financial instruments of US\$114.7 million (S\$158.2 million).

The net cash provided by investing activities of US\$0.5 million (S\$0.7 million) in FY2022 was due substantially to the net disposal of property, plant and equipment of US\$0.4 million (S\$0.6 million).

The net cash used in financing activities of US\$225.1 million (S\$310.4 million) in FY2022 was primarily for dividends paid to equity holders of the Company amounting to US\$224.6 million (S\$309.7 million).

As a result of the above cash movements, the Group's net cash and cash equivalents increased by US\$53.5 million (S\$73.7 million) in FY2022.

7.3 NAV per Share and Ex-cash NAV per Share

7.3.1 NAV per Share

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of non-controlling interests and all liabilities. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of its assets over a reasonable period of time, the proceeds of which would first be used to settle liabilities of that 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 its equity. The NAV approach would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied 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.

Notwithstanding the foregoing, Shareholders should note that an analysis based on the NAV of the Group provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed to be made without considering factors such as,

¹¹ Average exchange rate used for FY2021 was US\$1:S\$1.3440 as extracted from MAS.

¹² Average exchange rate used for FY2022 was US\$1:S\$1.3789 as extracted from MAS.

inter alia, time value of money, market conditions, legal and professional fees, liquidation costs, contractual obligations, any regulatory requirements and availability of potential buyers, which may in theory, alter the NAV that can be realised. While the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

A summary of the balance sheet of the Group as at 31 December 2022 is set out below.

Summary balance sheet	As at 31 December 2022 (US\$'000)	Contribution to total assets (%)
Non-current assets		
Other receivables	27,839	4.1
Tax receivables	8,755	1.3
Property, plant and equipment	257,441	37.7
Goodwill	174	<i>n.m.</i>
Deferred income tax assets	295	<i>n.m.</i>
	294,504	43.1
Current assets		
Cash and cash equivalents	251,488	36.8
Derivative financial instruments	327	0.1
Inventories	16,182	2.4
Trade and other receivables	119,971	17.6
Tax receivables	228	<i>n.m.</i>
	388,196	56.9
Total assets	682,700	
Total liabilities	169,142	
NAV	513,558	
Number of outstanding Shares	1,129,144,119	
NAV per Share attributable to equity holders of the Company (US\$)	0.4548	
- S\$	0.6115	

Source: The Group's audited financial statements for FY2022

The P/NAV ratio illustrates the comparison between a company's stock price or market value versus the book value of the company's shareholders' equity as indicated on its balance sheet.

Based on the Group's NAV per Share of US\$0.4548 (S\$0.6115) as at 31 December 2022, the Offer Price represents a discount of 4.4% to the NAV per Share and the P/NAV ratio of the Group as implied by the Offer Price of 0.96 times. As there are no substantial intangible assets, the NTA of the Group is equivalent to its NAV.

The Independent Directors have confirmed as at the Latest Practicable Date, to the best of their knowledge and belief that:

- (a) there are no other material differences between the realisable value of the Group's assets and their respective book values as at 31 December 2022, which would result in a material impact on the NAV of the Group;
- (b) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that recorded in the audited balance sheet of the Group as at 31 December 2022;
- (c) there have been no material disposals or acquisitions of assets by the Group between 31 December 2022 and the Latest Practicable Date, and the Group does not have any other plans for any impending material disposal or acquisition of assets, conversion of the use of the Group's material assets and/or material change in the nature of the Group's business;
- (d) there are no contingent liabilities, bad or doubtful debts or impairment losses or material events as at the Latest Practicable Date which are likely to have a material impact on the NAV of the Group as at 31 December 2022;
- (e) there are no litigation, claims or proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have an adverse material impact on the financial position of the Group; and
- (f) there are no other intangible assets as at the Latest Practicable Date which ought to be disclosed in the balance sheet of the Group in accordance with the Singapore Financial Reporting Standards and which have not been disclosed that would have a material impact on the NAV of the Group as at 31 December 2022.

7.3.2 Ex-cash NAV per Share

The Group recorded cash and cash equivalents of approximately US\$251.5 million (S\$338.2 million) as at 31 December 2022, representing US\$0.2227 (S\$0.2994) per Share and accounting for 36.8% of the NAV of the Group as at 31 December 2022. We have also considered the Group's ex-cash NAV below in line with the NAV approach which assumes a hypothetical sale of its assets over a reasonable period of time.

After deducting the cash and cash equivalents from the NAV, we note that the ex-cash NAV of the Group as at 31 December 2022 was approximately US\$262.1 million (S\$352.4 million) or US\$0.2321 (S\$0.3121) per Share (the "**Ex-cash NAV per Share**").

The Offer Price, as adjusted for cash and cash equivalents of US\$0.2227 (S\$0.2994) per Share, is S\$0.2852 per Share and represents a discount of 8.6% to the Ex-cash NAV per Share.

7.4 **Valuation ratios of selected listed companies broadly comparable to the Group**

For the purpose of evaluating the financial terms of the Offer, we have made reference to the valuation ratios of selected mining companies listed on IDX and SGX-ST which we consider to be broadly comparable to the Company ("**Comparable Companies**"). We have held discussions with Management about the suitability and reasonableness in selecting the Comparable Companies for comparison with the Group. We are of the view that the Comparable Companies have businesses and assets that are geographically located in similar markets to that of the Company and we have limited the selection of the Comparable Companies to those with a market capitalisation between S\$300 million and S\$4 billion as at the Latest Practicable Date.

In evaluating these companies, we have applied and used the following valuation ratios:

Valuation ratios	General descriptions
EV/EBITDA	“EV” or “ enterprise value ” is the sum of the company’s market capitalization, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. “ EBITDA ” stands for the historical earnings before interest, income tax, depreciation and amortisation expense, inclusive of the share of associates’ and joint ventures’ income and excluding exceptional items. The EV/EBITDA ratio illustrates the market value of a company’s business relative to its historical pre-tax operating cash flow performance, without regard to the company’s capital structure.
P/E	“ P/E ratio ” or “ price-to-earnings ” illustrates the valuation ratio of the market value of a company’s shares relative to its earnings per share as stated in its financial statements. The P/E ratio is affected by, inter alia, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
P/NAV	“ P/NAV ” or “ price-to-net asset value ” ratio illustrates the extent the value of each share is backed by its net assets.
EV/Reserves	“ EV/Reserves ” or “ enterprise value-to-reserves ” illustrates the enterprise value per tonne of proven and probable reserve owned by the Company. “ Reserve ” is referred to under the 2012 Code of the Joint Ore Reserves Committee (“ 2012 JORC Code ”) as the part of a Resource that is economically mineable, that is, the extraction of the Reserves has been demonstrated to be viable under reasonable financial assumptions.
EV/Resources	“ EV/Resources ” or “ enterprise value-to-resources ” illustrates the enterprise value per tonne of resource owned by the Company. “ Resources ” is referred to under the 2012 JORC Code as the concentration or occurrence of solid material of economic interest in such form, grade and quantity that there are reasonable prospects for eventual economic extraction.

Brief descriptions of the Comparable Companies are set out below:

Summary of Comparable Companies		
Name	Exchange	Business description
PT Indo Tambangraya Megah Tbk (“ ITM ”)	IDX	ITM together with its subsidiaries, engages in coal mining activities. The company operates seven mining concessions in the island of Kalimantan covering East, Central, and South Kalimantan. It also owns and operates the Bontang Coal Terminal, three loading ports, and Bontang power plant. In addition, the company provides mining support, coal and fuel trading, fuel distribution, coal transportation, and alternative energy marketing services, as well as engages in renewable power generation activities. It primarily sells its coal in Indonesia, India, Pakistan, Taiwan, China, Hong Kong, Korea, Japan, Europe, Australia, and Oceania. The company was founded in 1987 and is headquartered in South Jakarta, Indonesia. ITM is a subsidiary of Banpu Minerals (Singapore) Pte. Ltd.
PT Golden Energy Mines Tbk (“ GEM ”)	IDX	GEM, through its subsidiaries, engages in the mining and trading of coal. The company was formerly known as PT Bumi Kencana Eka Sakti and changed its name to PT Golden Energy Mines Tbk in November 2010. The company was incorporated in 1997 and is headquartered in Jakarta, Indonesia. GEM is a subsidiary of Golden Energy and Resources Limited.

Summary of Comparable Companies

Name	Exchange	Business description
PT Prima Andalan Mandiri Tbk (" Mandiri ")	IDX	Mandiri through its subsidiaries, operates as a coal mining company in Indonesia. It offers sub-bituminous coal. The company develops and operates a coal mining project that covers 9,240 hectares located in Sungai Krassi, Kecamatan Sesayap, and Sembakung of North Kalimantan. It also provides mining contractor and shipping services. The company was founded in 1989 and is headquartered in Jakarta, Indonesia. Mandiri operates as a subsidiary of PT Edika Agung Mandiri.
PT Harum Energy Tbk (" Harum ")	IDX	Harum together with its subsidiaries, engages in coal mining and logistics activities in Indonesia. It operates through three segments: coal mining sectors, rental and service sectors, and other sectors. The coal mining sectors division is involved in the general survey, exploration, exploitation, transportation, processing, and sale of coal. The rental and service sectors division engages in coal shipping and rental of tugboats and barges, as well as provides coal handling and hauling road services. The other sectors division invests in coal mining, trading, and services businesses. It also exports its products to China, South Korea, Japan, Taiwan, Hong Kong, India, Bangladesh, Thailand, the Philippines, Singapore, and Vietnam. The company was formerly known as PT Asia Antrasit and changed its name to PT Harum Energy Tbk in November 2007. The company was incorporated in 1995 and is headquartered in Jakarta Pusat, Indonesia. Harum operates as a subsidiary of PT Karunia Bara Perkasa.
PT Indika Energy Tbk (" Indika ")	IDX	Indika together with its subsidiaries, operates as an integrated energy company in Indonesia. The company operates through energy resources, energy services, energy infrastructure, and other portfolio holdings segments. It produces coal; and undertakes surface coal mining at a 50,921 hectares concession in Paser Regency, East Kalimantan, Indonesia. The company also provides mining, engineering, procurement, construction, and offshore supply base services in the coal, and oil and gas sectors; operation, maintenance, and logistics services; and owns and operates 660 megawatt coal-fired power plant in Cirebon, West Java. In addition, it offers logistic and support services, including supply chain business process solution, warehousing and inventory management, transportation, port operation, and related services; ship docking integrated operations, management, logistics, maintenance, and portside services. Further, the company is involved in the investment, general trading, marketing, financing, coal and mineral trading, contracting, development, construction, real estate and trading, agriculture, printing, and workshop activities; and provision of renewable energy, EV mobility, nature-based solutions, as well as consultancy services for construction, industry, and infrastructure. Additionally, it provides transportation management, business and management consultancy, gold mining, information and communication, manpower, travelling agency, insurance, vehicle repair maintenance, rental and lease, waste management, and digital technology services, as well as professional, scientific, and technical services. The company was founded in 2000 and is headquartered in Jakarta, Indonesia.
Geo Energy Resources Limited (" Geo ")	SGX-ST	Geo Energy Resources Limited, an investment holding company, engages in the mining, production, and trading of coal. The company operates through coal mining, coal trading, and mining services segments. The coal mining segment engages in the production and sale of coal. The coal trading segment is involved in the purchase and sale of coal from third parties. The mining

Summary of Comparable Companies

Name	Exchange	Business description
		<p>services segment provides mining contracting and project management services for mining activities conducted at third party mines. The company owns and operates PT Bumi Enggang Khatulistiwa mining concession that covers approximately 4,570 hectares of land located in Kutai Barat, East Kalimantan; the PT Sungai Danau Jaya mining concession that covers 235 hectares of land located in Tanah Bumbu, South Kalimantan; PT Tanah Bumbu Resources mining concession covering an area of 489 hectares of land located in Tanah Bumbu, South Kalimantan; and PT Surya Tambang Tolindo mining concession covering an area of 4,600 hectares in Kutai Barat, East Kalimantan. It also engages in power generation and general trading activities; and operates as a multimedia supplier, as well as offers management consultant services. The company operates in Indonesia, China, Thailand, India, the Philippines, Vietnam, South Korea, and Pakistan. Geo was founded in 2008 and is based in Singapore.</p>
PT TBS Energi Utama Tbk (“TBS”)	IDX	<p>TBS through its subsidiaries, engages in the coal mining, palm oil manufacturing, and power generation businesses in Indonesia and internationally. It owns interests in the Adimitra Baratama Nusantara mine covering an area of 2,990 hectares; the Trisensa Mineral Utama that covers an area of 3,414 hectares; and the Indomining mine covering an area of 683 hectares situated in Sangasanga, Kutai Kartanegara, East Kalimantan. The company also trades in coal; and wholesale and retail of vehicles. In addition, it has palm oil cultivation area totaling 8,633 hectares in Muara Jawa, Sangasanga, and Loa Janan District, Kutai Kartanegara Regency, East Kalimantan; and operates as an independent power producer. The company was formerly known as PT Toba Bara Sejahtra Tbk. The company was founded in 2007 and is headquartered in Jakarta, Indonesia. TBS is a subsidiary of Highland Strategic Holdings Pte. Ltd.</p>

Source: S&P Capital IQ

We wish to highlight that there are variations in the calorific value of coal produced by the Comparable Companies and the list of the Comparable Companies is not exhaustive and there may not be any company which we may consider to be identical to the Company in terms of, *inter alia*, geographical markets, composition of business activities, customer base, size and scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, tax factors, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. The Independent Directors should note that any comparison made with respect to the Comparable Companies herein is strictly limited in scope and merely serves to provide an illustrative perceived market valuation of the Company as at the Latest Practicable Date.

We set out below the valuation statistics for the Comparable Companies based on their last transacted share prices as at the Latest Practicable Date.

Comparable Companies	Market cap ⁽⁷⁾ (S\$m)	Enterprise value (S\$m) ⁽⁸⁾	EV /			EV/Reserves ⁽¹³⁾ (S\$/tonne)	EV/ Resources ⁽¹³⁾ (S\$/tonne)
			EBITDA ⁽⁹⁾ LTM ⁽¹⁰⁾ (times)	P/E ⁽¹¹⁾ (times)	P/NAV ⁽¹²⁾ (times)		
ITM ⁽¹⁾⁽²⁾⁽⁵⁾	3,780	1,930	0.9	2.3	1.4	6.6 ⁽¹⁴⁾	1.4 ⁽¹⁴⁾
GEM ⁽¹⁾⁽²⁾⁽³⁾	3,366	3,257	2.9	4.0	5.6	3.2 ⁽¹⁴⁾	1.1 ⁽¹⁴⁾
Mandiri ⁽¹⁾⁽²⁾⁽³⁾	2,035	1,782	2.4	3.8	2.9	9.9 ⁽¹⁴⁾	3.8 ⁽¹⁴⁾
Harum ⁽¹⁾⁽²⁾⁽³⁾	1,958	1,889	3.7	5.3	2.0	19.5 ⁽¹⁵⁾	3.7 ⁽¹⁵⁾
Indika ⁽¹⁾⁽²⁾⁽³⁾	1,076	1,406	0.8	2.0	0.7	2.5 ⁽¹⁶⁾	0.9 ⁽¹⁶⁾
Geo ⁽²⁾⁽⁵⁾	454	145	0.4	2.1	0.8	1.7 ⁽¹⁵⁾	1.2 ⁽¹⁵⁾
TBS ⁽¹⁾⁽²⁾⁽³⁾	393	918	5.8	4.3	0.9	14.4 ⁽¹⁷⁾	3.9 ⁽¹⁷⁾

High	5.8	5.3	5.6	19.5	3.9
Low	0.4	2.0	0.7	1.7	0.9
Mean	2.4	3.4	1.5 ⁽¹⁹⁾	8.3	2.3
Median	2.4	3.8	1.2 ⁽¹⁹⁾	6.6	1.4

Company⁽²⁾⁽⁶⁾⁽¹⁸⁾ (as implied by the Offer Price)	660	322	0.6	1.9	1.0	4.3⁽¹⁸⁾	0.6⁽¹⁸⁾
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Source: S&P Capital IQ, latest financial announcements and annual reports of the Comparable Companies, publicly available sources as at the Latest Practicable Date, and the Company's audited financial statements for FY2022

Notes:

- (1) The exchange rate used was S\$1:IDR11,358 as extracted from MAS as at the Latest Practicable Date;
- (2) The exchange rate used was US\$1:S\$1.3448 as extracted from MAS as at the Latest Practicable Date;
- (3) Figures based on consolidated financial statements for the nine month periods ended 30 September 2022 and 30 September 2021 and consolidated audited financial statements for FY2021;
- (4) Figures based on consolidated financial statements for the six months ended 30 June 2022 and 30 June 2021 and consolidated audited financial statements for FY2021;
- (5) Figures based on consolidated financial statements for the twelve months ended 31 December 2022;
- (6) Figures based on FY2022 consolidated audited financial statements;
- (7) Market capitalisation of each of the Comparable Companies is based on their respective last transacted prices as at the Latest Practicable Date;
- (8) EV of each of the Comparable Companies is based on their respective market capitalisations as at the Latest Practicable Date, except for EV of the Company earlier calculated in paragraph 7.2.1;
- (9) EBITDA figures are based on LTM financial results;
- (10) LTM means latest twelve months;
- (11) P/E ratio is calculated based on the LTM financial results of each Comparable Company;
- (12) P/NAV ratio is calculated based on the latest NAV of each Comparable Company;
- (13) "Reserves" and "Resources" refer to coal reserves and coal resources respectively. These figures have been extracted from the annual reports of the Comparable Companies and publicly available sources as at the Latest Practicable Date. We wish to highlight that the Reserves and Resources figures of the Company and the Comparable Companies may not reflect the entire potential Reserves and Resources that could be explored and commercialised. Any comparison made with regards to the EV/Reserves and EV/Resources ratios is purely for illustrative purposes only;
- (14) Based on Reserves and Resources estimates as at 31 December 2021 as disclosed in the company's annual report for FY2021;

- (15) Based on Reserves and Resources estimates as disclosed in the company's annual report for FY2021;
- (16) Based on Reserves and Resources estimates as disclosed in company's 9M2022 update presentation; and
- (17) Based on Reserves and Resources estimates from the 2018 JORC report as disclosed in the company's annual report for FY2021.
- (18) Based on Reserves and Resources estimates as disclosed in Sentika Mitra Persada Coal Mine JORC Resources and Reserves Statement as at 30 June 2020 and Jembayan Coal Mine Open Cut Coal Resources and Reserves Statement as at 31 December 2020.
- (19) Excluded P/NAV ratio of GEM as a statistical outlier in the computations of the mean and median.

For illustration purposes only, we note that based on the Offer Price:

- (a) The EV/EBITDA ratio of the Company of 0.6 times is within the range but is lower than the mean and median EV/EBITDA ratios of the Comparable Companies of 2.4 times and 2.4 times respectively;
- (b) The P/E ratio of the Company of 1.9 times is below the range of the P/E ratios of the Comparable Companies;
- (c) The P/NAV ratio of the Company of 1.0 times is within the range of the P/NAV ratios of the Comparable Companies but is lower than the mean and median P/NAV ratios of the Comparable Companies of 1.5 times and 1.2 times respectively;
- (d) The EV/Reserves ratio of the Company of 4.3 times is within the range of the EV/Reserves ratios of the Comparable Companies but is lower than the mean and median EV/Reserves ratios of the Comparable Companies of 8.3 times and 6.6 times respectively; and
- (e) The EV/Resources ratio of the Company of 0.6 times is below the range of the EV/Resources ratios of the Comparable Companies.

Given the asset and capital-intensive nature of the Company's core mining business, we consider the asset-based and industry-specific valuation ratios such as P/NAV, EV/Reserves and EV/Resources as being more pertinent measures for assessing the Offer Price relative to the earning-based valuation ratios such as the P/E ratio and EV/EBITDA ratio. The earnings of mining companies may vary considerably over time and between companies due to factors such as, *inter alia*, fluctuations in international coal prices.

7.5 Precedent privatisation and delisting transactions on the SGX-ST

For the purpose of our evaluation on the financial terms of the Offer, we have compared the valuation statistics implied by the Offer Price vis-à-vis recent successful privatisations and delistings of companies listed on the SGX-ST from 2021 to-date. We set out below the statistics on (i) privatisation transactions of listed on the SGX-ST, whether by way of scheme of arrangement under Section 210 of the Companies Act ("**SOA**"), voluntary general offers ("**VGO**") or mandatory general offers ("**MGO**") under the Code; and (ii) delisting offers under Rule 1307 of the Listing Manual ("**VD**"), and the offer resulted in a successful privatisation and delisting of the target company ("**Precedent Privatisation Transactions**").

As some of the Precedent Privatisation 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 Precedent Privatisation Transactions where available. The details on the Precedent Privatisation Transactions announced from 1 January 2021 up to the Latest Practicable Date are set out in the table below.

The list of Precedent Privatisation Transactions indicated herein has been compiled based on publicly available information as at the Latest Practicable Date and is by no means exhaustive. The table below captures only the offer price over NAV or NTA ratio implied by

the offer prices in respect of the Precedent Privatisation Transactions. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Privatisation Transaction or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to the privatisation.

Precedent Privatisation Transactions on the SGX-ST				
Date of announcement	Target companies	Type	Offer Price per Share (\$\$)	Offer Price to NAV/NTA (times)
11 Jan 21	CEI Limited	VGO	1.15	1.93 ⁽¹⁾
15 Jan 21	GL Limited	VGO	0.80	0.84 ⁽²⁾
28 Jan 21	International Press Softcom Limited	VGO	0.045	1.09 ⁽³⁾
12 Mar 21	World Class Global Limited	SOA	0.21	0.83 ⁽⁴⁾
19 Mar 21	Singapore Reinsurance Corporation Limited	VGO	0.3535	0.79 ⁽⁵⁾
30 Mar 21	Neo Group Limited	VGO	0.60	1.66 ⁽⁶⁾
30 Mar 21	Singapore Press Holdings Limited	SOA	2.36	1.05 ⁽⁷⁾
29 Apr 21	Sin Ghee Huat Corporate Ltd	VGO	0.27	0.60 ⁽⁸⁾
30 Apr 21	Top Global Limited	VGO	0.39	0.53 ⁽⁹⁾
6 May 21	Cheung Woh Technologies Limited	VGO	0.285	1.10 ⁽¹⁰⁾
31 May 21	Dutech Holdings Ltd	VGO	0.435	0.77 ⁽¹¹⁾
9 Jul 21	Fragrance Group Limited	VGO	0.138	0.71 ⁽¹²⁾
9 Nov 21	SingHaiyi Group Ltd	VGO	0.117	0.60 ⁽¹³⁾
10 Nov 21	Starburst Holdings Limited	VGO	0.238	1.84 ⁽¹⁴⁾
10 Dec 21	United Global Limited	VGO	0.45	1.70 ⁽¹⁵⁾
15 Dec 21	Roxy-Pacific Holdings Limited	VGO	0.485	0.64 ⁽¹⁶⁾
29 Dec 21	Koufu Group Limited	VGO	0.77	4.00 ⁽¹⁷⁾
16 Feb 22	Shinvest Holding Ltd	VGO	3.50	0.66 ⁽¹⁸⁾
7 Mar 22	Singapore O&G Ltd	VGO	0.295	4.60 ⁽¹⁹⁾
13 Apr 22	Excelpoint Technology Ltd	SOA	1.93	1.53 ⁽²⁰⁾
17 May 22	Hwa Hong Corporation Limited	VGO / MGO	0.40	0.79 ⁽²¹⁾
20 May 22	T T J Holdings Limited	VGO	0.23	0.63 ⁽²²⁾
17 Jun 22	Allied Technologies Limited	VGO	0.011	0.35 ⁽²³⁾
29 Jul 22	GYP Properties Limited	VGO	0.20	0.69 ⁽²⁴⁾
20 Aug 22	SP Corporation Limited	SOA	1.59	1.00 ⁽²⁵⁾
29 Aug 22	Silkroad Nickel Ltd.	VGO	0.42	5.20 ⁽²⁶⁾
12 Sep 22	Memories Group Limited	VD	0.047	1.02 ⁽²⁷⁾
13 Sep 22	Singapore Medical Group Ltd	VGO	0.40	4.20 ⁽²⁸⁾
14 Sep 22	Moya Holdings Asia Limited	VGO	0.092	3.54 ⁽²⁹⁾
3 Oct 22	MS Holdings Limited	VGO	0.07	0.48 ⁽³⁰⁾
6 Oct 22	Asian Healthcare Specialists Limited	VGO	0.188	5.86 ⁽³¹⁾
24 Nov 22	Chip Eng Seng Corporation Ltd.	VGO / MGO	0.75	0.56 ⁽³²⁾

High	5.86
Low	0.35
Mean	1.62
Median	0.92

Company (as implied by the Offer Price) MGO 0.5846 0.96

Source: The respective target companies' shareholders' circular and announcements in relation to the Precedent Privatisation Transactions released on SGXNET

Notes:

- (1) Based on the RNTA per share of CEI Limited as at 31 December 2020;
(2) Based on the NAV per share of GL Limited as at 31 December 2020;

- (3) Based on the NTA per share of International Press Softcom Limited as at 31 December 2020;
- (4) Based on the RNAV per share of World Class Global Limited as at 31 December 2020;
- (5) Based on the NAV per share of Singapore Reinsurance Corporation Limited as at 31 December 2020;
- (6) Based on the RNTA per share of Neo Group Limited as at 30 September 2020;
- (7) Based on the NAV per share of Singapore Press Holdings Limited as at 31 August 2021;
- (8) Based on the RNAV per share of Sin Ghee Huat Corporate Ltd as at 31 December 2020;
- (9) Based on the NTA per share of Top Global Limited as at 31 December 2020;
- (10) Based on the RNAV per share of Cheung Woh Technologies Limited as at 28 February 2021;
- (11) Based on the NTA per share of Dutech Holdings Ltd as at 31 December 2020;
- (12) Based on the NAV per share of Fragrance Group Limited as at 30 June 2021;
- (13) Based on the RNAV per share of SingHaiyi Group Ltd as at 30 September 2021;
- (14) Based on the RNAV per share of Starburst Holdings Limited as at 30 June 2021;
- (15) Based on the NTA per share of United Global Limited as at 30 June 2021;
- (16) Based on RNAV the per share of Roxy-Pacific Holdings Limited as at 30 June 2021;
- (17) Based on the NAV per share of Koufu Group Limited as at 30 June 2021;
- (18) Based on the RNTA per share of Shinvest Holding Ltd as at 31 August 2021;
- (19) Based on the NTA per share of Singapore O&G Ltd as at 31 December 2021;
- (20) Based on the NTA per share of Excelpoint Technology Ltd as at 31 December 2021;
- (21) Based on the adjusted RNAV per share of Hwa Hong Corporation Limited as at 31 December 2021;
- (22) Based on the NAV per share of T T J Holdings Limited as at 31 January 2022;
- (23) Based on the adjusted NAV per share of Allied Technologies Limited as at 31 March 2022;
- (24) Based on the RNTA per share of GYP Properties Limited as at 30 June 2022;
- (25) Based on the NAV per share of SP Corporation Limited as at 30 June 2022;
- (26) Based on the NTA per share of Silkroad Nickel Ltd. as at 30 June 2022;
- (27) Based on the RNAV per share of Memories Group Limited as at 30 June 2022;
- (28) Based on the NTA per share of Singapore Medical Group Ltd as at 30 June 2022;
- (29) Based on the adjusted NTA per share of Moya Holdings Asia Limited as at 30 June 2022;
- (30) Based on the NAV per share of MS Holdings Limited as at 30 April 2022;
- (31) Based on the adjusted NTA per share of Asian Healthcare Specialists Limited as at 31 March 2022; and
- (32) Based on the RNAV per share of Chip Eng Seng Corporation Ltd. as at 30 June 2022.

Based on the above analysis, we note that the Company's P/NAV ratio as implied by the Offer Price of 0.96 times is within the range and slightly above the median P/NAV or P/NTA ratios (as the case may be) of the Precedent Privatisation Transactions of 0.92 times, but below the corresponding mean of 1.62 times.

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent Privatisation Transactions and would not, therefore, be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial

positions and other relevant criteria. Accordingly, the Independent Directors should note that the above comparison merely serves as a general guide to provide an indication of the P/NAV ratio in connection with the Precedent Privatisations Transactions. Therefore, any comparison of the Offer Price with the Precedent Privatisations Transactions is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation for the Company.

7.6 Precedent acquisition transactions in comparable companies or assets

For the purpose of our evaluation of the financial terms of the Offer we have also compared the valuation statistics implied by the Offer Price vis-à-vis recently completed mergers and/or acquisition transactions of equity interest in comparable companies or assets since 2017 up to 2022 and including the Latest Practicable Date with implied values above S\$10 million (“**Precedent Acquisition Transactions**”). However, publicly available information on these Precedent Acquisition Transactions may be limited and may not include the relevant financial information necessary for our comparison purposes.

Relevant information has been extracted from S&P Capital IQ, the relevant company websites, and/or public announcements of the Precedent Acquisition Transactions, where available. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The details on the selected Precedent Acquisition Transactions are set out below:

Announced Date	Completion Date	Acquirer(s) / (Ultimate Buyer)	Target Company / Asset	Description and Background
31 Aug 2022	16 Sep 2022	PT Radhika Jananta Raya (PT ABM Investama Tbk)	GEM	PT Radhika Jananta Raya entered into definitive agreement to acquire 30% stake in GEM from GMR Coal Resources Pte. Ltd. for \$420 million on 31 August 2022.
18 Mar 2019	17 Jul 2019	Indika Capital Investments Pte. Ltd. (Indika)	PT Multi Tambangjaya Utama (“ MUTU ”)	Singapore-based Indika Capital Investments Pte. Ltd. acquired 2,625,000 shares representing a 15% interest in Jakarta, Indonesia-based MUTU from Singapore-based Prime Empire Investments Pte. Ltd.
10 Aug 2018	16 Aug 2018	ITM (Banpu PCL)	PT Nusa Perdana Resources coal mine (“ Nusa Perdana Coal Mine ”)	Indonesia-based ITM acquired a 100% interest in a coal mine from Indonesia-based PT Nusa Perdana Resources. The coal mine covers 4,291 hectares and is located in Central Kalimantan (Kalimantan Tengah), Indonesia.
10 Oct 2017	10 Oct 2017	Dato' Low Tuck Kwong	PT Bayan Resources Tbk (“ Bayan ”)	Dato' Low Tuck Kwong acquired additional 10% stake in Bayan from Enel Investment Holding B.V. for \$85 million on 10 October 2017. The consideration was paid in cash. Following the completion, Dato' Low Tuck Kwong will hold a 61.6% stake.
25 Sep 2017	7 Dec 2017	Indika and PT Indika Inti Corpindo	PT Kideco Jaya Agung (“ Kideco ”)	Indika and PT Indika Inti Corpindo entered into separate share purchase agreement to acquire additional 45% stake in Kideco from Samtan Co., Ltd. and PT Muji Inti Utama for approximately \$680 million on 22 September 2017. Pursuant to the agreement, Indika will acquire 40% from Samtan Co., Ltd. and PT Indika

- (4) Implied P/NAV ratio is calculated based on the latest NAV of each Precedent Acquisition Transaction at the announced date;
- (5) The "EV/Reserves" and "EV/Resources" ratios have been computed based on the reserve and resource estimates extracted from publicly available sources at or around the time of the announcement of the respective Precedent Acquisition Transactions;
- (6) The exchange rate used was US\$1:S\$1.3950 as at 31 August 2022, the announced date of the transaction, as extracted from MAS;
- (7) The exchange rate used was US\$1:S\$1.3521 as at 18 March 2019, the announced date of the transaction, as extracted from MAS;
- (8) The exchange rate used was US\$1:S\$1.3670 as at 10 August 2018, the announced date of the transaction as extracted from MAS;
- (9) The exchange rate used was US\$1:S\$1.3596 as at 10 October 2017, the announced date of the transaction as extracted from MAS;
- (10) The exchange rate used was US\$1:S\$1.3467 as at 25 September 2017, the announced date of the transaction as extracted from MAS;
- (11) The exchange rate used was S\$1:IDR9,503.16 as at 21 April 2017, the announced date of the transaction as extracted from MAS; and
- (12) The exchange rate used was US\$1:S\$1.3448 as at the Latest Practicable Date as extracted from MAS.
- (13) n.a. denotes not available.

We note that based on the Offer Price:

- (a) The implied P/E ratio of the Company is below the range of the implied P/E ratios of the Precedent Acquisition Transactions;
- (b) The implied P/NAV of the Company is below the range of the implied P/NAV ratios of the Precedent Acquisition Transactions;
- (c) The EV/Reserves ratio of the Company is within the range and higher than the mean and median of the EV/Reserves ratios of the Precedent Acquisition Transactions; and
- (d) The EV/Resources ratio of the Company is within the range of the EV/Resources ratios of the Precedent Acquisition Transactions but is below the median and mean EV/Resources ratio of the Precedent Acquisition Transactions.

We wish to highlight to the Independent Directors that the Precedent Acquisition Transactions indicated herein has been compiled based on publicly available information as at the Latest Practicable Date and is by no means exhaustive. The target companies/assets may not be directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of the valuation statistics for these Precedent Acquisition Transactions. Therefore, any comparison made serves only as an illustrative guide.

The above table captures the implied EV over the Reserves and Resources as implied by the consideration paid in respect of the equity stake. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Acquisition Transaction or the relative efficiency of information or the possibility of competing offers or the market conditions or sentiments at the time of the acquisitions.

7.7 Estimated valuation of the Shares

As mentioned in paragraphs 7.1 to 7.6 above, we have taken into account various factors and evaluated the financial terms of the Offer, being the Offer Price of S\$0.5846 per Share.

We have considered the asset-intensive nature of the Group and the availability of information of its Comparable Companies and have mainly used the market approach (as opposed to other valuation approaches) for the purpose of evaluating the financial terms of the Offer.

We have focused on the valuation ratios of the Comparable Companies as they largely have a similar business as compared to the Company, notwithstanding that the Comparable Companies are listed while the Company is not. Based on the NAV of the Group as at 31 December 2022 of approximately US\$0.4548 (S\$0.6115) per Share, the estimated valuation of the Shares as implied by the mean P/NAV ratio of the Comparable Companies of 1.5 times is approximately S\$0.917.

We have further considered Precedent Privatisation Transactions given that there were 32 transactions completed in the past two years and the offer prices of the successful privatisation and delisting transactions could provide an indication of shareholders' expectations with respect to exit valuation multiples. Based on the NAV of the Group as at 31 December 2022, the estimated valuation of the Shares as implied by the mean P/NAV ratio of the Precedent Privatisation Transactions of 1.62 times is S\$0.991.

We have considered the Precedent Acquisition Transactions as the acquisition transactions' valuation multiples were implied by actual transactional offers that have been negotiated between willing buyers and willing sellers. However, we note that there was only one out of the six Precedent Acquisition Transactions completed after January 2021, being the start-point where coal prices started to recover. As such, the business conditions in preceding periods may not be as relevant as compared to the current climate given the fluctuations in international coal prices and changes in the macro-economic landscape.

Accordingly, the Offer Price of S\$0.5846 is below our estimated valuation range per Share of S\$0.917 and S\$0.991.

7.8 Dividend track record of the Company

For the purpose of assessing the Offer, we have considered the historical dividend track record of the Shares for the last five financial years prior to the Offer Announcement Date and compared them with the dividend income return which a Shareholder may potentially obtain by re-investing the proceeds from the Offer in the Comparable Companies.

The Company had declared and paid the following dividends in respect of its last five financial years:

Historical dividend declared and paid by the Company					
	FY2018	FY2019	FY2020	FY2021	FY2022
Dividend per Share (S\$)	0.01069 ⁽¹⁾	0.02460 ⁽²⁾	-	0.10720 ⁽³⁾	0.28010 ⁽⁴⁾
Total dividends (S\$'000)	12,155	27,971	-	121,892	318,488
Net profit/(loss) attributable to Shareholders (US\$'000)	90,108	59,056	(198,816)	95,778	254,123
Dividend payout ⁽⁵⁾ (%)	10.0	34.7	n.a. ⁽⁷⁾	94.7	90.9
Dividend yield ⁽⁶⁾ (%) (As implied by the Offer Price)	1.8	4.2	n.a. ⁽⁷⁾	18.4	47.9

Source: The Company's annual reports for FY2018 to FY2021, audited financial statements for FY2022 and historical dividend information provided by Management

Notes:

- (1) based on dividend per Share of S\$0.01069 declared for FY2018 and paid on 5 July 2019;
- (2) based on dividend per Share of S\$0.02460 declared for FY2019 and paid on 23 July 2020;
- (3) based on dividend per Share of S\$0.10720 declared for FY2021 and paid on 26 October 2021;

- (4) based on dividend per Share of S\$0.24950 and S\$0.03060 declared for FY2022 and paid on 14 October 2022 and 15 November 2022 respectively;
- (5) dividend payout is calculated by dividing the total amount of S\$ dividends paid out for the financial year by the net profit attributable to Shareholders converted to S\$ using the average exchange rates as extracted from MAS for each respective year;
- (6) dividend yield is calculated by dividing the dividend per share by the Offer Price; and
- (7) n.a. means not applicable as the Company did not declare any dividends for FY2020.

We note that the Company had declared and paid dividends on a per Share basis of S\$0.01069, S\$0.02460, S\$0.10720 and S\$0.28010 for FY2018, FY2019, FY2021 and FY2022 respectively. The Company did not declare any dividends for FY2020. The dividend yield as implied by the Offer Price and the declared dividends were 1.8%, 4.2%, 18.4% and 47.9% for FY2018, FY2019, FY2021 and FY2022 respectively.

We also note that the Company does not have a fixed rate of dividend payment or formal dividend policy. As such, the quantum of dividends paid by the Company in any period will be determined at the Company's discretion and would depend on various factors including but not limited to the financial performance of the Group, its working capital and capital expenditure needs, funding requirements as well as other considerations.

There can be no assurance that the Company will continue declaring dividends in the future or maintain the level of dividends that were paid in the past periods.

For the purpose of analysing the Offer, we have considered that the Shareholders who accept the Offer may re-invest the proceeds from the Offer in the Comparable Companies. The dividend yield of the Comparable Companies provides a benchmark for assessing the relative benefit of potential dividend income return that Shareholders would attain from investment in the Shares vis-à-vis potential dividend income return from investment in other alternatives.

Dividend yield of Comparable Companies	
	LTM dividend yield (%)
ITM	18.9 ⁽¹⁾
GEM	17.4 ⁽²⁾
Mandiri	12.5 ⁽³⁾
Harum	5.4 ⁽⁴⁾
Indika	4.9 ⁽⁵⁾
Geo	30.8 ⁽⁶⁾
TBS	n.a.
High	30.8
Low	4.9
Mean	12.8
Median	12.5

Company (as implied by the Offer Price)

47.9%⁽⁷⁾

Source: S&P Capital IQ, the Company's FY2022 audited financial statements and distribution announcements of the Comparable Companies

Notes:

- (1) LTM dividend yield is computed as the declared and paid dividends on a per share basis comprising IDR3,040 paid on 22 April 2022 and IDR4,128 paid on 22 November 2022 divided by the share price as at Latest Practicable Date.

- (2) LTM dividend yield is computed as the declared and paid dividends on a per share basis comprising IDR62.3 paid on 15 June 2022, IDR297.39 paid on 21 June 2022, IDR505.75 paid on 21 September 2022 and IDR265.13 paid on 17 November 2022 divided by the share price as at Latest Practicable Date.
- (3) LTM dividend yield is computed as the declared and paid dividends on a per share basis comprising IDR460 paid on 27 May 2022 and IDR350 paid on 14 December 2022 divided by the share price as at Latest Practicable Date.
- (4) LTM dividend yield is computed as the declared and paid dividends on a per share basis comprising IDR15.02 paid on 28 June 2022 and IDR75.10 paid on 3 January 2023 divided by the share price as at Latest Practicable Date.
- (5) LTM dividend yield is computed as the declared and paid dividends on a per share basis comprising IDR114.46 paid on 30 August 2022 divided by the share price as at Latest Practicable Date.
- (6) LTM dividend yield is computed as the declared and paid dividends on a per share basis comprising S\$0.05 paid on 10 May 2022, S\$0.02 paid on 31 May 2022, S\$0.02 paid on 2 September 2022 and S\$0.01 paid on 14 December 2022 divided by the share price as at Latest Practicable Date.
- (7) LTM dividend yield of the Company is computed as the declared and paid dividends on a per shares basis in FY2022 comprising S\$0.2495 paid on 14 October 2022 and S\$0.0306 paid on 15 November 2022 divided by the Offer Price.
- (8) n.a. denotes not available as no dividends were paid out.

Based on the above analysis of dividend yields, we note the LTM dividend yield of the Company as implied by the Offer Price of 47.9% is higher than the range of LTM dividend yield of Comparable Companies. This suggests that a Shareholder who does not accept the Offer may potentially experience higher dividend income from the Company as opposed to reinvesting the proceeds from the Offer in the shares of the Comparable Companies.

We wish to highlight that the above analysis of dividend yields serves only as an illustrative guide and is not an indication of the Company's future dividend policy nor that of the Comparable Companies. There is no assurance that the Company will continue or the Comparable Companies will continue to pay dividends in the future and/or maintain the level of dividends paid in past periods.

Notwithstanding the above, it is uncertain whether the Company or the Comparable Companies can maintain its historical dividend yields at the levels set out above, hence it is uncertain whether the Shareholders will be able to achieve their desired levels of investment income by liquidating their investment in the Company and reinvesting their proceeds in the Comparable Companies or other alternative investments.

The Independent Directors should note that an investment in the Comparable Companies provides a different risk-return profile as compared to an investment in the Shares, and therefore the above comparison serves purely as a guide only. As the Comparable Companies are listed on the IDX or the SGX-ST, the liquidity of the Comparable Companies' shares will generally be higher than the liquidity of the Company's shares. Furthermore, it should also be noted that the above analysis ignores the effect of any potential capital gain or capital loss that may accrue to the Shareholders arising from their investment in the Comparable Companies due to market fluctuations in the price of the Comparable Companies shares.

In addition, there can be no assurance that in any given year a dividend will be proposed or declared. The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future profits, financial conditions, general economic and business conditions, and future prospects and other factors such as the new Board of Directors of the Company (arising from the Offeror's acquisition of the Target) may deem relevant, as well as other legal and regulatory requirements.

7.9 Other relevant considerations

7.9.1 Indonesia government policies in relation to the coal mining industry

The coal mining industry in Indonesia is subject to laws and regulations by the Indonesia government which affects, *inter alia*, domestic coal pricing, domestic coal production, taxation and royalty rates. The commentary below only broadly outlines some of the policies and regulations by the Indonesia government in respect of the coal mining industry, which could potentially affect the performance of the Company. Given ongoing legal and regulatory developments, the commentary below is by no means exhaustive, and the policies and regulations outlined below is subject to change. Moreover, the following commentary does not take into account all legal and regulatory considerations that affect the Company or the coal mining industry in Indonesia.

DMO policy

The DMO requirement refers to the minimum percentage of Indonesian coal production to be allocated for domestic sales and is fixed annually by the Indonesia government to protect and ensure the sustainability of the coal supply for domestic interest. Under the DMO requirement, coal producers are required to allocate 25% of its total production to the domestic market every year at prices capped at US\$70 per tonne for local power plants and US\$90 per tonne for local industries. Sanctions and fines will be imposed for coal producers who do not fulfil the DMO requirement.

Royalty rates

Coal producers are required to pay royalties at varying rates to the Indonesia government, depending on the mining scale, the production level, and the price of coal. Moreover, royalties are also affected by, *inter alia*, revisions to the royalty rates, changes in the calculation methodology of royalty rates and government and state income incentives.

As the Group operates in a highly regulated industry, any ongoing and future legal and regulatory developments could have a potential adverse impact on the financial performance of the Group.

7.9.2 Change in control of the Company

Pursuant to the acquisition of the Target by the Offeror, the Offeror indirectly holds 1,081,942,625 Shares, representing approximately 95.15% of the total number of issued Shares, and has statutory control of the Company. Such statutory control allows the Offeror to significantly influence any corporate actions such as dividend payments, corporate restructurings, mergers and takeover attempts in a manner which may not be in line with the interests of the independent shareholders. The Offeror will also have veto power in relation to any Shareholder's action or approval requiring a majority vote except in situations where the Offeror is required by any rules or authorities to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of the Group which may not benefit independent Shareholders.

Additionally, pursuant to the change in control over the Company, there is no assurance that the Company will continue to pay dividends in the future and/or maintain the level of dividends paid in past periods.

7.9.3 Offeror's intention for the Company and compulsory acquisition

We have noted the Offeror's intention for acquisition of the Target which include, *inter alia*, environmental, social and governance considerations. The information as set out below in italics have been extracted from the press release by Astrindo dated 2 August 2022¹³ relating to the purchase of the Target.

¹³ Extracted from https://astrindonusantara.com/wp-content/uploads/2022/08/Press-release-Astrindo-to-Acquire-Coal-Mines_Rev08-ENG-IND.pdf

“In addition, Astrindo has prepared strategic measures to improve our financial and operational performance this year, by continuing to increase our competitive advantages and open up development opportunities within the scope of the integrated energy infrastructure sector. Astrindo is currently contemplating proposals to institute measures and investments such that the coal mine can eventually operate on a carbon neutral basis.”

There is no assurance that Company's future performance will improve or be maintained in respect of performance in past periods should there be any changes or new proposals implemented by the Offeror.

Pursuant to Section 215(1) of the Companies Act 1967 (2020 Rev Ed) of Singapore (“**Companies Act**”), if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance), in respect of not less than 90% of the Offer Shares (other than those already held by the Offeror Concert Party Group and their respective nominees as at the Offer Announcement Date and excluding any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer at the Offer Price.

In such event, the Offeror reserves its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Offer Price, all the Shares of Shareholders who have not accepted the Offer. Pursuant to paragraph 6 of the “Highlights of PT Sintesa's Mandatory Unconditional Cash Offer for Sakari” in the Offer Document, **the Offeror has stated its intention to exercise any rights of compulsory acquisition that may arise under the Companies Act pursuant to or in connection with the Offer.**

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by the Offeror Concert Party Group or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

7.9.4 **No assurance of future coal prices and performance**

With reference to the historical price performance of coal and the financial performance of coal futures contracts as set out in paragraph 7.1 of this letter, there is no assurance that coal prices continue to be transacted at current prices and may experience price correction in the future given the cyclical nature of commodity prices. There is also no assurance that the Company's future performance will continue to be positively correlated with coal prices, or that it will improve or be maintained at the current level.

7.9.5 **Delisted status and lack of a public market**

The Company was delisted from the Main Board of the SGX-ST on 17 February 2013 and the Shares are no longer quoted on the SGX-ST.

Following the delisting, it has become difficult for the independent Shareholders to realise their investment in the Shares given the lack of a public market for the Shares. If the independent Shareholders do not accept the Offer, there may not be another opportunity in the future for the independent Shareholders to realise their investment in the Shares. There is no assurance of a future liquidity event for the independent shareholders to realise capital gains or exit their investment in the Shares.

The information on the exit opportunity presented by the Offer as set out below in italics has been extracted from paragraph 5 of “Highlights of PT Sintesa's Mandatory Unconditional Cash Offer for Sakari” in the Offer Document.

“5. Unique Cash Exit Opportunity

The Offer represents a unique cash exit opportunity for the Shareholders to realise their entire investment, an option which may not otherwise be readily available due to the low trading liquidity of the Shares, without incurring brokerage and other trading costs.

The Offeror currently indirectly holds approximately 95.15% of the total number of Shares. The Offeror intends to procure the exercise of rights in respect of those Shares in such manner as will best meet its own corporate, commercial and financial objectives and those of the wider Astrindo group of companies. This includes to seek to invest profits of the Offeree and its subsidiaries in the development of the Indonesian mining businesses and for this reason the future dividend policy of the Offeree cannot be predicted or assured.”

7.9.6 Absence of alternative offers

The Management and Independent Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal similar to or in competition with the Offer has been received by the Company.

8. OPINION

In arriving at our opinion in respect of the Offer, we have taken into account the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):

Factors in favour of the Offer Price:

- (a) In respect of the Precedent Privatisation Transactions, the Company's implied P/NAV ratio of 0.96 times is higher than the median P/NAV ratios of 0.92 times;
- (b) In respect of the Precedent Acquisition Transactions, the EV/Reserves ratio as implied by the Offer Price of the Company of 4.3 times is higher than the mean and median EV/Reserves ratios of 2.6 and 2.1 times respectively;
- (c) We note that the Group operates in a highly regulated industry any ongoing and future legal and regulatory developments could have a potential adverse impact on the financial performance of the Group;
- (d) Pursuant to the change in control over the Company, we note that there is no assurance that the Company will continue to pay dividends in the future and/or maintain the level of dividends in past periods;
- (e) We note that there is no assurance that Company's future performance and dividend payout will improve or be maintained in respect of performance in past periods should there be any changes or new proposals implemented by the Offeror;
- (f) We note that there is no assurance that Company's future performance will continue to be positively correlated with coal prices, or that it will improve or be maintained at the current level;
- (g) The Offeror has expressed its intention to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer;
- (h) We note that following the delisting, it has become difficult for the independent Shareholders to realise their investment in the Shares given the lack of a public market for the Shares. If the independent Shareholders do not accept the Offer, there may not be another opportunity in the future for the independent Shareholders to realise their investment in the Shares; and

- (i) We note that the Management and Independent Directors have confirmed that as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal similar to or in competition with the Offer has been received by the Company.

Factors against the Offer Price:

- (a) Based on the Group's NAV per Share, the Offer Price represents a slight discount of 4.4% to the NAV per Share and the P/NAV ratio as implied by the Offer Price of 0.96 times;
- (b) Based on the Group's Ex-cash NAV per Share, the Offer Price as adjusted for cash and cash equivalents, represents a discount of 8.6% to the Ex-cash NAV per Share;
- (c) In respect of the Comparable Companies, the EV/EBITDA ratio as implied by the Offer Price of the Company of 0.6 times is lower than the mean and median of the EV/EBITDA ratios of the Comparable Companies of 2.4 times and 2.4 times respectively;
- (d) In respect of the Comparable Companies, the P/E ratio as implied by the Offer Price of the Company of 1.9 times is lower than the mean and median of the P/E ratios of the Comparable Companies of 3.4 times and 3.8 times respectively;
- (e) In respect of the Comparable Companies, the P/NAV ratio as implied by the Offer Price of the Company of 1.0 times is lower than the mean and median of the P/NAV ratios of the Comparable Companies of 1.5 times and 1.2 times respectively;
- (f) In respect of the Comparable Companies, the EV/Reserves ratio as implied by the Offer Price of the Company of 4.3 times is lower than the mean and median of the EV/Reserves ratios of the Comparable Companies of 8.3 times and 6.6 times respectively;
- (g) In respect of the Comparable Companies, the EV/Resources ratio as implied by the Offer Price of the Company of 0.6 times is lower than the mean and median of the EV/Resources ratios of the Comparable Companies of 2.3 times and 1.4 times respectively;
- (h) In respect of the Precedent Privatisation Transactions, the Company's implied P/NAV ratio of 0.96 times is lower than the mean P/NAV ratios of 1.62 times;
- (i) In respect of the Precedent Acquisition Transactions, the P/E ratio as implied by the Offer Price of the Company of 1.9 times is lower than the mean and median P/E ratios of 4.5 and 3.3 times respectively;
- (j) In respect of the Precedent Acquisition Transactions, the P/NAV as implied by the Offer Price of the Company of 1.0 times is lower than the mean and median P/NAV ratios of 3.0 and 2.7 times respectively;
- (k) In respect of the Precedent Acquisition Transactions, the EV/Resources ratio as implied by the Offer Price of the Company of 0.6 times is lower than the mean and median EV/Resources ratio of 0.9 and 1.0 times respectively;
- (l) The Offer Price of S\$0.5846 is below our estimated valuation range of the Shares between S\$0.917 and S\$0.991; and
- (m) The LTM dividend yield of the Company as implied by the Offer Price of 47.9% is higher than the range of LTM dividend yield of Comparable Companies.

Having considered as at the Latest Practicable Date the aforementioned factors set out in this letter and summarised in this section, we are of the opinion that the financial terms of the Offer are not fair but reasonable. Based on our opinion, we advise the

Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price, taking into account all the transactions costs including stamp duties in connection with such transactions.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether or not to accept the Offer.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Offer and should not be relied on by any other party. The recommendation made by them to the Shareholders in relation to the Offer shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,
For and on behalf of
PrimePartners Corporate Finance Pte. Ltd.

Mark Liew
Chief Executive Officer and Executive Director

Wong Wei Fong
Director, Corporate Finance

APPENDIX II – GENERAL INFORMATION

1. DIRECTORS

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

<u>Name</u>	<u>Address</u>	<u>Designation</u>
Cherdchai Boonchoochauy	128/411 PST City Home Soi Nonsi 14 Chong Nonsi, Yan Nawa Bangkok 10120 Thailand	Director and Chairman
Ekachai Sirithammasan	555 Vibhavadi Rangsit Road Chatuchak Bangkok 10900 Thailand	Director
Thanakorn Poolthavee	136/79 Soi Kietpairat Paholyothin Rd., Sobtui Mueang Lampang 52100 Thailand	Director
Han Eng Juan	14 Siglap Hill Frankel Estate Singapore 456069	Director
Sujirat Thientawach	555 Vibhavadi Rangsit Road Chatuchak Bangkok 10900 Thailand	Director

2. BACKGROUND INFORMATION

The Company was incorporated on 10 June 1995 under the Companies Act as a private company limited by shares under the name of "Straits Sebuku Pte Ltd.". On 18 September 2006, the Company changed its name to "Straits Asia Resources Pte Ltd". Subsequently on 29 September 2006, the Company was converted into a public company limited by shares and in connection therewith, was known by its new name "Straits Asia Resources Limited". On 16 August 2011, the Company changed its name to "Sakari Resources Limited". The Company was listed on the Mainboard of the SGX-ST on 30 November 2006 and was delisted from the Mainboard of the SGX-ST on 17 February 2013. The registered office of the Company is located at 391B Orchard Road, #17-01 Ngee Ann City, Singapore 238874.

The Company is an investment holding company. The Group is principally engaged in the exploration for and mining and marketing of coal.

3. SHARE CAPITAL

3.1 **Issued and paid-up Shares.** As at the Latest Practicable Date, the issued and paid-up share capital of the Company is US\$328,481,000 comprising 1,129,144,119 Shares (excluding 7,908,101 Shares held in treasury).

3.2 **No transfer restriction.** There is no restriction in the Constitution on the right to transfer any Shares, which has the effect of requiring Shareholders, before transferring them, to first offer them for purchase to other Shareholders or to any other person.

- 3.3 **Shares issued since 31 December 2022.** As at the Latest Practicable Date, there has been no issuance of new Shares by the Company since 31 December 2022, being the end of the last financial year of the Company.
- 3.4 **Outstanding convertible instruments.** As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting Shares.
- 3.5 **Rights in Respect of Capital, Dividends and Voting.** The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution which is available for inspection at the Company's registered office stated above. The relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from the Constitution and reproduced in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.
4. **DISCLOSURE OF INTERESTS AND DEALINGS**
- 4.1 **Interests and Dealings of Company in Offeror Securities.** As at the Latest Practicable Date, neither the Company nor any of its subsidiaries:
- (a) has any direct or deemed interests in any Offeror Securities; or
 - (b) has dealt for value in any Offeror Securities during the Reference Period.
- 4.2 **Interests and Dealings of Directors in Offeror Securities.** As at the Latest Practicable Date, none of the Directors:
- (a) has any direct or deemed interests in any Offeror Securities; or
 - (b) has dealt in any Offeror Securities during the Reference Period.
- 4.3 **Interests of Directors in Company Securities.** As at the Latest Practicable Date, none of the Directors have any direct or deemed interests in the Company Securities.
- 4.4 **Dealings of Directors in Company Securities.** During the Reference Period, none of the Directors has dealt in any Company Securities.
- 4.5 **Interests and Dealings of the IFA in Company Securities.** As at the Latest Practicable Date, none of the IFA or funds whose investments are managed by the IFA on a discretionary basis:
- (a) has any direct or deemed interests in any Company Securities; or
 - (b) has dealt in any Company Securities during the Reference Period.
5. **OTHER DISCLOSURES**
- 5.1 **Directors' Service Contracts.** There are no service contracts between any Director or any proposed Director with the Company or any of its subsidiaries with more than twelve (12) months to run and which cannot be terminated by the employing company within the next twelve (12) months without paying any compensation. In addition, there are no such service contracts entered into or amended during the Reference Period.
- 5.2 **Payments or Benefits to Directors.** Save as disclosed below and in this Circular, it is not proposed, in connection with the Offer, that any other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

- 5.3 **Agreements in Connection with or Conditional upon Outcome of Offer.** Save for the Share Purchase Agreement and as disclosed in this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.
- 5.4 **Material Contracts entered into by Offeror.** Save for the Share Purchase Agreement and as disclosed in this Circular, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.
6. **FINANCIAL INFORMATION ON THE GROUP**
- 6.1 **Consolidated Income Statement of the Group.**

A summary of the audited consolidated income statement of the Group for FY2020, FY2021 and FY2022 is set out below.

The following summary should be read together with the consolidated financial statements for the relevant financial periods, and the related notes thereto. The financial information below has been extracted from the annual reports of the Company for FY2020 and FY2021 and the audited consolidated financial statements for the Group for FY2022, copies of which are available for inspection as set out in paragraph 13 of Appendix II to this Circular. The audited consolidated financial statements have not been specifically prepared for inclusion in this Circular.

Summary consolidated income statement (US\$'000)	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)
Revenue	345,683	511,183	959,484
Cost of sales	(300,612)	(331,281)	(490,948)
Gross profit	45,071	179,902	468,536
Profit/(loss) before income tax	(207,199)	139,594	353,977
Income tax credit/(expense)	8,596	(43,816)	(99,854)
Profit/(loss) for the year	(198,603)	95,778	254,123
Profit/(loss) attributable to:			
Equity holders of the Company	(198,816)	95,778	254,123
Non-controlling interests	213	-	-
	(198,603)	95,778	254,123

Source: The Company's annual reports for FY2020 and FY2021 and the Group's audited financial statements for FY2022 and information provided by the Management

The Company had declared and paid the following dividends in respect of its last three (3) financial years:

Historical Dividend Declared and Paid by the Company	FY2020	FY2021	FY2022
Dividend per Share (S\$)	-	0.10720 ⁽¹⁾	0.28010 ⁽²⁾
Total Dividends (S\$'000)	-	121,892	318,488

Source: The Company's annual reports for FY2020 to FY2021, audited financial statements for FY2022, historical dividend information provided by Management

Notes:

- (1) Based on dividend per Share of S\$0.10720 declared for FY2021 and paid on 26 October 2021; and
- (2) Based on dividend per Share of S\$0.24950 and S\$0.03060 declared for FY2022 and paid on 14 October 2022 and 15 November 2022 respectively.

6.2 Consolidated statement of financial position of the Group.

A summary of the audited consolidated statements of financial position of the Group as at 31 December 2022 (being the date to which the Company's last published audited financial statements were prepared). The following summary should be read together with the consolidated financial statements and the related notes thereto. The financial information below has been extracted from the audited consolidated financial statements for the Group for FY2022, copies of which are available for inspection as set out in paragraph 13 of Appendix II to this Circular. The audited consolidated financial statements have not been specifically prepared for inclusion in this Circular.

Balance sheet (US\$'000)	As at 31 December 2022 (Audited)
Current assets	
Cash and cash equivalents	251,488
Derivative financial instruments	327
Inventories	16,182
Trade and other receivables	119,971
Tax receivables	228
	388,196
Non-current assets	
Other receivables	27,839
Tax receivables	8,755
Property, plant and equipment ("PPE")	257,441
Goodwill	174
Deferred income tax assets	295
	294,504
Total assets	682,700
Current liabilities	
Trade and other payables	87,861
Current income tax liabilities	45,061
Lease liabilities	289
Provisions	9,988
	143,199
Non-current liabilities	
Deferred income tax liabilities	12,501
Lease liabilities	135
Provisions	13,307
	25,943
Total liabilities	169,142
Net assets	513,558
Equity	
Capital and reserves attributable to equity holders of the Company	
Share capital	328,767
Treasury shares	(286)
Other reserves	(11,111)
Retained profits	196,188
Total equity	513,558

7. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, there has been no material changes to the financial position of the Group since 31 December 2022, being the date of the last published audited financial statements of the Group.

8. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

8.1 **Significant Accounting Policies.** The audited consolidated financial statements of the Group have been prepared in accordance with the Singapore Financial Reporting Standards. A summary of the significant accounting policies of the Group is set out in Note 2 of the audited consolidated financial statements of the Group for FY2022, a copy of which is available for inspection as set out in paragraph 13 of Appendix II to this Circular.

Save as disclosed in this Circular and publicly available information on the Group, there are no significant accounting policies or any matter from the notes to the financial statements of the Group for FY2022 which are of any major relevance for the interpretation of the accounts of the Group referred to in this Circular.

8.2 **No Change in Accounting Policies.**

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

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in publicly available information on the Group, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into any material contracts with interested persons¹ (other than those entered into in the ordinary course of business) during the period commencing three (3) years before the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

10. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

As at the Latest Practicable Date, the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

11. MATERIAL CHANGES IN INFORMATION

Save as disclosed in this Circular and publicly available information on the Group and the Offer, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

¹ An interested person, as defined in the Note on Rule 24.6 read with the Note on Rule 23.12 of the Code, is:

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

12. **GENERAL**

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

12.2 **Consent of the IFA.** The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of (a) its name, (b) the IFA Letter, and all references thereto in the form and context in which they appear in this Circular.

13. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company at 391B Orchard Road, #17-01 Ngee Ann City, Singapore 238874 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2020 and FY2021;
- (c) the audited consolidated financial statements of the Group for FY2022;
- (d) the IFA Letter; and
- (e) the letter of consent referred to in paragraph 12 of this Appendix II above.

APPENDIX III – EXTRACTS FROM THE CONSTITUTION OF THE COMPANY

The relevant provisions in the Constitution of the Company in respect of capital, dividends and voting in relation to the Shares have been extracted and reproduced as follows:

1. Rights in respect of capital

ISSUE OF SHARES

3. *Subject to the Statutes and the provisions of these presents, no shares may be issued by the Directors without the prior approval of the Company by Ordinary Resolution but subject thereto and to Article 7, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of shares to such persons on such terms and conditions and for such consideration 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 with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions whether as regards dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit. 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 THAT:*
- (a) *(subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 7(A) with such adaptations as are necessary shall apply; and*
- (b) *the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in the provisions of these presents.*
4. (A) *Preference shares may be issued. 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 at 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 arrear.*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

VARIATION OF RIGHTS

5. (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the Statutes, be varied or abrogated either with the consent in writing of holders who represent at least three-quarters of the total voting rights of all the shares of that class or by a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the total voting rights of all the shares of that class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, PROVIDED THAT, where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all the shares of that class concerned within two Months of such General Meeting shall be as valid and effectual as a Special Resolution passed at such General Meeting, The foregoing provisions of this Article shall apply to the variation or abrogation of the special*

rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- (B) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all 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.*
- (C) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

ALTERATION OF SHARE CAPITAL

- 6. The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares.*
- 7. (A) Subject to any direction to the contrary that may be given by the Company in a General Meeting, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 7(A).*
 - (B) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*
- 8. The Company may by Ordinary Resolution:*
 - (a) consolidate and divide all or any of its shares;*
 - (b) cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its capital by the number of shares so cancelled;*
 - (c) sub-divide its shares, or any of them in accordance with the Statutes, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or*
 - (d) subject to the Statutes, convert any class of shares into any other class of-shares.*
- 9. (A) The Company may reduce its share capital or any reserve in any manner and with and subject to any incident authorised and consent required by law.*
 - (B) Subject to the Statutes, the Company may purchase or otherwise acquire any of its issued shares on such terms and in such manner as the Company may from time to time think fit and in the manner*

prescribed by the Statutes. If required by the Statutes, any share which is so purchased or acquired by the Company, unless held as treasury shares in accordance with the Statutes, shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share (including treasury shares) which is so purchased or acquired by it in accordance with the Statutes.

10. *Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of these presents and the Act.*
11. *Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register of Members as the member holding the treasury shares.*
12. *The Company shall not exercise any right in respect of the 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.*

SHARES

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 (except by the Statutes or the provisions of these presents) to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the person entered in the Register of Members as the registered holder thereof.*
14. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable to be redeemed.*
15. *Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
16. *The Company may exercise the powers of paying commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly shares or partly in one way and partly in the other.*
17. *The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

SHARE CERTIFICATES

18. *Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid and the amount (if any) unpaid thereon. No certificate shall be issued representing shares of more than one class.*
19. (A) *The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.*

- (B) *In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.*
20. *Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, the Company shall despatch to every person whose name is entered as a member in the Register of Members and whose entitled to receive such certificate, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred, within two Months after the allotment or within one Month after the date of lodgement of a registrable transfer. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate or 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 such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of \$2 for each new certificate (or such other fee as the Directors may from time to time determine).*
21. (A) *Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.*
- (B) *If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of \$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine.*
- (C) *In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.*
22. *Subject to the Statutes, if any share certificates 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, or purchaser, as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding \$2 as the Directors may from time to time require together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. 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.*

CALLS ON SHARES

23. *The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*
24. *Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company, the amount called on his shares, at the time or times and place of payment specified by the Company. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.*
25. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof*

to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

26. *Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of the provisions of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
27. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.*
28. *The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.*

FORFEITURE AND LIEN

29. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof: the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*
30. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.*
31. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*
32. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.*
33. *A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.*
34. *The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid and for all moneys as the*

Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

35. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.*
36. *The residue of the proceeds of such sale pursuant to Article 35 after the satisfaction of the unpaid calls and accrued interest and expenses of such sale shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.*
37. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold or disposed to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*

TRANSFER OF SHARES

38. *All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing and in the usual common form or in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.*
39. *The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, PROVIDED THAT such Register shall not be closed for more than thirty days in any Year.*
40. (A) *Subject to the provisions of these presents, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the Statutes) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve.*

(B) *The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:*
 - (a) *all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding \$2 as the Directors may from time to time require in accordance with the provisions of these presents, is paid to the Company in respect thereof;*
 - (b) *the instrument of transfer is deposited at the registered office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf: the authority of the person so to do;*
 - (c) *the instrument of transfer is in respect of only one class of shares; and*

- (d) *the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.*
41. *If the Directors refuse to register a transfer of any shares, they shall within one Month after the date on which the transfer was lodged with the Company, send to the transferor and to the transferee, written notice of the refusal stating reasons for the refusal as required by the Statutes.*
42. *All instruments of transfer which are registered may be retained by the Company.*
43. *There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding \$2 as the Directors may from time to time require or prescribe.*
44. *The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six Years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six Years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six Years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, PROVIDED THAT:*
- (a) *the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;*
- (b) *nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and*
- (c) *references herein to the destruction of any document include references to the disposal thereof in any manner.*

TRANSMISSION OF SHARES

45. (A) *In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (B) *[This Article is intentionally left blank]*
- (C) *Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*
46. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered*

in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.

47. *Save as otherwise provided by or in accordance with the provisions of these presents, a person becoming entitled to a share pursuant to Article 45(A) or Article 46 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members in respect of the share.*

STOCK

48. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*
49. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles 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.*
50. *The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by any number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*

2. Rights in respect of dividends

RESERVES

123. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.*

DIVIDENDS

124. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors. No dividends may be paid, unless otherwise provided in the Statutes, to the Company in respect of treasury shares.*
125. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
126. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide and except as otherwise permitted under the Statutes:*

- (a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) *all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which dividend is paid.*

For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.

- 127. *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.*
- 128. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
- 129. (A) *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.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
- (C) *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 and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or moneys unclaimed after a period of six Years from the date they are first 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 moneys so forfeited to the person entitled thereto prior to the forfeiture.*
- (D) *[This Article is intentionally left blank]*
- 130. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
- 131. *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) and the Directors shall give effect to such resolution. 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, may fix the value for distribution of such specific assets or any part thereof, 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.*
- 132. (A) *Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
 - (a) *the basis of any such allotment shall be determined by the Directors;*

- (b) *the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
 - (c) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that 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; and*
 - (d) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “elected ordinary shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 136, the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*
- (B) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
- (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down or whereby the benefit of the fractional entitlements accrues to the Company rather than the members).*
- (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit and in such event the provisions of this Article shall be read and construed subject to such determination.*
- (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall*

be made available or made to members whose registered addresses entered in the Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

(E) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.

133. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members 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 at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.*

134. *If two or more persons are registered in the Register of Members as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*

135. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*

CAPITALISATION OF PROFITS AND RESERVES

136. *Subject to Article **Error! Reference source not found.** and Article 7, the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into an agreement with the Company on behalf of all the members interested, providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

137. (A) *In addition and without prejudice to the power to capitalise profits and other moneys provided for by Article 136, the Directors shall have power to capitalise any undivided profits or other moneys of the*

Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

3. Rights in respect of voting

GENERAL MEETINGS

51. *Subject to the Statutes, an Annual General Meeting shall be held once in every Year and not more than fifteen Months after the holding of the last preceding Annual General Meeting, at such time and place as may be determined by the Directors. All other General Meetings shall be Extraordinary General Meetings.*
52. *The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.*

NOTICE OF GENERAL MEETINGS

53. (A) *Subject to the Statutes, any General Meeting at which it is proposed to pass a Special Resolution shall be called by twenty-one days' notice in writing at the least. An Annual General Meeting and any other Extraordinary General Meeting shall be called by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereafter mentioned to all members other than those who are not under the provisions of these presents entitled to receive such notices from the Company, PROVIDED THAT a General Meeting which has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:*
- (a) *in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and*
- (b) *in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting,*
- except that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.*
- (B) *Where special notice is required of a resolution pursuant to the Statutes, notice of the intention to move the resolution shall be given to the Company and notice of any General Meeting shall be called in accordance with the Statutes and in particular, Section 185 of the Act.*
- (C) *[This Article is intentionally left blank]*
54. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*
- (B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*
- (C) *In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*

55. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:*
- (a) *declaring dividends;*
 - (b) *receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
 - (c) *appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
 - (d) *appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
 - (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
 - (f) *fixing the fees of the Directors proposed to be passed under Article **Error! Reference source not found.***
56. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

PROCEEDINGS AT GENERAL MEETINGS

57. *The Chairman of the Board, failing whom the Deputy Chairman of the Board, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present and willing to act within five minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
58. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy, PROVIDED THAT 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.*
59. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint, At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.*
60. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
61. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
62. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment*

thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

63. *At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) the chairman of the meeting;*
 - (b) not less than five members having the right to vote at the meeting;*
 - (c) a member or members having the right to vote at the meeting representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or*
 - (d) a member or members having the right to vote at the meeting and holding not less than ten per cent. of the total sum paid-up on all shares of the Company conferring that right (excluding treasury shares),*

PROVIDED THAT no poll shall be demanded on the choice of a chairman or on a question of adjournment.

64. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result or the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
65. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
66. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*
67. (A) *The chairperson of a general meeting is responsible for the general conduct of the meeting and for the procedures to be adopted at the meeting and may require the adoption of any procedures which are in his or her opinion necessary or desirable for:*
- (a) proper and orderly debate or discussion, including limiting the time that a person present may speak on each motion or other item of business before the meeting; and*
 - (b) the proper and orderly casting or recording of votes at the general meeting, whether on a show of hands or on a poll, including the appointment of scrutineers.*
- (B) *The chairperson of a general meeting may at any time he or she considers it necessary or desirable for the proper and orderly conduct of the meeting:*
- (a) terminate debate or discussion on any business, question, motion or resolution being considered by the meeting and require the business, question, motion or resolution to be put to a vote of the members present; or*
 - (b) allow debate or discussion on any business, question, motion or resolution being considered by the meeting to continue.*
- (C) *A decision by a chairperson under paragraph (A) or (B) is final.*

VOTES OF MEMBERS

68. *Each member who is a holder of ordinary shares in the capital of the Company shall be entitled to be present at any General Meeting. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 12, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote PROVIDED THAT in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote. On a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents.*
69. *In the case of joint holders of a share, any one of such person may vote, and be reckoned in 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 in respect of the share shall alone be entitled to vote in respect thereof.*
70. *Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*
71. *Any member shall be entitled to be present and to vote either personally or by proxy, at any General Meeting of the Company, in respect of any share or shares upon which all calls due to the Company have been paid, and shall be entitled to exercise any other right conferred by membership in relation to meetings of the Company.*
72. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
73. *On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
74. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting .*
- (a) *[This Article is intentionally left blank]*
- (b) *[This Article is intentionally left blank]*
- (B) *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.*
- (C) *In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.*
- (D) *A proxy need not be a member of the Company.*
75. (A) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *in the case of an individual, shall be signed by the appointor or his attorney; and*

- (b) *in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*
- (B) *The signature on such instrument need not be witnessed. 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 Company) be lodged with the instrument of proxy pursuant to Article 76, failing which the instrument may be treated as invalid.*
76. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the registered office of the Company) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, PROVIDED THAT an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*
77. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
78. (A) *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made PROVIDED THAT no intimation in writing of such death, insanity or revocation shall have been received by the Company at the registered office of the Company at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*
- (B) *Subject to these presents and the Statutes, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.*

CORPORATIONS ACTING BY REPRESENTATIVES

79. *Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of the provisions of these presents, be deemed to be present in person at any such meeting if a person so authorised is present thereat.*