CIRCULAR DATED 13 MAY 2025

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND CONSIDER IT IN ITS ENTIRETY.

This Circular is issued by SHS Holdings Ltd. (the "Company"). If you are in any doubt in relation to this Circular or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of EGM (as defined herein) and the accompanying Proxy Form (as defined herein) to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company which are not held through CDP, you should immediately forward this Circular together with the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

SHS HOLDINGS LTD.

(Company Registration No. 197502208Z)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO

(1) THE PROPOSED ACQUISITION OF 100% OF THE EQUITY INTERESTS OF GUANGXI TIDAL PRECISION TECHNOLOGY CO., LTD. AND NANNING TIDAL ALUMINIUM CO., LTD. BY SHS CAPITAL PTE. LTD. AND/OR GUANGXI XINXIN TECHNOLOGY CO. LTD, EACH AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, WHICH CONSTITUTES A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 10 AND CHAPTER 9 OF THE LISTING MANUAL OF THE SGX-ST RESPECTIVELY; AND

(2) THE PROPOSED BUSINESS DIVERSIFICATION OF THE CORE BUSINESS OF THE COMPANY AND ITS SUBSIDIARIES TO INCLUDE THE MANUFACTURING OF ALUMINIUM PRODUCTS AND ALUMINIUM RECYCLING.

Financial Adviser to the Company in respect of the Proposed Acquisition

ZICO Capital Pte. Ltd.
(Company Registration No. 201613589E)
(Incorporated in the Republic of Singapore)

Independent Financial Adviser in respect of the Proposed Acquisition as an Interested Person Transaction

SAC Capital Private Limited
(Company Registration No. 200401542N)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES		
Last date and time for lodgment of Proxy Form	:	27 May 2025 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	29 May 2025 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	19 Tuas Avenue 20 Singapore 638830

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

Entities

"**Asset Valuer**"	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the independent property valuer engaged by the Company to prepare the Asset Valuation Reports
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**" or "**SHS**"	:	SHS Holdings Ltd.
"**Covenantor**"	:	Ms. Ming Keju
"**Enlarged Group**"	:	The enlarged group comprising the Group and the Target Companies, assuming Completion
"**Enrome**"	:	Enrome LLP, the accounting practice firm engaged by the Company to perform certain agreed-upon procedures as described in Section 2.1(a) of this Circular
"**Financial Adviser**"	:	ZICO Capital Pte. Ltd., the financial adviser to the Company to advise the Company in respect of the Proposed Acquisition
"**Grantor**"	:	Hengzhou Natural Resources Bureau
"**Group**"	:	The Company together with its subsidiaries
"**Guangxi Tidal**"	:	Guangxi Tidal Technology Co., Limited (广西潮力科技有限公司)
"**Guangxi TPT**"	:	Guangxi Tidal Precision Technology Co., Ltd. (广西潮力精密技术有限公司)
"**IFA**"	:	SAC Capital Private Limited, the independent financial adviser to the Relevant Directors and the Audit Committee in relation to the Proposed Acquisition as an IPT
"**Immediate Family**"	:	The person's spouse, child, adopted child, step-child, sibling and parent
"**Independent Valuer**" or "**NAVI**"	:	Navi Corporate Advisory Pte. Ltd., the independent business valuer engaged by the Company to prepare the Business Valuation Report
"**Landlord**"	:	Nanning Production Investment Automotive Park Development Co., Ltd

"**Nanning Tidal Aluminium**"	:	Nanning Tidal Aluminium Co., Ltd. (南宁市潮力铝业有限公司)
"**Parties**"	:	Purchaser and Warrantors and each, a "**Party**"
"**Purchaser**"	:	SHS Capital Pte. Ltd.
"**Related Companies**"	:	Has the meaning ascribed to it in Section 3.7(l) of this Circular
"**Relevant Directors**"	:	All the Directors, save for Mr. Teng Choon Kiat, who abstained from giving a recommendation to Shareholders for the reasons set out in Section 7.3 of this Circular
"**Representatives**"	:	Has the meaning ascribed to it in Section 2.3(g) of this Circular
"**SGX-ST**" or "**Exchange**"	:	The Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	The shareholders of the Company
"**SHS WFOE**"	:	Has the meaning ascribed to it in Section 1.1(a) of this Circular
"**Synertech**"	:	Synertech Group Co., Pte. Ltd.
"**Target Companies**"	:	Guangxi TPT and Nanning Tidal Aluminium, and each, a "**Target Company**"
"**Tidal New Energy**"	:	Tidal New Energy Investment Pte. Ltd.
"**Tidal Group**"	:	Tidal Group Co., Limited (潮力集团有限公司)
"**Vendor**"	:	Nanning Tidal Investment Co., Ltd. (南宁潮力投资有限公司)
"**Vendor Group**"	:	(a) The Covenantor and the Vendor, (b) their respective holding company from time to time and any subsidiary or associated company from time to time of such holding company (but excluding the Target Companies), (c) the Warrantors' Shareholders, and (d) any company in which the Warrantors' Shareholders and/or the Covenantor's shareholders' Immediate Family collectively own more than 50% shareholding interest and/or interest (whether directly or indirectly)
"**Vendor Group Related Parties**"	:	Has the meaning ascribed to it in Section 2.3(d)(iii) of this Circular
"**Warrantors**"	:	The Covenantor and the Vendor

"**Warrantors' Shareholders**"	:	The shareholders of the Covenantor and the Vendor

General

"**Adjustments**"	:	The downwards adjustments to the Consideration set out in the SPA
"**Agreed Exchange Rate**"	:	The agreed exchange rate of RMB to S$ of RMB1 : S$0.19 set out in the SPA
"**Announcement**"	:	The Company's announcement dated 4 September 2024 in relation to the Proposed Acquisition
"**Applicable Laws**"	:	With respect to any person, any and all applicable treaties, legislation, laws, regulations, codes, rules (including without limitation, the Listing Manual) or rulings, orders, or any form of decisions issued by, or requirements of, governmental, statutory, regulatory or supervisory bodies (including without limitation, any relevant stock exchange or securities council) or any court or tribunal with competent jurisdiction, whether in Singapore, the PRC or elsewhere, as amended or modified from time to time, and to which such person is subject
"**Asset Valuation Reports**"	:	The asset valuation reports dated 13 May 2025 prepared by the Asset Valuer based on the valuation date of 30 November 2024 in relation to (a) the industrial complex owned by Nanning Tidal Aluminium located on the southwest side of Jingyi Road, Liujing Industrial Park, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region; and (b) machinery and equipment of the Target Companies, set out in **Appendix D** to this Circular
"**Audit Committee**"	:	The Audit Committee of the Company
"**Balance Consideration Payment**"	:	Has the meaning ascribed to it in Section 2.3(b)(ii)(B) of this Circular
"**Balance Sheet Date**"	:	31 December 2024
"**Board**"	:	The board of Directors of the Company as at the date of this Circular
"**Business Valuation Report**"	:	The independent business valuation report dated 13 May 2025 prepared by the Independent Valuer in relation to the Target Companies, based on the valuation date of 30 November 2024

"**Business Valuation Report Summary Letter**"	:	The summary letter of the Business Valuation Report set out in **Appendix B** to this Circular
"**CAS**"	:	The Chinese Accounting Standards
"**Change in Shareholding of Tidal New Energy**"	:	Has the meaning ascribed to it in Section 1.1(c) of this Circular
"**Circular**"	:	This circular to Shareholders dated 13 May 2025
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"**Completion**"	:	The completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions set out in the SPA
"**Completion Date**"	:	Has the meaning ascribed to it in Section 2.3(e) of this Circular
"**Conditions**"	:	Has the meaning ascribed to it in Section 2.3(c) of this Circular
"**Consideration**"	:	The aggregate consideration for the purchase of the Sale Shares of RMB205,263,157.90, subject to Adjustments
"**controlling shareholder(s)**"	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company, unless otherwise determined by the SGX-ST; or (b) in fact exercises control over the Company
"**Deficit**"	:	Has the meaning ascribed to it in Section 2.3(b)(viii) of this Circular
"**Development**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
"**Directors**"	:	The directors of the Company as at the date of this Circular

"EGM"	:	An extraordinary general meeting to be convened and held at 19 Tuas Avenue 20 Singapore 638830 on 29 May 2025 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), notice of which is set out in the Notice of EGM, to obtain the Shareholders' approval for the Proposed Acquisition as a major transaction and an interested person transaction as defined under Chapter 10 and Chapter 9 of the Listing Manual respectively and for the Proposed Business Diversification
"EPS"	:	Earnings per share
"EV"	:	Automotive electric vehicle
"Excluded Liabilities"	:	Has the meaning ascribed to it in Section 2.3(b)(xiii) of this Circular
"Financial Accounts"	:	The unaudited financial accounts of the Target Companies for the financial period ended on the Balance Sheet Date, prepared in accordance with Applicable Laws and CAS
"First Consideration Payment"	:	Has the meaning ascribed to it in Section 2.3(b)(ii)(A) of this Circular
"FY2022"	:	Financial year ended 31 December 2022
"FY2023"	:	Financial year ended 31 December 2023
"FY2024"	:	Financial year ended 31 December 2024
"HKD"	:	Hong Kong Dollars
"Idle Land Fee"	:	Has the meaning ascribed to it in Section 3.7(s)(i) of this Circular
"IFA Letter"	:	The letter dated 13 May 2025 issued by the IFA containing the advice of the IFA to the Relevant Directors and the Audit Committee in relation to the Proposed Acquisition as an interested person transaction, set out in **Appendix A** to this Circular
"IFRS"	:	The International Financial Reporting Standards
"IFRS Pro Forma Net Asset Value"	:	The Pro Forma Net Assets value of the Target Companies set out in the IFRS Verification Balance Sheet

"**IFRS Verification Balance Sheet**"	:	A verification balance sheet of the Target Companies (on a combined basis) drawn up as at the Completion Date prepared in accordance with Section 2.3(b)(vii) of this Circular
"**Interest Payment Date**"	:	Has the meaning ascribed to it in Section 2.3(b)(ii)(B) of this Circular
"**interested person transaction**" or "**IPT**"	:	A transaction between an entity at risk and an interested person
"**Key Employees**"	:	The key management personnel of the Target Companies as set out in **Appendix C** to this Circular
"**Land Use Right Contracts**"	:	Collectively, the 150mu Land Use Right Contract and the 28mu Land Use Right Contract
"**Latest Practicable Date**"	:	28 April 2025, being the latest practicable date prior to the date of this Circular
"**Listing Manual**"	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"**Long-Stop Date**"	:	30 June 2025 (or such other date as the Parties may agree in writing)
"**mu**"	:	A unit of area measurement which corresponds to approximately 666.67 square meters
"**Nanning Factory**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
"**New Business**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
"**Notice of EGM**"	:	The notice of the EGM set out in pages N-1 to N-3 of this Circular
"**Novation**"	:	Has the meaning ascribed to it in Section 1.1(a) of this Circular
"**NTA**"	:	Net tangible assets
"**Part A**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
"**Part B**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular

"PRC"	:	People's Republic of China
"Permit"	:	(a) A permit, licence, consent, approval, certificate, qualification, registration or other authorisation; or (b) a filing of a notification, report or assessment, in each case necessary for the operation of a Target Company's business, or its ownership, possession, occupation or use of an asset
"Pro Forma Balance Sheet"	:	Has the meaning ascribed to it in Section 2.3(b)(v) of this Circular
"Pro Forma Net Assets"	:	In relation to a specified date in relation to the Target Companies, the net asset value of the Target Companies (on a combined basis and excluding any and all inter-company transactions and/or balances) for that specified date, determined in accordance with same accounting principles, policies, procedures and practices adopted in preparing the Financial Accounts, consistently applied
"Proposed Acquisition"	:	The proposed acquisition of 100% of the Sale Shares by the Purchaser or the SHS WFOE pursuant to the SPA
"Proposed Business Diversification"	:	The proposed diversification of the Company's business to include the New Business as additional core businesses of the Group
"Proposed Transactions"	:	Collectively, the Proposed Acquisition and the Proposed Business Diversification
"Proxy Form"	:	The proxy form set out in pages P-1 to P-2 of this Circular
"Reporting Accountant"	:	An accountant and/or auditor appointed by the Purchaser at its sole discretion to prepare the Verification Balance Sheet and IFRS Verification Balance Sheet of the Target Companies
"Retained Liability Value"	:	Has the meaning ascribed to it in Section 2.3(b)(xiii) of this Circular
"RMB"	:	The lawful currency of the PRC
"Sale Shares"	:	100% of the equity interests of the Target Companies
"Securities and Futures Act"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time

"**Shareholders**"	:	The shareholders of the Company
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SHS Capital Injection**"	:	Has the meaning ascribed to it in Section 2.3(b)(vi) of this Circular
"**SPA**"	:	The sale and purchase agreement dated 4 September 2024 (as modified, amended and varied by (a) the amendment letter agreement dated 30 December 2024, (b) the novation agreement dated 24 January 2025, (c) the second amendment letter agreement dated 4 February 2025, and (d) the third amendment letter agreement dated 25 April 2025) in relation to the Proposed Acquisition
"**Special Assumptions**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
"**substantial shareholder**"	:	A person who has an interest in not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
"**S$**" or "**Singapore Dollars**"	:	The lawful currency of Singapore
"**Target Financial Condition**"	:	The mutually agreed upon financial condition of the Target Companies (on a combined basis) to be and/or which shall be delivered to the Purchaser and/or the SHS WFOE by the Vendor and/or the Covenantor on the Completion Date
"**Target Property**"	:	Has the meaning ascribed to it in Section 2.3(d)(vi) of this Circular
"**US$**"	:	The lawful currency of the United States of America
"**Value At Risk**"	:	Has the meaning ascribed to it in Section 2.5(b) of this Circular
"**Verification Balance Sheet**"	:	A verification balance sheet of the Target Companies (on a combined basis) drawn up as at the Completion Date in accordance with Section 2.3(b)(vi) of this Circular
"**Yongning Factory Hire and Purchase Agreement**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
"**Yongning Plant 3**", and "**Yongning Plant 7**"	:	Have the meanings ascribed to them in Section 2.1(a) of this Circular, respectively

"**Yongning Plant 5 and Yongning Plant 6**"	:	Has the meaning ascribed to it in footnote 7 of this Circular
"**Yongning Plants**"	:	Has the meaning ascribed to it in Section 2.1(a) of this Circular
"**%**"	:	Percentage or per centum
"**1H2024**"	:	The 6-month period ended 30 June 2024
"**150mu Land Use Right Contract**"	:	The state-owned construction land use right grant contract between the Grantor and Nanning Tidal Aluminium dated 6 May 2022
"**150mu Land**"	:	The land in respect of which the 150mu Land Use Right Contract was granted
"**28mu Land Use Right Contract**"	:	The state-owned construction land use right grant contract between the Grantor and Nanning Tidal Aluminium dated 30 August 2022
"**28mu Land**"	:	The land in respect of which the 28mu Land Use Right Contract was granted

The term "**subsidiary**" shall have the meaning ascribed to it in the Companies Act.

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The terms "**associate**", "**associated company**", "**entity at risk**", "**financial assistance**", "**interested person**", and "**approved exchange**" shall have the meanings ascribed to them respectively in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one (1) gender shall, where applicable, include the other genders where applicable. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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 or term defined under the Companies Act, Securities and Futures Act or the Listing Manual and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, Securities and Futures Act or the Listing Manual, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

Any discrepancies in the tables in this Circular (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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

Quahe Woo & Palmer LLC has been appointed as the legal adviser to the Company in the preparation of this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Statements contained in this Circular, statements made in press releases and oral statements that may be made by the Company, the Target Companies, the Directors, key executives or employees acting on behalf of the Company, which are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's or the Enlarged Group's expected financial position, business strategy, plans and prospects are forward-looking statements.

These forward-looking statements and other matters discussed in this Circular, including but not limited to:

- revenue and profitability;
- goodwill on acquisition and associated impairment (if any);
- any expected growth;
- any expected industry trends;
- anticipated completion of proposed plans;
- expansion plans; and
- other matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's and the Enlarged Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in more detail in this Circular, in particular, but not limited to, the risk factors set out in Section 3.7 of this Circular.

Given the risks and uncertainties which may cause the Group's or the Enlarged Group's actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Circular, press releases and oral statements that may be made by the Company, the Target Companies, the Directors, key executives or employees acting on behalf of the Company, undue reliance must not be placed on those statements.

None of the Group, the Directors, the Target Companies, the Financial Adviser, Quahe Woo & Palmer LLC, the IFA, the Independent Valuer, the Asset Valuer, Enrome or any other person represents or warrants that the Group's or the Enlarged Group's actual future results, performance or achievements will be as discussed in those statements. Further, the Group and the Financial Adviser disclaim any responsibility, and undertake no obligation to update or revise any forward-looking statement to reflect any change in the Group's or the Enlarged Group's expectations with respect to such statement after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which any such statement was based subject to compliance with all Applicable Laws.

SHS HOLDINGS LTD.

(Company Registration No. 197502208Z)
(Incorporated in the Republic of Singapore)

Directors	**Registered Office**
Mr. Teng Choon Kiat (Executive Chairman)	19 Tuas Avenue 20
Mr. Ng Han Kok, Henry (Executive Director and Group Chief Executive Officer)	Singapore 638830
Mr. Lee Gee Aik (Lead Independent Director)	
Mr. Chua San Lye (Independent Director)	
Mr. Oong Wei Yuan, Ron (Independent Director)	

13 May 2025

To: The Shareholders of SHS Holdings Ltd.

Dear Sir/Madam

(I) THE PROPOSED ACQUISITION

(II) THE PROPOSED BUSINESS DIVERSIFICATION

1. INTRODUCTION

1.1 Background

(a) The Proposed Acquisition

On 4 September 2024, the Company announced that SHS Capital Pte. Ltd. (the "**Purchaser**"), a wholly-owned subsidiary of the Company, had entered into the SPA with Nanning Tidal Investment Co., Ltd. (南宁潮力投资有限公司) (the "**Vendor**") and Synertech Group Co., Pte. Ltd. ("**Synertech**") (as the covenantor then). Pursuant to the SPA, the Purchaser and/or Guangxi Xinxin Technology Co. Ltd (广西鑫新科技有限公司) (the "**SHS WFOE**"), a wholly-foreign-owned entity incorporated in the PRC and which is a wholly-owned subsidiary of the Purchaser, shall purchase 100% of the Sale Shares of Guangxi Tidal Precision Technology Co., Ltd. (广西潮力精密技术有限公司) ("**Guangxi TPT**") and Nanning Tidal Aluminium Co., Ltd. (南宁市潮力铝业有限公司) ("**Nanning Tidal Aluminium**", and together with Guangxi TPT, the "**Target Companies**").

The Proposed Acquisition constitutes a major transaction as defined under Chapter 10 of the Listing Manual and accordingly, is subject to the approval of the Shareholders at the EGM pursuant to Rule 1014(2) of the Listing Manual.

On 30 December 2024, the Company announced that the Purchaser had entered into an amendment letter agreement to the SPA with the Vendor and Synertech (as the covenantor then) to extend the Long-Stop Date from 31 December 2024 to 30 April 2025 (or such other date as the Parties may agree in writing).

On 24 January 2025, the Company further announced that Synertech had on 6 January 2025 transferred its entire shareholding interest in Tidal Group to Ms. Ming Keju (the "**Novation**"), who is the ex-spouse of Mr. Jiang Haiyong, pursuant to a private settlement between Ms. Ming Keju and Mr. Jiang Haiyong. Pursuant thereto, the Purchaser had entered into a novation agreement pursuant to which Synertech had assigned all of its rights, benefits, title and interests, under the SPA to Ms. Ming Keju (as the Covenantor) on the terms of the novation agreement, and Ms. Ming Keju became obligated to perform all the duties, liabilities and obligations of Synertech under the SPA.

On 4 February 2025, the Company further announced that the Purchaser had entered into a second amendment letter agreement to the SPA with the Vendor and the Covenantor to further amend and modify certain terms and conditions of the SPA arising from, amongst others, due diligence findings relating to the Target Companies, the extension of the Long-Stop Date to 30 April 2025 which is applicable to the fulfilment of the conditions precedent for the Proposed Acquisition, and clarification in relation to the Target Companies' scope of business.

On 25 April 2025, the Company further announced that the Purchaser had entered into a third amendment letter agreement to the SPA with the Vendor and the Covenantor to further extend the Long-Stop Date from 30 April 2025 to 30 June 2025 (or such other date as the Parties may agree in writing).

(b) The Proposed Business Diversification

In connection with the Proposed Acquisition, the Company intends to undertake the Proposed Business Diversification to diversify into the manufacturing of aluminium products and include the New Business as additional core businesses of the Group, subject to the approval of the Shareholders. The Group currently has three (3) main businesses involving (i) engineering and construction that comprises structural steel and façade and modular construction, (ii) corrosion prevention and (iii) energy-related businesses. The Proposed Business Diversification represents a diversification of the existing business scope and change in risk profile of the Group.

(c) Interested Person Transaction

In the Announcement, the Company had stated that, in addition to constituting a major transaction as defined under Chapter 10 of the Listing Manual, the Proposed Acquisition also constituted an interested person transaction as defined under Chapter 9 of the Listing Manual. This was on the basis that as at the date of the Announcement and the date of the SPA, being 4 September 2024, (i) Mr. Jiang Haiyong held not less than 20% of the voting rights of Tidal New Energy and was deemed interested in Tidal New Energy's shareholding interest of 26.37% in the Company then, (ii) 95% of the issued ordinary shares in the share capital of Synertech (as the covenantor then) was held by Mr. Jiang Haiyong and 100% of the equity interests in the Vendor were indirectly held by Synertech (as the covenantor then), and (iii) Mr. Jiang Haiyong was a director of Synertech (as the covenantor then). As such, the Vendor and Synertech (as the covenantor then) were each an associate of Mr. Jiang Haiyong and an "interested person" under Rule 904(4)(a)(ii) of the Listing Manual.

On 21 January 2025, the Company announced that Mr. Jiang Haiyong had ceased to be a controlling shareholder of the Company pursuant to a change in shareholding interest with regard to Tidal New Energy ("**Change in Shareholding of Tidal New Energy**"). As of that date, Mr. Teng Choon Kiat holds the entire shareholding interest in Tidal New Energy, which in turn holds 26.37% shareholding interest in the Company. Accordingly, as at the date of this Circular, Mr. Jiang Haiyong has ceased to be a controlling shareholder of the Company and hence is no longer an "interested person" as defined under Chapter 9 of the Listing Manual.

For the avoidance of doubt, Mr. Teng Choon Kiat is unrelated to Ms. Ming Keju or Mr. Jiang Haiyong, and neither Ms. Ming Keju nor Mr. Jiang Haiyong is an "associate" of Mr. Teng Choon Kiat as defined under the Listing Manual.

Notwithstanding the aforesaid changes that took place after the date of the Announcement and the date of the SPA, the Company will continue to regard the Proposed Acquisition as an "interested person transaction" as defined under Chapter 9 of the Listing Manual for the purpose of this Circular, on the basis that the Proposed Acquisition had constituted an interested person transaction at the date on which the SPA was entered into.

Accordingly, the Proposed Acquisition, which value exceeds 5% of the Group's NTA, is also subject to the approval of the Shareholders at the EGM as an IPT pursuant to Rule 906(1) of the Listing Manual.

The Company will be seeking the approval of the Shareholders for the Proposed Acquisition as a major transaction and an interested person transaction, and the Proposed Business Diversification at the EGM, by way of ordinary resolutions. Shareholders should note that by voting on Ordinary Resolution 1 relating to the Proposed Acquisition, Shareholders will be deemed to have specifically approved the Proposed Acquisition as an interested person transaction as described at Section 2.5 of the Circular.

Shareholders are advised to read this Circular carefully and in its entirety before deciding whether to vote for or against the ordinary resolutions set out in the Notice of EGM.

In particular, Shareholders are to note that there is no assurance that the Company will undertake the Proposed Acquisition and the Proposed Business Diversification, and in the event the Company does undertake the Proposed Acquisition and the Proposed Business Diversification, there is no guarantee that the Group would be able to achieve its stated objectives. The Group makes no representation as to when the Proposed Acquisition and the Proposed Business Diversification would be completed, if at all.

1.2 Opinion of the IFA

The Company has appointed the IFA pursuant to Rule 921(4)(a) of the Listing Manual, to advise the Relevant Directors and the Audit Committee in relation to the Proposed Acquisition as an IPT and furnish an opinion that the terms of the Proposed Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and Shareholders. Please refer to Section 5 and **Appendix A** of this Circular for the opinion provided by the IFA.

1.3 Purpose of this Circular and Conditionality of the Resolutions

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transactions and seek the approval of Shareholders for the following proposals at the EGM:

(a) the Proposed Acquisition (Ordinary Resolution 1); and

(b) the Proposed Business Diversification (Ordinary Resolution 2).

1.4 Shareholders should note that Ordinary Resolution 2 is conditional upon the approval of Ordinary Resolution 1. Accordingly, in the event that Ordinary Resolution 1 is not approved, Ordinary Resolution 2 will not be passed.

2. THE PROPOSED ACQUISITION

2.1 Information on the Target Companies, the Vendor and the Covenantor[1]

(a) Information on the Target Companies

Guangxi TPT (Company Registration Number: 91450109MA7FY7E74D) was incorporated in the PRC on 15 February 2022 and has, as at the Latest Practicable Date, a subscribed capital of RMB105,000,000 and a paid-up capital of RMB105,000,000.

Nanning Tidal Aluminium (Company Registration Number: 91450181MAA7JMM05F) was incorporated in the PRC on 21 March 2022 and has, as at the Latest Practicable Date, a subscribed capital of RMB108,300,000 and a paid-up capital of RMB108,300,000.

The Target Companies were incorporated to carry on the business of precision aluminium manufacturing and aluminium recycling (the "**New Business**"), and began operations in 2023. As at the Latest Practicable Date, the Target Companies are involved in the New Business and the business of aluminium trading[2], which generated revenue of RMB650.0 million (equivalent to approximately S$120.9 million[3]) and loss before tax of RMB2.9 million (equivalent to approximately S$0.5

[1] Shareholders should note that the information relating to the Target Companies, the Vendor and the Covenantor presented herein is based on information provided by the Warrantors and the Target Companies. In respect of such information, the Company and the Board have not independently verified the accuracy and correctness of the same and the sole responsibility of the Company and the Board are only limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.

[2] Pending the Target Companies' setting up of their production facilities and the commencement of commercial production, the Target Companies had primarily engaged in trading of aluminium products to (a) familiarise themselves with the market, and (b) build relationships with suppliers and potential customers. "Commercial production" means the production of the aluminium products on a regular basis for market sale based on orders placed by customers comprising related entities and third-party customers. The aluminium trading activities will be scaled down and eventually terminated when the Target Companies' commercial production operations ramp up as the Company has no intention to continue the aluminium trading activities. Prior to the commencement of commercial production, the Target Companies' factories will carry out trial productions which involve, amongst others, tuning the equipment and machines to meet desired output levels and quality.

[3] The figures have been translated into S$ based on the average monthly closing exchange rate of RMB1 : S$0.1860 for FY2024 as extracted from Bloomberg L.P..

million[3]) for FY2024[4]. For FY2024, the New Business and the aluminium trading business contributed RMB442.6 million (equivalent to approximately S$82.3 million[3]) and RMB207.4 million (equivalent to approximately S$38.6 million[3]), representing approximately 68.1% and 31.9% to the Target Companies' revenue, respectively.

As at the Latest Practicable Date, Guangxi TPT has commenced commercial production of cast rolled aluminium coils for sale to component manufacturers who use the cast rolled aluminium coils to produce high battery-grade aluminium foils to be supplied to EV battery manufacturers. High battery-grade aluminium foils are a key component in the cathode of lithium-ion batteries for EVs. Guangxi TPT has obtained the IATF 16949 international standard for automotive quality management systems (QMS) on 28 March 2025. Nanning Tidal Aluminium is involved in the recycling of aluminium waste into aluminium ingots.

Save for the New Business, and the aluminium trading business (which will be scaled down and eventually terminated) as described above, the Target Companies do not have any other material businesses.

Based on the latest available unaudited financial accounts of the Target Companies for FY2024 prepared in accordance with the CAS and the IFRS respectively, which were adjusted to take into consideration the effects of the capital reductions of the Target Companies, and to exclude the inter-company transactions between the Target Companies and the existing assets and liabilities which are (i) unrelated to property, plant and equipment and its construction and/or (ii) related to receivables, prepayments and/or deposits due to the Vendor Group from the Target Companies and due from the Vendor Group to the Target Companies, that are to be disposed of or otherwise excluded from the Target Companies by way of assignment to the Vendor (in the manner set out in Section 2.3(b)(v) of this Circular) as expected by the Completion Date, the book value, NTA value, and profit/(loss) before tax attributable to the Target Companies on a combined basis are set out below. For the avoidance of doubt, there were no adjustments to the financial accounts of the Target Companies made for non-recurring and one-off items such as government grants.

As at 31 December 2024	**Prepared based on CAS**	**Prepared based on IFRS**
Book value of the Target Companies, on a combined basis	RMB221.8 million (equivalent to approximately S$41.5 million[(1)])	RMB206.3 million (equivalent to approximately S$38.6 million[(1)])
NTA value of the Target Companies, on a combined basis	RMB188.7 million (equivalent to approximately S$35.3 million[(2)])[(4)]	RMB206.3 million (equivalent to approximately S$38.6 million[(2)])
Profit/(Loss) before tax attributable to the Target Companies, on a combined basis	RMB0.9 million (equivalent to approximately S$0.2 million[(3)])	(RMB2.9 million) (equivalent to approximately (S$0.5 million[(3)]))

4 Based on the latest available unaudited financial accounts of the Target Companies for FY2024 prepared in accordance with the IFRS.

Notes:

(1) The book value has been translated into S$ based on the closing exchange rate of RMB1 : S$0.1873 as at 31 December 2024 as extracted from Bloomberg L.P..

(2) The NTA value has been translated into S$ based on the closing exchange rate of RMB1 : S$0.1873 as at 31 December 2024 as extracted from Bloomberg L.P..

(3) The profit/(loss) before tax has been translated into S$ based on the average monthly closing exchange rate of RMB1 : S$0.1860 for FY2024 as extracted from Bloomberg L.P.. The profit/(loss) before tax may not be reflective of the businesses to be acquired at Completion as certain overhead expenses have not been excluded.

(4) Land use rights amounting to RMB31.4 million (equivalent to approximately S$5.9 million based on the closing exchange rate of RMB1 : S$0.1873 as at 31 December 2024 as extracted from Bloomberg L.P.) are recognised as intangible assets under the CAS and have been deducted from the net asset value to arrive at the NTA value. The land use rights have been reclassified as right-of-use assets under the IFRS.

The unaudited pro forma combined balance sheet of the Target Companies as at 31 December 2023 and 31 December 2024 is set out in the table below:

	Unaudited pro forma			
	Prepared in accordance with CAS		**Prepared in accordance with IFRS**	
(RMB)	**As at 31 December 2023**	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**
Current assets				
Cash and bank	8,522,992	1,415,744	8,522,992	1,415,744
Trade and other receivables	83,350,762	59,570,079	83,350,762	59,570,079
Prepayment	146,496,238	55,119,931	145,428,127	53,389,735
Inventory	24,412,516	33,302,470	24,412,516	33,302,470
Other assets	11,562,046	8,813,169	11,562,046	8,813,169
Total current assets	**274,344,554**	**158,221,393**	**273,276,443**	**156,491,197**
Non-current assets				
Fixed assets	28,043,101	81,184,048	28,043,101	81,184,048
Construction-in-progress	239,736,494	257,768,221	239,736,494	257,768,221
Construction assets	113,420	–	113,420	–
Intangible assets	32,036,121	31,374,036	–	–
Development assets	721,926	3,454,554	721,926	3,454,554
Long term prepaid expenses	11,710,815	99,189,373	–	85,498,298
Long term receivables	29,375,500	66,656,001	29,375,500	66,656,001
Right-of-use assets	–	–	32,090,198	31,298,798

(RMB)	Unaudited pro forma			
	Prepared in accordance with CAS		Prepared in accordance with IFRS	
	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024
Total non-current assets	**341,737,377**	**539,626,233**	**330,080,639**	**525,859,920**
Total assets	**616,081,931**	**697,847,626**	**603,357,082**	**682,351,117**
Current liabilities				
Short term loans	25,000,000	45,000,000	25,000,000	45,000,000
Trade and other payables	216,926,255	92,371,451	216,926,255	92,371,451
Other liabilities	44,508,652	29,751,358	44,508,652	29,751,358
Total current liabilities	**286,434,907**	**167,122,809**	**286,434,907**	**167,122,809**
Non-current liabilities				
Long term loans	116,140,000	130,474,000	116,140,000	130,474,000
Long term payables	–	178,483,594	–	178,483,594
Total non-current liabilities	**116,140,000**	**308,957,594**	**116,140,000**	**308,957,594**
Total liabilities	**402,574,907**	**476,080,403**	**402,574,907**	**476,080,403**
Net assets	**213,507,024**	**221,767,223**	**200,782,175**	**206,270,714**

As disclosed in Section 3.7 of this Circular entitled "Risks Associated with the New Business", the Target Companies may be subject to certain damages and penalties pursuant to, amongst others, contractual breaches and non-compliance with Applicable Laws. Should any of these damages and penalties materialise, such amounts may be recorded as liabilities under the Target Companies' financial statements.

The Target Companies' financial statements have not been audited as there is no statutory requirement for the Target Companies to carry out an external audit under the applicable PRC laws. As such, for the purposes of the Proposed Acquisition, the Target Companies have presented their management accounts instead.

In addition, Guangxi TPT and Nanning Tidal Aluminium were incorporated on 15 February 2022 and 21 March 2022 respectively. During their first year of operations, the Target Companies were primarily in the early construction stages of their factories, and had only carried out aluminium trading activities in order to generate revenue and funds required to set up their commercial production operations. The Target Companies only began generating revenue from its aluminium manufacturing business during the first half of 2024. For the avoidance of doubt, the Company intends to cease the Target Companies' aluminium trading business post-Completion of the Proposed Acquisition. As such, the Company is of the view that the presentation of the Target Companies' historical financial statements for FY2022 and FY2023 are not relevant for the purposes of the Proposed Acquisition.

Furthermore, the non-inclusion of the financial statements for the latest three (3) financial years is not expected to be prejudicial to the Shareholders as the Proposed Acquisition is structured and valued at the net asset value of the Target Companies which will be independently verified by the Company's auditors within 30 days of the Completion Date. In the event of any discrepancies, the Consideration will be adjusted correspondingly.

The Company has appointed Enrome to perform agreed-upon procedures in accordance with the Singapore Standard on Related Services (SSRS) 4400 (Revised) Agreed-Upon Procedures Engagements to verify specific information in the management accounts of the Target Companies for FY2023 and 1H2024, and the pro forma combined financials of the Target Companies for FY2023 and 1H2024, prepared using CAS and IFRS. The agreed-upon procedures carried out by Enrome comprise, amongst others, the following:

(i) reviewing the business background;

(ii) verifying the assets and liabilities[5], and reviewing the consolidated financials and financial information of the Target Companies including material commitments, litigation and contingent liabilities;

(iii) scrutinising off-balance sheet items[6] (such as litigation and contingent liabilities) and verifying undisclosed liabilities for completeness;

(iv) analysing the cash flow movements, and identifying and assessing liquidity ratios; and

(v) comparing the generally accepted accounting principles differences between IFRS and CAS, and verifying the financial information and making any necessary adjustments due to the generally accepted accounting principles differences.

In addition, in respect of the management accounts and the pro forma combined financials of the Target Companies for FY2024, Enrome had also compared the generally accepted accounting principles differences between IFRS and CAS, and made such necessary adjustments to account for the generally accepted accounting principles differences.

5 Enrome's procedures in carrying out the verification of assets and liabilities comprise (a) verifying that the assets are properly recorded in the balance sheet, which included a physical sighting of the factory and fixed assets during their site visits, and review of the documentation relating to selected fixed assets. Enrome has also reviewed the relevant assets such as trade and other receivables, construction in progress, right-of-use assets, and property, plant and equipment to ensure that they are supported with relevant documents; and (b) verifying that the liabilities recorded in the balance sheet are real and valid obligations of the company. Enrome had reviewed selected supplier invoices, as well as loan agreements and bank statements to verify outstanding debts.

6 Enrome's procedures in scrutinising off-balance sheet items comprise reviewing loan and lease agreements, board meeting minutes and other material contracts, as well as inquiring with the Target Companies' management to determine if there are any off-balance sheet items. Enrome had also verified if there were any undisclosed liabilities, such as reviewing any unprocessed or unpaid invoices or payments made after the balance sheet date.

Enrome is an accounting practice firm headquartered in Singapore providing assurance, tax, forensic accounting and investigation and advisory services to Singapore and global companies with over 100 employees based in Singapore and China.

The partner-in-charge, Mr. New Boon Poh, is a practising member of the Institute of Singapore Chartered Accountants and a non-practising member of the Malaysian Institute of Accountants. He graduated from the University of Malaya, Malaysia with a Bachelor of Accountancy (Honours) degree and subsequently obtained the Association of Chartered Certified Accountants and ASEAN Chartered Professional Accountant (ASEAN CPA) qualification.

In assessing the suitability of Enrome, the Board has considered the following:

- Enrome's track record in performing audit and assurance work for companies listed on the New York Stock Exchange and Nasdaq. Currently, Enrome has a portfolio of over 40 clients listed on the New York Stock Exchange and Nasdaq;

- Enrome's familiarity with the CAS, having been the reporting accountants for several PRC-based companies. In particular, the partner-in-charge, Mr. New Boon Poh, has been involved in numerous audit engagements for PRC-based companies;

- the deal team involved in carrying out the agreed upon procedures are adequately staffed with one (1) engagement partner, one (1) engagement manager and two (2) team members, and has the ability to dedicate sufficient time to the engagement and to meet the project timeline set on meeting milestones and deliverables;

- the Board also noted that neither Enrome nor the partner-in-charge has been involved in or the subject of any current or past investigations, disciplinary proceedings, or actions by any regulatory authority or professional body; and

- Enrome's independence from the Group and the Target Companies, as well as the Group's and Target Companies' directors or substantial shareholders and their associates.

Pursuant to the terms of the SPA, the Consideration is subject to Adjustments (if applicable) based on the Verification Balance Sheet to be prepared by the accountant and/or auditor appointed by the Purchaser at its sole discretion. The Company intends to appoint its current auditor (Forvis Mazars LLP) to prepare the Verification Balance Sheet such that there will be an independent and objective assessment in addition to the financial due diligence conducted by Enrome.

Production facilities of the Target Companies

As at the Latest Practicable Date, Guangxi TPT has production facilities located at No. 1 Puling Street, Yongning District, Nanning City (南宁市邕宁区蒲灵路1号), and Nanning Tidal Aluminium has under-construction production facilities located in Hekai Tech Park (Technology Enterprise Incubation Center), No. 3, Jingchun Road, Liujing Industrial Park, Nanning City (南宁六景工业园区景春路3号和凯科技园(科技企业孵化中心)). Details of the aforesaid production facilities are set out below.

Target Company	Guangxi TPT	Nanning Tidal Aluminium
Facilities	Nanning Production and Investment Automobile Yongning Industrial Park Factory Plants Nos. 3 and 7 ("**Yongning Plant 3**", and "**Yongning Plant 7**" respectively)	The Nanning Factory which is partially completed on the 150mu Land and pending construction on the 28mu Land by Nanning Tidal Aluminium pursuant to the Land Use Right Contracts
Location of Facilities	1 Puling Street, Yongning District, Nanning City (南宁市邕宁区蒲灵路1号)	Hekai Tech Park (Technology Enterprise Incubation Center), No. 3, Jingchun Road, Liujing Industrial Park, Nanning City (南宁六景工业园区景春路3号和凯科技园(科技企业孵化中心))
Lease Term/Tenure	Five (5) years lease from date of delivery of the respective plants. As at the date of this Circular, Guangxi TPT has taken possession of Yongning Plant 3 and Yongning Plant 7, which are being used for the manufacturing of cast rolled and cold rolled aluminium coils.	50 years of tenure

Target Company	Guangxi TPT	Nanning Tidal Aluminium
Completion Status	Yongning Plant 3 and Yongning Plant 7 are completed and delivered to Guangxi TPT.	**<u>150mu Land (partially completed)</u>** As at the Latest Practicable Date, Nanning Tidal Aluminium has engaged a third-party engineering company to complete part of the construction works on the 150mu Land at the contractual project price of RMB12 million. Nanning Tidal Aluminium expects to complete the construction works and commence production operations by the second half of 2025, subject to all requisite acceptance inspections, relevant filings and Permits being passed, completed and/or obtained (as the case may be) prior to the commencement of production operations and after the construction works have been completed. The Company has reviewed the qualifications of the third-party engineering company appointed to complete part of the construction works on the 150mu Land, and has considered its track record of completing similar projects and obtaining similar Permits. **<u>28mu Land (pending construction)</u>** As at the Latest Practicable date, Nanning Tidal Aluminium has not commenced construction on the 28mu Land.

Target Company	Guangxi TPT	Nanning Tidal Aluminium
Material Licences and Permits for Operations	As at the Latest Practicable Date, Guangxi TPT has passed all the acceptance inspections required to carry on its production operations (including GB/T 24001-2016/ ISO 14001:2015 (Environment management systems), GB/T 45001-2020/ISO 45001:2018 (Occupational health and safety management systems) and GB/T 19001-2016/ISO 9001:2015 (Quality management system)), save for the energy conservation acceptance check which it targets to obtain after Completion. Nonetheless, as at the Latest Practicable Date, Guangxi TPT is still carrying on its production operations.	**150mu Land** As at the Latest Practicable Date, Nanning Tidal Aluminium has passed, completed and/or obtained (as the case may be) the review opinions on safety facility design and energy conservation report relating to regenerated aluminium process and production, registration for completion acceptance evaluation report, pre-evaluation report on occupational disease hazards, and registration for trial production plan for recycled aluminium processing and production. As at the Latest Practicable Date, Nanning Tidal Aluminium has not passed, completed and/or obtained (as the case may be) the completion acceptance inspection of the construction project on the 150mu Land, the fire prevention facility completion acceptance and filing certificate, the environmental protection acceptance inspection, the energy conservation acceptance inspection, and the written report on the evaluation of effective control of occupational disease hazards and the acceptance inspection of the facilities for the prevention and control of occupational diseases, from the respective authorities as are required under the Applicable Laws for carrying on the commercial production operations at the facilities and related activities on the 150mu Land.

Target Company	Guangxi TPT	Nanning Tidal Aluminium
		28mu Land As at the Latest Practicable date, Nanning Tidal Aluminium has not commenced construction on the 28mu Land and as such, has not passed, completed and/or obtained (as the case may be) any of the acceptance inspections, relevant filings and Permits as may be required under the Applicable Laws in respect of the construction project, the under-construction facilities on the 28mu Land as well as the commercial production operations at the facilities and related activities on the 28mu Land.
Stage of Production	Trial production has completed and commercial production has commenced.	**150mu Land** Trial production completed and pending commercial production. As at the Latest Practicable Date, Nanning Tidal Aluminium has voluntarily suspended its commercial production operations on the 150mu Land until it has passed, completed and/or obtained (as the case may be) all the requisite acceptance inspections, relevant filings and Permits set out under the section of "Material Licences and Permits for Operations" above. **28mu Land** As at the Latest Practicable date, Nanning Tidal Aluminium has not commenced construction of production facilities or any production activities on the 28mu Land.
Production Capacity as at the Latest Practicable Date	52,200 tonnes of aluminium products per annum	108,000 tonnes of aluminium products per annum

Target Company	Guangxi TPT	Nanning Tidal Aluminium
Actual Utilisation Rate	1,590 tonnes of aluminium products produced in March 2025. Monthly average of 1,215 tonnes of aluminium products produced in the 12-month period from 1 April 2024 to 31 March 2025.	Not applicable. As at the Latest Practicable Date, Nanning Tidal Aluminium has voluntarily suspended its commercial production operations on the 150mu Land until it has passed, completed and/or obtained (as the case may be) all the requisite acceptance inspections, relevant filings and Permits set out under the section of "Material Licences and Permits for Operations" above.
Expected Capital Expenditure(1)	The Company understands that Guangxi TPT intends to invest an additional RMB95.0 million in capital expenditure in the next few years to increase its production output.	The Company understands that Nanning Tidal Aluminium intends to invest an additional RMB218.5 million in capital expenditure in the next few years to increase its production output.
Valuation of the Assets of Production Facilities(2)	RMB66.3 million (comprising machinery and equipment, motor vehicles, office and other equipment and construction-in-progress)	RMB15.9 million for plant and machinery (comprising machinery and equipment, motor vehicles, office equipment and construction-in-progress). RMB286.0 million (under Special Assumptions) for industrial building with various unfinished industry buildings and ancillary structures erected thereon.

Notes:

(1) The Target Companies intend to use their internally generated funds derived from the commercial production operations of the Target Companies as well as bank borrowings to fund the expansion of production output between 2025 and 2027.

(2) Based on the valuation date of 30 November 2024, which is the valuation date specified in the Asset Valuation Reports and the Business Valuation Report.

In relation to the acceptance inspections, relevant filings and Permits for carrying on the commercial production operations at the facilities and related activities on the 150mu Land which Nanning Tidal Aluminium has not passed, completed and/or obtained (as the case may be), the Board has reviewed the necessary documents and has been briefed on the requirements under the Applicable Laws by the management of the Target Companies. The Board also understands from the management of the Target Companies that the requisite Permits are customary permits to be issued to companies which have undertaken factory construction works and prior to the commencement of production operations.

In addition, the Company has identified three (3) of its employees from its wholly-owned subsidiary, Hetat Holdings Pte. Ltd., to be seconded to Nanning Tidal Aluminium's premises to oversee the factory construction works post-Completion. Hetat Holdings Pte. Ltd. is an engineering and construction company registered with the Building and Construction Authority of Singapore. These existing employees collectively have over 35 years of experience in the construction industry, and have the necessary experience and skillsets to manage such projects.

Furthermore, the Group will take such measures as may be prudent to ensure that Nanning Tidal Aluminium fulfils all the related requirements, including having the financial resources required to obtain the requisite Permits as well as for the satisfaction of such conditions and rectifications as may be prescribed by the relevant local authorities in relation thereto. Based on the above, the Board, to the best of its knowledge and belief, does not foresee that such Permits, when duly applied for by Nanning Tidal Aluminium, will be rejected by the relevant local authorities.

The Warrantors have undertaken to procure that (i) all required acceptance inspection or checks required to be passed and all relevant filings required to be completed for the carrying on of production operations and related activities at the Target Companies' respective production facilities will be passed and completed respectively, and (ii) all Permits required for the carrying on of production operations and related activities at the Target Companies' respective production facilities will be obtained, within six (6) calendar months following Completion or such other period as may be agreed in writing by the Purchaser. Please refer to Section 3.7(j) of this Circular for additional details on certain remedies available to the Target Companies in the event of breach of the aforementioned Warrantors' undertakings.

In relation to Yongning Plant 3 and Yongning Plant 7 (collectively, the "**Yongning Plants**"), they are presently leased to Guangxi TPT pursuant to the Nanning Investment Enterprise Yongning Industrial Park Project Factory Hire and Purchase Agreement entered into between Guangxi TPT and Nanning Production Investment Automotive Park Development Co., Ltd (the "**Landlord**") on 29 January 2022 and as supplemented by a supplemental agreement dated 30 May 2022 and a second supplemental agreement dated 29 April 2024 (collectively, the "**Yongning Factory Hire and Purchase Agreement**")[7]. Pursuant to the Yongning Factory Hire and Purchase Agreement, Guangxi TPT has a legally binding obligation to purchase the Yongning Plants and certain other facilities and equipment after the Landlord has obtained a pre-sale permit for the sale of the said premises. The Yongning Factory Hire and Purchase Agreement also provides that the parties shall negotiate and enter into a plant sale and purchase agreement with the price being determined based on

[7] Under the original Yongning Factory Hire and Purchase Agreement dated 29 January 2022, the Landlord had agreed to lease Yongning Plant 3, Yongning Plant 7, as well as Nanning Production and Investment Automobile Yongning Industrial Park Factory Plant Nos. 5 and 6 ("**Yongning Plant 5 and Yongning Plant 6**") to Guangxi TPT and Guangxi TPT had a legal binding obligation to lease and subsequently purchase Yongning Plant 3 and Yongning Plant 7, as well as Yongning Plant 5 and Yongning Plant 6, from the Landlord. At the request of the Landlord to lease Yongning Plant 5 and Yongning Plant 6 to another tenant instead, Guangxi TPT had agreed to enter into the second supplemental agreement dated 29 April 2024 pursuant to which the Landlord is released from its obligation to lease Yongning Plant 5 and Yongning Plant 6 to Guangxi TPT and Guangxi TPT is released from the obligation to lease and subsequently purchase Yongning Plant 5 and Yongning Plant 6 from the Landlord under the original Yongning Factory Hire and Purchase Agreement. As such, as at the date of this Circular, Yongning Plant 5 and Yongning Plant 6 have not been and will no longer be delivered to, or leased or used by, Guangxi TPT for any of its production activities. For the avoidance of doubt, Yongning Plant 5 and Yongning Plant 6 were not factored into the valuation of the Target Companies, in particular the Asset Valuation Reports and the Business Valuation Report, in connection with the Proposed Acquisition.

and including the total project costs, financing costs, operating costs and a profit component based on 10% of the project cost plus financing cost. The aggregate purchase price for the Yongning Plants shall also be reduced by the aggregate amount of the rental fees previously paid in respect thereof, from the respective dates of lease commencement to the price determination date in respect of each of the Yongning Plants. The price of the premises can only be reasonably determined after the expiry of the relevant lease term and assuming completion of the project. The lease term for each plant is 60 months, commencing from the respective date of delivery of each plant to the lessee. As the Yongning Plants were delivered on different dates, their respective lease terms will have different expiry dates. For completeness, Yongning Plant 3 was delivered on 31 May 2023 and accordingly, the lease term expiry date shall be 30 May 2028. Yongning Plant 7 was delivered on 7 December 2023 and accordingly, the lease term expiry date shall be 6 December 2028. In addition, the Warrantors have provided an undertaking under the SPA whereby they shall procure that the aggregate purchase price for the Yongning Plants shall be not more than RMB200 million. The Company shall conduct a separate valuation of the Yongning Plants at such time prior to the completion of the purchase and, if required under Chapter 10 of the Listing Manual, obtain Shareholders' approval in relation to the purchase.

Valuation of the Target Companies

Based on the Business Valuation Report Summary Letter issued by the Independent Valuer which was commissioned by the Company, the market value under Special Assumptions of 100% equity interest in the capital of the Target Companies as at the valuation date of 30 November 2024 is between RMB195 million and RMB217 million (equivalent to approximately between S$36.0 million and S$40.1 million[8]).

The valuation is based primarily on the cost approach, with the market approach being adopted as a reference.

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. This approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The market approach often uses market multiples derived from a set of comparable companies or comparable precedent transactions, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

[8] The indicative value of the Target Companies is translated into S$ based on the closing exchange rate of RMB1 : S$0.1848 as at 30 November 2024 as extracted from Bloomberg L.P..

The Board is of the view that the valuation on the Target Companies is made in accordance with the "Regulator's Column: What SGX RegCo expects of business valuations for significant transactions" dated 1 March 2022 taking into consideration the following:

(i) The Independent Valuer has adopted the cost approach as the primary approach with reference to the Asset Valuation Reports prepared by the Asset Valuer as the Target Companies are very assets intensive and the majority of the production facilities are construction-in-progress with commercial productions not fully in operation yet. Further, the valuation undertaken on the Target Companies is based on the pro forma combined balance sheet in relation to the Target Companies prepared by Enrome which has assumed the completion of the capital reductions of the Target Companies.

(ii) The Board notes that the Independent Valuer has confirmed that the Business Valuation Report Summary Letter on the Target Companies is prepared in accordance with the Institute of Valuers and Appraisers, Singapore – Requirements under PN-002: Minimum Disclosure Requirements for Summary Valuation Letters.

(iii) The Board has reviewed the key assumptions and Special Assumptions (set out below) made in deriving the market value of the Target Companies, and is of the view that such assumptions made are reasonable in the context of the nature and stage of development of the Target Companies.

(iv) Additionally, the Board noted that the use of Special Assumptions for valuation is in compliance with Royal Institution of Chartered Surveyors standards and International Valuation Standards, and is a common practice, especially for industrial projects in mainland China, where there is often a lack of construction procedures or related certificates.

(v) The Business Valuation Report Summary Letter is prepared in accordance with International Valuation Standards and the Asset Valuation Reports are prepared in accordance with International Valuation Standards and Royal Institution of Chartered Surveyors standards (where applicable).

Please refer to the Business Valuation Report Summary Letter on the Target Companies and the Asset Valuation Reports set out in **Appendix B** and **Appendix D** of this Circular, respectively, for further details on the valuation.

Key assumptions

The key assumptions made by the Independent Valuer in carrying out the valuation of the Target Companies comprise, amongst others, the following:

(i) the financial information provided accurately reflects the Target Companies' financial position, operation and performance, and the financial statements were prepared in accordance with accounting principles generally accepted internationally on a true and fair basis;

(ii) the business and operation of the Target Companies shall continue to operate as a going concern, and the Target Companies have sufficient liquidity to continue their business and operation;

(iii) there are no contingent liabilities, including but not limited to litigations, disputes, indemnities or penalties, unrecorded unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Companies; and

(iv) the asset valuation performed by the Asset Valuer accurately reflects the market value of the machinery and equipment, completed industrial building and construction-in-progress of building and ancillary structures and land use rights of the Target Companies.

Special Assumptions used in the valuation of the Target Companies

In deriving the market value, the Independent Valuer and the Asset Valuer have assumed the following special assumptions ("**Special Assumptions**") for the market value of the industrial complex owned by Nanning Tidal Aluminium ("**Nanning Factory**") located on the southwest side of Jingyi Road, Liujing Industrial Park, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region in its existing state as at the valuation date of 30 November 2024 (including completed industrial building, construction-in-progress of building and ancillary structures, and land use rights):

(i) the industrial building with a gross floor area of approximately 4,600 square meters has been completed in 2023 and has been put into use. The industrial building can pass the fire inspection, and there are no technical or legal obstacles to obtaining the construction work completion and inspection certification and the real estate title certificate;

(ii) all relevant procedures required for continued construction of the construction-in-progress can be obtained legally without any technical and legal obstacles; and

(iii) the property (including completed industrial building and construction-in-progress of building and ancillary structures and land use rights) could be freely transferred by Nanning Tidal Aluminium.

The entire Nanning Factory area consists of multiple buildings, one of which, covering an area of approximately 4,600 square meters, is located in the northeast of the factory area. This building ("**Part A**") has been completed and is ready for production as at the valuation date of 30 November 2024. The remaining buildings in the entire Nanning Factory area, totaling approximately 44,000 square meters ("**Part B**"), are not completed yet and are still under construction.

Part A and Part B are considered as one development (the "**Development**"). Although Part A has been completed and put into use, it has not obtained a property ownership certificate because Part B has not been completed. Based on information obtained by the Asset Valuer, Part B is expected to continue construction in 2025, and the Development will obtain the relevant construction permits when it is completed. Therefore, the Asset Valuer has made the Special Assumptions based on the above assumptions. After the completion of the Development, Nanning Tidal Aluminium will obtain a property ownership certificate and have a market value without the Special Assumptions. The Independent Valuer also noted that the abovementioned assumptions relating to the Development are supported by the undertakings by the Warrantors under the SPA, whereby the Warrantors have undertaken that all Permits required for carrying on production activities and related activities at the Target Companies' respective production facilities will be obtained within 6 months post-Completion.

Further, the use of special assumptions for valuation is in compliance with Royal Institution of Chartered Surveyors standards and International Valuation Standards, and is a common practice, especially for industrial projects in mainland China, where there is often a lack of construction procedures or related certificates. In such cases, it is a common practice to use special assumptions for providing a reasonable market value of the property. Since the market value of the Development is based on Special Assumptions, the market value of the equity interest in the Target Companies is based on Special Assumptions as the property valuation is an input to the equity valuation.

The Board wishes to highlight to Shareholders that there is no assurance that the Special Assumptions will be met, and in the event the Special Assumptions are not met, the prevailing market value of 100% of the equity interest of the Target Companies may be different from the ascribed market value under Special Assumptions set out in the Business Valuation Report Summary Letter. Shareholders are strongly advised to consider the Special Assumptions set out in the Business Valuation Report Summary Letter and the Asset Valuation Reports set out in **Appendix B** and **Appendix D** of this Circular carefully.

The Independent Valuer, Navi Corporate Advisory Pte. Ltd. ("**NAVI**"), was founded in 2022 and currently has a team of more than five (5) professionals performing the business valuation function, including its Chief Executive Officer, Mr. Richard Yap, who has experience in corporate finance, strategy and business valuation and advisory work. NAVI is a corporate member of the International Valuation Standard Council (the independent global standard setter for the valuation profession).

Mr. Richard Yap is a member of The Institute of Valuers and Appraisers, Singapore ("**IVAS**") who holds the certification of Chartered Valuer Appraisal and has the requisite certification for conducting business valuation. Mr. Richard Yap has around 15 years of experience as a business valuer. He has conducted business valuations on companies located or operating in countries such as Singapore, Malaysia, Indonesia, China and India for transaction purposes. Besides valuations for transaction purposes, Mr Richard Yap also conducts valuations for financial reporting purposes such as purchase price allocation exercise, share option valuation and impairment assessment of companies operating in China, Vietnam and Thailand.

In assessing the suitability of NAVI to undertake the valuation of the Target Companies, the Board has taken into consideration, amongst others, the following:

- NAVI's profile, qualifications and track record in carrying out similar valuation work, including valuations relating to major acquisitions for companies listed on the SGX;

- NAVI is a corporate member of the International Valuation Standard Council, and Mr Richard Yap, the Chief Executive Officer of NAVI, is a member of IVAS who holds the certification of Chartered Valuer Appraisal and has the requisite certification for conducting business valuation;

- the deal team involved in carrying out the valuation on the Target Companies is adequately staffed, with two (2) directors and one (1) senior analyst, and can dedicate sufficient time to the engagement and to meet the project timeline set on meeting milestones and deliverables;

- the Board also noted that neither NAVI nor Mr. Richard Yap has been involved in or the subjects of any current or part investigations, disciplinary proceedings, or actions by any regulatory authority or professional body; and

- NAVI's independence from the Group and the Target Companies, as well as the Group's and Target Companies' directors or substantial shareholders and their associates.

(b) Information on the Covenantor and the Vendor

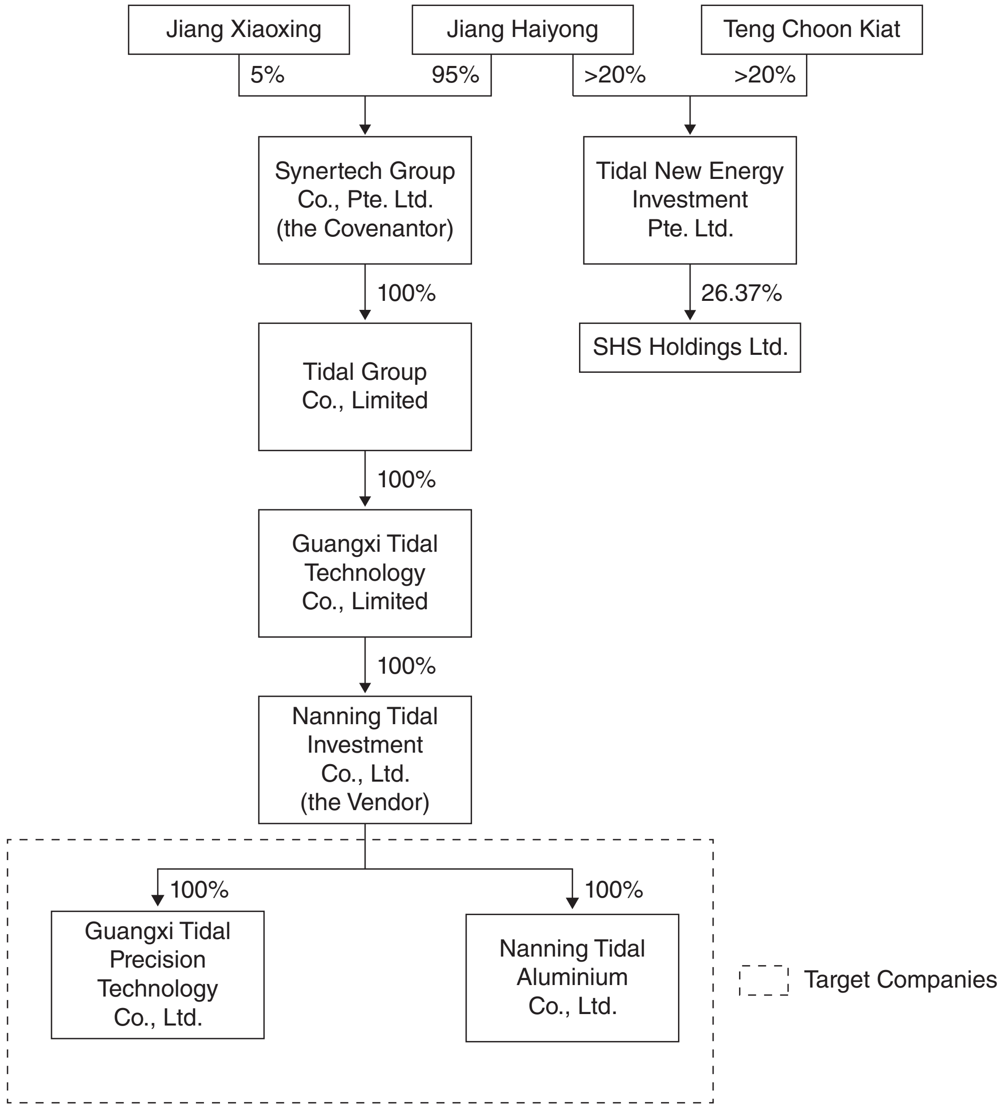
The Covenantor, Ms. Ming Keju, is a citizen of the PRC and the ex-spouse of Mr. Jiang Haiyong who, as at the date of the SPA, held 95% shareholding interest in Synertech, the original covenantor under the SPA. As Covenantor, Ms. Ming Keju's obligations under the SPA are to guarantee to and covenant with the Purchaser the due and punctual performance by the Vendor of the Vendor's covenants and obligations under the SPA.

Ms. Ming Keju holds 100% of the shares of Tidal Group Co., Limited (潮力集团有限公司) (Company Registration Number: 3062942) ("**Tidal Group**"), an investment holding company incorporated in Hong Kong Special Administrative Region with its registered office at Flat/Rm 1405A, 14F, The Belgian Bank Building, Nos. 721 – 725 Nathan Road, Mongkok, Hong Kong Special Administrative Region. As at the Latest Practicable Date, Tidal Group has an issued and paid-up share capital of HKD10,000 comprising 10,000 ordinary shares. Tidal Group holds 100% of the shares of Guangxi Tidal Technology Co., Limited (广西潮力科技有限公司) (Company Registration Number: 91450100MA7AUP4R7X (1-1)) ("**Guangxi Tidal**") which is an investment holding company incorporated in the PRC and having its registered office at No. 20, Nanning Zhonghe Baoshuiqu Business Center No 1 3A09-2. Jinghai Road, China (Guangxi) Free Trade Trial Zone, Nanning Bian Qu, Guangxi Province, PRC. As at the Latest Practicable Date, Guangxi Tidal has a subscribed and paid-up capital of HKD10,000,000. Guangxi Tidal holds 100% of the shares of the Vendor, which in turn holds 100% of the equity interests of the Target Companies.

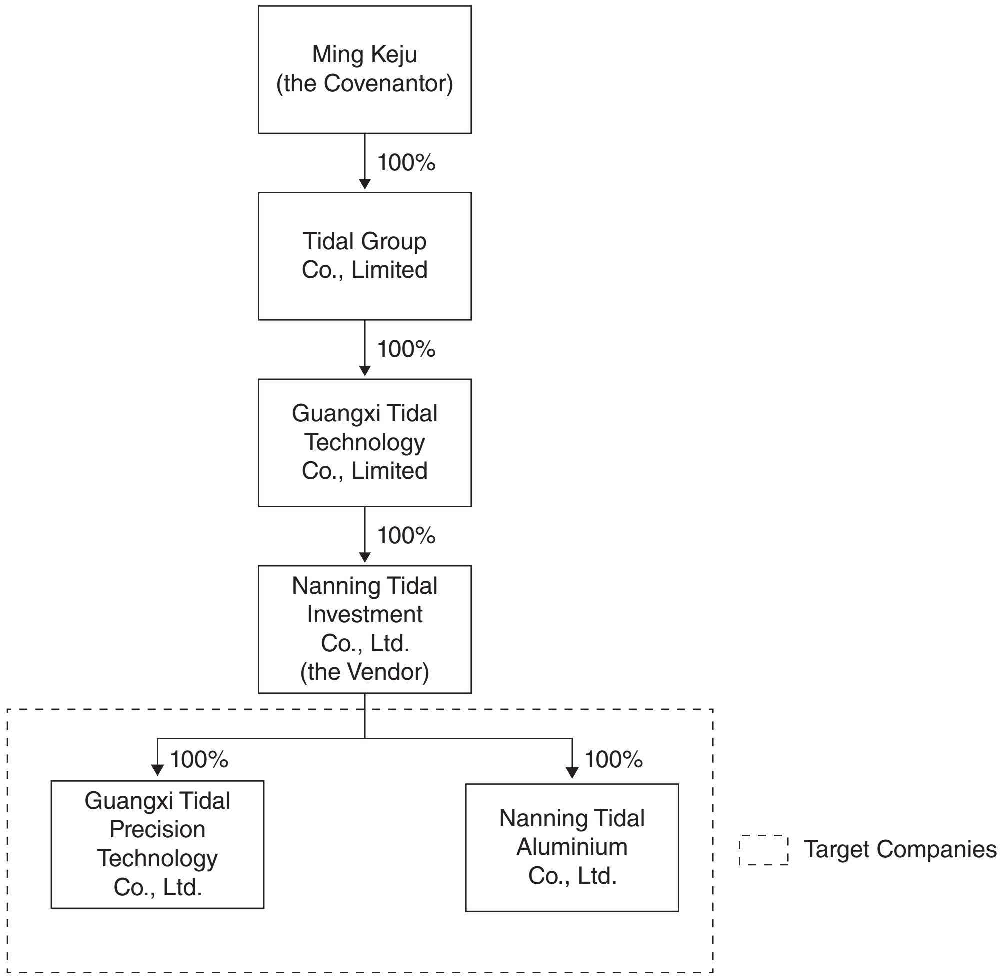
The Vendor, Nanning Tidal Investment Co., Ltd. (Company Registration Number: 91450103MA7E022F3Q) is an investment holding company incorporated in the PRC and having its registered office at Guanlanxigu Commercial 01, No. 121 Xianhu Street, Qingxiu District, Nanning City, Guangxi, the PRC. As at the Latest Practicable Date, the Vendor has a subscribed and paid-up capital of RMB50,000,000.

Accordingly, the beneficial ownership of the Target Companies immediately before the Novation and the Change in Shareholding of Tidal New Energy, and as at the date of this Circular, was and is as follows:

As at the date of the SPA (before the Novation and the Change in Shareholding of Tidal New Energy)



As at the date of this Circular



2.2 Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition is to further diversify the Group's business and provide an additional revenue stream. The Group believes that the additional revenue and earnings stream from the Proposed Acquisition will serve to enhance Shareholders' value.

The Group is primarily involved in three (3) core business segments involving (a) engineering and construction that comprises structural steel and façade and modular construction, (b) corrosion prevention and (c) energy-related businesses. The Group has been continually seeking to expand its customer base by enlarging its portfolio of products and services, amidst competitive operating environment, particularly in its engineering and construction and corrosion prevention segments.

As such, the Board has been exploring opportunities to create new value propositions beyond the Group's three (3) core business segments and has identified the Proposed Acquisition as a suitable opportunity to further diversify its business offerings.

The Board is of the view that the Proposed Acquisition provides a good opportunity for the Group to enter into the growing precision aluminium market and be engaged in the New Business without having to face substantial start-up risks. The Target Companies' production lines have been or are pending set up. Notably, the end customers of Guangxi TPT primarily supply to the EV battery market which is expected to grow alongside the PRC EV landscape. EV sales continued to rise globally in 2024, increasing by more than 25% to more than 17 million units, up from below 14 million units in 2023. The PRC was the leading driver of growth, accounting for almost two-thirds of global EV sales in 2024. The PRC's EV sales experienced an impressive annual growth rate of nearly 40%. A large share of this growth came from plug-in hybrid EVs, where sales saw an 80% increase, compared with a nearly 20% rise in battery EVs. Growing demand for extended-range EVs has supported this trend; the configuration is currently most prevalent in the PRC. The PRC's market has been further supported by its vehicle trade-in scheme, which includes subsidies of up to nearly US$3,000 to encourage consumers to replace older, less efficient cars with new EVs[9]. In 2024, electric car sales in the PRC were projected to leap to about 10 million, accounting for about 45% of all car sales in the country. Based on today's policy settings alone, almost one (1) in three (3) cars on the roads in the PRC by 2030 is set to be electric[10].

The end customers of Nanning Tidal Aluminium, on the other hand, are manufacturers of large electrical goods for domestic use and other automotive component manufacturers, representing different segments and therefore a diverse clients base of the Target Companies.

Based on the Target Companies' expected annual production capacity and the positive outlook for the PRC's EV market, the Board believes that the Target Companies represent an attractive business opportunity for the Group.

2.3 Principal Terms of the Proposed Acquisition

(a) The Proposed Acquisition

Subject to the terms and conditions of the SPA, the Covenantor shall procure the Vendor to sell, and the Vendor shall sell and the Purchaser shall purchase and/or procure the SHS WFOE to purchase the Sale Shares, free from all encumbrances and together with all rights, dividends and advantages attaching thereto as at the Completion Date. The Purchaser shall not be obliged to complete and/or procure the SHS WFOE to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

[9] The information was extracted from the Global Energy Review 2025, International Energy Agency, last accessed on 28 April 2025. The International Energy Agency has not consented to the inclusion of the information in this Circular. The Company has not conducted an independent review nor verified the accuracy or completeness of such information. The Company has taken reasonable actions to ensure that the information from the website has been reproduced in its proper form and context, and that information is extracted accurately and fairly from the website.

[10] The information was extracted from the article entitled "The world's electric car fleet continues to grow strongly, with 2024 sales set to reach 17 million", published by the International Energy Agency and last accessed on 28 April 2025. The International Energy Agency has not consented to the inclusion of the information in this Circular. The Company has not conducted an independent review nor verified the accuracy or completeness of such information. The Company has taken reasonable actions to ensure that the information from the website has been reproduced in its proper form and context, and that information is extracted accurately and fairly from the website.

(b) Consideration

(i) The Consideration is RMB205,263,157.90, being the RMB equivalent of S$39,000,000 based on the Agreed Exchange Rate, and is subject to the Adjustments. Details of the Adjustments are set out in Sections 2.3(b)(viii) to 2.3(b)(xiv) of this Circular.

(ii) The Consideration shall be payable in the following manner:

(A) RMB21,052,631.60, being the RMB equivalent of S$4,000,000 based on the Agreed Exchange Rate, shall be paid by the SHS WFOE to the Vendor on Completion (the "**First Consideration Payment**"); and

(B) the balance Consideration of up to RMB184,210,526.30, being the RMB equivalent of S$35,000,000 based on the Agreed Exchange Rate, or such other sum as may be determined in accordance with the SPA (the "**Balance Consideration Payment**") shall be paid by the SHS WFOE to the Vendor within five (5) years from Completion. The payment schedule for the payment of the Balance Consideration Payment shall be determined by the SHS WFOE in its absolute discretion. The Balance Consideration Payment shall bear interest at the rate of 5% per annum on the outstanding Balance Consideration Payment from time to time, commencing from the day after the Completion Date (date inclusive) until the date (date inclusive) full payment of the Balance Consideration Payment has been made. Interest is payable annually in arrears (each such date for payment of such interest hereafter referred to as an "**Interest Payment Date**"), with the first Interest Payment Date commencing on the date falling 12 months from the day after the Completion Date, and every subsequent Interest Payment Date falling on the date 12 months from the preceding Interest Payment Date. If interest is required to be calculated for a period of less than one (1) year, it will be calculated on the basis of a 360-day year of 12 30-day months and in the case of an incomplete month, the actual number of days elapsed.

(iii) The interest rate of 5% per annum was determined by taking into consideration the prevailing borrowing costs of the Group. The maximum interest payable on the Balance Consideration Payment, assuming the Balance Consideration Payment of RMB184,210,526.30 (equivalent to approximately S$35,000,000 based on the Agreed Exchange Rate) is paid in one (1) bullet repayment on the last day of the five (5)-year period from Completion, is RMB46,052,631.58 (equivalent to approximately S$8,750,000 based on the Agreed Exchange Rate).

(iv) Assuming (A) the Consideration is the aggregate sum of RMB205,263,157.90 (equivalent to S$39,000,000 based on the Agreed Exchange Rate) and is not subject to any Adjustments; and (B) the aggregate interest accrued on the Balance Consideration Payment is RMB46,052,631.58 (equivalent to S$8,750,000 based on the Agreed Exchange Rate), based on the maximum interest payable assuming the Balance Consideration Payment is paid in one (1) bullet repayment on the last day of the five (5)-year period from Completion, the maximum aggregate amount of the Consideration and interest payable is RMB251,315,789.48 (equivalent to S$47,750,000 based on the Agreed Exchange Rate).

(v) The Consideration was determined and agreed based on arm's length negotiations between the Company and the Vendor on a willing-buyer and willing-seller basis, with reference to and taking into consideration the Pro Forma Net Assets value of the Target Companies set out in the Pro Forma Balance Sheet. In agreeing to the Consideration, the Company also took into account the business prospects of the Target Companies, and the rationale for and benefit of the Proposed Acquisition (as further described in Section 2.2 of this Circular).

In determining the Pro Forma Net Assets as at the Completion Date, the Purchaser agreed with the Vendor that, the combined balance sheets of the Target Companies drawn up to the Completion Date, would present the Target Financial Condition. It shall be prepared in accordance with the CAS, exclude any and/or all inter-company transactions and/or balances and comprise the following ("**Pro Forma Balance Sheet**"):

(A) non-current assets related to property, plant and equipment and its construction such as (i) property, plant and equipment; (ii) construction-in-progress; (iii) engineering material in progress; (iv) intangible assets; (v) development assets; and (vi) long-term prepaid expenses;

(B) (i) current assets which are related to the property, plant and equipment and its construction, and (ii) inventory relating to the Target Companies' precision manufacturing and aluminium recycling business; and

(C) current and non-current liabilities which are related to the property, plant and equipment and its construction (including but not limited to bank borrowings).

Save as specified above, assets and liabilities of the Target Companies which are (i) unrelated to property, plant and equipment and its construction; and/or (ii) related to receivables, prepayments and/or deposits due to the Vendor Group from the Target Companies, and due from the Vendor Group to the Target Companies, are to be disposed of or otherwise excluded from the Target Companies by way of assignment to the Vendor prior to the Completion Date.

(vi) Within 30 days from Completion, the Reporting Accountant shall be instructed to prepare the Verification Balance Sheet. The Verification Balance Sheet shall be prepared by the Reporting Accountant within 30 days of its instruction, on the same accounting principles, policies, procedures and practices adopted in preparing the Pro Forma Balance Sheet, consistently applied (save that (A) any capital injection, whether by debt and/or equity, by the Purchaser, the SHS WFOE, the Company and/or any of the subsidiaries of the Company (which are subsisting as at the date of the SPA) (the "**SHS Capital Injection**"), and (B) any asset and/or liability that may accrue to the Target Companies as a result of such SHS Capital Injection, shall be disregarded).

(vii) The Reporting Accountant shall also be instructed to prepare the IFRS Verification Balance Sheet within 30 days of its instruction. The IFRS Verification Balance Sheet shall be prepared based on the IFRS (save that (A) any SHS Capital Injection, and (B) any asset and/or liability that may accrue to the Target Companies as a result of such SHS Capital Injection, shall be disregarded).

(viii) In the event (A) the Pro Forma Net Asset value of the Target Companies set out in the Verification Balance Sheet is less than the Pro Forma Net Asset value set out in the Pro Forma Balance Sheet; or (B) the total non-current assets of the Target Companies (on a combined basis and set out in the Verification Balance Sheet) on Completion Date is less than RMB516,432,081, the Consideration shall be adjusted downwards by the amount equivalent to such deficit (or excess in the case of liabilities) (such deficit and excess, collectively known as the "**Deficit**") and the outstanding Balance Consideration Payment shall be correspondingly reduced, save that there shall be no double counting in the determination of the downwards adjustment of the Consideration.

(ix) In the event the Deficit exceeds the Consideration, (A) the Vendor and/or the Covenantor shall refund the First Consideration Payment to the Purchaser (or the SHS WFOE as the case may be) on demand by the Purchaser (or the SHS WFOE as the case may be); and (B) the Vendor and/or the Covenantor shall make payment of such excess of the Deficit over the Consideration to the Purchaser (or the SHS WFOE as the case may be) upon demand by the Purchaser (or the SHS WFOE as the case may be).

(x) In the event any of the bases set out in Section 2.3(b)(viii) of this Circular is triggered, the Purchaser and/or the SHS WFOE shall be entitled to unwind the transactions contemplated in the SPA, in which case, the Purchaser and/or the SHS WFOE, as the case may be, shall be entitled to a full and complete refund by the Vendor and/or the Covenantor of all monies paid by the Purchaser and/or the SHS WFOE to the Vendor in connection with the transactions contemplated in the SPA. Such refund shall be made by the Vendor and/or the Covenantor on demand by the Purchaser and/or the SHS WFOE.

(xi) In the event the IFRS Pro Forma Net Asset Value is less than the Pro Forma Net Assets set out in the Verification Balance Sheet by more than 10%, the Consideration shall be adjusted downwards such that the adjusted Consideration shall be the value which is equivalent to 110% of the IFRS Pro Forma Net Asset Value and the outstanding Balance Consideration Payment shall be correspondingly reduced.

(xii) In the event the IFRS Pro Forma Net Asset Value is less than the value of the First Consideration Payment, the Purchaser and/or the SHS WFOE shall be entitled to unwind the transactions contemplated in the SPA, in which case, the Purchaser and/or the SHS WFOE, as the case may be, shall be entitled to a full and complete refund by the Vendor and/or the Covenantor of all monies paid by the Purchaser and/or the SHS WFOE to the Vendor and/or the Covenantor in connection with the transactions contemplated in the SPA. Such refund shall be made by the Vendor and/or the Covenantor on demand by the Purchaser and/or the SHS WFOE.

(xiii) In the event the Verification Balance Sheet sets out any liability which is (A) not provided for in the Pro Forma Balance Sheet; and/or (B) in excess of the relevant liability value set out in the Pro Forma Balance Sheet ((A) and (B) collectively, the "**Excluded Liabilities**"), the Vendor and/or the Covenantor shall take over the obligations and liabilities of the Excluded Liabilities for the nominal consideration of RMB1.00 on demand by the Purchaser and/or the SHS WFOE (as the case may be). In the event the Vendor and/or the Covenantor does not completely take over the Excluded Liabilities (including any other liability that may subsequently arise in connection with such Excluded Liabilities) within two (2) weeks from the receipt of a written notice from the Purchaser and/or the SHS WFOE, the Purchaser and/or the SHS WFOE (as the case may be) shall have the right to set off the value of any such liability not taken over (the "**Retained Liability Value**") against the Balance Consideration Payment and the Balance Consideration Payment to be paid by the Purchaser and/or SHS WFOE (as the case may be) to the Vendor shall be reduced by the amount equivalent to the Retained Liability Value.

(xiv) In the event the Retained Liability Value exceeds the Balance Consideration Payment, the Purchaser and/or the SHS WFOE shall be entitled to unwind the transactions contemplated in the SPA, in which case, the Purchaser and/or the SHS WFOE, as the case may be, shall be entitled to a full and complete refund by the Vendor of all monies paid by the Purchaser and/or the SHS WFOE to the Vendor in connection with the transactions contemplated in the SPA. Such refund shall be made by the Vendor on demand by the Purchaser and/or the SHS WFOE.

(c) Conditions Precedent Under the SPA

Completion is conditional upon the fulfilment of the following conditions precedent ("**Conditions**"):

(i) Due Diligence Results: the results of a due diligence exercise over the business, affairs, operations, assets, financial condition, prospects and records of the Target Companies being satisfactory to the Purchaser in its absolute discretion;

(ii) Key Employees: the Key Employees entering into service agreements of not less than three (3) years duration with effect from the Completion Date with the relevant Target Company on terms as may be acceptable to the Purchaser and the Key Employees;

(iii) Certain Sums in relation to Vendor Group: the Target Companies no longer having any receivables, prepayments and deposits due from the Vendor Group and the Vendor Group no longer having any receivables, prepayments or deposits due from the Target Companies;

(iv) Discharge or Waiver of encumbrances and liabilities: the discharge or waiver (as the case may be) of any encumbrances and liabilities in favour of or due to any of the Vendor Group by or from the Target Companies, and the Target Companies having no further encumbrances or liabilities in favour of or due to any of the Vendor Group;

(v) Shareholders' Approval: all requisite approvals of the Shareholders at an extraordinary general meeting of the Company for the transactions contemplated in the SPA, including but not limited to the entry into the SPA by the Purchaser and the acquisition by the Purchaser and/or the SHS WFOE of the Sale Shares from the Vendor on the terms and subject to the conditions as contemplated in the SPA, being a major transaction under the Listing Manual, and such approvals not having been withdrawn or revoked and remaining in full force and effect as at the Completion Date;

(vi) SGX-ST Approval: the approval of the SGX-ST for the Proposed Acquisition and the transactions contemplated in the SPA having been obtained where necessary and such approval not having been withdrawn or revoked and remaining in full force and effect as at the Completion Date, and if such approval is subject to any condition or restriction imposed by the SGX-ST, such condition and/or restriction being fulfilled or satisfied on or before Completion and reasonably acceptable to the Purchaser;

(vii) Other Consents: all other third party consents and permits, including but not limited to approvals from (A) governmental or regulatory authorities, (B) shareholders of the Warrantors, the Target Companies, the Company and the Purchaser, and (C) the SGX-ST, having been obtained and remaining valid and effective up till and including Completion, and where any such third party consent and permit is subject to conditions, such conditions being fulfilled or satisfied on or before Completion and reasonably acceptable to the Purchaser;

(viii) Change of Control: where the terms of any material contract to which any of the Target Companies is subject to contain any restriction or prohibition on the change in the shareholding and/or the boards of directors of any of the Target Companies or include any right to terminate exercisable prior to or as a result of any matter contemplated by the SPA, written approval or consent or written confirmation of the waiver from the relevant third parties of such restrictions or prohibition in relation to any such change arising from the transactions contemplated in the SPA or of any such right to terminate having been obtained or fulfilled;

(ix) Amendment of Employee Handbook: the Target Companies having amended their employee handbook in accordance with PRC labour laws and regulations;

(x) Entry into Supplemental Employment Agreements: the Target Companies having entered into supplemental employment agreements with their existing employees to amend the employment agreements previously entered into with their existing employees to be in accordance with PRC labour laws and regulations;

(xi) Legal Representatives: the change of the legal representatives of the Target Companies to nominee(s) of the Purchaser, being Mr. Ng Han Kok, Henry, Executive Director and Group Chief Executive Officer of the Company, or such other person as may be nominated by the Purchaser and notified in writing to the Vendor;

(xii) Minimum Valuation: the valuation of the Target Companies, as valued by an independent valuer to be appointed by the Purchaser at its sole discretion, being not less than RMB189,473,684.20 or S$36,000,000 (based on the Agreed Exchange Rate);

(xiii) Material Adverse Change: no event, change or effect having occurred or being likely to occur which has resulted or is likely to result in a material adverse change or material adverse deterioration in the financial performance or financial condition of the Target Companies;

(xiv) Capital Reduction: the subscribed capital of the Target Companies having been reduced from RMB500,000,000 each to RMB105,000,000 and RMB108,300,000 respectively and the paid-up capital of the Target Companies having been reduced from RMB487,785,000 and RMB346,545,500 respectively to RMB105,000,000 and RMB108,300,000 respectively;

(xv) Sale and purchase agreement: (A) the entry into an abridged version of the sale and purchase agreement between the Purchaser and/or the SHS WFOE (as the case may be) and the Vendor on terms and conditions which are not inconsistent with the terms and conditions set out in the SPA and approved by the Purchaser in its absolute discretion, and (B) the submission of the aforementioned abridged version of the sale and purchase agreement to the local corporate registration authorities in Nanning City, PRC and/or the relevant PRC government authority (as the case may be) for the purpose of effecting the transfer of the Sale Shares; and

(xvi) Extension of Construction Term: approval of (A) the Grantor having been obtained for the extension of the completion date of the construction project on the land under the 150mu Land Use Right Contract, and (B) if required, the Grantor having been obtained for the extension of the completion date of the construction project on the land under the 28mu Land Use Right Contract.

The Warrantors shall use their best endeavours to procure the fulfilment of all of the Conditions set out in Section 2.3(c) of this Circular (save for the Conditions set out in Sections 2.3(c)(i), (v) and (vi) of this Circular and in respect of Section 2.3(c)(vii) of this Circular, only to the extent applicable to the Company and the Purchaser) as soon as possible and in any event by the Long-Stop Date, and shall provide the Purchaser with reasonable assistance as the Purchaser requires and procure that there is made available to the Purchaser all information relating to the business and affairs of the Target Companies which the Purchaser requires in the completion of its due diligence exercise referred to in Section 2.3(c)(i) of this Circular.

As at the Latest Practicable Date, the Conditions set out in Sections 2.3(c)(i), 2.3(c)(iii), 2.3(c)(vi), 2.3(c)(ix), 2.3(c)(xii) and 2.3(c)(xiv) of this Circular have been satisfied and in respect of the Condition set out in Section 2.3(c)(xi) of this Circular, it is contemplated that the change in the respective legal representative of the Target Companies shall only take effect upon Completion.

(d) Undertakings by the Warrantors

The Warrantors further undertake to procure the following (amongst others):

(i) that the Pro Forma Net Assets of the Target Companies (set out in the Verification Balance Sheet) on Completion Date shall not be less than the net asset value of the Target Companies set out in the Pro Forma Balance Sheet;

(ii) that (A) unless so consented to by the Purchaser in writing, (i) the total liabilities of the Target Companies (on a combined basis and set out in the Verification Balance Sheet) on Completion Date shall not be more than RMB468,864,218; and (ii) the aggregate bank borrowings of the Target Companies (on a combined basis and set out under short-term borrowings and long-term borrowings in the Verification Balance Sheet) on Completion Date shall not be more than RMB200 million; (B) the total non-current assets of the Target Companies (on a combined basis and set out in the Verification Balance Sheet) on Completion Date shall not be less than RMB516,432,081, and (C) post-Completion, any security (including the provision of guarantees and collateral) arrangements provided in respect of the bank borrowings of the Target Companies that are existing as at the Completion Date shall not be terminated and shall continue to subsist and be valid;

(iii) that (A) post Completion, the Target Companies shall not engage in transactions with (aa) any member of the Vendor Group; and (bb) any entity in which any member of the Vendor Group has any interest in ((aa) and (bb) are collectively referred to as the "**Vendor Group Related Parties**"), unless so consented to in writing by the Purchaser; (B) all assistance will be rendered to the Purchaser and/or the SHS WFOE by each of the Warrantors and any of the Vendor Group Related Parties to ensure that the Target Companies are able to and shall, without any detriment to any of the Target Companies' financial performance and/or business prospects, carry on their business and/or trade with each of their ultimate end customers and suppliers without the need to use and/or rely on any of the Vendor Group Related Parties as intermediaries; and (C) the Target Companies are able to and shall, without any detriment to any of the Target Companies' financial performance and/or business prospects, carry on their business and/or trade with each of their ultimate end customers and suppliers without the need to use and/or rely on any of the Vendor Group Related Parties as intermediaries;

(iv) the assets and liabilities of the Target Companies which are unrelated to property, plant and equipment and its construction shall be disposed and/or otherwise removed from the Target Companies prior to the Completion Date;

(v) that they shall use their best endeavours to ensure that the actual financial condition of the Target Companies as at Completion Date shall be no less favourable than the Target Financial Condition;

(vi) that Guangxi TPT shall have the right to purchase the factories and plants situated at No. 1 Puling Street, Yongning District, Nanning City (南宁市邕宁区蒲灵路1号) (i.e. the Yongning Plants), including the production facilities and equipment located therein (collectively, the "**Target Property**") within five (5) years from the Completion Date at an aggregate purchase price not more than RMB200 million, which shall be reduced by the aggregate amount of any rental fees previously paid in respect of the Target Property by Guangxi TPT; and

(vii) that (A) all Permits required for the carrying on of production operations and related activities at the Target Companies' respective production facilities will be obtained within six (6) calendar months post Completion; and (B) all relevant acceptance inspection/checks required to be passed and all relevant filings required to be completed for the carrying on of production operations and related activities at the Target Companies' respective production facilities will be passed and completed respectively within six (6) calendar months post Completion or such other period if agreed in writing by the Purchaser.

(e) Completion

Subject to the Conditions set out in Section 2.3(c) of this Circular, Completion shall take place on the date falling five (5) business days after the date of fulfilment or waiver of the last of the Conditions (but excluding those Conditions that are required to be fulfilled up to and including Completion), or such other date as Parties may mutually agree in writing ("**Completion Date**").

(f) Termination

The Purchaser may, in its absolute discretion, terminate the SPA (other than certain surviving clauses set out in the SPA[11]) by giving written notice to the Warrantors upon the occurrence of any of the following:

(i) any of the Conditions not being fulfilled or waived by the Purchaser on or before the Long Stop Date;

(ii) any representation and/or warranty given by the Warrantors in the SPA being untrue, inaccurate or misleading if it were repeated on or at any time before Completion by reference to the facts or circumstances then existing;

(iii) a breach of any covenant or undertaking required to be performed or caused to be performed by the Warrantors prior to the Completion Date;

(iv) any Party or any of the Target Companies having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated in the SPA or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;

(v) a material adverse change in the business, operations, assets, financial condition, financial performance or prospects of any Target Company since the date of the SPA, such material adverse change to be determined by the Purchaser in its sole discretion;

(vi) any of the Warrantors and/or the Target Companies is adjudicated bankrupt or insolvent, or, if applicable, enters into a scheme of arrangement or composition with or assignment for the benefit of all or any class of creditors or any order is made by any competent court or other appropriate authority or any resolution is passed for the winding up of such Target Company or for the appointment of a judicial manager, liquidator or provisional liquidator, receiver or receiver and manager, trustee or similar officer of the whole or any part of the undertaking, assets, rights or revenue of such Target Company; or

(vii) any Applicable Laws having been enacted or proposed which will prohibit, materially restrict or materially delay the implementation of the transactions contemplated in the SPA or the operations of any Target Company,

[11] The surviving clauses are clauses 1 (Definitions and Interpretation), 5.4(c) (Vendor's Right to Terminate), 5.5(c) (Purchaser's Right to Terminate), 10 (Indemnity), 11 (Termination), 12 (Confidentiality), 13 (Communications), 14 (Other Provisions) and 15 (Governing Law and Jurisdiction) of the SPA.

in which case no Party shall have any claim against the other Party for costs, damages, compensation or otherwise, save (A) for any rights, claims or remedies available or already accrued to the Purchaser prior to such termination; and/or (B) that notwithstanding that the Purchaser is the terminating party, where the Purchaser's termination of the SPA is due to any of the termination events set out in this Section 2.3(f) of this Circular (save where the SPA is terminated pursuant to Section 2.3(f)(i) of this Circular and the Conditions not fulfilled are as set out in Sections 2.3(c)(i), (v) and (vi) of this Circular and in respect of 2.3(c)(vii) of this Circular, only to the extent applicable to the Company and the Purchaser) and such termination event arose through no fault of the Purchaser, the Warrantors shall be liable to pay to the Purchaser the amount of S$1,000,000 as reimbursement for the fees and expenses incurred by the Purchaser in connection with the transactions contemplated in the SPA.

(g) Indemnity

Without prejudice to any other rights, claims and remedies available to the Purchaser and the SHS WFOE, the Warrantors irrevocably undertake to fully indemnify the Purchaser, the SHS WFOE and their respective advisers, consultants, agents, employees, directors, officers or other representatives (collectively, the "**Representatives**") on demand against any and all claims, losses, liabilities, costs and expenses (including but not limited to all expenses of investigation and enforcement of these indemnities and all legal and other advisers' fees and expenses), which the Purchaser, the SHS WFOE and/or their respective Representatives or a Target Company may incur, or be liable for, in connection with or arising from the following, amongst others:

(i) any non-compliance of the employment agreements and employee handbooks of Guangxi TPT or Nanning Tidal Aluminium with PRC labour laws and regulations and any non-receipt of relevant approvals (including but not limited to that in relation to Nanning Tidal Aluminium's comprehensive working hours system approval);

(ii) any under contribution by Guangxi TPT or Nanning Tidal Aluminium of social insurance for its employees under PRC labour laws and regulations;

(iii) any non-compliance with and/or breach of the terms of the Land Use Right Contracts by Nanning Tidal Aluminium, including but not limited to any failure to complete the construction projects on the land under the Land Use Right Contracts in accordance with the timelines stipulated in the Land Use Right Contracts (as the case may be) and/or any failure to fulfil the requirements and/or obligations stipulated in the supplemental clauses of the Land Use Right Contracts (as the case may be);

(iv) any non-compliance with and/or breach of Applicable Laws and/or any administrative process, procedures and/or requirements (including but not limited to relevant acceptance inspections/checks and filings) in relation to (i) the carrying on of production operations and related activities at the Target Companies' respective production facilities; and (ii) any of their business, by any of the Target Companies;

(v) any breach by any of the Target Companies of, or any dispute involving any Target Company which arises from or in connection with, the existing business, equipment sale and purchase, processing contracts, hire purchase agreements, or lease and rental agreements entered into between the Target Companies and their respective customers, suppliers and landlords, and any other contract, agreement and/or arrangement enter into by any of the Target Companies, prior to Completion;

(vi) (A) the dispute and/or ongoing litigation between Guangxi TPT and Ningbo Yinzhou Jinrui Instrument Equipment Co., Ltd; and (B) the dispute and/or ongoing settlement between Guangxi TPT and Jiangsu Suyu Environmental Technology Co., Ltd;

(vii) any non-compliance with and/or breach of any term of any of the financing arrangements (including but not limited to bank loan agreements and/or guarantee agreements) which any of the Target Companies is party to and/or has entered into prior to Completion; and/or

(viii) any recovery, claw back and/or the like by any government/provincial/industry authority, department, bureau and/or similar body of any monetary grants, incentives and/or the like granted to the Target Companies prior to Completion.

The Purchaser and/or the SHS WFOE shall be entitled to set off against the Balance Consideration Payment and any corresponding interest payable all claims, losses, liabilities, costs and expenses (including but not limited to all expenses of investigation and enforcement of the indemnities set out in the SPA and all legal and other advisers' fees and expenses) that the Purchaser, the SHS WFOE and/or their respective Representatives or a Target Company may incur, or be liable for, in connection with or arising from any breach by the Warrantors of the SPA (including but not limited to breach of warranties, undertakings, covenants and/or terms) and/or any of the events set out in Section 2.3(g) of this Circular. For the avoidance of doubt, the Warrantors remain liable for any amounts which were not set off by the Purchaser and/or the SHS WFOE against the Balance Consideration Payment and any corresponding interest payable.

(h) Bases on Which the Principal Terms of the Proposed Acquisition Were Arrived At

The principal terms of the Proposed Acquisition were arrived at based on arm's length negotiations and on a willing buyer-willing seller basis taking into account the following:

(i) the Pro Forma Net Assets of the Target Companies of RMB214.3 million (equivalent to approximately S$40.7 million based on the Agreed Exchange Rate) on the Completion Date (on the assumption that the Completion Date is 30 April 2025);

(ii) the assets and liabilities of the Target Companies as at Completion comprising primarily (A) assets and liabilities which are related to property, plant and equipment and its construction and (B) inventory relating to the Target Companies' precision manufacturing and aluminium recycling business, and that the assets and liabilities of the Target Companies set out in Section 2.3(b)(v) of this Circular are to be disposed of or otherwise excluded from the Target Companies as at Completion Date; and

(iii) the business prospects of the Target Companies in light of their current production capacity, and the potential production capacity from production lines which are currently under construction.

2.4 Proposed Acquisition as a Major Transaction

(a) Requirements Under Chapter 10 of the Listing Manual

The Proposed Acquisition is governed by Chapter 10 of the Listing Manual. Under Rule 1002(1) of the Listing Manual, a "transaction" is defined as "the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or a subsidiary that is not listed on the Exchange or an approved exchange, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature. It also excludes the provision of financial assistance to the issuer, or its subsidiary or associated company."

Pursuant to Rule 1014(2) of the Listing Manual, a major transaction must be made conditional upon approval by shareholders in general meeting and a circular containing the information in Rule 1010, Rule 1011, Rule 1012 and Rule 1013 of the Listing Manual must be sent to all shareholders.

Based on the unaudited consolidated financial statements of the Group for 1H2024 (being the latest announced consolidated financial statements of the Group as at the date of the SPA), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows for the Proposed Acquisition:

Rule 1006	Bases	Relative figures as at the date of the SPA (based on CAS)	Relative figures as at the date of the SPA (based on IFRS)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable to the Proposed Acquisition which is an acquisition of assets.	Not applicable to the Proposed Acquisition which is an acquisition of assets.
(b)	The net profits/loss attributable to the assets acquired or disposed of, compared with the group's net profits/loss.	(49.9%)[(1)]	25.1%[(2)]

Rule 1006	Bases	Relative figures as at the date of the SPA (based on CAS)	Relative figures as at the date of the SPA (based on IFRS)
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	67.3%[(3)]	67.3%[(3)]
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as no equity securities will be issued by the Company in connection with the Proposed Acquisition.	Not applicable as no equity securities will be issued by the Company in connection with the Proposed Acquisition.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable to the Proposed Acquisition as the Company is not a mineral, oil and gas company.	Not applicable to the Proposed Acquisition as the Company is not a mineral, oil and gas company.

Notes:

(1) Computed based on the pro forma combined profit before tax of the Target Companies of RMB2.58 million (equivalent to S$0.48 million calculated based on the exchange rate of RMB1 : S$0.1871 (being the average monthly closing exchange rate for 1H2024 as extracted from Bloomberg L.P.)) over the loss before tax of the Group of S$0.97 million, for 1H2024. The pro forma combined profit before tax of the Target Companies is extracted from the unaudited financial accounts of the Target Companies for 1H2024 which were prepared in accordance with the CAS and available as at the date of the SPA. Pending the Target Companies' setting up of their production facilities and the commencement of commercial production, the Target Companies had primarily engaged in trading of aluminium products to (a) familiarise themselves with the market, and (b) build relationships with suppliers and potential customers. The aluminium trading activities will be scaled down and eventually terminated when the Target Companies' commercial production operations ramp up as the Company has no intention to continue the trading activities. As such, the profit before tax is not reflective of the businesses to be acquired at Completion.

(2) Computed based on the pro forma combined loss before tax of the Target Companies of RMB1.30 million (equivalent to S$0.24 million calculated based on the exchange rate of RMB1 : S$0.1871, being the average monthly closing exchange rate for 1H2024 as extracted from Bloomberg L.P.)) over the loss before tax of the Group of S$0.97 million, for 1H2024. The pro forma combined loss before tax of the Target Companies is extracted from the unaudited financial accounts of the Target Companies for 1H2024 which were prepared in accordance with the IFRS subsequent to the date of the SPA. Pending the Target Companies' setting up of their production facilities and the commencement of commercial production, the Target Companies had primarily engaged in trading of aluminium products to (a) familiarise themselves with the market, and (b) build relationships with suppliers and potential customers. The aluminium trading activities will be scaled down and eventually terminated when the Target Companies' commercial production operations ramp up as the Company has no intention to continue the trading activities. As such, the loss before tax of the Target Companies is not reflective of the businesses to be acquired at Completion.

(3) Based on the maximum amount payable for the Proposed Acquisition of S$47,750,000 over the market capitalisation of the Company which was determined by multiplying the number of shares in issue of the Company of 610,403,412 Shares (excluding treasury shares) by the weighted average price of such Shares transacted on 2 September 2024 (being the last market day preceding the date of the SPA on which the Shares were traded) of S$0.1162 per Share.

Having regard to the above, as the relative figures computed under Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Acquisition constitutes a "major transaction" as defined under Chapter 10 of the Listing Manual.

2.5 Proposed Acquisition as an Interested Person Transaction

(a) Requirements under Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions in which an issuer or any of its subsidiaries or associated companies (which is known as an "entity at risk") proposes to enter into with a party who is an interested person to the issuer. The purpose is to guard against the risk that interested persons could influence the issuer, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the issuer or its shareholders.

The Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Listing Manual for the following reasons:

(i) An "interested person transaction" is a transaction between an "entity at risk" and an "interested person", each as defined under Rule 904(5) of the Listing Manual.

(ii) The Purchaser is a direct wholly-owned subsidiary of the Company, and the SHS WFOE is an indirect wholly-owned subsidiary of the Company. Accordingly, the Purchaser and/or the SHS WFOE which will be purchasing 100% of the equity interests of the Target Companies pursuant to the SPA (as the case may be) are each an "entity at risk" as defined under Rule 904(2) of the Listing Manual.

(iii) As at the date of the SPA, Mr. Jiang Haiyong held not less than 20% of the voting rights of Tidal New Energy and was deemed interested in Tidal New Energy's shareholding interest of 26.37% in the Company then. Accordingly, Mr. Jiang Haiyong was a "controlling shareholder" of the Company as defined under the Listing Manual.

(iv) As at the date of the SPA, 95% of the issued ordinary shares in the share capital of Synertech (as the covenantor then) was held by Mr. Jiang Haiyong and 100% of the equity interests in the Vendor were indirectly held by Synertech (as the covenantor then). Furthermore, Mr. Jiang Haiyong was a director of Synertech (as the covenantor then). Accordingly, the Vendor and Synertech were each an "associate" of Mr. Jiang Haiyong as defined under the Listing Manual. Consequently, the Vendor and Synertech (as the covenantor then) were each an "interested person" as defined under Rule 904(a) of the Listing Manual.

(v) As the Proposed Acquisition involves the acquisition of 100% of the equity interests of the Target Companies by the Purchaser and/or the SHS WFOE (as the case may be) (being entities at risk) from the Vendor (being an interested person), the Proposed Acquisition is a "transaction" under Rule 904(6)(d) of the Listing Manual.

Pursuant to Rule 906 of the Listing Manual, the Company must obtain Shareholders' approval for any interested person transaction of a value equal to or more than (aa) 5% of the Group's latest audited NTA, or (bb) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

(b) Materiality Thresholds Under Chapter 9 of the Listing Manual

Assuming that:

(i) the Consideration is the aggregate sum of RMB205,263,157.90 (equivalent to S$39,000,000 based on the Agreed Exchange Rate) and is not subject to any Adjustments; and

(ii) the aggregate interest accrued on the Balance Consideration Payment is RMB46,052,631.58 (equivalent to S$8,750,000 based on the Agreed Exchange Rate), based on the maximum interest payable assuming the Balance Consideration Payment is paid in one (1) bullet repayment on the last day of the five (5)-year period from Completion,

the maximum aggregate amount of the Consideration and interest payable by the Purchaser and/or the SHS WFOE (as the case may be) under the SPA is RMB251,315,789.48 (equivalent to S$47,750,000 based on the Agreed Exchange Rate). Pursuant to Rule 909 of the Listing Manual, the aforesaid value of RMB251,315,789.48 (equivalent to S$47,750,000 based on the Agreed Exchange Rate) is the value at risk to the Company ("**Value At Risk**"). The Value At Risk represents approximately 36.69% of the audited consolidated NTA of approximately S$130,161,000 attributable to owners of the Company as at 31 December 2023 (being the Group's latest audited NTA as at the date of the SPA), and exceeds the 5% materiality threshold set by Rule 906 of the Listing Manual. Accordingly, the Proposed Acquisition is subject to the approval of the Shareholders at the EGM as an interested person transaction under Chapter 9 of the Listing Manual.

At the EGM, the interested person(s), namely Mr. Jiang Haiyong, and its associates are required to abstain from voting on the resolution approving the Proposed Acquisition, being an interested person transaction. Mr. Jiang Haiyong is no longer a Shareholder as at the date of this Circular.

In view of his previous business relationship with Mr. Jiang Haiyong, Mr. Teng Choon Kiat who has on 21 January 2025 acquired the entire shareholding interest in Tidal New Energy (which in turn holds 26.37% shareholding interest in the Company), has agreed to voluntarily abstain from voting on the resolutions approving the Proposed Transactions. Please refer to Section 7.3 for further details on Mr. Teng Choon Kiat's voluntary abstention from voting.

For the avoidance of doubt, as at the Latest Practicable Date, none of the Vendor, the Covenantor and their associates directly or indirectly hold any Shares.

Please refer to Section 5 and **Appendix A** of this Circular for the opinion of the IFA, and Section 6 for the opinion of the Audit Committee.

(c) Other Interested Person Transactions

The aggregate value of interested person transactions entered into by the Group with Synertech (as the covenantor as at the date of the SPA), the Covenantor (being Ms. Ming Keju as at the date of this Circular) and the Vendor for the period commencing from 1 January 2024 and 1 January 2025 respectively, and ending on the Latest Practicable Date, is S$1,773,750 and S$0 respectively. The aggregate value of all interested person transactions entered into by the Group, including transactions entered into with Synertech (as the covenantor as at the date of the SPA), the Covenantor (being Ms. Ming Keju as at the date of this Circular) and the Vendor, for the period commencing from 1 January 2024 and 1 January 2025 respectively, and ending on the Latest Practicable Date is S$1,791,695 and S$6,000 respectively.

Save as disclosed above, there were no other interested person transactions entered into between the Group and any interested person for the period commencing from 1 January 2024 and ending on the Latest Practicable Date.

2.6 Source of Funds for the Proposed Acquisition

The Company intends to finance the First Consideration Payment of RMB21,052,631.60 (being the RMB equivalent of S$4,000,000 based on the Agreed Exchange Rate) through its internally generated funds. The Balance Consideration Payment of up to RMB184,210,526.30 (being the RMB equivalent of S$35,000,000 based on the Agreed Exchange Rate) will be financed through a combination of internal resources and bank borrowings. However, as the Balance Consideration Payment shall be payable to the Vendor within five (5) years, at a payment schedule to be determined by the Company at its absolute discretion, as at the date of this Circular the Company has neither determined at this juncture the exact breakdown of internal resources and bank borrowings which will be used nor has the Group initiated any discussions with its bankers on the potential drawdown of facilities to finance the Balance Consideration Payment. The aforesaid breakdown, if any, will be subject to the payment schedule and the Group's financial position at the point of payment of the Balance Consideration Payment.

In the event that the Company's internal resources and bank borrowings are inadequate for the payment of the Balance Consideration Payment, the Company shall consider the possibility of raising further funds through the issue of debt and equity instruments.

3. THE PROPOSED BUSINESS DIVERSIFICATION

3.1 Introduction

As set out in Section 2.2 of this Circular, the Group is primarily involved in three (3) core business segments involving (a) engineering and construction that comprises structural steel and façade and modular construction, (b) corrosion prevention and (c) energy-related businesses. The Group has been continually seeking to expand its customer base by enlarging its portfolio of products and services, amidst competitive operating environment, particularly in its engineering and construction, and corrosion prevention segments.

Subject to the approval of Shareholders being obtained at the EGM, the Group intends to undertake the Proposed Business Diversification to broaden the scope of its business activities to include the New Business as additional core businesses of the Group.

3.2 Strategy of the Proposed Business Diversification

The Group intends to undertake the Proposed Business Diversification through the Proposed Acquisition. The Group considers the Target Companies to be at the “brown field” stage of business development, whereby the Target Companies have not reached their full commercial potential and the Group can leverage on the Target Companies’ pre-existing structures to maximise resource utilisation in its effort to achieve the foregoing. More specifically, Guangxi TPT’s production lines have been set up and are operational, and its production operations have been carried out and sales of products have been made, while Nanning Tidal Aluminium’s production lines have been partially set up and have completed trial production. The end customers of Guangxi TPT primarily supply to the EV battery market which is expected to grow alongside the PRC EV landscape. Please refer to Section 2.1 of this Circular for more information on the Proposed Acquisition.

Your attention is drawn to Section 3.7 of this Circular entitled “Risks Associated with the New Business”, which you should review carefully and collectively.

3.3 Rationale for the New Business

The Proposed Business Diversification (together with the Proposed Acquisition) is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. The Directors believe that the Proposed Business Diversification will offer the Group new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders’ value for the Company. The Proposed Business Diversification will provide the Group with additional income streams from precision aluminium manufacturing and aluminium recycling business, and an opportunity for the Group to enter into the growing precision aluminium market without having to face substantial start-up risks. The Proposed Business Diversification will also expand the asset base of the Enlarged Group and widen its shareholder base, attracting more interest from the investment community focused on the precision aluminium market.

3.4 Funding for the New Business

As and when opportunity arises, and after careful assessment by the Directors, the Company will decide on the investment, project or activity within the New Business to be conducted. The Company may fund such investment, project or activity through internal funds, bank or other external borrowings, or further fund raising exercises, depending on the nature of investment, project or activity and the then financial condition of the Group.

3.5 Management of the New Business

The New Business will be initially spearheaded by the Executive Director and Group Chief Executive Officer of the Company, Mr. Ng Han Kok, Henry, who will oversee the integration of the Target Companies into the Group. Pursuant to the SPA, the Company will appoint Mr. Ng Han Kok, Henry as the legal representative of the Target Companies. Mr. Ng Han Kok, Henry is responsible for making strategic proposals to the Board and implementing the Group's strategies, policies and the Board's decisions. He assumes the executive responsibility for the day-to-day management of the Group, with the support of the Executive Chairman and key management of the Group. He leads the development of the Group's growth strategy including identifying and assessing risks and opportunities of growth of existing business and new businesses, and reviewing the performance of its existing businesses. Mr. Ng Han Kok, Henry is the founder and Managing Director of Hetat Holdings Pte. Ltd., the Group's structural steel and façade business. He is a veteran in the construction industry and has extensive experience of over 20 years in the related field of steel, aluminium and glass structures. He holds a Bachelor of Science (Building) Honours degree from University of Reading, United Kingdom.

It is the intention of the Company to also second additional senior management from the Group to oversee (a) the completion of the construction of Nanning Tidal Aluminium's production facilities and factory buildings and (b) the business operations of the Target Companies, including but not limited to the procurement, financial management and production operations.

The management team of the Target Companies includes Mr. Jiang Zhicheng (蒋志成), who is the current managing director of the Target Companies and has over 17 years of experience in the non-ferrous metal industry, having founded various companies involved in the manufacturing and trading of non-ferrous metals, including aluminium. Mr. Jiang Zhicheng is supported by Mr. Liao Zhiyu (廖志宇), the current general manager of Guangxi TPT, and Mr. Chen Wusong (陈武松), the current general manager of Nanning Tidal Aluminium, who have been with the Target Companies since the commencement of operations. Following Completion, for the purposes of the New Business, the Group intends to leverage on the skills and capabilities of the Target Companies' management team and experienced professionals. Please refer to **Appendix C** of this Circular entitled "Key Employees" for more information on the Target Companies' management team.

The Key Employees will continue to oversee the business of the Target Companies, which will form part of the Group following Completion, for a period of at least three (3) years. This will allow the Group to draw on their expertise and experience to make sound decisions in relation to the New Business as contemplated by the Proposed Business Diversification, and their network of contacts to facilitate strategic partnerships and commercial opportunities to support and strengthen the Group's business operations. The Group may, as and when required, engage additional personnel with the relevant skills and capabilities in relation to the New Business to assist the Key Employees.

3.6 Risk Management Measures and Safeguards

The Board is assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Business Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management of the Company in relation to the New Business. The Audit Committee will be required to approve appropriate risk management systems and procedures and be involved in identifying and managing the various business risks for the New Business. The Company will endeavour to ensure that the risk management systems implemented are commensurate with the risk and business profile, nature, size and complexity of the operations and business activities of the New Business and will review such risk management systems periodically to assess adequacy.

The risk management and internal control systems, no matter how sophisticated in design, nonetheless contain inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, and such disruption to the risk management systems may have an adverse effect on the Group's financial condition and results of operations.

3.7 Risks Associated with the New Business

The Proposed Business Diversification will change the current risk profile of the Group as the Group could be affected by a number of risks that relate to the Proposed Business Diversification or general risks that relate to the markets in which the New Business operates or will operate. Such risks may arise from, among others, economic, business, market, political and regulatory factors, and include the risks set out below. To the best of the Directors' belief and knowledge, the risk factors which may be material to the Shareholders in making an informed decision on the Proposed Business Diversification are set out below. Shareholders should carefully consider and evaluate the following information, and all other information contained in this Circular.

The risk factors described below are not intended to be exhaustive and are not presented in any particular order of importance. The following risk factors do not include risks that are unknown to the Company now but could occur in the future, and risks which the Company reasonably believes to be immaterial now but could turn material in the future, as new risk factors may emerge from time to time and it is not possible for the Company to predict all risk factors and estimate the extent to which they might affect or have an impact on the Proposed Business Diversification, the New Business and the business operations of the Target Companies based on present circumstances. Should any of such risks occur or turn material, they could have a material and adverse impact on the Enlarged Group and consequently, the overall results of business, operations, financial condition, financial performance and prospects of the Enlarged Group could be similarly affected. In that event, the trading price of the Shares could decline and Shareholders may lose all or part of their investment.

Shareholders should also note that certain of the statements set forth below constitute "forward-looking statements" that involve risks and uncertainties. Please refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Circular for further details relating to these "forward-looking statements".

Risks relating to The Proposed Business Diversification

(a) The Group may not be successful in implementing its expansion strategies.

The Proposed Business Diversification will include a number of risks, and there is no assurance that the Group will be able to implement its expansion strategies successfully. Such risks include the risk that the expected results of the Group's expansion into the New Business may not materialise, the new expansion strategies may conflict with, detract from or compete against its existing businesses, or the processes, controls and procedures that the Group develops will prove insufficient or inadequate.

(b) The Group has no prior track record or experience in the New Business, and the New Business may not be viable or successful.

The Group has no prior track record or experience in the precision aluminium manufacturing and recycling business, and the current management of the Group has yet to acquire the relevant experience and expertise for managing the New Business successfully or effectively.

As the New Business is new to the Group, the Group will face the usual risks, uncertainties and challenges associated with the entry into any new business in which it has no prior experience or track record. These risks, uncertainties and challenges include, among others, the inability to manage the expanded operations and increased costs, failure to attract and/or retain customers, failure to achieve the results, level of revenue and margins that the Group is expecting, failure to identify, attract, retain and motivate qualified personnel for the operations of the New Business, and diversion of the attention of the Group's management towards recruiting suitable personnel.

In addition, the Group's future plans for the New Business may not yield the expected profitability, or achieve the desired targeted sales levels to justify the investments made. Additionally, it may take a considerable amount of time before the Enlarged Group realises any return. If the Enlarged Group does not derive sufficient revenue from or effectively manage the costs of the New Business, it may need to secure additional funding to continue supporting the operations of and expanding the New Business. In such a case, any inability to secure adequate funding, such as equity or debt financing, may adversely affect the Enlarged Group's business, financial position, financial performance and prospects.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Group will be affected by macro trends and developments directly or indirectly affecting the precision aluminium manufacturing and recycling industry, which are in turn affected by general economic conditions, market sentiment and demand, government policies and consumer confidence in the global economy as well as relevant domestic markets.

Furthermore, while several countries in the region have introduced regulatory reforms in recent years to promote the use of EVs, the EV market is inherently cyclical and sensitive to changes in general economic conditions. Production and sales in EVs, and correspondingly, EV battery packing and charging solutions and systems, can be affected by economic, social and political conditions such as any changes in government support for EVs or environmental and consumer trends, including a reduction in subsidies for the purchase of EVs or other economic incentives, which could have an impact on the growth of the EV market and in turn adversely affect the financial performance and success of the New Business.

(c) Future acquisitions, joint ventures or investments may expose the Enlarged Group to increased risks.

Following Completion, the Enlarged Group may, as a matter of business strategy, invest in or acquire other entities which operate in a similar industry to the New Business, or enter into joint ventures or other investment structures in connection with the New Business. Acquisitions that the Enlarged Group may undertake, along with potential joint ventures and other investments, may expose the Enlarged Group to additional business and operating risks and uncertainties, including but not limited to the following:

(i) the direct and indirect costs in connection with such transactions;

(ii) the inability to effectively integrate and manage the acquired businesses;

(iii) the inability of the Enlarged Group to exert control over the actions of its joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;

(iv) the inability of the Enlarged Group to exert control over strategic decisions made by these companies;

(v) the time and resources expended to coordinate internal systems, controls, procedures and policies;

(vi) the disruption in ongoing business and diversion of management's time and attention from other business concerns;

(vii) the risk of entering markets in which the Enlarged Group may have no or limited prior experience;

(viii) the potential loss of key employees and customers of the acquired businesses;

(ix) the risk that an investment or acquisition may reduce the Enlarged Group's future earnings; and

(x) exposure to unknown liabilities.

If the Enlarged Group is unable to successfully implement its acquisition or expansion strategies or address the risks associated with such acquisitions or expansions, or if the Enlarged Group encounters unforeseen expenses, difficulties, complications or delays in connection with the acquisitions or expansions, the Enlarged Group's growth and ability to compete may be impaired, and the Enlarged Group may fail to achieve acquisition synergies and have to divert resources towards integration of operations, rather than focus on the Enlarged Group's primary businesses.

Implementation of strategies to expand its operations may also bring the Enlarged Group into contact, directly or indirectly, with new clients, products and/or markets. In addition to the risks described in Section 3.7 of this Circular in relation to the New Business, the aforesaid business activities may expose the Enlarged Group to other risks, including reputational risks arising from dealing with the new clients, products and/or markets.

(d) The market price of the Shares may fluctuate following Completion.

Volatility in the market price of the Shares may be caused by factors beyond the control of the Enlarged Group following Completion, and may be unrelated and disproportionate to the operating results of the Enlarged Group. These factors include the following which may or may not, directly or indirectly, arise from or be affected following Completion:

(i) the success or failure of the Enlarged Group's management in implementing its business and growth strategies;

(ii) changes in significant contracts, acquisitions, strategic alliances or capital commitments;

(iii) loss of the Enlarged Group's major customers or failure to complete significant orders or contracts;

(iv) variations in the operating results of the Enlarged Group;

(v) involvement in litigation;

(vi) unforeseen contingent liabilities of the Enlarged Group;

(vii) addition or departure of key personnel of the Enlarged Group;

(viii) loss of important business relationships;

(ix) changes in securities analysts' estimates of the Enlarged Group's financial performance and recommendations;

(x) differences between the Enlarged Group's actual financial results and those expected by investors; and

(xi) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors.

(e) The Enlarged Group may not be able to realise the expected investment value of the Proposed Acquisition if it is unable to successfully integrate the business of Target Companies.

There is no assurance that the Group will be able to successfully integrate or fully synergise the business of the Target Companies with its existing business following Completion. There may be unexpected challenges and difficulties which may materially and adversely affect or impede the integration process, or the integration process may cause unintended disruption to the business operations of the Enlarged Group. If the Enlarged Group is unable to successfully integrate or fully synergise the business of the Target Companies with its existing businesses following Completion, the Enlarged Group may have to incur unexpected costs in the integration process and/or may not be able to fully realise its expected investment value of the Proposed Acquisition.

(f) The Enlarged Group is subject to risks associated with the operation of businesses outside of Singapore.

The Target Companies primarily operate in the Guangxi region in the PRC, with target customers operating in the PRC. There are risks inherent in the Target Companies operating their businesses overseas, which include unexpected changes in regulatory requirements, economic and political conditions in the PRC, difficulties in staffing and managing foreign operations, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Enlarged Group's liability and enforcement, and changes in local laws and controls on the repatriation of capital or profits. Any of these risks could materially and adversely affect the Enlarged Group's overseas operations and consequently, its business, financial performance, financial position and operating cash flow.

The aluminium manufacturing industry in the PRC is subject to governmental regulations. Such regulations include those affecting land and title acquisitions, development planning, design and construction, energy consumption and saving, resource consumption and comprehensive utilisation, environmental protection and pollution discharge, safety production and occupational disease prevention and control, as well as financing. There is no assurance that any changes in such regulations or policies imposed by the PRC government from time to time will not have a material and adverse effect on the Enlarged Group's business, financial performance, future growth and prospects.

In addition, while the revenue from the Target Companies' existing business is primarily derived within the PRC, the Target Companies may sell their products to markets outside of the PRC and in foreign currencies in the future. To the extent that the Enlarged Group's revenue, purchases and operating costs are not matched in the same currencies and to the extent there are timing differences between invoicing and collection of payment, as the case may be, the Enlarged Group may be exposed to unfavourable fluctuations of such currencies which such aforesaid sales are made in or of the jurisdictions which the Enlarged Group will be engaging in to conduct the New Business. The sale of the Target Companies' products, which consists of primary and/or upstream components for the manufacturing of other components of certain types of devices and equipment for electric vehicles, to customers outside of the PRC may also be subject to import and/or export duties or tariffs.

While the Group continues to adopt effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that any adverse political, economic and regulatory conditions will not materially or adversely affect the Enlarged Group's transactional currency exposures.

(g) There is no assurance that there will be no negative publicity on the Proposed Acquisition which may adversely affect the market price of the Shares.

Negative publicity which may involve the Proposed Acquisition, the Group and/or the Target Companies, or any of the shareholders, associates or officers of the Group and/or the Target Companies, may materially and adversely affect the market perception and/or the market price of the Shares.

Risks relating to the New Business and the operations of the Target Companies

(h) The Enlarged Group's success in carrying on the New Business depends on the Enlarged Group's ability to attract highly skilled personnel and retain the Key Employees.

The success of the New Business will depend on the Enlarged Group's ability to attract, train, retain and motivate skilled employees and professionals in the relevant fields of expertise and track record, as well as the Enlarged Group's ability to retain the Key Employees. The Enlarged Group's ability to attract, train, retain and motivate skilled employees and professionals and retain the Key Employees is dependent on the Enlarged Group's ability to offer attractive remuneration and incentives, among other benefits, which may result in significant additional expenses and in turn adversely affect the financial performance and position of the Enlarged Group.

While the Key Employees will be entering into service agreements of not less than three (3) years with the relevant Target Company with effect from the Completion Date, there is no assurance that all of the Key Employees will serve and complete the full term of their respective service agreements, or that the Enlarged Group will be able to expeditiously locate and hire suitable replacements in the event of the loss of any of the Key Employees.

(i) The Enlarged Group is subject to regulatory requirements in the PRC and may not be successful in applying for, maintaining and/or renewing the requisite registrations, licences and/or approvals or in fulfilling the conditions and continuing obligations attached to the requisite registrations, licences and/or approvals in relation to the New Business.

The New Business is subject to Applicable Laws (such as relevant environmental laws and regulations, labour laws, health and safety and fire safety regulations and other regulatory requirements in the PRC where the New Business is presently conducted by the Target Companies), as well as conditions and continuing obligations attached to the New Business' existing registrations, licences and approvals. In addition, the Enlarged Group may be required to apply for and obtain additional registrations, licences and approvals, as well as fulfil the conditions and continuing obligations attaching thereto, in relation to the operations of the New Business.

As and where necessary, the Enlarged Group will apply for the requisite registrations, licences and/or approvals required and will not hesitate to engage the relevant legal or other advisers to assist on such applications.

There is no assurance that the measures implemented by the Enlarged Group to comply with the Applicable Laws, including the laws and regulations applicable to the registrations, licences and approvals required for the New Business, will be sufficient. In the event that such laws and regulations or related government policies are amended and/or more stringent regulatory requirements are imposed on the Enlarged Group, the Enlarged Group may incur additional costs and expenses to comply with such requirements. Furthermore, any failure by the Enlarged Group to comply with the Applicable Laws may lead to claims, penalties, liabilities or the suspension of its operations, and thereby materially and adversely affect the Enlarged Group's business, financial position, financial performance and/or prospects.

(j) The Target Companies have not passed, completed and/or obtained all of the acceptance inspections, relevant filings and Permits required for carrying on their production operations and related activities at their respective production facilities.

The production plants and facilities where the Target Companies currently operate (or intend to operate) are subject to acceptance inspections and/or checks, filing requirements and certain Permits required by local laws and regulations. As mentioned in Section 2.1(a) of this Circular, as at the Latest Practicable Date, Nanning Tidal Aluminium and Guangxi TPT have not passed, completed and/or obtained (as the case may be) some of the acceptance inspections and relevant filings and Permits required for carrying on their production operations and related activities at their respective production facilities.

Consequently, depending on which acceptance inspection, filing or Permit has not been passed, completed or obtained, Nanning Tidal Aluminium may be required by the relevant authority to take corrective actions, pay compensation, and/or be liable for a fine of the prescribed amount in the event Nanning Tidal Aluminium commences its production operations without obtaining the necessary acceptance inspection, filing or Permit. The aggregated fines for Nanning Tidal Aluminium are estimated to be up to RMB10.5 million. Similarly, Guangxi TPT may be required by the relevant authority to make rectification or pay a fine of up to RMB50,000 for failing to pass the requisite energy conservation acceptance inspection prior to commencing production operations at its production facilities.

The aforesaid risk exposure and fines were assessed by the Company based on legal advice from Singapore and PRC counsels as well as the legal due diligence conducted by the Singapore and PRC counsels on the Target Companies.

Pursuant to the SPA, the Purchaser and/or the SHS WFOE shall be entitled to set off against the Balance Consideration Payment and any corresponding interest payable all claims, losses, liabilities, costs and expenses that the Purchaser and/or the SHS WFOE may incur, or be liable for, in connection with or arising from any non-compliance with and/or breach of Applicable Laws and/or any administrative process, procedures and/or requirements (including but not limited to relevant acceptance inspections or checks and filings) in relation to, among others, the carrying on of production operations and related activities at the Target Companies' respective production facilities. Furthermore, the Warrantors have undertaken to the Purchaser that all acceptance inspections and/or checks required for carrying on the production operations and related activities at the Target Companies' respective production facilities will be completed and all Permits in relation thereto will be obtained within six (6) calendar months following Completion (or such other period as may be agreed in writing by the Purchaser).

Nonetheless, there is no assurance that the Purchaser and/or the SHS WFOE would be able to set off the full amount of the claims, losses, liabilities, costs and expenses incurred or suffered by the Purchaser and/or the SHS WFOE in connection with or arising from any non-compliance with and/or breach of Applicable Laws and/or any administrative process, procedures and/or requirements (including but not limited to relevant acceptance inspections or checks and filings) in relation to (i) the carrying on of production operations and related activities at the Target Companies' respective production facilities; and (ii) any of their business, by any of the Target Companies against the Balance Consideration Payment and any corresponding interest payable. In such event, the Enlarged Group's business, financial position, financial performance and prospects will be materially and adversely affected.

In addition, there is no assurance that the Target Companies will be successful in completing and passing the requisite acceptance inspections and/or checks and/or in applying for and obtaining the requisite Permits within the agreed time period, or that no sanctions or penalties will be imposed on them. As at the Latest Practicable Date, the Target Companies have not received notification of any imposition of sanctions or penalties from the relevant authorities. Failure by the Target Companies to obtain, maintain and/or renew such Permits or fulfil all conditions and continuing obligations that are attached to such Permits may result in the Enlarged Group being subject to further sanctions or penalties by the relevant authorities, which may materially and adversely affect the financial performance or financial position of the Enlarged Group.

(k) The Enlarged Group will face competition from competitors and new entrants.

While the aluminium manufacturing industry in the PRC is generally capital-intensive, especially for the precision aluminium manufacturing business, the Target Companies may face competition from other aluminium extrusion or manufacturing players in terms of pricing as well as the sale and marketing of the products. Despite proactive efforts to remain competitive in terms of pricing and quality standards by way of regularly upgrading the manufacturing process of the Target Companies, there is no assurance that the Enlarged Group will not face ongoing competition from existing competitors and new entrants in the aluminium manufacturing industry.

(l) The Target Companies are dependent on their key suppliers and customers for their existing businesses.

The Target Companies are, to a certain extent, dependent on some of their key customers, as their top five (5) customers contributed approximately 83.9% to their total revenue for FY2024. There is no assurance that the Target Companies would be able to procure future or recurring orders from their key customers.

Of the top five (5) customers of the Target Companies, Guangxi Tidal Aluminium Industry Co., Ltd and Nanning Tidal Trading Co., Ltd are companies which are 100% beneficially owned by the Vendor, and which in aggregate accounted for 56.9% of the Target Companies' revenue for FY2024. Currently, the Target Companies typically transact with certain Vendor-owned companies, including the aforementioned Guangxi Tidal Aluminium Industry Co., Ltd and Nanning Tidal Trading Co., Ltd (the "**Related Companies**"), who act as intermediaries between the Target Companies and third-party customers in the EV battery market. Following Completion, the Target Companies intend to transact directly with the third-party customers and reduce transactions with the Related Companies acting as intermediaries.

The Target Companies are also dependent on certain key suppliers for the provision of raw materials, such as aluminium ingots. The top five (5) suppliers of the Target Companies accounted for approximately 84.3% of the Target Companies' total cost of goods sold for FY2024. The business, results of operations and financial condition of the Enlarged Group may be materially and adversely affected if key suppliers which the Target Companies rely on are unable to provide the raw materials needed on a timely basis and/or on terms that the Enlarged Group finds acceptable.

Of the top five (5) suppliers of the Target Companies, Guangxi Tidal Aluminium Industry Co., Ltd is 100% beneficially owned by the Vendor, and accounted for 14.8% of the Target Companies' total cost of goods sold for FY2024. Currently, the Target Companies typically transact with some of the Related Companies, who act as intermediaries between the Target Companies and third-party raw material suppliers in the EV battery market. Following Completion, the Target Companies intend to transact directly with the third-party suppliers and reduce transactions with the Related Companies acting as intermediaries.

As part of the Company's internal due diligence on the Target Companies and assessment of the Proposed Acquisition, the management of the Company has made several visits to the production sites of the Target Companies in the PRC and also directly met with the Target Companies' stakeholders, including their key customers and suppliers, lenders, bankers and local authorities, all of whom have expressed strong interest in working with the Group after Completion and also willingness to explore other forms of collaboration with the Company directly. The Board is therefore reasonably satisfied that the Target Companies will be able to transact directly with the third-party customers and suppliers after Completion.

Although the Company has not conducted financial or legal due diligence on the top five (5) customers and top five (5) suppliers of the Target Companies per se, the Company has engaged professional advisers to conduct financial and legal due diligence on the Target Companies which covered customer sale transactions, invoices and delivery documents (as part of the financial due diligence) and material contracts (as part of the legal due diligence) relating to the Target Companies' selected customers and suppliers.

In addition, under the SPA, the Warrantors have undertaken to the Purchaser that each of them shall not, and shall procure that its affiliates shall not, except with the prior written consent of the Purchaser and the SHS WFOE, (i) directly or indirectly carry on or otherwise be concerned with or interested in any business similar to or competitive with the current and/or proposed business of the Target Companies for two (2) years after Completion, in any of the countries where the Target Companies carry on or propose to carry on their business and/or sell their products, (ii) solicit the business of any person who is or was a customer or client of the Target Companies within the 12-month period before the Completion Date, for two (2) years after Completion, and (iii) accept from any of the aforesaid customer or client any business of the kind ordinarily forming part of the business of the Target Companies for two (2) years after Completion.

As an additional measure, the Company will also be looking to increase and diversify both the customer and supplier bases of the Target Companies so as to reduce their current reliance on the existing key customers and key suppliers.

(m) The prices and availability of raw materials used in the production operations of the Target Companies may be volatile.

Aluminium ingots are used in the production of the Target Companies' aluminium products. The prices of most metals, including aluminum, can be volatile, and the prices of aluminium are affected by numerous factors beyond the control of the Enlarged Group, including global economic and political conditions, supply and demand, inventory levels maintained by suppliers, potential disruptions in the supply chains and currency exchange rates. Furthermore, if there is any shortage of metals, the Enlarged Group may not be able to obtain the amount of materials required at prices that are commercially acceptable and/or to correspondingly increase the sale prices of its products. As such, any unfavourable and material fluctuations in the prices of the raw materials used by the Target Companies may materially and adversely affect the Enlarged Group's profitability.

(n) The Target Companies are energy-dependent.

The Target Companies are dependent on the consistent supply of natural gas and electricity to power their production facilities. The Target Companies' primary suppliers of natural gas and electricity are local government entities. Any prolonged disruption to the supply of natural gas or electricity will substantially disrupt the Target Companies' operations and materially and adversely affect their production schedules and delivery of products to customers. In addition, if there is any increase in the cost of energy, the Target Companies' profitability may be affected.

(o) The Target Companies are exposed to risks associated with technological changes.

With continual research and development, new technology may be developed for EV batteries that may not require lithium batteries, or to produce the same aluminium products that the Target Companies manufacture but at a lower production cost per unit. If technological advancements or changes result in a reduction in the demand for EV batteries that require lithium batteries, demand for the aluminium products currently produced by the Target Companies may decrease. The Group intends to keep abreast of technological changes affecting the New Business and where necessary and commercially sensible, adopt new technologies and more cost-efficient manufacturing techniques for the Target Companies' production lines. However, if the Enlarged Group is unable to adopt new technologies and more cost-efficient manufacturing techniques for its production lines while its competitors are able to do so, the Enlarged Group may not be able to price its products competitively against its competitors. This may result in the Enlarged Group being unable to maintain its market share, and the Enlarged Group's business, financial position, financial performance and/or prospects may be materially and adversely affected.

(p) The machinery and equipment in the production plants of the Target Companies may break down and cause delays in production.

The New Business relies on a diverse range of machinery and equipment to manufacture aluminium products. These machinery and equipment may, on occasion, be out of service due to unanticipated failure or damage sustained during operations, causing significant interruptions or delays to the production and delivery schedules of the Target Companies. To minimise the occurrence of breakdowns in the machinery and equipment in the production plants of the Target Companies, the Group will review the current preventive measures undertaken by the Target Companies and consider such improvements as may be recommended to minimise unintended disruption to the production processes such as regular maintenance checks and timely replacement of parts which are subject to daily wear and tear.

The New Business is also subject to risks of loss and damage due to events that are beyond the Enlarged Group's control, such as fire, power failure, adverse weather conditions or natural disasters, and other force majeure events such as war, strikes, riots and outbreak of infectious diseases. The interruptions or delays in production caused by any of such events may materially and adversely affect the Enlarged Group's ability to fulfil customers' orders according to the agreed-upon schedules and incur significant repair costs.

(q) The Enlarged Group may be subject to foreign exchange regulations.

Under the PRC laws, any foreign-invested enterprise, such as the SHS WFOE, is permitted to distribute and remit dividends in foreign currencies, such as Singapore Dollars, to its overseas shareholders, provided that (i) the foreign-invested enterprise has sufficient retained earnings (after-tax profits) as verified by its audited financial statements; (ii) prior to the distribution, the foreign-invested enterprise shall first offset any historically accumulated losses and allocate 10% of its after-tax profits to the statutory reserve fund until such reserve reaches 50% of its registered capital, and (iii) there is no material non-compliance in foreign investment records by the foreign-invested enterprise. In addition, under the foreign exchange regulations in the PRC, the conversion of the RMB-denominated dividends into a foreign currency by the Target Companies and the payment thereof to their foreign shareholder(s) are subject to the prior approval of the bank based on the bank's review of the Target Companies' compliance with the applicable foreign exchange regulations.

The Target Companies receive substantially all of their payments from customers in RMB. If the Target Companies distribute dividends to the SHS WFOE and the SHS WFOE distributes dividends to the Company, any shortage in the availability of foreign currencies, in particular Singapore Dollars, may restrict the ability of the SHS WFOE to pay and remit the dividends (or to make any other payments) to the Company in Singapore Dollars, or for the Target Companies and/or the SHS WFOE to otherwise satisfy their foreign currency denominated obligations.

(r) The Enlarged Group may be subject to risks arising from foreign exchange fluctuations.

The business of the Group is denominated in Singapore Dollars while the business of the Target Companies, including the New Business, their revenue, cost of sales, operating expenses and salaries, are typically denominated in RMB. As such, the Enlarged Group may be exposed to adverse fluctuations in the currency exchange rates for Singapore Dollars and RMB which may be affected by various factors, including international political and economic conditions. Further, the countries in which the New Business of the Enlarged Group operates may face significant budget deficits, limited foreign currency reserves, volatile exchange rate and less sophisticated bank sectors. Any significant unfavourable fluctuations in foreign currency exchange rates against the Enlarged Group's functional currency may have a material and adverse effect on its operating results.

(s) The Target Companies are subject to obligations under the Land Use Right Contracts.

Nanning Tidal Aluminium is subject to the following obligations, among others, under the 150mu Land Use Right Contract and 28mu Land Use Right Contract i.e., the Land Use Right Contracts.

(i) Date of Commencement of Construction and Idle Land Fee

Nanning Tidal Aluminium is required to commence construction on the 150mu Land by 30 August 2022 and the 28mu Land by 30 December 2022. As at the Latest Practicable Date, Nanning Tidal Aluminium has commenced construction on the 150mu Land but has not commenced construction on the 28mu Land. In this regard, Nanning Tidal Aluminium is subject to penalties for the delay of commencement of construction on the 28mu Land amounting to 0.01% of the land use right premium of RMB5,150,000 for each day of delay. In addition, the Grantor is entitled to recover the 28mu Land without compensation to Nanning Tidal Aluminium if the 28mu Land had been idle for more than two (2) years. Furthermore, in the event the 28mu Land was idle for more than one (1) year but less than two (2) years, Nanning Tidal Aluminium is legally required to pay an idle land fee amounting to 20% of the land use right premium ("**Idle Land Fee**"). In the event such penalties are enforced by the Grantor, the potential monetary penalties which may arise from the aforementioned delay of commencement of construction and Idle Land Fee would amount to approximately RMB1.4 million in aggregate, as at the Latest Practicable Date. Nanning Tidal Aluminium is currently negotiating with the Grantor to extend the deadline to commence the construction on the 28mu Land, which may be extended for a maximum of one (1) year from 30 December 2022 to 30 December 2023. It is the intention of the Company to enter into discussions with the Grantor directly on the deadline extension immediately after Completion. If the Grantor agrees to the extension, the penalties for the delay of the commencement of construction on the 28mu Land will only start to accrue from 31 December 2023, and the Grantor will only be entitled to charge the Idle Land Fee effective from 31 December 2024 and recover the 28mu Land Use Right if the 28mu Land continues to be idle by 30 December 2025. If the Grantor does not agree to the extension, pursuant to the

SPA, the Purchaser is entitled to set off against the Balance Consideration Payment and any corresponding interest payable and the relevant losses arising from the same.

As at the Latest Practicable Date, no action has been taken against Nanning Tidal Aluminium with respect to the delay of commencement of construction on the 28mu Land and Nanning Tidal Aluminium has not received any indication and/or notice of land recovery.

(ii) Date of Completion of Construction

Under the 150mu Land Use Right Contract, Nanning Tidal Aluminium is required to complete construction on the 150mu Land by 30 May 2024. As at the Latest Practicable Date, construction has not been completed. Accordingly, Nanning Tidal Aluminium is subject to penalties for the delay of completion of construction on the 150mu Land amounting to 0.01% of the land use right premium of RMB26,710,000 for each day of delay. Based on Nanning Tidal Aluminium's estimate, the construction on the 150mu Land is expected to be completed by 31 December 2025. As such, the potential penalties which may arise from the delay in the completion of construction in respect of the 150mu Land Use Right Contract is expected to amount to up to RMB1.54 million.

Under the 28mu Land Use Right Contract, Nanning Tidal Aluminium is required to complete construction by 30 December 2024. As Nanning Tidal Aluminium has not commenced construction on the 28mu Land, it is subject to penalties for the delay in completion of construction on the 28mu Land amounting to 0.01% of the land use right premium of RMB5,150,000 for each day of delay. However, as construction has not commenced in respect of the 28mu Land, it is likely that the penalty that may apply would be the Idle Land Fee or the recovery by the Grantor of the 28mu Land as described in paragraph (i) above.

As at the Latest Practicable Date, Nanning Tidal Aluminium has updated the relevant local authorities on the delay in construction completion and has not received any indication and/or notice of any penalties that will be levied.

(iii) Annual Output Value and Tax Contributions Standards

Under the Land Use Right Contracts, Nanning Tidal Aluminium is required to achieve certain annual output value and tax contributions over a five-year period commencing from the expiry of the relevant stipulated period(s) after commencement of construction in the respective Land Use Right Contracts. The Land Use Right Contracts also allow for a rectification period of two (2) years after the aforementioned five-year period to achieve 60% of the required standards. Therefore, Nanning Tidal Aluminium has up to June 2030 to achieve 60% of the required standards in respect of the 150mu Land Use Right Contract and up to March 2031 to achieve 60% of the required standards in respect of the 28mu Land Use Right Contract. If Nanning Tidal Aluminium fails to meet the required standards, the Grantor may revoke Nanning Tidal Aluminium's right to use the 150mu Land and 28mu Land, terminate the Land Use Right Contracts, and return the land use right premium for the remaining period to Nanning Tidal Aluminium. As such, Nanning Tidal Aluminium has a production and capital expenditure plan for the purpose of meeting the required annual output value and tax contribution standards under the Land Use Right Contracts, although there is no assurance that Nanning Tidal Aluminium will be able to achieve the aforesaid targets. If Nanning Tidal Aluminium fails to do so and the right to use the 150mu Land or the 28mu Land under the respective contracts is revoked, Nanning Tidal Aluminium will not be able to continue its production of aluminium products using the production facilities situated on the relevant plots of land, and its production capacity will be reduced.

The Company expects that following Completion, the aforementioned production plan and capital expenditure plan of Nanning Tidal Aluminium will be funded by the Group's internal resources, bank borrowings and cash flows (if any) that may be generated by the Target Companies.

(iv) Fixed Assets Investment Amount Requirements

Under the Land Use Right Contracts, Nanning Tidal Aluminium has to invest RMB500 million in fixed assets and the investment intensity shall not be less than RMB4,999.10 per square meter in relation to the 150mu Land, and RMB96 million in fixed assets and the investment intensity shall not be less than RMB4,999.10 per square meter in relation to the 28mu Land. If Nanning Tidal Aluminium fails to meet the required fixed assets investment amounts, the Grantor may revoke Nanning Tidal Aluminium's rights to use the 150mu Land and the 28mu Land. There is no timeline specified for Nanning Tidal Aluminium to meet the fixed assets investment amount requirements.

As at the Latest Practicable Date, Nanning Tidal Aluminium has invested approximately RMB284 million in relation to the 150mu Land and intends to further invest approximately RMB77.2 million in civil and structural works and approximately RMB30 million in equipment by the end of 2025. This represents an aggregate of approximately 78% of the fixed asset investment amount requirement for the 150mu Land. In addition, Nanning Tidal Aluminium has a proposed capital expenditure plan which is intended to bring its total fixed asset investment amount to RMB500 million in relation to the 150mu Land by the end of 2029.

As at the Latest Practicable Date, Nanning Tidal Aluminium has not commenced construction works on the 28mu Land. However, there is no specified timeline applicable to Nanning Tidal Aluminium's fixed assets investments on the 28mu Land.

The estimated remaining costs of construction in relation to both the 150mu Land and the 28mu Land is therefore approximately RMB312 million in aggregate.

However, in the event that the total investment and investment intensity and the total development investment of the fixed assets do not meet the stipulated standards, the Grantor may require Nanning Tidal Aluminium to pay a penalty equivalent to the same proportion of the land use right premium based on the proportion of the actual difference to the agreed total investment and investment intensity indicators, and may also require Nanning Tidal Aluminium to continue to perform its obligations in relation to total investment and investment intensity.

Pursuant to the SPA, the Purchaser and/or the SHS WFOE shall be entitled to set off against the Balance Consideration Payment and any corresponding interest payable all claims, losses, liabilities, costs and expenses that the Purchaser and/or the SHS WFOE may incur, or be liable for, in connection with or arising from any non-compliance with and/or breach of the Land Use Rights Contracts, in the manner disclosed under Section 2.3(g)(iii) of this Circular. Nonetheless, there is no assurance that the Purchaser and/or the SHS WFOE would be able to set off the full amount of the claims, losses, liabilities, costs and expenses incurred or suffered by the Purchaser and/or the SHS WFOE in connection with or arising from any non-compliance with and/or breach of the Land Use Rights Contracts. In such event, the Enlarged Group's business, financial position, financial performance and prospects will be materially and adversely affected.

(t) There is no assurance that the actual prevailing market value of 100% of the equity interest of the Target Companies will be as reflected in the Business Valuation Report Summary Letter.

As set out in the Business Valuation Report Summary Letter issued by the Independent Valuer, the market value under Special Assumptions of 100% of the equity interest of the Target Companies as at the valuation date of 30 November 2024 is between RMB195 million and RMB217 million (equivalent to approximately between S$36.0 million and S$40.1 million[12]). The aforesaid valuation was provided based on the Special Assumptions adopted by the Independent Valuer. In the event the Special Assumptions set out in the Business Valuation Report Summary Letter and Asset Valuation Reports are not met, the prevailing market value of 100% of the equity interest of the Target Companies may be different from the ascribed market value set out in the Business Valuation Report Summary Letter. In such instance, the Group may be required to write down the book value of the 100% of the equity interest of the Target Companies, which will in turn affect the financial position of the Group.

(u) Certain loan agreements and guarantee arrangements entered into by the Target Companies contain prior consent requirements relating to capital reduction and change of control in respect of which written consents and/or waivers cannot be obtained.

Certain loan agreements and related guarantee arrangements entered into by each of Guangxi TPT and Nanning Tidal Aluminium contain prior consent requirements relating to the registrations of capital reduction and change of control. Furthermore, pursuant to the SPA, the Warrantors are required to obtain certain approval, consent and/or written confirmations in respect of any of the Target Companies' agreements containing change of control covenants.

As at the Latest Practicable Date, Guangxi TPT and Nanning Tidal Aluminium have completed their respective registrations of capital reduction. However, as at the Latest Practicable Date, each of Guangxi TPT and Nanning Tidal Aluminium has not been able to obtain written consents and/or waivers in relation to the prior consent requirements relating to the registrations of capital reduction set out in some of the loan agreements and related guarantee arrangements. Accordingly, the Target Companies are in breach of the aforesaid prior consent requirements.

[12] Based on the closing exchange rate of RMB1 : S$0.1848 as at 30 November 2024 as extracted from Bloomberg L.P..

As at the Latest Practicable Date, Guangxi TPT and Nanning Tidal Aluminium also have not obtained written consents and/or waivers in relation to the change of control covenants set out in some of the loan agreements and related guarantee arrangements in respect of (i) the transfer of the shares in Tidal Group (which indirectly holds 100% of the shares of the Vendor, which in turn holds 100% of the equity interests of the Target Companies) from Mr. Jiang Haiyong to Ms. Ming Keju, and (ii) the Proposed Acquisition upon Completion. While there is strictly no change of control in respect of the direct shareholder of each of Guangxi TPT and Nanning Tidal Aluminium, in the event that the change of control covenants are interpreted to refer to the ultimate beneficial shareholders of each of Guangxi TPT and Nanning Tidal Aluminium, the Target Companies may then be held in breach of the change of control covenants.

In addition, most of the existing bank loans of the Target Companies are secured by guarantees. These guarantees include guarantees provided by the Vendor, and a third-party guarantor which offers guarantee service. The guarantees provided by the third-party guarantor are secured by collateral provided by, among others, Guangxi Tidal Real Estate Management Co., Ltd, a Vendor Group Related Party. The Target Companies do not make any payments to non-third party guarantors for the provision of the guarantees and/or collateral as security in relation to their bank loans.

Notwithstanding that most of the existing bank loans of the Target Companies are secured in the manner stated above, the Target Companies would remain liable to make repayment of the relevant loans as the primary debtor. In addition, in relation to the third-party guarantees, the third-party guarantor has the right to request the relevant creditors to stop or cancel the Target Companies' unused credit, and also to request the creditors to recover the used credit amount from the Target Companies in advance. There is no assurance that the third-party guarantor will not exercise the aforementioned right.

The Company's management has met with the various bankers of the Target Companies, who have verbally indicated that they will not terminate the bank loans pursuant to the change of control covenants contained in the respective loan agreements. However, the banks have not issued any written confirmation of the same. Notwithstanding the foregoing, taking into consideration (i) the verbal indication provided by the relevant banks, (ii) the relatively low gearing ratio of the Group, and (iii) the cash and cash equivalents as well as the cash flows generated from the Group's operating activities, the Board is of the view that the Enlarged Group will be able to repay the aforementioned bank loans and the corresponding interest and liquidated damages (if any) in the event the bank loans are terminated for breach subsequent to Completion.

As at 31 December 2024, the Target Companies have an aggregate of bank borrowings of RMB175.5 million, comprising short-term bank borrowings of RMB45.0 million and long-term bank borrowings of RMB130.5 million.

(v) Guangxi TPT is subject to various obligations under the Yongning Factory Hire and Purchase Agreement which it may not be able to meet.

Guangxi TPT owes outstanding rent and other expenses to the Landlord under the Yongning Factory Hire and Purchase Agreement. As at the Latest Practicable Date, the total outstanding amount owed to the Landlord is at least RMB6.7 million.

In the event Guangxi TPT is unable to make payment of the outstanding amount to the Landlord and/or any disputes over such outstanding amount are not resolved amicably, the Landlord may initiate court proceedings against Guangxi TPT, which may result in, among others, property preservation measures including freezing of its bank accounts. In addition to the outstanding amount due to the Landlord, under the Yongning Factory Hire and Purchase Agreement, Guangxi TPT shall pay liquidated damages to the Landlord at the rate of 0.5% of the unpaid expenses per day. Furthermore, if Guangxi TPT continues to default on payment of the outstanding amount and liquidated damages, the Landlord has the right to terminate the Yongning Factory Hire and Purchase Agreement and repossess the leased property, and Guangxi TPT shall pay additional liquidated damages at three (3) times the outstanding rent. Based on the total outstanding amount owed by Guangxi TPT to the Landlord as at the Latest Practicable Date, the potential liquidated damages payable to the Landlord may amount to up to approximately RMB20.0 million as at the Latest Practicable Date. As at the Latest Practicable Date, there are no ongoing legal actions taken by the Landlord against Guangxi TPT in respect of the aforesaid outstanding rent and other expenses.

Guangxi TPT also has a legally binding obligation under the Yongning Factory Hire and Purchase Agreement to purchase the Target Property and other facilities and equipment after the Landlord obtains a pre-sale permit for the sale of the Target Property. In the event that Guangxi TPT fails to complete the purchase of the Target Property (irrespective of whether Shareholders' approval has been obtained for the purchase) and/or is unable to obtain Shareholders' approval in relation to the purchase (if required under the Listing Manual), Guangxi TPT shall be in breach of its legal obligation under the Yongning Factory Hire and Purchase Agreement and shall be liable for breach of contract with compensation payable at 30% of the total project cost and financial cost to the Landlord. To mitigate this risk, the Company intends to enter into discussions with the Landlord in due course with a view to supplementing the Yongning Factory Hire and Purchase Agreement by having the obligation to purchase the Target Property and other facilities and equipment being conditional upon the requisite Shareholders' approval being obtained under the Listing Manual.

Pursuant to the SPA, the Purchaser and/or the SHS WFOE shall be entitled to set off against the Balance Consideration Payment and any corresponding interest payable all claims, losses, liabilities, costs and expenses that Guangxi TPT may incur, or be liable for, in connection with or arising from any breach by Guangxi TPT of, or any dispute involving Guangxi TPT which arises from or in connection with, the Yongning Factory Hire and Purchase Agreement prior to Completion. Nonetheless, there is no assurance that Guangxi TPT will be able to fulfil its legal obligations under the Yongning Factory Hire and Purchase Agreement and/or obtain the requisite Shareholders' approval for the purchase of the Target Property (if applicable), or that pursuant to the SPA, the Purchaser and/or the SHS WFOE would be able to set off the full amount of the claims, losses, liabilities, costs and expenses incurred or suffered by Guangxi TPT in connection with or arising from its breach of the Yongning Factory Hire and Purchase Agreement against the Balance Consideration Payment and any corresponding interest payable. In such event, the Enlarged Group's business, financial position, financial performance and prospects will be materially and adversely affected.

(w) There are outstanding amounts due from the Target Companies to various suppliers, some of whom have commenced court proceedings against the Target Companies.

The Target Companies owe outstanding amounts to various suppliers under some of their asset and/or equipment purchase agreements. In the event that the Target Companies are unable to make payment of the outstanding amounts to their suppliers and/or any disputes over such outstanding amounts are not resolved amicably, the suppliers may initiate court proceedings against the Target Companies, which may result in, among others, property preservation measures including freezing of the Target Companies' bank accounts. In addition to the outstanding amounts due to the suppliers, the Target Companies may be subject to payment of liquidated damages or interest, and other legal expenses in connection with the court proceedings. The Company intends to pro-actively engage such suppliers, together with the Target Companies, to minimise any escalation by the suppliers and to come to appropriate mutual agreements with regard to the repayment of the relevant outstanding amounts.

As at the Latest Practicable Date, the Target Companies are involved in on-going legal proceedings with two (2) of its suppliers relating to sums of not more than RMB3 million in aggregate.

Pursuant to the SPA, the Warrantors have irrevocably undertaken to fully indemnify the Purchaser, the SHS WFOE and their respective Representatives against any and all claims, losses, liabilities, costs and expenses, which the Purchaser, the SHS WFOE and/or their respective Representatives or a Target Company may incur, or be liable for, in connection with or arising from any breach by any of the Target Companies of, or any dispute involving any Target Company which arises from or in connection with, among others, the existing business, equipment sale and purchase and processing contracts entered into between the Target Companies and their respective suppliers, prior to Completion.

4. PRO FORMA FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Acquisition set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after Completion.

The Proposed Acquisition will not have any impact on the share capital of the Company, as the Consideration is expected to be fully paid in cash, and there will be no issuance of new Shares to the Vendor and/or the Covenantor.

4.1 Key Bases and Assumptions

The following are the key bases and assumptions in the computation of the pro forma financial effects:

(a) the pro forma financial effects of the Proposed Acquisition on the EPS and NTA of the Group are based on (i) the Group's audited consolidated financial statements for FY2024; and (ii) the unaudited financial accounts of the Target Companies for FY2024 prepared in accordance with the IFRS; and (iii) the Pro Forma Net Assets of the Target Companies as at the completion date (on the assumption that the completion date would be 30 April 2025), which were prepared in accordance with the IFRS. The Pro Forma Net Assets of the Target Companies were used in deriving the pro forma financial effects to reflect the actual assets and liabilities of the Target Companies that will be acquired by the Company under the Proposed Acquisition;

(b) in respect of the pro forma financial effects of the Proposed Acquisition on the EPS of the Group, the Proposed Acquisition is assumed to have been completed on 1 January 2024. In respect of the pro forma financial effects of the Proposed Acquisition on the NTA of the Group, the Proposed Acquisition is assumed to have been completed on 31 December 2024;

(c) the EPS is computed based on the weighted average number of Shares in issue, excluding treasury shares, for FY2024;

(d) the NTA per Share is computed based on 610,403,412 Shares in issue, excluding treasury shares, as at 31 December 2024;

(e) the maximum amount payable to the Vendor of S$47,750,000 comprises (i) the First Consideration Payment of S$4,000,000; (ii) the Balance Consideration Payment of S$35,000,000; and (iii) the interest payable of S$8,750,000 (assuming the Balance Consideration Payment is fully paid only on the last day of the five (5)-year period, and hence maximum interest is payable). It is also assumed that the Consideration is not adjusted under the terms of the SPA;

(f) estimated expenses of approximately S$900,000 to be incurred in relation to the Proposed Acquisition;

(g) an exchange rate of RMB1 : S$0.1799, being the closing exchange rate as at the Latest Practicable Date as extracted from Bloomberg L.P., is used to convert the RMB to S$ for the Pro Forma Net Assets of the Target Companies as at the completion date (on the assumption that the completion date would be 30 April 2025); and

(h) an exchange rate of RMB1 : S$0.1860, being the average closing exchange rate on the last day of each month for the FY2024.

4.2 Effects of the Proposed Acquisition on the EPS of the Group

On the bases and assumptions set out above, the pro forma financial effects of the Proposed Acquisition on the EPS of the Group for FY2024 is as follows. However, Shareholders should note that the earnings of the Target Companies for FY2024 may not fully be reflective of the intended business activities of the Target Companies, as (a) the Target Companies' aluminium manufacturing business had only started generating revenue on trial production during the first half of 2024; and (b) the earnings generated by the Target Companies during FY2024 were also attributable to aluminium trading business, and the Company intends to cease the operations of the aluminium trading business post-Completion of the Proposed Acquisition.

FY2024	Before the Proposed Acquisition	After the Proposed Acquisition
Profit for the year attributable to owners of the Company (S$'000)	3,202	2,670(1)
Weighted average number of issued ordinary Shares in the capital of the Company (excluding treasury shares)	610,403,412	610,403,412
EPS (S$ cents)	0.53	0.44

Note:

(1) Based on the net loss after tax attributable to the Target Companies on a combined basis amounting to S$0.5 million (equivalent to RMB2.9 million).

4.3 Effects of the Proposed Acquisition on the NTA Per Share of the Group

On the bases and assumptions set out above, the pro forma financial effects of the Proposed Acquisition on the NTA per Share of the Group is as follows:

As at 31 December 2024	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to owners of the Company (S$'000)	133,583(1)	122,041(2)
Number of issued ordinary Shares in the capital of the Company (excluding treasury shares)	610,403,412	610,403,412
NTA per Share (S$ cents)	21.88	19.99

Notes:

(1) NTA is based on the net assets attributable to owners of the Company less intangible assets.

(2) This is based on the Pro Forma Net Assets of the Target Companies as at the completion date (on the assumption that the completion date would be 30 April 2025) of S$37.1 million (equivalent to RMB206.3 million) using the financials of the Target Companies prepared in accordance with the IFRS, and deducting the maximum amount payable to the Vendor of S$47,750,000 and the estimated expenses in relation to the Proposed Acquisition of S$900,000. For the avoidance of doubt, the Pro Forma Net Assets of the Target Companies as at the Completion Date shall not include any intangible assets.

5. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

The Company has appointed SAC Capital Private Limited as the IFA pursuant to Rule 921(4)(a) of the Listing Manual, to advise the Relevant Directors and the Audit Committee in relation to the Proposed Acquisition as an IPT and on whether the terms of the Proposed Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and Shareholders.

A copy of the IFA Letter to the Relevant Directors, containing the IFA's advice in full, is set out in **Appendix A** of this Circular. Shareholders are advised to read the IFA Letter carefully and in its entirety.

After taking into account a range of factors which the IFA considers to be relevant and have a significant bearing on its assessment, and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the opinion that, on balance, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and Shareholders.

6. OPINION OF THE AUDIT COMMITTEE

The Audit Committee, having considered the relevant factors, including the terms of the Proposed Acquisition and the rationale for, and benefits of, the Proposed Acquisition set out in Section 2.2 of the Circular, as well as the advice and opinion of the IFA set out in the IFA Letter, is of the view that the Proposed Acquisition as an IPT, is on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 Interests of Directors

Based on the Register of Directors' shareholdings of the Company, the interests of the Directors in the Shares as at the Latest Practicable Date are set out below:

Name of Director	Direct Interest (No. of Shares)	%(1)	Deemed Interest (No. of Shares)	%(1)
Mr. Teng Choon Kiat(3)	–	–	160,967,600	26.37
Mr. Ng Han Kok, Henry(4)	21,537,700	3.53	94,146,953	15.42
Mr. Lee Gee Aik	–	–	–	–
Mr. Chua San Lye	–	–	–	–
Mr. Oong Wei Yuan, Ron	–	–	–	–

7.2 Interests of Substantial Shareholders

Based on the Register of Substantial Shareholders' shareholdings of the Company, the interests of the substantial shareholders and controlling shareholders in the Shares as at the Latest Practicable Date are set out below:

Name of substantial shareholder	Direct Interest (No. of Shares)	%(1)	Deemed Interest (No. of Shares)	%(1)
Tidal New Energy Investment Pte. Ltd.(2)	–	–	160,967,600	26.37
Mr. Teng Choon Kiat(3)	–	–	160,967,600	26.37
Mr. Ng Han Kok, Henry(4)	21,537,700	3.53	94,146,953	15.42
Mr. Stone Robert Alexander(5)	31,801,000	5.21	19,720,000	3.23
Mr. Khoo Thomas Clive	33,709,000	5.52	–	–
Mr. Lim Peng Chuan Terence	–	–	31,030,700	5.08

Notes:

(1) All references to percentage shareholding of the issued share capital of the Company in this paragraph are based on the total number of 610,353,412 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Tidal New Energy is deemed interested in the 160,967,600 Shares registered under CGS International Securities Singapore Pte. Ltd. (formerly known as CGS-CIMB Securities (Singapore) Pte. Ltd.) and held on behalf of Tidal New Energy.

(3) Mr. Teng Choon Kiat holds the entire shareholding interest in Tidal New Energy and is deemed interested in the 160,967,600 Shares held by Tidal New Energy.

(4) Mr. Ng Han Kok, Henry is deemed interested in (i) 250,000 Shares held by his spouse; (ii) 38,042,526 Shares registered under SBS Nominees Private Limited; (iii) 46,259,527 Shares registered under CGS International Securities Singapore Pte. Ltd. (formerly known as CGS-CIMB Securities (Singapore) Pte. Ltd.); (iv) 5,000,000 Shares registered under Singapura Finance Ltd; and (v) 4,594,900 Shares registered under Maybank Securities Pte. Ltd. (formerly known as Maybank Kim Eng Securities Pte. Ltd.).

(5) Mr. Stone Robert Alexander is deemed interested in 19,720,000 Shares held through OCBC Securities Private Limited.

Save as disclosed in this Circular, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

7.3 Abstention from Voting

Pursuant to Rule 919 of the Listing Manual, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the Shareholders.

At the EGM, the interested person(s), namely Mr. Jiang Haiyong, and his associates are required to abstain from voting on the resolution approving the Proposed Acquisition, being an interested person transaction. As at the date of this Circular, Mr. Jiang Haiyong is no longer a Shareholder.

As Mr. Teng Choon Kiat and Mr. Jiang Haiyong had a previous business relationship arising from their shareholding interests in Tidal New Energy, Mr. Teng Choon Kiat has voluntarily continued to abstain from the Board's discussions and decision-making process in relation to the Proposed Acquisition and from making recommendations to Shareholders in relation to the Proposed Acquisition. In addition, Mr. Teng Choon Kiat shall voluntarily abstain from voting on the resolutions approving the Proposed Transactions and accepting any nominations to act as proxy for any Shareholder in approving the Proposed Transactions at the EGM unless specific instructions as to voting are given by such Shareholder in the Proxy Form. The Company will disregard any votes cast by Mr. Teng Choon Kiat on the resolutions approving the Proposed Transactions unless the Company is satisfied that the votes have been cast by Mr. Teng Choon Kiat acting as proxy in accordance with the specific instructions as to voting given by the relevant nominating Shareholder(s) in their Proxy Form(s).

8. DIRECTORS' SERVICE AGREEMENTS

No person will be appointed to the Board in connection with the Proposed Acquisition and no director's service contract in relation thereto will be entered into by the Company with any person in connection with the Proposed Acquisition.

9. DIRECTORS' RECOMMENDATION

9.1 The Proposed Acquisition

The Relevant Directors, having considered the relevant factors, including the terms of the Proposed Acquisition and the rationale for, and benefits of, the Proposed Acquisition set out in Section 2.2 of this Circular, as well as the advice and opinion of the IFA set out in the IFA Letter, are of the view that the Proposed Acquisition is in the best interests of the Company and its Shareholders, and recommend that the Shareholders vote in favour of Ordinary Resolution 1 in respect of the Proposed Acquisition.

In reaching the view, the Relevant Directors acknowledge that the Target Companies are (a) in breach of certain agreements which they are parties to (including but not limited to their existing financing arrangements); (b) non-compliant with certain requirements under Applicable Laws (such as passing all required acceptance inspection and/or checks, completing all relevant filings required to be completed and obtaining all requisite Permits for carrying on their production operations and related activities at the Target Companies' respective production facilities); and (c) may face certain penalties and sanctions such as the levy of financial penalties by the relevant authorities and termination of financing arrangements by the relevant banks.

Nevertheless, the Relevant Directors are of the view that the benefits of the Proposed Acquisition outweigh the risks of the Proposed Acquisition after taking into consideration (a) the indemnities provided by the Warrantors; (b) the Purchaser's and/or SHS WFOE's entitlement to set off against the Balance Consideration Payment and any corresponding interest payable all claims, losses, liabilities, costs and expenses that the Purchaser, the SHS WFOE and/or their respective Representatives or a Target Company may incur, or be liable for, in connection with or arising from any breach by the Warrantors of the SPA (including but not limited to breach of warranties, undertakings, covenants and/or terms) and/or any of the events set out in Section 2.3(g) of this Circular; and (c) the Balance Consideration Payment of S$35 million has been assessed to provide a significant buffer for any set off if such set off is required.

9.2 The Proposed Business Diversification

The Relevant Directors, having considered the relevant factors, are of the view that the Proposed Business Diversification is in the best interests of the Company and its Shareholders, and recommend that the Shareholders vote in favour of Ordinary Resolution 2 in respect of the Proposed Business Diversification.

9.3 Shareholders should read this Circular carefully in its entirety. In giving the above recommendations, the Relevant Directors have not had regard to any general or specific investment objectives, financial situations, tax positions or particular needs or constraints of any individual Shareholder or any specific group of Shareholders. As different Shareholders have different investment profiles and objectives, the Relevant Directors recommend that any Shareholders who may require specific advice in relation to his/her/its investment portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in the Section entitled "Notice of Extraordinary General Meeting" of this Circular, will be held at 19 Tuas Avenue 20 Singapore 638830, on 29 May 2025 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without any modifications) the ordinary resolutions set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

This Circular, the Notice of EGM and the Proxy Form will be available through electronic means via publication on the Company's website at http://shsholdings.com.sg/ir_newsroom.html and on the SGX-ST's website at https://www.sgx.com/securities/company-announcements. Printed copies of this Circular, the Notice of EGM and the Proxy Form will also be sent by post to Shareholders.

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's registered address at 19 Tuas Avenue 20, Singapore 638830 by not later than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him/her/it from attending and voting at the EGM in person if he/she/it so wishes. In such event, the relevant Proxy Form will be deemed to be revoked.

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he/she/it is shown to have Shares entered against his/her/its name in the Depository Register, as certified by the CDP as at 72 hours before the time fixed for the EGM.

Please refer to the Company's website at http://shsholdings.com.sg/ir_newsroom.html or the SGX-ST's website at https://www.sgx.com/securities/company-announcements for the latest updates on the status of the EGM.

12. RESPONSIBILITY STATEMENT

12.1 Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Proposed Business Diversification, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12.2 Financial Adviser's Responsibility Statement

To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Proposed Business Diversification, the Company and its subsidiaries, and the Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

13. CONSENTS

The Financial Adviser has consented to act as, and be named in this Circular as, the financial adviser to the Company in respect of the Proposed Acquisition. The Financial Adviser has given and has not, before the issue of this Circular, withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Circular.

The IFA has consented to act as, and be named in this Circular as, the independent financial adviser in respect of the Proposed Acquisition as an interested person transaction under the Listing Manual. The IFA has given and has not, before the issue of this Circular, withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter set out in **Appendix A** of this Circular, and all references thereto (including the IFA Letter) in the form and context in which they are included in this Circular.

The Independent Valuer has consented to act as, and be named in this Circular as, the independent valuer of the Company in relation to the Proposed Acquisition. The Independent Valuer has given and has not, before the issue of this Circular, withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the Business Valuation Report Summary Letter set out in **Appendix B** of this Circular, and all references thereto (including the Business Valuation Report Summary Letter and the Business Valuation Report) in the form and context in which they are included in this Circular.

The Asset Valuer has consented to act as, and be named in this Circular as, the independent property valuer of the Company in relation to the Proposed Acquisition. The Asset Valuer has given and has not, before the issue of this Circular, withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the Asset

Valuation Reports set out in **Appendix D** of this Circular, and all references thereto (including the Asset Valuation Reports) in the form and context in which they are included in this Circular.

Enrome has consented act as, and be named in this Circular as, the accounting practice firm engaged by the Company to perform the agreed-upon procedures described in section 2.1(a) of the Circular in relation to the Proposed Acquisition. Enrome has given and has not, before the issue of this Circular, withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830 during normal business hours from the date of this Circular up to and including the date of the EGM:

(a) the annual report of the Company for FY2024;

(b) the constitution of the Company;

(c) the IFA Letter by the IFA set out in **Appendix A** of the Circular;

(d) consent letters from the Financial Adviser, IFA, Independent Valuer, Asset Valuer and Enrome, as referred to in Section 13 of this Circular;

(e) the SPA;

(f) the Business Valuation Report and the Business Valuation Report Summary Letter; and

(g) the Asset Valuation Reports.

Yours faithfully,
For and on behalf of the Board of
SHS HOLDINGS LTD.

Mr. Ng Han Kok, Henry
Executive Director and Group Chief Executive Officer

SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

13 May 2025

To: The directors of SHS Holdings Ltd. who are considered independent for the purposes of making recommendation to the Shareholders and the Audit Committee of SHS Holdings Ltd. in respect of the Proposed Acquisition

Mr. Ng Han Kok, Henry	(Executive Director and Group Chief Executive Officer)
Mr. Lee Gee Aik	(Lead Independent Director)
Mr. Chua San Lye	(Independent Director)
Mr. Oong Wei Yuan, Ron	(Independent Director)

Dear Sirs

THE PROPOSED ACQUISITION OF 100% OF THE EQUITY INTERESTS OF GUANGXI TIDAL PRECISION TECHNOLOGY CO., LTD. AND NANNING TIDAL ALUMINIUM CO., LTD. BY SHS CAPITAL PTE. LTD. AND/OR GUANGXI XINXIN TECHNOLOGY CO. LTD, EACH AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF SHS HOLDINGS LTD., AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL OF THE SGX-ST

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 13 May 2025 (the "**Circular**") shall have the same meanings herein.*

1. INTRODUCTION AND BACKGROUND

1.1 Proposed Acquisition

1.1.1 On 4 September 2024, the board of directors of SHS Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") announced (the "**Announcement**") that its wholly-owned subsidiary, SHS Capital Pte. Ltd. (the "**Purchaser**"), has entered into a sale and purchase agreement (the "**SPA**") with (i) Nanning Tidal Investment Co., Ltd. (the "**Vendor**") and (ii) Synertech Group Co., Pte. Ltd. ("**Synertech**") (as the covenantor then). Pursuant to the SPA, the Purchaser and/or Guangxi Xinxin Technology Co. Ltd (the "**SHS WFOE**", a wholly-foreign owned entity which is wholly-owned by the Purchaser in the People's Republic of China ("**PRC**")) shall purchase 100% of the equity interests (the "**Sale Shares**") of Guangxi Tidal Precision Technology Co., Ltd. ("**Guangxi TPT**") and Nanning Tidal Aluminium Co., Ltd. ("**Nanning Tidal Aluminium**" and together with Guangxi TPT, collectively the "**Target Companies**" and each, a "**Target Company**") (the "**Proposed Acquisition**").

1.1.2 On 30 December 2024, the Company announced that the Purchaser had entered into an amendment letter agreement to the SPA with the Vendor and Synertech (as the covenantor then) to extend the Long-Stop Date (as defined in the Circular) from 31 December 2024 to 30 April 2025 (or such other date as Purchaser and Warrantors (the "**Parties**") may agree in writing.

1.1.3 On 24 January 2025, the Company further announced that Synertech had on 6 January 2025 transferred its entire shareholding interest in Tidal Group Co., Limited ("**Tidal Group**") to Ms. Ming Keju, who is the ex-spouse of Mr. Jiang Haiyong, pursuant to a private settlement between Ms. Ming Keju and Mr. Jiang Haiyong. Pursuant thereto, the Purchaser had entered into a novation agreement pursuant to which Synertech had assigned all of its rights, benefits, title and interests, under the SPA to Ms. Ming Keju (the "**Covenantor**" and together with the Vendor, the "**Warrantors**" and each, a "**Warrantor**") on the terms of the novation agreement (the "**Novation**"), and Ms. Ming Keju became obligated to perform all the duties, liabilities and obligations of Synertech under the SPA.

1.1.4 On 4 February 2025, the Company further announced that the Purchaser had entered into a second amendment letter agreement to the SPA with the Vendor and the Covenantor to further amend and modify certain terms and conditions of the SPA arising from, amongst others, due diligence findings relating to the Target Companies, the extension of the Long-Stop Date to 30 April 2025 which is applicable to the fulfilment of the conditions precedent for the Proposed Acquisition, and clarification in relation to the Target Companies' scope of business.

1.1.5 On 25 April 2025, the Company further announced that the Purchaser had entered into a third amendment letter agreement to the SPA with the Vendor and the Covenantor to further extend the Long-Stop Date from 30 April 2025 to 30 June 2025 (or such other date as the Parties may agree in writing).

1.1.6 The aggregate consideration for the purchase of the Sale Shares is RMB205,263,157.90 (the "**Consideration**"), being the RMB equivalent of S$39,000,000 based on the agreed exchange rate of RMB1:S$0.19 as set out in the SPA (the "**Agreed Exchange Rate**") and subject to the downwards adjustments to the Consideration as set out in the SPA (the "**Adjustments**"). The Consideration was determined and agreed based on arm's length negotiations between the Company and the Vendor on a willing-buyer and willing-seller basis, with reference to the net asset value of the Target Companies (on a pro forma combined basis) (the "**Pro Forma Net Assets**") of approximately RMB214.3 million (equivalent to approximately S$40.7 million based on the Agreed Exchange Rate) as at the Completion Date (as defined in the Circular). In agreeing to the Consideration, the Company also took into account the business prospects of the Target Companies, and the rationale for and benefit of the Proposed Acquisition.

1.1.7 The Consideration shall be payable in the following manner:

(a) RMB21,052,631.60, being the RMB equivalent of S$4,000,000 based on the Agreed Exchange Rate, shall be paid by the SHS WFOE to the Vendor on Completion (the "**First Consideration Payment**"); and

(b) the balance Consideration of up to RMB184,210,526.30, being the RMB equivalent of S$35,000,000 based on the Agreed Exchange Rate, or such other sum as may be determined in accordance with the SPA (the "**Balance Consideration Payment**") shall be paid by the SHS WFOE to the Vendor within five (5) years from Completion. The payment schedule for the payment of the Balance Consideration Payment shall be determined by the SHS WFOE in its absolute discretion. The Balance Consideration Payment shall bear interest at the rate of 5% per annum on the outstanding Balance Consideration Payment from time to time, commencing from the day after the Completion Date (date inclusive) until the date (date inclusive) full payment of the Balance Consideration Payment has been made. Interest is payable annually in arrears (each such date for payment of such interest hereafter referred to as an "**Interest Payment Date**"), with the first Interest Payment Date commencing on the date falling 12 months from the day after the Completion Date, and every subsequent Interest Payment Date falling on the date 12 months from the preceding Interest Payment Date. If interest is required to be calculated for a period of less than one (1) year, it will be calculated on the basis of a 360-day year of 12 30-day months and in the case of an incomplete month, the actual number of days elapsed.

1.1.8 The interest rate of 5% per annum was determined by taking into consideration the prevailing borrowing costs of the Group. The maximum interest payable on the Balance Consideration Payment, assuming the Balance Consideration Payment of RMB184,210,526.30 (equivalent to approximately S$35,000,000 based on the Agreed Exchange Rate) is paid in one (1) bullet repayment on the last day of the five (5)-year period from Completion, is RMB46,052,631.58 (equivalent to approximately S$8,750,000 based on the Agreed Exchange Rate).

1.2 Interested Person Transaction

1.2.1 Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**") governs transactions in which a listed company or any of its subsidiaries or associated companies (which is known as an "**entity at risk**") proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

1.2.2 In the Announcement, the Company had stated that, in addition to constituting a major transaction as defined under Chapter 10 of the Listing Manual, the Proposed Acquisition also constituted an interested person transaction as defined under Chapter 9 of the Listing Manual. This was on the basis that as at the date of the Announcement and the date of the SPA, being 4 September 2024, (i) Mr. Jiang Haiyong held not less than 20% of the voting rights of Tidal New Energy Investment Pte. Ltd. ("**Tidal New Energy**") and was deemed interested in Tidal New Energy's shareholding interest of 26.37% in the Company then, (ii) 95% of the issued ordinary shares in the share capital of Synertech (as the covenantor then) was held by Mr. Jiang Haiyong and 100% of the equity interests in the Vendor were indirectly held by Synertech (as the covenantor then), and (iii) Mr. Jiang Haiyong was a director of Synertech (as the covenantor then). As such, the Vendor and Synertech (as the covenantor then) were each an associate of Mr. Jiang Haiyong and an "**interested person**" of the Company under Rule 904(4)(a)(ii) of the Listing Manual.

1.2.3 On 21 January 2025, the Company announced that Mr. Jiang Haiyong had ceased to be a controlling shareholder of the Company pursuant to a change in shareholding interest with regard to Tidal New Energy. As of that date, Mr. Teng Choon Kiat holds the entire shareholding interest in Tidal New Energy, which in turn holds 26.37% shareholding interest in the Company. Accordingly, as at the date of the Circular, Mr. Jiang Haiyong has ceased to be a controlling shareholder of the Company and hence is no longer an "interested person" as defined under Chapter 9 of the Listing Manual.

1.2.4 Notwithstanding the aforesaid changes that took place after the date of the Announcement and the date of the SPA, the Company will continue to regard the Proposed Acquisition as an "interested person transaction" as defined under Chapter 9 of the Listing Manual for the purpose of the Circular, on the basis that the Proposed Acquisition had constituted an interested person transaction at the date on which the SPA was entered into. Accordingly, the Proposed Acquisition, which value exceeds 5% of the Group's net tangible asset ("**NTA**") as set out in Section 2.5(b) of the Circular, is also subject to the approval of the shareholders of the Company ("**Shareholders**") at the extraordinary general meeting ("**EGM**") as an interested person transaction pursuant to Rule 906(1) of the Listing Manual.

1.2.5 In this regard, the Company had appointed SAC Capital Private Limited as the independent financial adviser ("**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual, to advise the directors of the Company (the "**Directors**") who are considered to be independent (the "**Relevant Directors**") and the Audit Committee of the Company (the "**Audit Commitee**") in relation to the Proposed Acquisition as an interested person transaction and on whether the terms of the Proposed Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and the Shareholders.

1.2.6 This letter, which sets out our opinion and advice in respect of the Proposed Acquisition, has been prepared for inclusion in the Circular as well as for the use of the Relevant Directors and the Audit Committee in connection with their consideration of the Proposed Acquisition and their recommendation to the Shareholders arising thereof.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Relevant Directors and the Audit Committee in relation to the Proposed Acquisition as an interested person transaction.

We are not and were not involved in any aspect of the negotiations entered into by the Company in connection with the Proposed Acquisition or in the deliberations leading up to the decision by the board of Directors of the Company (the "**Board**") to undertake the Proposed Acquisition. Accordingly, we do not, by this letter, warrant the merits of the Proposed Acquisition, other than to express an opinion on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Shareholders.

We have not conducted a comprehensive review of the business, operations or financial condition of the Group or the Target Companies. Our evaluation is confined to the financial terms of the Proposed Acquisition and we have not evaluated the strategic, legal, commercial or financial merits and/or risks of the Proposed Acquisition or the future growth prospects or earnings potential of the Group and/or the Target Companies after the completion of the Proposed Acquisition. Accordingly, we do not express any view as to the future prices at which the Shares may trade upon completion of the Proposed Acquisition or on the future financial performance of the Group after the completion of the Proposed Acquisition.

In the course of our evaluation, we have held discussions with the Board and the management of the Company (the "**Management**") and their appointed professional advisers and have relied on the information and representations, whether written or verbal, provided to us by the Board and the Management, including the information contained in the Circular. We have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made reasonable enquiries and exercised our judgment (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on.

The Board (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Proposed Acquisition has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nonetheless have made such enquiries and exercised such judgement as were deemed necessary and have found no reason to doubt the reliability of the information or facts. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Save as disclosed, all information relating to the Group and the Target Companies that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, the Board and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group and the Target Companies at any time or as at 28 April 2025 (the "**Latest Practicable Date**").

We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and/or the Target Companies and have not been furnished with any such evaluation or appraisal, except for the valuation report dated 13 May 2025 (the "**Business Valuation Report**") prepared by Navi Corporate Advisory Pte. Ltd. (the "**Independent Valuer**" or "**NAVI**"), being the independent business valuer appointed by the Company to express an independent opinion of the market value of the 100% equity interest in the Target Companies (the "**Market Value**") as at 30 November 2024 (the "**Valuation Date**"). A summary of the information contained in the Business Valuation Report is set out in Appendix B of the Circular (the "**Business Valuation Report Summary Letter**"). In addition, the Company has engaged Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "**Asset Valuer**"), based in the PRC to perform a valuation on the fixed assets, construction-in-progress and right-of-use assets of the Target Companies as at the Valuation Date in accordance with the "Market Value" under Royal Institution of Chartered Surveyors standards and International Valuation Standards (the "**Asset Valuation Reports**", together with the Business Valuation Report and the Business Valuation Report Summary Letter, the "**Valuation Reports**"). As we are not experts in the evaluation or appraisal of the Market Value and/or assets set out in the Valuation Reports, we have placed sole reliance on the independent valuation in relation to the Market Value and/or assets of the Target Companies.

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

In arriving at our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser. Shareholders should further take note of any announcements which may be released by the Company after the Latest Practicable Date which are relevant to the Proposed Acquisition and other related corporate actions.

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

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

3. OVERVIEW OF THE PROPOSED ACQUISITION

3.1 Information on the Target Companies

Shareholders are advised to read the full information on the Target Companies which is set out in Section 2.1(a) of the Circular. The salient information on the Target Companies have been extracted from the Circular and presented in the following paragraphs.

3.1.1 *Background of the Target Companies*

3.1.1.1 Guangxi TPT (Company Registration Number: 91450109MA7FY7E74D) was incorporated in the PRC on 15 February 2022 and has, as at the Latest Practicable Date, a subscribed capital of RMB105,000,000 and a paid-up capital of RMB105,000,000.

3.1.1.2 Nanning Tidal Aluminium (Company Registration Number: 91450181MAA7JMM05F) was incorporated in the PRC on 21 March 2022 and has, as at the Latest Practicable Date, a subscribed capital of RMB108,300,000 and a paid-up capital of RMB108,300,000.

3.1.1.3 The Target Companies were incorporated to carry on the business of precision aluminium manufacturing and aluminium recycling (the "**New Business**"), and began operations in 2023. As at the Latest Practicable Date, the Target Companies are involved in the New Business and the business of aluminium trading[1], which generated revenue of RMB650.0 million (equivalent to approximately S$120.9 million[2]) and loss before tax of RMB2.9 million (equivalent to approximately S$0.5 million[2]) for financial year ended 31 December 2024 ("**FY2024**")[3]. For FY2024, the New Business and the aluminium trading business contributed RMB442.6 million (equivalent to approximately S$82.3 million[2]) and RMB207.4 million (equivalent to approximately S$38.6 million[2]), representing approximately 68.1% and 31.9% to the Target Companies' revenue, respectively.

3.1.1.4 More specifically, as at the Latest Practicable Date, Guangxi TPT has commenced commercial production of cast rolled aluminium coils for sale to component manufacturers who use the cast rolled aluminium coils to produce high battery-grade aluminium foils to be supplied to EV battery manufacturers. High battery-grade aluminium foils are a key component in the cathode of lithium-ion batteries for EVs. Guangxi TPT has obtained the IATF 16949 international standard for automotive quality management systems (QMS) on 28 March 2025. Nanning Tidal Aluminium is involved in the recycling of aluminium waste into aluminium ingots.

3.1.1.5 Save for the New Business, and the aluminium trading business (which will be scaled down and eventually terminated), as described in this Section 2.1(a) of the Circular, the Target Companies do not have any other material businesses.

[1] Pending the Target Companies' setting up of their production facilities and the commencement of commercial production, the Target Companies had primarily engaged in trading of aluminium products to (a) familiarise themselves with the market, and (b) build relationships with suppliers and potential customers. "Commercial production" means the production of the aluminium products on a regular basis for market sale based on orders placed by customers comprising related entities and third-party customers. These aluminium trading activities will be scaled down and eventually terminated when the Target Companies' commercial production operations ramp up as the Company has no intention to continue the aluminium trading activities. Prior to the commencement of commercial production, the Target Companies' factories will carry out trial productions which involve, amongst others, tuning the equipment and machines to meet desired output levels and quality.

[2] The figures have been translated into S$ based on the average monthly closing exchange rate of RMB1 : S$0.1860 for FY2024 as extracted from Bloomberg L.P..

[3] Based on the latest available unaudited financial accounts of the Target Companies for FY2024 prepared in accordance with the IFRS.

3.1.2 *Historical Financials of the Target Companies*

3.1.2.1 Based on the latest available unaudited financial accounts of the Target Companies for FY2024 prepared in accordance with the Chinese Accounting Standards ("**CAS**") and the International Financial Reporting Standards ("**IFRS**") respectively, which were adjusted to take into consideration the effects of the capital reductions of the Target Companies, and to exclude the inter-company transactions between the Target Companies and the existing assets and liabilities which are (i) unrelated to property, plant and equipment and its construction and/or (ii) related to receivables, prepayments and/or deposits due to the Vendor Group (as defined in the Circular) from the Target Companies and due from the Vendor Group to the Target Companies, that are to be disposed of or otherwise excluded from the Target Companies by way of assignment to the Vendor (in the manner set out in Section 2.3(b)(v) of the Circular) as expected by the Completion Date, the book value, NTA value, and profit/(loss) before tax attributable to the Target Companies on a combined basis are set out below. For the avoidance of doubt, there were no adjustments to the financial accounts of the Target Companies made for non-recurring and one-off items such as government grants.

As at 31 December 2024	Prepared based on CAS	Prepared based on IFRS
Book value of the Target Companies, on a combined basis	RMB221.8 million (equivalent to approximately S$41.5 million(1))	RMB206.3 million (equivalent to approximately S$38.6 million(1))
NTA value of the Target Companies, on a combined basis	RMB188.7 million (equivalent to approximately S$35.3 million(2))(4)	RMB206.3 million (equivalent to approximately S$38.6 million(2))
Profit/(Loss) before tax attributable to the Target Companies, on a combined basis	RMB0.9 million (equivalent to approximately S$0.2 million(3))	(RMB2.9 million) (equivalent to approximately (S$0.5 million(3)))

Notes:

(1) The book value has been translated into S$ based on the closing exchange rate of RMB1 : S$0.1873 as at 31 December 2024 as extracted from Bloomberg L.P..

(2) The NTA value has been translated into S$ based on the closing exchange rate of RMB1 : S$0.1873 as at 31 December 2024 as extracted from Bloomberg L.P..

(3) The profit/(loss) before tax has been translated into S$ based on the average monthly closing exchange rate of RMB1 : S$0.1860 for FY2024 as extracted from Bloomberg L.P. The profit/(loss) before tax may not be reflective of the businesses to be acquired at Completion as certain overhead expenses have not been excluded.

(4) Land use rights amounting to RMB31.4 million (equivalent to approximately S$5.9 million based on the closing exchange rate of RMB1 : S$0.1873 as at 31 December 2024 as extracted from Bloomberg L.P.) are recognised as intangible assets under the CAS and have been deducted from the net asset value to arrive at the NTA value. The land use rights have been reclassified as right-of-use assets under the IFRS.

3.1.2.2 The unaudited pro forma combined balance sheet of the Target Companies as at 31 December 2023 and 31 December 2024 is set out in Section 2.1(a) of the Circular and paragraph 4.2.3 of this letter. Shareholders are advised to read the information carefully.

3.1.2.3 As disclosed in Section 3.7 of the Circular entitled "Risks Associated with the New Business", the Target Companies may be subject to certain damages and penalties pursuant to, amongst others, contractual breaches and non-compliance with Applicable Laws (as defined in the Circular). Should any of these damages and penalties materialise, such amounts may be recorded as liabilities under the Target Companies' financial statements.

3.1.2.4 The Company has appointed Enrome LLP to perform agreed-upon procedures in accordance with the Singapore Standard on Related Services (SSRS) 4400 (Revised) Agreed-Upon Procedures Engagements, to verify specific information in the management accounts of the Target Companies for financial year ended 31 December 2023 ("**FY2023**") and the 6-month period ended 30 June 2024 ("**1H2024**"), and the pro forma combined financials of the Target Companies for FY2023 and 1H2024, prepared using CAS and IFRS. In addition, in respect of the management accounts and the pro forma combined financials of the Target Companies for FY2024, Enrome LLP had also compared the generally accepted accounting principles differences between IFRS and CAS, and made such necessary adjustments to account for the generally accepted accounting principles differences. The full details of the agreed-upon procedures carried out by Enrome LLP are set out in Section 2.1(a) of the Circular. Shareholders are advised to read the information carefully.

3.1.2.5 Pursuant to the terms of the SPA, the Consideration is subject to Adjustments (if applicable) based on a verification balance sheet of the Target Companies (on a combined basis) drawn up as at the Completion Date in accordance with Section 2.3(b)(vi) of the Circular and paragraph 3.3.2.8 of this letter (the "**Verification Balance Sheet**") to be prepared by the accountant and/or auditor appointed by the Purchaser at its sole discretion. The Company intends to appoint its current auditor (Forvis Mazars LLP) to prepare the Verification Balance Sheet such that there will be an independent and objective assessment in addition to the financial due diligence conducted by Enrome LLP.

3.1.3 *Production facilities of the Target Companies*

3.1.3.1 As at the Latest Practicable Date, Guangxi TPT has production facilities located at No. 1 Puling Street, Yongning District, Nanning City (南宁市邕宁区蒲灵路1号), and Nanning Tidal Aluminium has under-construction production facilities located in Hekai Tech Park (Technology Enterprise Incubation Center), No. 3, Jingchun Road, Liujing Industrial Park, Nanning City (南宁六景工业园区景春路3号和凯科技园(科技企业孵化中心)). As at the Latest Practicable Date, the Target Companies have not passed, completed and/or obtained (*as* the case may be) some of the acceptance inspections and relevant filings and Permits (as defined in the Circular) required for carrying on their production operations and related activities. The Warrantors have undertaken to procure that (i) all required acceptance inspection or checks required to be passed and all relevant filings required to be completed for the carrying on of production operations and related activities at the Target Companies' respective production facilities will be passed and completed respectively, and (ii) all Permits required for the carrying on of production operations and related activities at the Target Companies' respective production facilities will be obtained, within six (6) calendar months following Completion or such other period as may be agreed in writing by the Purchaser.

3.1.3.2 Full details of the aforesaid production facilities, the status of its material licences and permits for operations, and the risks in relation to acceptance inspections, relevant filings and permits required for carrying on production operations and related activities at the production facilities are set out in Section 2.1(a) and Section 3.7(j) of the Circular respectively. Shareholders are advised to read the information carefully.

3.1.3.3 The production facilities Yongning Plant 3 and Yongning Plant 7 (collectively, the "**Yongning Plants**") are presently leased to Guangxi TPT. Pursuant to the Yongning Factory Hire and Purchase Agreement (as defined in the Circular), Guangxi TPT has a legally binding obligation to purchase the Yongning Plants and certain other facilities and equipment after Nanning Production Investment Automotive Park Development Co., Ltd (the "**Landlord**") has obtained a pre-sale permit for the sale of the said premises. Guangxi TPT and the Landlord shall negotiate and enter into a plant sale and purchase agreement with the price being determined based on and including the total project costs, financing costs, operating costs and a profit component based on 10% of the project cost plus financing cost. The price of the premises can only be reasonably determined after the expiry of the relevant lease term and assuming completion of the project. The lease term for each plant is 60 months, commencing from the respective date of delivery of each plant to the lessee. In addition, the Warrantors have provided an undertaking under the SPA whereby they shall procure that the aggregate purchase price for the Yongning Plants shall be not more than RMB200 million. The Company shall conduct a separate valuation at such time prior to the completion of the purchase and, if required under Chapter 10 of the Listing Manual, obtain Shareholders' approval in relation to the purchase.

3.1.3.4 Further details of the Yongning Plants are set out in Section 2.1(a) of the Circular, and Shareholders are advised to read the information carefully.

3.1.4 *Independent Valuation of the Target Companies*

3.1.4.1 The Independent Valuer, NAVI, was commissioned by the Company to issue the Business Valuation Report Summary Letter. As set out in Section 2.1(a) of the Circular, the Independent Valuer, NAVI, was founded in 2022 and currently has a team of more than five (5) professionals performing the business valuation function, including its Chief Executive Officer, Mr Richard Yap, who has experience in corporate finance, strategy and business valuation and advisory work. NAVI is a corporate member of the International Valuation Standard Council (the independent global standard setter for the valuation profession).

3.1.4.2 Mr Richard Yap is a member of The Institute of Valuers and Appraisers, Singapore ("**IVAS**") who holds the certification of Chartered Valuer Appraisal and has the requisite certification for conducting business valuation. Mr Richard Yap has around 15 years of experience as a business valuer. He has conducted business valuations on companies located or operating in countries such as Singapore, Malaysia, Indonesia, China and India for transaction purposes. Besides valuations for transaction purposes, Mr Richard Yap also conducts valuations for financial reporting purposes such as purchase price allocation exercise, share option valuation and impairment assessment of companies operating in China, Vietnam and Thailand.

3.1.4.3 The Business Valuation Report Summary Letter prepared by the Independent Valuer is in accordance with the International Valuation Standards. The Asset Valuation Reports prepared by the Asset Valuer is in accordance with International Valuation Standards and Royal Institution of Chartered Surveyors standards (where applicable).

3.1.4.4 The Independent Valuer has provided that the market value of 100% equity interest in the capital of the Target Companies as at the valuation date of 30 November 2024 and under Special Assumptions (as set out in Section 2.1(a) of the Circular) is between RMB195 million and RMB217 million (equivalent to approximately S$36.0 million and S$40.1 million[4]).

Special Assumptions used in the valuation of the Target Companies

3.1.4.5 In deriving the market value, the Independent Valuer and the Asset Valuer have assumed the following special assumptions ("**Special Assumptions**") for the market value of the industrial complex owned by Nanning Tidal Aluminium ("**Nanning Factory**") located on the southwest side of Jingyi Road, Liujing Industrial Park, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region in its existing state as at the valuation date of 30 November 2024 (including completed industrial building, construction-in-progress of building and ancillary structures, and land use rights):

(a) the industrial building with a gross floor area of approximately 4,600 square meters has been completed in 2023 and has been put into use. The industrial building can pass the fire inspection, and there are no technical or legal obstacles to obtaining the construction work completion, inspection certification and the real estate title certificate;

(b) all relevant procedures required for continued construction of the construction-in-progress can be obtained legally without any technical and legal obstacles; and

(c) the property (including completed industrial building and construction-in-progress of building and ancillary structures and land use rights) could be freely transferred by Nanning Tidal Aluminium.

3.1.4.6 The Board had highlighted to Shareholders that there is no assurance that the Special Assumptions will be met, and in the event the Special Assumptions are not met, the prevailing market value of 100% of the equity interest of the Target Companies may be different from the ascribed market value under Special Assumptions set out in the Business Valuation Report Summary Letter.

3.1.4.7 Further details on the Board's assessment of the suitability of the Independent Valuer, the valuation methodology adopted in the Valuation Report, the key assumptions made by the Independent Valuer in carrying out the valuation of the Target Companies, and the Special Assumptions used in the Valuation Report, are set out in Section 2.1(a) of the Circular and Appendix B to the Circular respectively, and Shareholders are advised to read the information carefully. Shareholders are strongly advised to consider the Special Assumptions set out in the Business Valuation Report Summary Letter and Asset Valuation Reports set out in Appendix B and Appendix D to the Circular carefully.

[4] The indicative value of the Target Companies is translated into S$ based on the closing exchange rate of RMB1 : S$0.1848 as at 30 November 2024 as extracted from Bloomberg L.P..

3.2 Information on the Vendor and the Covenantor

Shareholders are advised to read the full information on the Vendor and Covenantor which is set out in Section 2.1(b) of the Circular. The salient information on the Vendor and Covenantor have been extracted from the Circular and presented in the following paragraphs.

3.2.1 The Covenantor, Ms. Ming Keju, is a citizen of the PRC and the ex-spouse of Mr. Jiang Haiyong who, as at the date of the SPA, held 95% shareholding interest in Synertech, the original covenantor under the SPA. As Covenantor, Ms. Ming Keju's obligations under the SPA are to guarantee to and covenant with the Purchaser the due and punctual performance by the Vendor of the Vendor's covenants and obligations under the SPA.

3.2.2 Ms. Ming Keju holds 100% of the shares of Tidal Group, an investment holding company incorporated in Hong Kong Special Administrative Region. As at the Latest Practicable Date, Tidal Group has an issued and paid-up share capital of HKD10,000 comprising 10,000 ordinary shares. Tidal Group holds 100% of the shares of Guangxi Tidal which is an investment holding company incorporated in the PRC. As at the Latest Practicable Date, Guangxi Tidal has a subscribed and paid-up capital of HKD10,000,000. Guangxi Tidal holds 100% of the shares of the Vendor, which in turn holds 100% of the equity interests of the Target Companies.

3.2.3 The Vendor, Nanning Tidal Investment Co., Ltd. is an investment holding company incorporated in the PRC. As at the Latest Practicable Date, the Vendor has a subscribed and paid-up capital of RMB50,000,000.

3.2.4 Further details (including the shareholding charts presented in graphical format) of the beneficial ownership of the Target Companies immediately before the Novation and the Change in Shareholding of Tidal New Energy (as defined in the Circular) and as at the date of the Circular, are set out in Section 2.1(a) of the Circular, and Shareholders are advised to read the information carefully.

3.3. Principal terms of the Proposed Acquisition

Shareholders are advised to read the full information on the principal terms of the Proposed Acquisition which is set out in Section 2.3 of the Circular. The salient information on the principal terms of the Proposed Acquisition have been extracted from the Circular and presented in the following paragraphs.

3.3.1 **The Proposed Acquisition**

Subject to the terms and conditions of the SPA, the Covenantor shall procure the Vendor to sell, and the Vendor shall sell and the Purchaser shall purchase and/or procure the SHS WFOE to purchase the Sale Shares, free from all encumbrances and together with all rights, dividends and advantages attaching thereto as at the Completion Date. The Purchaser shall not be obliged to complete and/or procure the SHS WFOE to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

3.3.2 **Consideration**

3.3.2.1 The Consideration is RMB205,263,157.90, being the RMB equivalent of S$39,000,000 based on the Agreed Exchange Rate, and is subject to the Adjustments. Details of the Adjustments are set out in Sections 2.3(b)(viii) to 2.3(b)(xiv) of the Circular.

3.3.2.2 The Consideration shall be payable in the following manner:

(a) The First Consideration Payment of RMB21,052,631.60, being the RMB equivalent of S$4,000,000 based on the Agreed Exchange Rate, shall be paid by the SHS WFOE to the Vendor on Completion; and

(b) the Balance Consideration Payment of up to RMB184,210,526.30, being the RMB equivalent of S$35,000,000 based on the Agreed Exchange Rate, or such other sum as may be determined in accordance with the SPA shall be paid by the SHS WFOE to the Vendor within five (5) years from Completion. The payment schedule for the payment of the Balance Consideration Payment shall be determined by the SHS WFOE in its absolute discretion. The Balance Consideration Payment shall bear interest at the rate of 5% per annum on the outstanding Balance Consideration Payment from time to time, commencing from the day after the Completion Date (date inclusive) until the date (date inclusive) full payment of the Balance Consideration Payment has been made. Interest is payable annually in arrears, with the first Interest Payment Date commencing on the date falling 12 months from the day after the Completion Date, and every subsequent Interest Payment Date falling on the date 12 months from the preceding Interest Payment Date. If interest is required to be calculated for a period of less than one (1) year, it will be calculated on the basis of a 360-day year of 12 30-day months and in the case of an incomplete month, the actual number of days elapsed.

3.3.2.3 The interest rate of 5% per annum was determined by taking into consideration the prevailing borrowing costs of the Group. The maximum interest payable on the Balance Consideration Payment, assuming the Balance Consideration Payment of RMB184,210,526.30 (equivalent to approximately S$35,000,000 based on the Agreed Exchange Rate) is paid in one (1) bullet repayment on the last day of the five (5)-year period from Completion, is RMB46,052,631.58 (equivalent to approximately S$8,750,000 based on the Agreed Exchange Rate).

3.3.2.4 Assuming (A) the Consideration is the aggregate sum of RMB205,263,157.90 (equivalent to S$39,000,000 based on the Agreed Exchange Rate) and is not subject to any Adjustments; and (B) the aggregate interest accrued on the Balance Consideration Payment is RMB46,052,631.58 (equivalent to S$8,750,000 based on the Agreed Exchange Rate), based on the maximum interest payable assuming the Balance Consideration Payment is paid in one (1) bullet repayment on the last day of the five (5)-year period from Completion, the maximum aggregate amount of the Consideration and interest payable is RMB251,315,789.48 (equivalent to S$47,750,000 based on the Agreed Exchange Rate).

3.3.2.5 The Consideration was determined and agreed based on arm's length negotiations between the Company and the Vendor on a willing-buyer and willing-seller basis, with reference to and taking into consideration the Pro Forma Net Assets of the Target Companies as set out in the Pro Forma Balance Sheet (as defined below). In agreeing to the Consideration, the Company also took into account the business prospects of the

Target Companies, and the rationale for and benefit of the Proposed Acquisition (as further described in Section 2.2 of the Circular).

3.3.2.6 In determining the Pro Forma Net Assets as at the Completion Date, the Purchaser agreed with the Vendor that, the combined balance sheets of the Target Companies drawn up to the Completion Date, would present the Target Financial Condition (as defined in the Circular). It shall be prepared in accordance with the CAS, exclude any and/or all inter-company transactions and/or balances and comprise the following ("**Pro Forma Balance Sheet**"):

(A) non-current assets related to property, plant and equipment and its construction such as (i) property, plant and equipment; (ii) construction-in-progress; (iii) engineering material in progress; (iv) intangible assets; (v) development assets; and (vi) long-term prepaid expenses;

(B) (i) current assets which are related to the property, plant and equipment and its construction, and (ii) inventory relating to the Target Companies' precision manufacturing and aluminium recycling business; and

(C) current and non-current liabilities which are related to the property, plant and equipment and its construction (including but not limited to bank borrowings).

3.3.2.7 Save as specified above, assets and liabilities of the Target Companies which are (i) unrelated to property, plant and equipment and its construction; and/or (ii) related to receivables, prepayments and/or deposits due to the Vendor Group from the Target Companies, and due from the Vendor Group to the Target Companies, are to be disposed of or otherwise excluded from the Target Companies by way of assignment to the Vendor prior to the Completion Date.

3.3.2.8 Within 30 days from Completion, the accountant and/or auditor appointed by the Purchaser at its sole discretion (the "**Reporting Accountant**") shall be instructed to prepare the Verification Balance Sheet. The Verification Balance Sheet shall be prepared by the Reporting Accountant within 30 days of its instruction, on the same accounting principles, policies, procedures and practices adopted in preparing the Pro Forma Balance Sheet, consistently applied (save that (A) any capital injection, whether by debt and/or equity, by the Purchaser, the SHS WFOE, the Company and/or any of the subsidiaries of the Company (which are subsisting as at the date of the SPA) (the "**SHS Capital Injection**"), and (B) any asset and/or liability that may accrue to the Target Companies as a result of such SHS Capital Injection, shall be disregarded).

3.3.2.9 The Reporting Accountant shall also be instructed to prepare the verification balance sheet of the Target Companies (on a combined basis) drawn up as at the Completion Date (the "**IFRS Verification Balance Sheet**") within 30 days of its instruction. The IFRS Verification Balance Sheet shall be prepared based on the IFRS (save that (A) any SHS Capital Injection, and (B) any asset and/or liability that may accrue to the Target Companies as a result of such SHS Capital Injection, shall be disregarded).

3.3.2.10 In the event (A) the Pro Forma Net Asset value of the Target Companies set out in the Verification Balance Sheet is less than the Pro Forma Net Asset value set out in the Pro Forma Balance Sheet; or (B) the total non-current assets of the Target Companies (on a combined basis and set out in the Verification Balance Sheet) on Completion Date is less than RMB516,432,081, the Consideration shall be adjusted downwards by the amount equivalent to such deficit (or excess in the case of liabilities) (such deficit and excess, collectively known as the "**Deficit**") and the outstanding Balance Consideration Payment shall be correspondingly reduced, save that there shall be no double counting in the determination of the downwards adjustment of the Consideration.

3.3.2.11 In the event the Deficit exceeds the Consideration, (A) the Vendor and/or the Covenantor shall refund the First Consideration Payment to the Purchaser (or the SHS WFOE as the case may be) on demand by the Purchaser (or the SHS WFOE as the case may be); and (B) the Vendor and/or the Covenantor shall make payment of such excess of the Deficit over the Consideration to the Purchaser (or the SHS WFOE as the case may be) upon demand by the Purchaser (or the SHS WFOE as the case may be).

3.3.2.12 In the event any of the bases set out in Section 2.3(b)(viii) of the Circular is triggered, the Purchaser and/or the SHS WFOE shall be entitled to unwind the transactions contemplated in the SPA, in which case, the Purchaser and/or the SHS WFOE, as the case may be, shall be entitled to a full and complete refund by the Vendor and/or the Covenantor of all monies paid by the Purchaser and/or the SHS WFOE to the Vendor in connection with the transactions contemplated in the SPA. Such refund shall be made by the Vendor and/or the Covenantor on demand by the Purchaser and/or the SHS WFOE.

3.3.2.13 In the event the Pro Forma Net Assets value of the Target Companies set out in the IFRS Verification Balance Sheet (the "**IFRS Pro Forma Net Asset Value**") is less than the Pro Forma Net Assets set out in the Verification Balance Sheet by more than 10%, the Consideration shall be adjusted downwards such that the adjusted Consideration shall be the value which is equivalent to 110% of the IFRS Pro Forma Net Asset Value and the outstanding Balance Consideration Payment shall be correspondingly reduced.

3.3.2.14 In the event the IFRS Pro Forma Net Asset Value is less than the value of the First Consideration Payment, the Purchaser and/or the SHS WFOE shall be entitled to unwind the transactions contemplated in the SPA, in which case, the Purchaser and/or the SHS WFOE, as the case may be, shall be entitled to a full and complete refund by the Vendor and/or the Covenantor of all monies paid by the Purchaser and/or the SHS WFOE to the Vendor and/or the Covenantor in connection with the transactions contemplated in the SPA. Such refund shall be made by the Vendor and/or the Covenantor on demand by the Purchaser and/or the SHS WFOE.

3.3.2.15 In the event the Verification Balance Sheet sets out any liability which is (A) not provided for in the Pro Forma Balance Sheet; and/or (B) in excess of the relevant liability value set out in the Pro Forma Balance Sheet ((A) and (B) collectively, the "**Excluded Liabilities**"), the Vendor and/or the Covenantor shall take over the obligations and liabilities of the Excluded Liabilities for the nominal consideration of RMB1.00 on demand by the Purchaser and/or the SHS WFOE (as the case may be). In the event the Vendor and/or the Covenantor does not completely take over the Excluded Liabilities (including any other liability that may subsequently arise in connection with such Excluded Liabilities) within two (2) weeks from the receipt of a written notice from the Purchaser and/or the SHS WFOE, the Purchaser and/or the SHS WFOE (as the case may be) shall have the right to set off the value of any such liability not taken over (the "**Retained Liability Value**") against the Balance Consideration Payment and the Balance Consideration Payment to be paid by the Purchaser and/or SHS WFOE (as the case may be) to the Vendor shall be reduced by the amount equivalent to the Retained Liability Value.

3.3.2.16 In the event the Retained Liability Value exceeds the Balance Consideration Payment, the Purchaser and/or the SHS WFOE shall be entitled to unwind the transactions contemplated in the SPA, in which case, the Purchaser and/or the SHS WFOE, as the case may be, shall be entitled to a full and complete refund by the Vendor of all monies paid by the Purchaser and/or the SHS WFOE to the Vendor in connection with the transactions contemplated in the SPA. Such refund shall be made by the Vendor on demand by the Purchaser and/or the SHS WFOE.

3.3.3 **Bases on Which the Principal Terms of the Proposed Acquisition Were Arrived At**

3.3.3.1 The principal terms of the Proposed Acquisition were arrived at based on arm's length negotiations and on a willing buyer-willing seller basis taking into account the following:

(a) the Pro Forma Net Assets of the Target Companies of RMB214.3 million (approximately equivalent to S$40.7 million based on the Agreed Exchange Rate) on the Completion Date (on the assumption that the Completion Date is 30 April 2025);

(b) the assets and liabilities of the Target Companies as at Completion comprising primarily (A) assets and liabilities which are related to property, plant and equipment and its construction and (B) inventory relating to the Target Companies' precision manufacturing and aluminium recycling business, and that the assets and liabilities of the Target Companies as set out in Section 2.3(b)(v) of the Circular are to be disposed of or otherwise excluded from the Target Companies as at Completion Date; and

(c) the business prospects of the Target Companies in light of their current production capacity, and the potential production capacity from production lines which are currently under construction.

3.3.4 **Conditions Precedent Under the SPA**

3.3.4.1 Completion is conditional upon the fulfilment of the following conditions precedent ("**Conditions**"):

(a) Due Diligence Results: the results of a due diligence exercise over the business, affairs, operations, assets, financial condition, prospects and records of the Target Companies being satisfactory to the Purchaser in its absolute discretion;

(b) Key Employees: Key Employees entering into service agreements of not less than three (3) years duration with effect from the Completion Date with the relevant Target Company on terms as may be acceptable to the Purchaser and the Key Employees;

(c) Certain Sums in relation to Vendor Group: the Target Companies no longer having any receivables, prepayments and deposits due from the Vendor Group and the Vendor Group no longer having any receivables, prepayments or deposits due from the Target Companies;

(d) Discharge or Waiver of encumbrances and liabilities: the discharge or waiver (as the case may be) of any encumbrances and liabilities in favour of or due to any of the Vendor Group by or from the Target Companies, and the Target Companies having no further encumbrances or liabilities in favour of or due to any of the Vendor Group;

(e) Shareholders' Approval: all requisite approvals of the Shareholders at an EGM of the Company for the transactions contemplated in the SPA, including but not limited to the entry into the SPA by the Purchaser and the acquisition by the Purchaser and/or the SHS WFOE of the Sale Shares from the Vendor on the terms and subject to the conditions as contemplated in the SPA, being a major transaction under the Listing Manual, and such approvals not having been withdrawn or revoked and remaining in full force and effect as at the Completion Date;

(f) SGX-ST Approval: the approval of the SGX-ST for the Proposed Acquisition and the transactions contemplated in the SPA having been obtained where necessary and such approval not having been withdrawn or revoked and remaining in full force and effect as at the Completion Date, and if such approval is subject to any condition or restriction imposed by the SGX-ST, such condition and/or restriction being fulfilled or satisfied on or before Completion and reasonably acceptable to the Purchaser;

(g) Other Consents: all other third party consents and permits, including but not limited to approvals from (A) governmental or regulatory authorities, (B) shareholders of the Warrantors, the Target Companies, the Company and the Purchaser, and (C) the SGX-ST, having been obtained and remaining valid and effective up till and including Completion, and where any such third party consent and permit is subject to conditions, such conditions being fulfilled or satisfied on or before Completion and reasonably acceptable to the Purchaser;

(h) Change of Control: where the terms of any material contract to which any of the Target Companies is subject to contain any restriction or prohibition on the change in the shareholding and/or the boards of directors of any of the Target Companies or include any right to terminate exercisable prior to or as a result of any matter contemplated by the SPA, written approval or consent or written confirmation of the waiver from the relevant third parties of such restrictions or prohibition in relation to any such change arising from the transactions contemplated in the SPA or of any such right to terminate having been obtained or fulfilled;

(i) Amendment of Employee Handbook: the Target Companies having amended their employee handbook in accordance with PRC labour laws and regulations;

(j) Entry into Supplemental Employment Agreements: the Target Companies having entered into supplemental employment agreements with their existing employees to amend the employment agreements previously entered into with their existing employees to be in accordance with PRC labour laws and regulations;

(k) Legal Representatives: the change of the legal representatives of the Target Companies to nominee(s) of the Purchaser, being Mr Ng Han Kok, Henry, Executive Director and Group Chief Executive Officer of the Company, or such other person as may be nominated by the Purchaser and notified in writing to the Vendor;

(l) Minimum Valuation: the valuation of the Target Companies, as valued by an independent valuer to be appointed by the Purchaser at its sole discretion, being not less than RMB189,473,684.20 or S$36,000,000 (based on the Agreed Exchange Rate);

(m) Material Adverse Change: no event, change or effect having occurred or being likely to occur which has resulted or is likely to result in a material adverse change or material adverse deterioration in the financial performance or financial condition of the Target Companies;

(n) Capital Reduction: the subscribed capital of The Target Companies having been reduced from RMB500,000,000 each to RMB105,000,000 and RMB108,300,000 respectively and the paid-up capital of The Target Companies having been reduced from RMB487,785,000 and RMB346,545,500 respectively to RMB105,000,000 and RMB108,300,000 respectively;

(o) Sale and purchase agreement: (A) the entry into an abridged version of the sale and purchase agreement between the Purchaser and/or the SHS WFOE (as the case may be) and the Vendor on terms and conditions which are not inconsistent with the terms and conditions set out in the SPA and approved by the Purchaser in its absolute discretion, and (B) the submission of the aforementioned abridged version of the sale and purchase agreement to the local corporate registration authorities in Nanning City, PRC and/or the relevant PRC government authority (as the case may be) for the purpose of effecting the transfer of the Sale Shares; and

(p) Extension of Construction Term: approval of (A) the Grantor having been obtained for the extension of the completion date of the construction project on the land under the 150mu Land Use Right Contract (as defined in the Circular) and (B) if required, the Grantor having been obtained for the extension of the completion date of the construction project on the land under the 28mu Land Use Right Contract."

Further details on the Conditions under the SPA are set out in Section 2.3(c) of the Circular, and Shareholders are advised to read the information carefully.

4. EVALUATION OF THE PROPOSED ACQUISITION

In our evaluation of the financial terms of the Proposed Acquisition, we have examined the following factors which have a significant bearing on our assessment:

(a) the rationale for the Proposed Acquisition;

(b) the historical pro forma financial performance and position of the Target Companies;

(c) the reasonableness of the Consideration and payment structure;

(d) the pro forma financial effects of the Proposed Acquisition on the Group; and

(e) other relevant considerations.

4.1. Rationale for the Proposed Acquisition

4.1.1. The rationale for the Proposed Acquisition, as set out in Section 2.2 of the Circular, is reproduced in italics below:

> *"The rationale for the Proposed Acquisition is to further diversify the Group's business and provide an additional revenue stream. The Group believes that the additional revenue and earnings stream from the Proposed Acquisition will serve to enhance Shareholders' value.*
>
> *The Group is primarily involved in three (3) core business segments involving (a) engineering and construction that comprises structural steel and façade and modular construction, (b) corrosion prevention and (c) energy-related businesses. The Group has been continually seeking to expand its customer base by enlarging its portfolio of products and services, amidst competitive operating environment, particularly in its engineering and construction and corrosion prevention segments.*
>
> *As such, the Board has been exploring opportunities to create new value propositions beyond the Group's three (3) core business segments and has identified the Proposed Acquisition as a suitable opportunity to further diversify its business offerings.*
>
> *The Board is of the view that the Proposed Acquisition provides a good opportunity for the Group to enter into the growing precision aluminium market and be engaged in the New Business without having to face substantial start-up risks. The Target Companies' production lines have been or are pending set up. Notably, the end customers of Guangxi TPT primarily supply to the EV battery market which is expected to grow alongside the PRC EV landscape. EV sales continued to rise globally in 2024, increasing by more than 25% to more than 17 million units, up from below 14 million units in 2023. The PRC was the leading driver of growth, accounting for almost two-thirds of global EV sales in 2024. The PRC's EV sales experienced an impressive annual growth rate of nearly 40%. A large share of this growth came from plug-in hybrid EVs, where sales saw an 80% increase, compared with a nearly 20% rise in battery EVs. Growing demand for extended-range EVs has supported this trend; the configuration is currently most prevalent in the PRC. The PRC's market has been further supported by its vehicle trade-in scheme, which includes subsidies of up to nearly US$3,000 to encourage consumers to replace older, less efficient cars with new EVs[9]. In 2024, electric car sales in the PRC were projected to leap to about 10 million, accounting for about 45% of all car sales in the country. Based on today's policy settings alone, almost one (1) in three (3) cars on the roads in the PRC by 2030 is set to be electric[10].*
>
> *The end customers of Nanning Tidal Aluminium, on the other hand, are manufacturers of large electrical goods for domestic use and other automotive component manufacturers, representing different segments and therefore a diverse clients base of the Target Companies.*
>
> *Based on the Target Companies' expected annual production capacity and the positive outlook for the PRC's EV market, the Board believes that the Target Companies represent an attractive business opportunity for the Group."*

4.2 Historical Pro Forma Financial Performance and Position of the Target Companies

4.2.1 Historical Financial Performance of the Target Companies

As set out in Sections 2.1(a), 2.4(a) and 4 of the Circular, we noted that:

(a) the Target Companies were incorporated in 2022 and began operations in 2023. During their first year of operations, the Target Companies were primarily in the early construction stages of their factories, and had only carried out aluminium trading activities in order to generate revenue and funds required to set up their commercial production operations;

(b) the Target Companies only began generating revenue on trial production from its aluminium manufacturing business during the first half of 2024;

(c) the earnings generated by the Target Companies during FY2024 were also attributable to aluminium trading business, and the Company intends to cease the operations of the aluminium trading business (which will not be acquired by the Group) post-Completion of the Proposed Acquisition;

(d) pending the commercial production of the Target Companies, the Target Companies have engaged in trading of aluminium products to (i) familiarise themselves with the market, and (ii) build relationships with suppliers and potential customers. These aluminium trading activities will be scaled down and eventually terminated when the Target Companies' production operations ramp up as the Company has no intention to continue the trading activities. As such, we noted that the historical pro forma combined profit/(loss) before tax of the Target Companies as disclosed in the Circular is not reflective of the businesses to be acquired at Completion; and

(e) the Company's view that (i) the presentation of the Target Companies' historical financial statements for FY2022 and FY2023 are not relevant for the purposes of the Proposed Acquisition, and (ii) the non-inclusion of the financial statements for the latest three (3) financial years is not expected to be prejudicial to the Shareholders as the Proposed Acquisition is structured and valued at the net asset value of the Target Companies which will be independently verified by the Company's auditors within 30 days of the Completion Date. In the event of any discrepancies, the Consideration will be adjusted correspondingly.

Based on the above, we are of the view that it may not be meaningful and relevant to discuss the historical financial performance of the Target Companies based on their unaudited financial accounts for the past financial years since their respective incorporation in 2022, given that this would have included the aluminium trading business which will not be acquired by the Group pursuant to the Proposed Acquisition.

Notwithstanding the above, as set out in Section 2.1(a) of the Circular, we noted that as at the Latest Practicable Date, the Target Companies are involved in the New Business and the business of aluminium trading, which generated revenue of RMB650.0 million (equivalent to approximately S$120.9 million) in FY2024, of which 68.1% is from the

New Business and 31.9% is from the aluminium trading business. The loss before tax of the Target Companies was RMB2.9 million (equivalent to approximately S$0.5 million) for FY2024.

4.2.2 Historical Pro Forma Financial Position of the Target Companies

As set out in Section 2.3(h) of the Circular, the Consideration was determined and agreed based on arm's length negotiations between the Company and the Vendor on a willing-buyer and willing-seller basis, with reference to the Pro Forma Net Assets of the Target Companies of approximately RMB214.3 million (equivalent to approximately S$40.7 million based on the Agreed Exchange Rate) as at the Completion Date.

As set out in Section 2.3(b)(v) of the Circular, in determining the Pro Forma Net Assets as at the Completion Date, the Purchaser agreed with the Vendor that, the combined balance sheets of the Target Companies drawn up to the Completion Date, would present the Target Financial Condition. The Pro Forma Balance Sheet shall be prepared in accordance with CAS, exclude any and/or all inter-company transactions and/or balances and comprise the following:

(a) non-current assets related to property, plant and equipment and its construction such as (A) property, plant and equipment; (B) construction in progress; (C) engineering material in progress; (D) intangible assets; (E) development assets; and (F) long-term prepaid expenses;

(b) (A) current assets which are related to the property, plant and equipment and its construction, and (B) inventory relating to the Target Companies' precision manufacturing and aluminium recycling business; and

(c) current and non-current liabilities which are related to the property, plant and equipment and its construction (including but not limited to bank borrowings).

Save as specified above, assets and liabilities of the Target Companies which are: (A) unrelated to property, plant and equipment and its construction; and/or (B) related to receivables, prepayments and/or deposits due to the Vendor Group from the Target Companies, and due from the Vendor Group to the Target Companies, are to be disposed of or otherwise excluded from the Target Companies by way of assignment to the Vendor prior to the Completion Date.

We have also considered that the Pro Forma Balance Sheet are mainly assets and the majority of the production facilities are construction-in-progress, with the Target Companies' precision aluminium manufacturing and aluminium recycling business only started on trial production during 1H2024.

In addition, the Company has appointed Enrome LLP to perform agreed-upon procedures in accordance with the Singapore Standard on Related Services (SSRS) 4400 (Revised), Agreed-Upon Procedures Engagements, to verify specific information in the management accounts of the Target Companies for FY2023 and 1H2024, and the pro forma combined financials of the Target Companies for FY2023 and 1H2024, prepared using CAS and IFRS. In addition, in respect of the management accounts and the pro forma combined financials of the Target Companies for FY2024, Enrome LLP had also compared the generally accepted accounting principles differences between IFRS and CAS, and made such necessary adjustments to account for the generally accepted accounting principles differences. Full details of the agreed-upon procedures carried out by Enrome LLP has been set out in Section 2.1(a) of the Circular.

Accordingly, we set out below the salient unaudited pro forma combined balance sheet of the Target Companies prepared in accordance with CAS and IFRS for FY2023 and FY2024 as follows:

4.2.3 Unaudited Pro Forma Combined Balance Sheet of the Target Companies

	Unaudited pro forma			
	Prepared in accordance with CAS		**Prepared in accordance with IFRS**	
	As at 31 December 2023	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**
Current assets				
Cash and bank	8,522,992	1,415,744	8,522,992	1,415,744
Trade and other receivables	83,350,762	59,570,079	83,350,762	59,570,079
Prepayment	146,496,238	55,119,931	145,428,127	53,389,735
Inventory	24,412,516	33,302,470	24,412,516	33,302,470
Other assets	11,562,046	8,813,169	11,562,046	8,813,169
Total current assets	**274,344,554**	**158,221,393**	**273,276,443**	**156,491,197**
Non-current assets				
Fixed assets	28,043,101	81,184,048	28,043,101	81,184,048
Construction-in-progress	239,736,494	257,768,221	239,736,494	257,768,221
Construction assets	113,420	–	113,420	–
Intangible assets	32,036,121	31,374,036	–	–
Development assets	721,926	3,454,554	721,926	3,454,554
Long term prepaid expenses	11,710,815	99,189,373	–	85,498,298
Long term receivables	29,375,500	66,656,001	29,375,500	66,656,001
Right-of-use assets	–	–	32,090,198	31,298,798
Total non-current assets	**341,737,377**	**539,626,233**	**330,080,639**	**525,859,920**
Total assets	**616,081,931**	**697,847,626**	**603,357,082**	**682,351,117**
Current liabilities				
Short term loans	25,000,000	45,000,000	25,000,000	45,000,000
Trade and other payables	216,926,255	92,371,451	216,926,255	92,371,451
Other liabilities	44,508,652	29,751,358	44,508,652	29,751,358
Total current liabilities	**286,434,907**	**167,122,809**	**286,434,907**	**167,122,809**

	Unaudited pro forma			
	Prepared in accordance with CAS		Prepared in accordance with IFRS	
	As at 31 December 2023	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**
Non-current liabilities				
Long term loans	116,140,000	130,474,000	116,140,000	130,474,000
Long term payables	–	178,483,594	–	178,483,594
Total non-current liabilities	**116,140,000**	**308,957,594**	**116,140,000**	**308,957,594**
Total liabilities	**402,574,907**	**476,080,403**	**402,574,907**	**476,080,403**
Net assets	**213,507,024**	**221,767,223**	**200,782,175**	**206,270,714**

Sources: Provided by Company, reports from Enrome LLP

4.2.4 Based on the unaudited pro forma combined balance sheet of the Target Companies prepared in accordance with IFRS, our review of the findings in the Business Valuation Report, and our discussions with the Management, we noted the following:

(a) Current assets as at 31 December 2024 comprised mainly trade and other receivables, prepayment and inventory amounting to RMB59.6 million, RMB53.4 million and RMB33.3 million respectively;

(b) Non-current assets as at 31 December 2024 comprised mainly of construction-in progress, long term prepaid expenses, fixed assets, long term receivables and right-of-use assets amounting to RMB257.8 million, RMB85.5 million, RMB81.2 million, RMB66.7 million and RMB31.3 million respectively.

The fixed assets, construction in progress and right-of-use assets relate to land use rights, building and infrastructure, equipment and machinery, and the construction of the remaining portion of the factory setup of Nanning Tidal Aluminium (including the 150mu Land (as defined in the Circular) and 28mu Land (as defined in the Circular)). As part of the business valuation conducted by the Independent Valuer, the Company has engaged the Asset Valuer to perform a valuation of the fixed assets, construction in progress and right-of-use assets of the Target Companies, please refer to paragraph 4.3.1.2 of this letter for further information.

Long term receivables comprised mainly of a receivable amounting to approximately RMB53 million that is due from a third-party contractor and customer of the Target Companies and we understand from Management that such outstanding debt is expected to be collected by end 2027. We also understand that the remaining long term receivables amounting to approximately RMB12.6 million and RMB1.0 million is expected to be collected by end 2025 and end 2026 respectively.

Long term prepaid expenses mainly related to the construction costs incurred to construct the building. We understand from Management that Guangxi Tidal will, pursuant to the Yongning Factory Hire and Purchase Agreement (as defined in the

Circular) undertake to purchase the Yongning Plants by end 2028 and such prepaid expenses can be used to offset the future purchase costs of the said building;

(c) Current liabilities as at 31 December 2024 comprised of trade and other payables, short term loans and other liabilities amounting to RMB92.4 million, RMB45.0 million and RMB29.8 million;

(d) Non-current liabilities as at 31 December 2024 comprised of long term payables and long term loans of RMB178.5 million and RMB130.5 million. We understand from Management that the long term payables amounting to approximately RMB163 million is subject to an on-going dispute with a third-party contractor that is liable for the construction work at Nanning Tidal, and is expected to be settled by end 2027;

(e) The Target Companies recorded negative working capital of RMB10.6 million as at 31 December 2024; and

(f) The net assets or total equity of the Target Companies amounted to RMB206.3 million as at 31 December 2024.

As set out in Section 2.1(a) of the Circular, we noted that as part of agreed-upon procedures carried out by Enrome LLP includes, amongst others, scrutinising off-balance sheet items (such as litigation and contingent liabilities) and verifying undisclosed liabilities for completeness. Enrome LLP's procedures in scrutinizing off-balance sheet items comprise reviewing loan and lease agreements, board meeting minutes and other material contracts, as well as inquiring with the Target Companies' management to determine if there are any off-balance sheet items. Enrome LLP had also verified if there were any undisclosed liabilities, such as reviewing any unprocessed or unpaid invoices or payments made after the balance sheet date.

However, as disclosed in Section 3.7 of the Circular entitled "Risks Associated with the New Business", the Target Companies may be subject to certain damages and penalties pursuant to, amongst others, contractual breaches and non-compliance with Applicable Laws. Should any of these damages and penalties materialise, such amounts may be recorded as liabilities under the Target Companies' financial statement.

Shareholders should note that the Proposed Acquisition has been negotiated between the Group and the Vendor and Covenantor with the intention for the Group to acquire assets that are relevant only to the Target Companies' New Business. As such, the financial condition of the Target Companies as at 31 December 2023 and 31 December 2024 presented in the Circular and in this letter are prepared on the above basis, based on a pro forma combined balance sheet of the Target Companies. For further information on the principal terms of the Proposed Acquisition, please refer to Section 2.3 of the Circular. Shareholders should also take note of the above explanations of the respective key balance sheet items of the unaudited pro forma combined financial position of the Target Companies, and how it may affect the unaudited pro forma combined net assets of the Target Companies.

In our analysis of the unaudited pro forma combined balance sheet of the Target Companies prepared in accordance with IFRS above, we have referred to the reports and findings prepared by Enrome LLP, and have also considered the experience and suitability of Enrome LLP, and concurred with the Board's assessment of Enrome LLP's suitability, details of which had been set out in Section 2.1(a) of the Circular.

However, we wish to clarify that we are not involved in the preparation of and assume no responsibility for the reports prepared by Enrome LLP. In particular, we do not assume any responsibility to ensure that the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements or accounting standards. We have also not made any independent verification of the matters or bases set out in the reports prepared by Enrome LLP.

4.3 Reasonableness of the Consideration and the Payment Structure

4.3.1 Market Valuation of the Target Companies

4.3.1.1 *Business Valuation*

In connection with the Proposed Acquisition, the Company had commissioned the Independent Valuer to express an opinion on the market value of 100% equity interest of the Target Companies as at the 30 November 2024. The independent valuation has been undertaken on a "Market Value" basis, which is defined as *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion"* in the International Valuation Standards (2025).

As set out in the Business Valuation Report, the Independent Valuer had considered three (3) valuation approaches, namely, the income approach, the market approach and the cost approach. The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The market approach often uses market multiples derived from a set of comparable companies, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors. The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, undue time, inconvenience, risk or other factors are involved. The cost approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

The Independent Valuer has adopted the cost approach as the primary approach and market approach as reference. The rationale for adopting the cost approach was because the Target Companies are very assets intensive and the majority of the production facilities are construction-in-progress with commercial productions not fully in operation yet. Under market approach, the Independent Valuer has considered the price-to-book multiple in the valuation. Based on the analysis, the volatilities from the multiples of its selected comparable companies make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Thus, the market approach is used as reference only.

In the opinion of the Independent Valuer, the income approach was not adopted because the future economic benefit of the Target Companies in the foreseeable future to be derived is very uncertain and not probable. Accordingly, the Independent Valuer has relied solely on cost approach in assessing the equity value of the Target Companies and the market approach as reference.

4.3.1.2 *Assets Valuations (comprising the Property and the M&E)*

In addition, we note from the Business Valuation Report had referred to the asset valuation performed by the Asset Valuer on the fixed assets, construction-in-progress and right-of-use assets of the Target Companies as at the Valuation Date in accordance with the "Market Value" under Royal Institution of Chartered Surveyors standards and International Valuation Standards.

Based on the Asset Valuation Reports, the valuation was conducted by the Asset Valuer on:

(a) the property interest (being the 150mu Land and the 28mu Land as defined in the Circular, the "**Property**") held by Nanning Tidal Aluminium is an industrial complex located on the southwest side of Jingyi Road, Liujing Industrial Park, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region (the "**Property Valuation**"). The Property comprises two (2) parcels of land with a total site area of approximately 119,302.55 sq.m. and various industrial buildings and ancillary structures erected thereon. As of the Valuation Date, an industrial building of the property was completed and used for production, while the construction of the remaining portion of the property was suspended; and

(b) the machinery and equipment (the "**M&E**") to be acquired by the Group from the Target Companies as at the Valuation Date (the "**M&E Valuation**").

For the Property, the Asset Valuer has adopted the cost approach with reference to its depreciated replacement cost as the primary approach in the Property Valuation. For the M&E, the Asset Valuer has adopted both the market approach and cost approach in arriving at their estimate of "Market Value" of the M&E. Further details of valuation methodologies adopted by the Asset Valuer for the Property Valuation and the M&E Valuation are set out in Appendix D to the Circular, and Shareholders are advised to read the information carefully.

Shareholders should note that in arriving at "Market Value" of the Property in its existing state as at the Valuation Date, the Asset Valuer had made the following special assumptions in their Property Valuation (the "**Special Assumptions**"):

(a) the industrial building with a gross floor area of approximately 4,600 sq.m. has been completed in 2023 and has been put into use. The industrial building can pass the fire inspection, and there are no technical or legal obstacles to obtaining the construction work completion and inspection certification and the real estate title certificate;

(b) all relevant procedures required for continued construction of the construction-in-progress can be obtained legally without any technical and legal obstacles; and

(c) the Property (including completed and construction-in-progress of building & ancillary structures and land use rights) could be freely transferred by Nanning Tidal Aluminium.

As set out in Section 2.1(a) of the Circular titled "Special Assumptions used in the Valuation Report", the Circular further discloses the reasons why the market value of the Property was based on Special Assumptions, extracts have been reproduced in italics below:

"*The entire Nanning Factory area consists of multiple buildings, one of which, covering an area of approximately 4,600 square meters, is located in the northeast of the factory area. This building ("**Part A**") has been completed and is ready for production as at the valuation date of 30 November 2024. The remaining buildings in the factory area, totaling approximately 44,000 square meters ("**Part B**"), are not completed yet and are still under construction.*

*Part A and Part B are considered as one development (the "**Development**"). Although Part A has been completed and put into use, it has not obtained a property ownership certificate because Part B has not been completed. Based on information obtained by the Asset Valuer, Part B is expected to continue construction in 2025, and the Development will obtain the relevant construction permits when it is completed. Therefore, the Asset Valuer has made the Special Assumptions based on the above assumptions. After the completion of the Development, Nanning Tidal Aluminium will obtain a property ownership certificate and have a market value without the Special Assumptions. The Independent Valuer also noted that the abovementioned assumptions relating to the Development are supported by the undertakings by the Warrantors under the SPA, whereby the Warrantors have undertaken that all Permits required for carrying on production activities and related activities at the Target Companies' respective production facilities will be obtained within 6 months post-Completion.*"

As set out in Section 2.1(a) of the Circular titled "Special Assumptions used in the Valuation Report", we also noted that the use of special assumptions for valuation is in compliance with Royal Institution of Chartered Surveyors standards and International Valuation Standards, and is a common practice, especially for industrial projects in mainland China, where there is often a lack of construction procedures or related certificates. In such cases, it is a common practice to use special assumptions for providing a reasonable market value of the property. Since the "Market Value" of the Property is based on Special Assumptions, the "Market Value" of the equity interest in the Target Companies is based on Special Assumptions as the property valuation is an input to the equity valuation.

Based on the Asset Valuation Reports, the "Market Value" of (i) the Property in existing state under Special Assumptions as at the Valuation Date was approximately RMB286.01 million, and (ii) of the M&E as at the Valuation Date was approximately RMB82.25 million.

Shareholders should note that there is no assurance that the Special Assumptions will be met, and in the event the Special Assumptions are not met, the prevailing market value of 100% equity interest in the capital of the Target

Companies may be different from the ascribed market value under Special Assumptions set out in the Business Valuation Report. Shareholders are strongly advised to consider the Special Assumptions set out in the Business Valuation Report Summary Letter and the Asset Valuation Reports set out in Appendix B and Appendix D respectively of the Circular carefully.

4.3.1.3 *Conclusion of Business Valuation Report*

Based on the Business Valuation Report, the Independent Valuer have adopted the revalued net asset value ("**RNAV**") method to assess the overall equity of the Target Companies, being the market value of total assets minus the market value of total liabilities.

Based on the Business Valuation Report, the "Market Value" of the net assets of the Target Companies, being the RNAV of the Target Companies, was approximately RMB206.0 million, and had set a range of its "Market Value" based on a 5% deviation of the RNAV. As such, based on the cost approach, the "Market Value" under Special Assumptions of the 100% equity interest in the capital of the Target Companies as at the Valuation Date is between RMB195.0 million and RMB217.0 million.

Further details of the Business Valuation can be found in the Business Valuation Report and the Business Valuation Report Summary Letter is set out in Appendix B to the Circular.

Shareholders are advised to read the Valuation Reports carefully, in particular, the valuation approaches and methodologies as well as the key assumptions and critical factors which may materially affect the valuation of the Target Companies, including the Special Assumptions highlighted by the Asset Valuer in the Property Valuation. We are not involved in the preparation of and assume no responsibility for the Valuation Reports (including the Asset Valuation Reports). In particular, we do not assume any responsibility to ensure that the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements. We have also not made any independent verification of the matters or bases set out in the Valuation Reports.

4.3.1.4. Based on the above, we note that the Consideration:

(a) represents a slight discount of 0.49% to the unaudited Pro Forma Net Assets of the Target Companies of approximately RMB206.3 million as at 31 December 2024 as set out in paragraph 4.2.2 of this letter, and accordingly, the Price-to-Pro Forma Net Asset Value ("**P/PFNAV**") of the Target Companies implied by the Consideration would be approximately 1.00 times as at 31 December 2024;

(b) represents a slight discount of 0.36% over the RNAV of the Target Companies of approximately RMB206.0 million as at 30 November 2024 as determined by the Independent Valuer, and accordingly, the Price-to-RNAV ("**P/RNAV**") of the Target Companies implied by the Consideration would be approximately 1.00 times as at 30 November 2024; and

(c) is within the range of the "Market Value" under Special Assumptions of the 100% equity interest of the Target Companies as at the 30 November 2024 as determined by the Independent Valuer. In particular, we note that the

Consideration represents a premium of 5.26% over the lower range of the "Market Value" of RMB195.0 million and a discount of 5.41% to the higher range of the "Market Value" of RMB217.0 million, as at 30 November 2024.

4.3.1.5 Lastly, as set out in Section 2.3(b)(xi) of the Circular, we noted that one of the Adjustments to the Consideration is in the event the IFRS Pro Forma Net Asset Value is less than the Pro Forma Net Assets set out in the Verification Balance Sheet by more than 10%, the Consideration shall be adjusted downwards such that the adjusted Consideration shall be the value which is equivalent to 110% of the IFRS Pro Forma Net Asset Value and the outstanding Balance Consideration Payment shall be correspondingly reduced. This would imply that a cap of a premium of 10.0% is set for the adjusted Consideration vis-à-vis the IFRS Pro Forma Net Asset Value set out in the Verification Balance Sheet. Accordingly, the Price-to-IFRS Pro Forma Net Asset Value set out in the Verification Balance Sheet ("**P/IFRS NAV**") would be capped at 1.10 times.

4.3.2 Comparison of valuation statistics of broadly comparable to the Target Companies

4.3.2.1 As set out in Sections 2.1(a), 2.4(a) and 4 of the Circular, (i) the Target Companies were incorporated in 2022 and began operations in 2023, (ii) the Target Companies only began generating revenue on trial production from its aluminium manufacturing business during the first half of 2024, and (iii) the earnings generated by the Target Companies during FY2024 were also attributable to aluminium trading business, and the Company intends to cease the operations of the aluminium trading business (which will not be acquired by the Group) post-Completion of the Proposed Acquisition.

In considering what may be regarded as a reasonable range of valuation for the purposes of assessing the Consideration of the Proposed Acquisition, we have referred to selected listed companies which are broadly comparable with those of the Target Companies' New Business to give an indication of the current market expectations with regard to the perceived valuation of these businesses.

We have, in consultation with the Management, used the following companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange as at the Latest Practicable Date (the "**Comparable Companies**") to get an indication of the current market expectations with regard to the perceived valuation of the Target Companies.

We wish to highlight that the Comparable Companies are not exhaustive and there is no listed company or group which may be considered identical to the Target Companies in terms of, *inter alia*, business activities, size and scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal business of the Target Companies. Shareholders should also note that private companies, such as the Target Companies, are generally valued at a discount to listed companies due to marketability. As such, any comparison merely serves as an illustrative guide to Shareholders.

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

(a) Henan Mingtai Al.Industrial Co., Ltd.;

(b) Shandong Hontron Aluminum Industry Holding Company Limited;

(c) Lizhong Sitong Light Alloys Group Co., Ltd.;

(d) JiaoZuo WanFang Aluminum Manufacturing Co., Ltd;

(e) Jiangsu Dingsheng New Materials Joint-Stock Co., Ltd; and

(f) Chongqing Shunbo Aluminum Co., Ltd..

In our assessment of the Proposed Acquisition, we have used the Price-to-Net Asset Value ("**P/NAV**") valuation parameter in our analysis:

Valuation parameter	Description
P/NAV	An NAV-based approach is useful to illustrate the extent that the value of each share is backed by tangible assets, and would be more relevant in the case where the company were to change the nature of its business or realise or convert the use of all or most of its assets. The NAV-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group. We have considered the historical P/NAV ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and the latest announced NAV per share as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet that may affect the NAV, where relevant), vis-à-vis the corresponding historical P/NAV ratio of the Target Companies based on the Consideration and the unaudited Pro Forma Net Assets of the Target Companies as at 31 December 2024.

As set out in paragraph 4.2.1 of this letter, we noted that the historical pro forma combined profit/(loss) before tax of the Target Companies as disclosed in the Circular is not reflective of the businesses to be acquired at Completion and as such, we are of the view that it may not be meaningful and relevant to discuss the historical financial performance of the Target Companies based on their unaudited financial accounts for the past financial years since their respective incorporation in 2022, given that this would have included the aluminium trading business which will not be acquired by the Group pursuant to the Proposed Acquisition. Thus, we have not considered the earnings-based parameters in our analysis herein.

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

Comparable Companies	Market Capitalisation (S$' millions)(1)	← Trailing 12 months → Revenue (S$' millions)(1)	Net profit/(loss) after tax attributable to shareholders (S$' millions)(1)	Historical price-to-NAV ratio (times)(1)
Henan Mingtai Al.Industrial Co., Ltd.	2,722.38	5,982.20	328.46	0.86
Shandong Hontron Aluminum Industry Holding Company Limited	1,966.25	627.04	(12.41)	5.58(2)
Lizhong Sitong Light Alloys Group Co., Ltd.	1,861.40	5,119.42	106.97	1.39
JiaoZuo WanFang Aluminum Manufacturing Co., Ltd	1,432.41	1,191.30	105.88	1.28
Jiangsu Dingsheng New Materials Joint-Stock Co.,Ltd	1,364.67	4,036.52	52.38	1.16
Chongqing Shunbo Aluminum Co., Ltd.	780.24	2,617.33	23.37	1.32
			High	5.58
			Mean	1.20
			Median	1.28
			Low	0.86
Target Companies (implied by the Consideration)	**39.00**(3)	**n.m.**(4)	**n.m.**(4)	**1.00**(5) **1.00**(6) **1.10**(7)

Sources: S&P Capital IQ Pro, annual reports and/or announcements of the respective companies

Notes:

(1) Based on last transacted prices of the respective companies and exchange rates as at the Latest Practicable Date.

(2) Being a statistical outlier, Shandong Hontron Aluminum Industry Holding Company Limited. has been excluded from the computation of mean and median P/NAV ratio.

(3) Assuming the Consideration is the aggregate sum of RMB205,263,157.90 (equivalent to S$39,000,000 based on the Agreed Exchange Rate) and is not subject to any Adjustment.

(4) n.m. denotes not meaningful as it may not be meaningful and relevant to discuss the historical financial performance of the Target Companies based on their unaudited financial accounts for the past financial years since their respective incorporation in 2022, given that this would have included the aluminium trading business which will not be acquired by the Group pursuant to the Proposed Acquisition. For further details, please refer to paragraph 4.2.1 of this letter.

(5) Refers to the P/PFNAV of the Target Companies implied by the Consideration of approximately 1.00 times as at 31 December 2024, based on the unaudited Pro Forma Net Assets of the Target Companies of approximately RMB206.3 million as at 31 December 2024, as set out in paragraph 4.3.1.4(a) of this letter.

(6) Refers to the P/RNAV of the Target Companies implied by the Consideration of approximately 1.00 times as at 30 November 2024, based on the RNAV of the Target Companies of approximately RMB206.0 million as at 30 November 2024, as set out in paragraph 4.3.1.4(b) of this letter.

(7) Refers to the P/IFRS NAV of the Target Companies implied by the Consideration of approximately 1.10 times, as set out in paragraph 4.3.1.5 of this letter.

4.3.2.2 Historical P/NAV comparison

We note that the historical P/PFNAV ratio of 1.00 times, historical P/RNAV ratio of 1.00 times and historical P/IFRS NAV ratio of 1.10 times of the Target Companies as implied by the Consideration are:

(a) within the range of historical price-to-book NAV ratios of the Comparable Companies of between 0.86 times and 5.58 times; and

(b) below the corresponding mean and median historical price-to-book NAV ratio of the Comparable Companies of 1.20 times and 1.28 times respectively.

4.3.3 Payment Structure of the Consideration

As set out in Section 2.3(b) of the Circular, we note that the Consideration shall be payable by the SHS WFOE to the Vendor as follows:

(a) the First Consideration Payment, being RMB21,052,631.60 (the RMB equivalent of S$4,000,000 based on the Agreed Exchange Rate) on Completion; and

(b) the Balance Consideration Payment, being up to RMB184,210,526.30 (the RMB equivalent of S$35,000,000 based on the Agreed Exchange Rate) within five (5) years from Completion. We also note that the Balance Consideration Payment shall bear interest at the rate of 5% per annum on the outstanding Balance Consideration Payment from time to time, commencing from the day after the Completion Date (date inclusive) until the date (date inclusive) full payment of the Balance Consideration Payment has been made.

The interest rate of 5% per annum was determined taking into consideration the then prevailing borrowing costs of the Group.

In evaluating whether the interest rate payable by the Group in relation to the Balance Consideration Payment is reasonable, we have made a comparison with the interest rates currently payable by the Group under its outstanding term loans as at the Latest Practicable (the "**Bank Loans**").

Shareholders should note that the following analysis is solely for illustrative purposes as the general market conditions at the time of grant of each of the Bank Loans would have been different from the prevailing market conditions, and the terms offered for each Bank Loan would have been dependent on various considerations and assessment by the relevant lender at the time of granting the loans. Such considerations would include, but are not limited to, the assessed credit worthiness of the borrower, the lender's capital structure, cost of funds, supply of funds, risk management parameters, assessment of the general market conditions and interest rate environment, and the composition and quality of the borrower's security and guarantee (if any).

Facility Outstanding as at the Latest Practicable Date	Facility size (S$'000)	Average daily outstanding loan balance for FY2024 (S$'000)	Interest rate (p.a.)	Interest amount for FY2024 (S$'000)	Effective interest rate for FY2024 (p.a.)(1)	Other provision or administrative fees	Collateral and guarantees
Loan 1 (Secured)	11,500	3,999	2.75% - 5.68%	223.69	5.38%	Nil	Loans 1 and 2 are subject to guarantee undertaking from the Group.
Loan 2 (Secured)	1,297	978	2.50%	41.84	2.50%(2)	Nil	
Loan 3 (Secured)	5,000	4,214	COF(3) + 1.50%	135.48	5.16%	Nil	Loans 3 is secured by rights, title and interests in the construction contract, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements. No guarantees provided for the loan.
	High				**5.38%**		
	Weighted mean(4)				**5.27%**		
	Low				**2.50%**		
Balance Consideration Payment (Unsecured)	**35,000**	**35,000**	**5.00%**	**8,750**	**5.00%**	**Nil**	**Nil**

Source: Provided by the Company

Notes:

(1) The effective interest rate computation is as provided by the Management.

(2) This is a bridging loan and is a government-backed initiative designed to support Singapore's small and medium-sized enterprises by offering favorable interest rates during the COVID-19 period. Therefore, we have excluded Loan 2 from the computation of weighted mean interest rate of the Bank Loans.

(3) Refers to cost of funds for the bank.

(4) Weighted based on the respective average outstanding balances of the Bank Loans.

4.3.3.1 From the above, we note that the interest rate payable under the Balance Consideration Payment of 5.00% is:

(a) within the range of the effective interest rates of between 2.50% and 5.38% of the Bank Loans for FY2024; and

(b) lower than the weighted mean interest rate of the Bank Loans of 5.27% for FY2024.

While the interest rate payable under the Balance Consideration Payment of 5.00% is lower than the weighted mean interest rate of the Bank Loans of 5.27% for FY2024, we further note that each of the Bank Loans had required some form of collateral and corporate guarantees from the Group. By comparison, the Balance Consideration Payment arrangement had not required any form of collateral or corporate guarantee from the Group and are unsecured. We note that it is generally accepted that secured lending (by way of collateral and/or corporate guarantees) usually carries lower interest rate than unsecured lending in Singapore as a lender's risk will usually be significantly reduced by having priority in charges or legal claims over valuable assets/collaterals in the event of default and/or repayment orders.

In addition, we noted that the payment schedule for the payment of the Balance Consideration Payment shall be determined by the SHS WFOE in its absolute discretion, which provides flexibility for the Group to determine and plan for the repayment of the Balance Consideration Payment.

4.4 Pro Forma Financial Effects of the Proposed Acquisition on the Group

The pro forma financial effects of the Proposed Acquisition on the Group have been prepared based on the Group's audited consolidated financial statements for FY2024 and the Pro Forma Net Assets of the Target Companies as at the Completion Date, which were prepared in accordance with the IFRS. Further details of the financial effects of the Proposed Acquisition, which have been set out in Section 4 of the Circular, and Shareholders are advised to read them carefully.

Shareholders should note that the pro forma financial effects presented in the Circular are for illustrative purposes only and are not intended to reflect the actual financial situation of the Group upon completion of the Proposed Acquisition.

In summary, we note that the Group's NTA per Share as at 31 December 2024 would decrease from approximately 21.88 Singapore cents to approximately 19.99 Singapore cents (assuming the Proposed Acquisition had been completed on 31 December 2024 and include the estimated costs to be incurred in relation to the Proposed Acquisition).

4.5 Other Relevant Considerations

In determining whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and Shareholders, we have also considered the following:

4.5.1 Condition Precedents

Completion of the Proposed Acquisition is conditional upon, *inter alia*, conditions having being satisfied in accordance with the terms of the SPA. Further details on the Condition Precedents are set out in Section 2.3(c) of the Circular, and Shareholders are advised to read them carefully.

4.5.2 Risk Factors and Proposed Business Diversification

Shareholders are also advised to read Section 3.7 of the Circular for risk factors relating to the Target Companies' businesses. Shareholders should note that should any of the considerations and uncertainties highlighted in the aforementioned risk factors develop in actual event, the business, financial condition or results of the operations of the Target Companies or the Group could be materially adversely affected.

We also note that the Company is also seeking Shareholders' approval at the same EGM for the proposed diversification of the Group's business into the New Business (the "**Proposed Business Diversification**"). The resolution for the Proposed Business Diversification is conditional on the resolution for the Proposed Acquisition, which means that the Proposed Business Diversification will be subject to the approval of Shareholders being obtained for the Proposed Acquisition.

4.5.3 No Assurance of Future Profitability

As set out in Sections 2.1(a), 2.4(a) and 4 of the Circular, the Target Companies were incorporated in 2022 and began operations in 2023, and the Target Companies only began generating revenue on trial production from its aluminium manufacturing business during the first half of 2024. Therefore, Shareholders should note that the Target Companies (including the Group) do not have an established track record in the New Business, and that there is no assurance that the Target Companies will be successful in the implementation of its future plans and be profitable after the completion of the Proposed Acquisition.

4.5.4 Relevant Directors' Recommendations

As set out in Section 9.1 of the Circular, we had also considered the views of the Relevant Directors, and we noted that the Relevant Directors acknowledged that the Target Companies are (a) in breach of certain agreements which they are parties to (including but not limited to their existing financing arrangements); (b) non-compliant with certain requirements under Applicable Laws (such as passing all required acceptance inspection and/or checks, completing all relevant filings required to be completed and obtaining all requisite Permits for carrying on their production operations and related activities at the Target Companies' respective production facilities); and (c) may face certain penalties and sanctions such as the levy of financial penalties by the relevant authorities and termination of financing arrangements by the relevant banks.

Nevertheless, the Relevant Directors are of the view that the benefits of the Proposed Acquisition outweigh the risks of the Proposed Acquisition after taking into consideration (a) the indemnities provided by the Warrantors, (b) the Purchaser's and/or SHS WFOE's entitlement to set off against the Balance Consideration Payment and any corresponding interest payable all claims, losses, liabilities, costs and expenses that the Purchaser, the SHS WFOE and/or their respective Representatives or a Target Company may incur, or be liable for, in connection with or arising from any breach by the Warrantors of the SPA (including but not limited to breach of warranties, undertakings, covenants and/or terms) and/or any of the events set out in Section 2.3(g) of the Circular; and (c) the Balance Consideration Payment of S$35 million has been assessed to provide a significant buffer for any set off if such set off is required.

Shareholders are advised to read the information set out in Section 9.1 of the Circular carefully.

4.5.5 Abstention from voting

As set out in Section 7.3 of the Circular, as both Mr. Teng Choon Kiat and Mr. Jiang Haiyong had a previous business relationship arising from their shareholding interests in Tidal New Energy, Mr. Teng Choon Kiat has voluntarily continued to abstain from the Board's discussions and decision-making process in relation to the Proposed Acquisition and from making recommendations in relation to Shareholders in relation to the Proposed Acquisition. In addition, Mr. Teng Choon Kiat shall voluntarily abstain from voting on the resolution approving the Proposed Transactions and accepting any nominations to act as proxy for any Shareholder in approving the Proposed Transactions at the EGM unless specific instructions as to voting are given by such Shareholder in the Proxy Form.

Accordingly, the Proposed Acquisition would proceed only if, *inter alia*, a majority of the Shareholders were to vote in favour of the Proposed Acquisition.

5 OUR OPINION AND ADVICE

In arriving at our opinion in respect of the Proposed Acquisition, we have taken into account the following key considerations:

(a) the rationale for the Proposed Acquisition, as set out in paragraph 4.1 of this letter;

(b) the historical pro forma financial performance and position of the Target Companies, as detailed in paragraph 4.2 of this letter;

(c) the reasonableness of the Consideration and the payment structure, as detailed in paragraph 4.3 of this letter;

(d) the pro forma financial effects of the Proposed Acquisition on the Group, as detailed in paragraph 4.4 of this letter; and

(e) other relevant considerations, as detailed in paragraph 4.5 of this letter.

Having considered the above and subject to the assumptions and qualifications set out in this letter, we are of the opinion that, on balance, the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders. Accordingly, we advise the Relevant Directors and the Audit Committee to recommend the Shareholders to vote in favour of the Proposed Acquisition.

This letter has been prepared for inclusion in the Circular pursuant to Rule 921(4)(a) of the Listing Manual, to advise the Relevant Directors and the Audit Committee in relation to the Proposed Acquisition as an interested person transaction, as well as for the use of the Relevant Directors and the Audit Committee in connection with and for the purposes of their consideration of the Proposed Acquisition. The recommendation to be made by the Relevant Directors and the Audit Committee to the Shareholders shall remain the sole responsibility of the Relevant Directors and the Audit Committee.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Board 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 SAC Capital in each specific case, except for the forthcoming EGM and for the purposes of the Proposed Acquisition.

Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore. Our opinion and advice are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Tan Kian Tiong
Partner and Head
Capital Markets

Annex A

Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date (RMB)	Market capitalisation as at the Latest Practicable Date (S$' million)[1]	Financial year end	Trailing 12 Months: Revenue (S$' million)[1]	Trailing 12 Months: Net profit/(loss) after tax attributable to shareholders (S$' million)[1]
Henan Mingtai Al.Industrial Co.,Ltd.	Shanghai Stock Exchange	Henan Mingtai Al.Industrial Co.,Ltd. produces and sells aluminum products in China. The company offers aluminum sheets, coils, and foils. It serves transportation, automotive, packaging, building construction, and other sectors. The company exports its products. Henan Mingtai Al.Industrial Co.,Ltd. was founded in 1997 and is based in Zhengzhou, China.	12.17	2,722.38	31 December	5,982.20	328.46
Shandong Hontron Aluminum Industry Holding Company Limited	Shenzhen Stock Exchange	Shandong Hontron Aluminum Industry Holding Company Limited manufactures and sells aluminum products in China and internationally. The company offers casting coils, cold rolling coils, household foils, beer wrap foils, pharmaceutical foils, container foils, and decorative foils. It exports its products to approximately 60 countries. The company was formerly known as Shandong Hongchuang Aluminum Industry Holding Company Limited and changed its name to Shandong Hontron Aluminum Industry Holding Company Limited in September 2023. Shandong Hontron Aluminum Industry Holding Company Limited was founded in 2000 and is headquartered in Binzhou City, China.	9.62	1,966.25	31 December	627.04	(12.41)

						Trailing 12 Months	
Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date (RMB)	Market capitalisation as at the Latest Practicable Date (S$' million)[1]	Financial year end	Revenue (S$' million)[1]	Net profit/(loss) after tax attributable to shareholders (S$' million)[1]
Lizhong Sitong Light Alloys Group Co., Ltd.	Shenzhen Stock Exchange	Lizhong Sitong Light Alloys Group Co., Ltd. engages in the research, development, manufacture, and sale of cast aluminum alloys, aluminum alloy wheels, and intermediate alloy functional alloys. The company's products are used in automobiles, high-speed rail, aerospace, electrical appliances, consumer electronics, industrial aluminum profiles, food and medicine packaging, etc. It also exports its products to China, Europe, North America, South America, Japan, South Korea, the Middle East and Southeast Asia, and internationally. The company was formerly known as Hebei Sitong New Metal Material Co., Ltd and changed its name to Lizhong Sitong Light Alloys Group Co., Ltd. in July 2022. Lizhong Sitong Light Alloys Group Co., Ltd. was founded in 1998 and is based in Baoding, China.	16.34	1,861.40	31 December	5,119.42	106.97

						Trailing 12 Months	
Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date (RMB)	Market capitalisation as at the Latest Practicable Date (S$' million)(1)	Financial year end	Revenue (S$' million)(1)	Net profit/(loss) after tax attributable to shareholders (S$' million)(1)
JiaoZuo WanFang Aluminum Manufacturing Co., Ltd	Shenzhen Stock Exchange	JiaoZuo WanFang Aluminum Manufacturing Co., Ltd engages in smelting and processing aluminum products in China. The company provides electrolytic aluminum liquid, aluminum ingots, and aluminum alloy products. It also involved in the sale of aluminum products and metal materials; commodity trading; waste treatment; heating and water supply; and gas supply, as well as thermal power business. Its products are used in the construction, transportation, electronic power, packaging, and other fields. The company was founded in 1966 and is based in Jiaozuo, China.	6.68	1,432.41	31 December	1,191.30	105.88

Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date (RMB)	Market capitalisation as at the Latest Practicable Date (S$' million)[(1)]	Financial year end	Trailing 12 Months: Revenue (S$' million)[(1)]	Trailing 12 Months: Net profit/(loss) after tax attributable to shareholders (S$' million)[(1)]
Jiangsu Dingsheng New Materials Joint-Stock Co.,Ltd	Shanghai Stock Exchange	Jiangsu Dingsheng New Materials Joint-Stock Co.,Ltd manufactures and sells aluminum products. The company's products include aluminum and aluminum alloy plates, belts, sheets, strips, foils, and coating materials, as well as processed products, such as aluminum oxide plates, cable foils, air-conditioner foils, decorative building material aluminum foils, air conditioner refrigerator evaporators, condensers, container foils, double zero foils, aluminium matrix composite, battery foil, and others. It serves household appliance, electronic communication, transportation, medicine, packaging, printing, chemical, electric power, building material, decoration, and other industries. The company was formerly known as Zhen Jiang Dingsheng Aluminum Industry Co., Ltd. Jiangsu Dingsheng New Materials Joint-Stock Co.,Ltd was founded in 2003 and is based in Zhen Jiang, China.	8.15	1,364.67	31 December	4,036.52	52.38

Company	Stock exchange	Business description (as extracted from S&P Capital IQ Pro)	Share price as at the Latest Practicable Date (RMB)	Market capitalisation as at the Latest Practicable Date (S$' million)(1)	Financial year end	Trailing 12 Months: Revenue (S$' million)(1)	Trailing 12 Months: Net profit/(loss) after tax attributable to shareholders (S$' million)(1)
Chongqing Shunbo Aluminum Co.,Ltd.	Shenzhen Stock Exchange	Chongqing Shunbo Aluminum Co.,Ltd. engages in the production and sale of recycled aluminum alloy ingots in China. Its products are used in various casting systems and deformation systems in automobiles, new energy vehicles, general machinery and equipment, communication equipment, electronic appliances, hardware lamps, motorcycles, and other industries. The company was founded in 2003 and is headquartered in Chongqing, China.	6.48	780.24	31 December	2,617.33	23.37

Sources: S&P Capital IQ Pro, annual reports and/or announcements of the respective companies

Note:

(1) The following exchange rates have been extracted from S&P Capital IQ Pro as at the Latest Practicable Date: S$1: RMB5.560.

Letter date:
13 May 2025

VALUATION SUMMARY LETTER OF THE TARGET COMPANIES

PREPARED FOR SHS HOLDINGS LTD

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Executive Summary

Valuation of 100% equity interest in the capital of the Target Companies (as defined herein)	
Valuation Date	30 November 2024
Intended Use and/or Intended Users (if applicable)	To ascertain the Market Value of the 100% equity interest in the capital of the Target Companies (as defined herein) and to seek Shareholders' approval by SHS Holdings Ltd ("**Company**" or "**SHS**").
Background	The Company and its subsidiaries ("**Group**") is an established group with diversified businesses in corrosion prevention, structural steel and facade engineering services and refined petroleum products. It was listed on SESDAQ (*now known as Catalist*) on 4 November 1998, then transferred to Mainboard of The Singapore Exchange Securities Trading Limited on 30 July 2008. On 4 September 2024, the Company announced that its wholly-owned subsidiary, SHS Capital Pte Ltd ("**Purchaser**") had entered into a sale and purchase agreement with (i) Nanning Tidal Investment Co. Ltd ("**Vendor**"); and (ii) Synertech Group Co. Pte Ltd ("**Covenantor**") ("**SPA**"). Pursuant to the SPA, the Purchaser (or a wholly-foreign owned entity which is wholly-owned by the Purchaser in the People's Republic of China ("**SHS WFOE**") shall purchase 100% of the equity interests of (i) Guangxi Tidal Precision Technology Co. Ltd ("**Guangxi Tidal**"); and (ii) Nanning Tidal Aluminium Co. Ltd ("**Nanning Tidal**") ("**Proposed Acquisition**"). ("**Guangxi Tidal**" and "**Nanning Tidal**" are collectively referred to as "**Target Companies**") On 30 December 2024, the Company announced that the Purchaser had entered into an amendment letter agreement to the SPA with the Vendor and Covenantor to extend the Long-Stop Date (as defined in the SPA) from 31 December 2024 to 30 April 2025 (or such other date as the parties may agree in writing). On 24 January 2025, the Company further announced that Covenantor had on 6 January 2025 transferred its entire shareholding interest in Tidal Group Co., Limited to Ms. Ming Keju, who is a citizen of the People's Republic of China and the ex-spouse of Mr. Jiang Haiyong, pursuant to a private settlement between Ms. Ming Keju and Mr. Jiang Haiyong.

Valuation of 100% equity interest in the capital of the Target Companies (as defined herein)	
	Pursuant thereto, the Purchaser had entered into a novation agreement pursuant to which Covenantor had assigned all of its rights, benefits, title and interests, under the SPA to Ms. Ming Keju (as the Covenantor) on the terms of the novation agreement, and Ms. Ming Keju becomes obligated to perform all the duties, liabilities and obligations of Covenantor under the SPA. On 4 February 2025, the Company further announced that the Purchaser had entered into a second amendment letter agreement to the SPA with the Vendor and the Covenantor to further amend and modify certain terms and conditions of the SPA arising from, amongst others, due diligence findings relating to the Target Companies, the extension of the Long-Stop Date to 30 April 2025 (or such other date as the parties may agree in writing) which is applicable to the fulfilment of the conditions precedent for the Proposed Acquisition, and clarification in relation to the Target Companies' scope of business. On 25 April 2025, the Company further announced that the Purchaser had entered into a third amendment letter agreement to the SPA with the Vendor and the Covenantor to further extend the Long-Stop Date from 30 April 2025 to 30 June 2025 (or such other date as the parties may agree in writing). The Target Companies are in the business of aluminium-related operations, with Guangxi Tidal producing hot-rolled aluminium coils while Nanning Tidal is focused on aluminium recycling. As at the Valuation Date, the Target Companies do not own any subsidiary or investment in associate. As a result of the Proposed Acquisition, the Company would like to perform the valuation of 100% equity interest in the capital of the Target Companies.
Subject matter	100% equity interest in the capital of the Target Companies
Basis of Valuation	Market Value
Valuation approach	Cost approach with market approach as a cross-check
Valuation currency	CNY
Other details	We wish to highlight that any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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Valuation of 100% equity interest in the capital of the Target Companies (as defined herein)
Based on the analysis outlined in the letter which follows, we are of the opinion that the Market Value under Special Assumptions of 100% equity interest in the capital of the Target Companies as at the Valuation Date is as follows: **CNY195 million to CNY217 million (rounded)**.

Private and Confidential

Our reference: S0005-BV-r001a

NAVI CORPORATE ADVISORY PTE LTD
Company Registration No. 202224784E

6 Battery Road
Level 42 The Executive Centre
Singapore 049909

www.navi.sg

13 May 2025

SHS Holdings Ltd
19 Tuas Avenue 20
Singapore 638830

By Email

Dear Sirs,

VALUATION OF 100% EQUITY INTEREST IN THE CAPITAL OF THE TARGET COMPANIES (AS DEFINED HEREIN) FOR SHS HOLDINGS LTD ("COMPANY" OR "SHS")

In accordance with your instructions, we have undertaken valuation service for SHS in relation to the Target Companies (as defined herein).

All capitalised terms used in this valuation summary letter dated 13 May 2025 ("**Valuation Summary Letter**") shall bear the same meanings as ascribed to them in the valuation report dated 13 May 2025 ("**Full Report**").

The Company and its subsidiaries ("**Group**") is an established group with diversified businesses in corrosion prevention, structural steel and facade engineering services and refined petroleum products. It was listed on SESDAQ (*now known as Catalist*) on 4 November 1998, then transferred to Mainboard of The Singapore Exchange Securities Trading Limited on 30 July 2008.

On 4 September 2024, the Company announced that its wholly-owned subsidiary, SHS Capital Pte Ltd ("**Purchaser**") had entered into a sale and purchase agreement with (i) Nanning Tidal Investment Co. Ltd ("**Vendor**"); and (ii) Synertech Group Co. Pte Ltd ("**Covenantor**") ("**SPA**"). Pursuant to the SPA, the Purchaser (or a wholly-foreign owned entity which is wholly-owned by the Purchaser in the People's Republic of China ("**SHS WFOE**") shall purchase 100% of the equity interests of (i) Guangxi Tidal Precision Technology Co. Ltd ("**Guangxi Tidal**"); and (ii) Nanning Tidal Aluminium Co. Ltd ("**Nanning Tidal**") ("**Proposed Acquisition**").

("**Guangxi Tidal**" and "**Nanning Tidal**" are collectively referred to as "**Target Companies**")

On 30 December 2024, the Company announced that the Purchaser had entered into an amendment letter agreement to the SPA with the Vendor and Covenantor to extend the Long-Stop Date (as defined in the SPA) from 31 December 2024 to 30 April 2025 (or such other date as the Parties may agree in writing).

On 24 January 2025, the Company further announced that Covenantor had on 6 January 2025 transferred its entire shareholding interest in Tidal Group Co., Limited to Ms. Ming Keju, who is a citizen of the People's Republic of China and the ex-spouse of Mr. Jiang Haiyong, pursuant to a private settlement between Ms. Ming Keju and Mr. Jiang Haiyong. Pursuant thereto, the Purchaser had entered into a novation agreement pursuant to which Covenantor had assigned all of its rights, benefits, title and interests, under the SPA to Ms. Ming Keju (as the Covenantor) on the terms of the novation agreement, and Ms. Ming Keju becomes obligated to perform all the duties, liabilities and obligations of Covenantor under the SPA.

On 4 February 2025, the Company further announced that the Purchaser had entered into a second amendment letter agreement to the SPA with the Vendor and the Covenantor to further amend and modify certain terms and conditions of the SPA arising from, amongst others, due diligence findings relating to the Target Companies, the extension of the Long-Stop Date to 30 April 2025 (or such other date as the parties may agree in writing) which is applicable to the fulfilment of the conditions precedent for the Proposed Acquisition, and clarification in relation to the Target Companies' scope of business.

On 25 April 2025, the Company further announced that the Purchaser had entered into a third amendment letter agreement to the SPA with the Vendor and the Covenantor to further extend the Long-Stop Date from 30 April 2025 to 30 June 2025 (or such other date as the parties may agree in writing).

The Target Companies are in the business of aluminium-related operations, with Guangxi Tidal producing hot-rolled aluminium coils while Nanning Tidal is focused on aluminium recycling. As at the Valuation Date, the Target Companies do not own any subsidiary or investment in associate.

As a result of the Proposed Acquisition, the Company would like to perform the valuation of 100% equity interest in the capital of the Target Companies.

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2025) which is defined as follows:

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

The valuation date is 30 November 2024 ("**Valuation Date**") and the date of our letter is 13 May 2025 ("**Letter Date**").

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Based on the analysis outlined in the letter which follows, we are of the opinion that the Market Value under Special Assumptions of the 100% equity interest in the capital of the Target Companies as at the Valuation Date is as follows:

CNY195 million to CNY217 million (rounded).

The following pages outline the factors considered and methodology, Special Assumptions & assumptions employed in formulating our views, opinions and conclusions. Any views, opinions and/or conclusions are subject to the assumptions, Special Assumptions and limiting conditions contained therein.

Yours Faithfully,
For and on behalf of
NAVI CORPORATE ADVISORY PTE LTD

Richard Yap
CEO

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Terms of reference

Navi Corporate Advisory Pte Ltd ("**NAVI**" or "**Valuer**") has been appointed to undertake an independent valuation of 100% equity interest in the capital of the Target Companies. We were neither a party to the negotiations entered into by the Group in relation to the Proposed Acquisition nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group and/or Target Companies ("**Management**") to enter into the Proposed Acquisition (as the case may be) and we do not, by the Valuation Summary Letter, Full Report or otherwise, advise or form any judgement on the merits of the Proposed Acquisition. We do not warrant the merits of the Proposed Acquisition or the acceptability of the risk for the Proposed Acquisition.

We have confined our evaluation strictly and solely on the financials of the Target Companies and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Acquisition or the strategic merits or the comparison with other deals involving shares of the Company, Group and/or Target Companies. We were not required to comment on or evaluate the methods or procedures used by the Target Companies to manage the change in any risk profile of the Company, Group and/or Target Companies in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management 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 view as set out in the Valuation Summary Letter and/or Full Report.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Acquisition. In addition, we do not express any views or opinions on the merits of the Proposed Acquisition, the legality or all other matters pertaining to the Proposed Acquisition, documents for the Proposed Acquisition (the notice of meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of the information.

In the course of our evaluation, we have held discussions with, *inter alia*, the Management regarding their assessment of the Proposed Acquisition and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Company, Group and/or Target Companies may be subject to for the Proposed Acquisition.

The scope of our appointment does not require us to perform an independent evaluation or appraisal of the individual assets, liabilities and/or profitability of the Group and/or the Target Companies and we do not express a view on the financial position, future growth prospects and earnings potential of the Company or Group after the completion of the Proposed Acquisition in accordance with the terms of the SPA. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Group and/or the Target Companies and the Company have also engaged an independent professional valuation firm, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**Asset Valuer**") to perform the valuation of the machinery & equipment, completed industrial building and construction-in-progress of building & ancillary structures and land use rights granted to Nanning Tidal ("**Assets**") as at 30 November 2024 ("**Asset Valuation**"). As we are not experts in the evaluation or appraisal of the Assets, we have placed sole reliance on the Asset Valuation in relation to the Assets.

Our opinion in this Valuation Summary Letter and/or Full Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases, assumptions or Special Assumptions and likewise our views or opinions may change in light of developments which *inter alia*, include general as well as company-specific or industry-specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance and financial condition after the Valuation Date or developments both macro and company-specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target Companies. Likewise, this Valuation Summary Letter outlines some of the matters or bases or factors or assumptions or Special Assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions or Special Assumptions etc. which we have used in the valuation.

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of the Company, Group and/or Target Companies ("**Shareholder**"). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Company, Group and/or Target Companies, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or Special Assumptions or basis as well as the relative emphasis on any matter set out in this Valuation Summary Letter and provided by the Company, Group and/or Target Companies which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Valuation Summary Letter and Full Report in its entirety.

Accordingly, our Valuation Summary Letter, Full Report, opinion or views or recommendation should not be used or relied on by anyone for any other purposes and should only be used by the Company, subject to the terms of reference and the contents of the Valuation Summary Letter and Full Report as one of the basis for their opinion or views or recommendation. In addition, any references to our Valuation Summary Letter, Full Report, opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Valuation Summary Letter and/or Full Report in its entirety *inter alia* the matters, conditions, assumptions, Special Assumptions, factors and bases as well as our terms of reference for the Valuation Summary Letter and/or the Full Report.

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Credentials

NAVI was founded by the Chief Executive Officer, Mr Richard Yap, who has experience in corporate finance, strategy and business valuation and advisory work in 2022. NAVI is a boutique corporate advisory firm and is a corporate member of International Valuation Standard Council (the independent global standard setter for the valuation profession). Mr Richard Yap is a member of The Institute of Valuers and Appraisers, Singapore (IVAS) who holds the certification of Chartered Valuer Appraisal and has the requisite certification for conducting business valuation.

Mr Richard Yap has around 15 years of experience as a business valuer. He has conducted business valuations on companies located/ operating in countries such as Singapore, Malaysia, Indonesia and India for transactional purposes. Beside valuations for transactional purposes, Mr Richard Yap also conducts valuations for financial reporting purposes such as purchase price allocation exercise, share option valuation and impairment assessment of companies operating in China, Vietnam and Thailand.

The team also includes Mr Jack Leung, Director of NAVI who is a senior financial professional with more than 10 years of experience in the valuation of business and intangible assets and has worked extensively throughout Asia Pacific. Mr Jack Leung conducted numerous business and financial instrument valuations projects in The People's Republic of China, Hong Kong, and Southeast Asia for both transaction and financial reporting purposes. He is also a specialist in the valuation of a variety of financial instruments for listed companies and pre-Initial Public Offering companies which are preparing for listing. Mr Jack Leung is a Chartered Valuer and Appraiser, Chartered Financial Analyst, and a Financial Risk Manager.

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1.0 Background

1.1 Introduction

The Company and its subsidiaries are an established group with diversified businesses in corrosion prevention, structural steel and facade engineering services and refined petroleum products. It was listed on SESDAQ (*now known as Catalist*) on 4 November 1998, then transferred to the Mainboard of The Singapore Exchange Securities Trading Limited on 30 July 2008.

On 4 September 2024, the Company announced that its wholly-owned subsidiary, SHS Capital Pte Ltd had entered into a sale and purchase agreement with (i) Nanning Tidal Investment Co. Ltd; and (ii) Synertech Group Co. Pte Ltd. Pursuant to the SPA, the Purchaser or SHS WFOE shall purchase 100% of the equity interests of the Target Companies.

On 30 December 2024, the Company announced that the Purchaser had entered into an amendment letter agreement to the SPA with the Vendor and Covenantor to extend the Long-Stop Date (as defined in the SPA) from 31 December 2024 to 30 April 2025 (or such other date as the Parties may agree in writing).

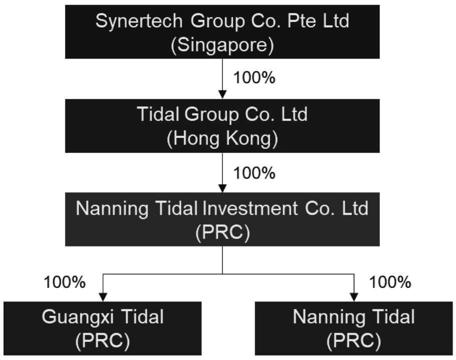
On 24 January 2025, the Company further announced that Covenantor had on 6 January 2025 transferred its entire shareholding interest in Tidal Group Co., Limited to Ms. Ming Keju, who is a citizen of the People's Republic of China and the ex-spouse of Mr. Jiang Haiyong, pursuant to a private settlement between Ms. Ming Keju and Mr. Jiang Haiyong. Pursuant thereto, the Purchaser had entered into a novation agreement pursuant to which Covenantor had assigned all of its rights, benefits, title and interests, under the SPA to Ms. Ming Keju (as the Covenantor) on the terms of the novation agreement, and Ms. Ming Keju becomes obligated to perform all the duties, liabilities and obligations of Covenantor under the SPA.

On 4 February 2025, the Company further announced that the Purchaser had entered into a second amendment letter agreement to the SPA with the Vendor and the Covenantor to further amend and modify certain terms and conditions of the SPA arising from, amongst others, due diligence findings relating to the Target Companies, the extension of the Long-Stop Date to 30 April 2025 (or such other date as the parties may agree in writing) which is applicable to the fulfilment of the conditions precedent for the Proposed Acquisition, and clarification in relation to the Target Companies' scope of business.

On 25 April 2025, the Company further announced that the Purchaser had entered into a third amendment letter agreement to the SPA with the Vendor and the Covenantor to further extend the Long-Stop Date from 30 April 2025 to 30 June 2025 (or such other date as the parties may agree in writing).

The Target Companies are in the business of aluminium-related operations, with Guangxi Tidal producing hot-rolled aluminium coils while Nanning Tidal is focused on aluminium recycling. As at the Valuation Date, the Target Companies do not own any subsidiary or investment in associate.

As at the Valuation Date, the shareholding structure in relation to the Target Companies is as follows:



1.2 Instruction

The Company had instructed NAVI to perform the valuation of the 100% equity interest in the capital of the Target Companies.

The valuation date is 30 November 2024 and the letter date is 13 May 2025.

1.3 Intended Use and/or Intended Users (if applicable)

The intended use of the valuation is to ascertain the Market Value of the 100% equity interest in the capital of the Target Companies to seek Shareholders' approval by the Company for the Proposed Acquisition.

1.4 Basis of Valuation

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2025) which is defined as follows:

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

1.5 Statement of Independence

We confirm that we have no present or contemplated interest in the Target Companies which are the subject of this valuation and are acting independent of all parties. We were not involved in the discussion leading up to the decision on the part of the Management to enter into the Proposed Acquisition. Our fees are agreed on a lump sum basis and are not contingent on the outcome. As such, we are in a position to provide an objective and unbiased valuation.

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1.6 Limitation of Circulation

This Valuation Summary Letter has been prepared solely to seek Shareholders' approval by the Company and is not intended for any legal or court proceedings, general circulation, publication or reproduction in any form without our prior written consent. We will assume no responsibility or liability for any losses incurred by you or any third party as a result of unauthorized circulation, publication or reproduction of this Valuation Summary Letter in any form and/or if used contrary to the intended use stated therein.

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2.0 Valuation of 100% Equity Interest of the Target Companies

2.1 Valuation Approaches

We have considered the 3 valuation approaches namely Income Approach, Market Approach and Cost Approach. The details of the various valuation approaches are described as follows:

2.1.1 Income Approach

Income Approach provides an indication of value by converting future cash flow to a single current value. Under the Income Approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

2.1.2 Market Approach

Market Approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The Market Approach often uses market multiples derived from a set of comparable companies, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

2.1.3 Cost Approach

Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

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2.2 Valuation Methodology

Based on the discussion with Management and review of the information, we have adopted Cost Approach as our primary approach and Market Approach as reference.

The rationale for adopting Cost Approach is because the Target Companies are very assets intensive and the majority of the production facilities are construction-in-progress with business operations not fully operated yet.

Under Market Approach, we have considered the P/B multiple in the valuation. Based on the analysis, the volatilities from the multiples of Comparable Companies make it difficult to conclude a reliable amount for the valuation by adopting the result from a single market multiple approach and no single company was comparable in size, capital nature of business and operations. Thus, the Market Approach is used as reference only.

The Income Approach is not adopted because the future economic benefit of the Target Companies in the foreseeable future to be derived is very uncertain and not probable.

Accordingly, we have relied solely on Cost Approach in assessing the equity value of the Target Companies and the Market Approach as reference.

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2.3 Cost Approach - RNAV

We have used RNAV method which is one application of the Cost Approach to assess the overall equity of Target Companies based on the underlying value of its net asset.

The equity value is estimated to its Market Value based on the following formula:

RNAV = (Market Value of total assets) − (Market Value of total liabilities)

2.3.1 Valuation of the tangible assets and liabilities of Target Companies

Based on the analysis and discussion with the Management, the Market Value under Special Assumptions of the net assets is approximately CNY206 million and we had set a range of its Market Value based on +/-5% of the RNAV.

As such, based on Cost Approach, the Market Value under Special Assumptions of 100% equity interest in the capital of the Target Companies as at the Valuation Date is between **CNY195 million and CNY217 million (rounded)**.

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3.0 Key Assumptions and Special Assumptions

3.1 Key Assumptions

We have made the following key assumptions in this valuation exercise. Any deviation from the following key assumptions may significantly vary the valuation of the Target Companies (where applicable):

- The financial information provided accurately reflects the Target Companies' financial position, operation and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted internationally on a true and fair basis.
- The business and operation of the Target Companies shall continue to operate as a going concern.
- The Target Companies have sufficient liquidity to continue its business and operation.
- There will not be any material changes in the political, legal, regulatory, market and/or economic conditions in the country(ies) where the Target Companies operate which may adversely affect the future prospects of the Target Companies.
- There will be no material change in inflation, interest rates, exchange rates and/or rates of taxation from those prevailing as at the Valuation Date.
- There are no contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Companies.
- The Asset Valuation performed by Asset Valuer accurately reflects the Market Value of the machinery & equipment, completed industrial building and construction-in-progress of building & ancillary structures and Land Use Rights.
- The current owners of the Target Companies have clear and unencumbered title of ownership over all assets included in this assessment.
- The Target Companies' operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

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3.2 Special Assumptions

Besides the above-mentioned "Key Assumptions", the Asset Valuer assumed the following Special Assumptions for the Market Value of the property in its existing state as at the Valuation Date (including completed industrial building, construction-in-progress of building & ancillary structures and Land Use Rights):

(a) the industrial building with a gross floor area of approximately 4,600 sq.m. has been completed in 2023 and has been put into use. The industrial building can pass the fire inspection, and there are no technical or legal obstacles to obtaining the Construction Work Completion and Inspection Certification and the Real Estate Title Certificate;

(b) all relevant procedures required for continued construction of the construction-in-progress can be obtained legally without any technical and legal obstacles; and

(c) the property (including completed industrial building and construction-in-progress of building & ancillary structures and Land Use Rights) could be freely transferred by Nanning Tidal.

The entire factory area of Nanning Tidal consists of multiple buildings, one of which, covering an area of approximately 4,600 square meters, is located in the northeast of the factory area. This building ("**Part A**") has been completed and is ready for production as at the Valuation Date. The remaining buildings in the entire factory area, totaling approximately 44,000 square meters ("**Part B**"), are not completed yet and are still under construction.

Part A and Part B are considered as one development ("**Development**"). Although Part A has been completed and put into use, it has not obtained a property ownership certificate because Part B has not been completed. Based on information obtained by the JLL, Part B is expected to continue construction in 2025, and the Development will obtain relevant construction permits when it is completed. Therefore, JLL has made Special Assumptions based on the above assumptions. After the completion of the Development, Nanning Tidal will obtain a property ownership certificate and have a market value without the Special Assumptions. NAVI also noted that the abovementioned assumptions relating to the Development are supported by the undertakings by the warrantors under the SPA, whereby the warrantors have undertaken that all permits required for carrying on production activities and related activities at the Target Companies' respective production facilities will be obtained within 6 months post-completion of the Proposed Acquisition.

Further details of the "Special Assumptions", please refer to the Property Valuation Report.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the letter.

It should be noted that the valuation of the Target Companies is also critical upon the following key drivers, where applicable:

- Target Companies continue to operate as a going concern and is able to meet all its financial obligations.

- Target Companies' sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections.
- Target Companies have sufficient operational resources to support the projected turnover & profitability and execute its business plans including the purchase of the property located in eastern side of Puling Road, Yongning District, Nanning City, Guangxi Zhuang Autonomous Region of the PRC upon the expiry of the lease in 2028 and the construction of the remaining portion of the property with a planned gross floor area of approximately 44,059.36 sq.m. located at the southwestern side of Jingyi Road, Liujing Industrial Park, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region of the PRC.

The valuation is largely based on information provided to us by the Management who is solely responsible for their contents/accuracy. We have not performed any work in the nature of an audit or due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this letter. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed a viable opinion on the Proposed Acquisition. We have also not verified or confirmed the information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to comparable companies on international stock exchanges. We are not responsible for their content and accuracy in deriving parameters such as country risk rate for purposes of valuation. Such information was obtained from Bloomberg and other sources, where applicable.

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4.0 Statement of Value

Based on Cost Approach, we are of the opinion that the Market Value under Special Assumptions of the 100% equity interest in the capital of the Target Companies as at the Valuation Date is as follows:

Cost Approach:
CNY195 million to CNY217 million (rounded).

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5.0 Exclusions and Limitation of Liability

Our work has been performed in accordance with and subject to our Standard Conditions of Engagement, a copy of which has been previously provided. For your reference, we highlight some of the more pertinent points:

- We have used due skill and care in the provision of the services set out in this letter;
- We shall not under any circumstances be liable for damages, or for losses, that are not a direct result of breach of contract, or negligence, on our part in respect of services provided in connection with, or arising out of, the engagement set out in this letter (or any variation or addition thereto), or for any consequential losses or loss of profits of whatsoever nature. In any event, the liability of NAVI, its related companies, partners, directors and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed the fees paid specifically for the work in question which allegedly entailed a breach of contract or negligence on our part;
- In no event shall NAVI, its related companies, partners, directors and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any misrepresentations or any default on the part of the directors, employees or agents of the management of the Company and its subsidiaries;
- Without derogating from the aforesaid provisions, we shall not under any circumstances whatsoever, be liable to any third party, whether or not they are shown a copy of any work that we have done pursuant to the terms of our engagement, and whether or not we have consented to such work being shown to them, save and except where we specifically agreed in writing to accept such liability; and
- Except as a result of our own negligence or wilful default, in the event that we find ourselves subject to a claim or incur legal costs from another party as a result of false or misrepresented information provided by Management in connection with this engagement, any claim established against us and the cost we necessarily incur in defending it would form part of the expenses we would look to recover from the management of the Company.

APPENDIX C – KEY EMPLOYEES

Jiang Zhicheng 蒋志成 – Managing Director of the Target Companies

Mr. Jiang has been in the non-ferrous metal industry for 17 years. Mr. Jiang is currently the Managing Director of the Target Companies and the General Manager of the Vendor. From 2006 to 2020, Mr. Jiang has owned and managed various companies involved in the manufacturing and trading of non-ferrous metals.

Chen Wusong 陈武松 – General Manager, Nanning Tidal Aluminium

Mr. Chen is an experienced project manager and engineer in Guangxi's larger construction companies with over 10 years of experience in managing large scale projects. Mr. Chen has been the General Manager of Nanning Tidal Aluminium since 2021. From 2005 to 2012, Mr. Chen took up various position at The Seventh Metallurgical Construction Group Co., Ltd. (Guangxi Branch) (七冶建设有限责任公司广西分公司), such as Head of the Engineering Department, Director of the Operations Department, and Factory Director. From 2012 to 2018, Mr. Chen served as the Manager of the Engineering Department of Guangxi Xinchangyuan Construction Engineering Co., Ltd. (广西新长源建筑工程有限公司). From 2018 to 2021, Mr. Chen was the project manager of Guangxi Construction First Construction Engineering Group Co., Ltd. (广西建工第一建筑工程集团有限公司).

Mr. Chen has obtained a bachelor's degree in Business Administration from Guangxi University.

Liao Zhiyu 廖志宇 – General Manager, Guangxi TPT

Mr. Liao joined Nannan Aluminium Co., Ltd. 南南铝业股份有限公司 ("**Alnan**") in 1999 as a technical engineer, and was subsequently promoted and took up various positions, such as the Director of a branch factory, Director of the Technical Quality Department, Technical Director, and Chief Engineer, at Alnan. Alnan is a PRC state-owned aluminium manufacturing company producing aluminium alloy components and materials for automobiles, new energy and prefabricated special buildings.

Since joining the workforce, Mr. Liao has been engaged in the production, technological advancement, and research and development of aluminium alloy plates and strips. With more than 20 years of experience in aluminium processing, Mr. Liao has led the technical quality team and designed and developed hundreds of aluminium strips and aluminium foil products, which include aluminium foil used in lithium batteries, medical aluminium foil with high surface cleanliness, high gloss aluminium for the manufacturing of coins, and printed PS board base with high surface quality. Mr. Liao is also highly experienced in the production and technology of aluminium foil used in power batteries, as Alnan is one of the first manufacturers in China that engages in the research and development of aluminium foil used in power batteries.

Mr. Liao obtained the patent for the production of a type of aluminium foil used in lithium-ion batteries (patent number: 2014106950879) in 2014.

Mr. Liao has presided over a number of product development and technological transformation projects in Guangxi and Nanning. Mr. Liao was awarded the title of "The Seventh Batch of New Century Academic and Technical Leaders of Nanning (南宁市第七批新世纪学术及技术带头人)" and "Outstanding Manager of Technological Innovation of Nanning (南宁市技术创新优秀管理工作者)".

Mr. Liao graduated from the School of Material Science and Engineering of Central South University in 1999 with a bachelor's degree in material science.

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Valuation Advisory

Client: SHS Holdings Limited
Ref.No. CON101879780PM-1

13 May 2025

Important

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
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公司牌照號碼: C-030171

13 May 2025

The Board of Directors
SHS Holdings Limited
19 Tuas Avenue 20
Singapore 638830

Dear Sirs,

In accordance with your instructions, we have undertaken a valuation to determine the Market Value of machinery and equipment to be acquired by SHS Capital Pte. Ltd. (the "Purchaser") or a wholly-foreign owned entity which is wholly-owned by the Purchaser in the People's Republic of China (the "PRC") from Guangxi Tidal Precision Technology Co., Ltd. (广西潮力精密技术有限公司) ("Guangxi TPT") and Nanning Tidal Aluminium Co., Ltd. (南宁市潮力铝业有限公司) ("Nanning Tidal Aluminium"). Nanning Tidal Aluminium together with Guangxi TPT, collectively the "Target Companies" and each, a "Target Company", which are located at Nanning in the PRC. The purpose of the appraisal is to estimate the Market Value as of 30 November 2024 and it is our understanding that these values will be utilized for public disclosure reference purpose.

This valuation report outlines our latest findings and conclusion. Based on the results of our investigations outlined in the report which follows, it is our opinion that the valuation of the above asset is:-

> **RMB82,253,000 (RENMINBI EIGHTY TWO MILLION TWO HUNDRED AND FIFTY THREE THOUSAND),** which fairly represents the Market Value of the machinery and equipment as of 30 November 2024

Yours faithfully,

for and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Johnny Lee
Director, Plant & Machinery Valuation

James Lai
Consultant, Plant & Machinery Valuation

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CONTENTS

1. INTRODUCTION

This report has been prepared in accordance with instructions from SHS Holdings Limited (the "Company") to express an independent opinion on the Market Value of machinery and equipment (the "Assets") to be acquired by the Purchaser as of 30 November 2024 (the "Valuation Date"). The report dated 13 May 2025 (the "Report Date") follows.

1.1 Purpose of Valuation

The purpose of the appraisal is to estimate the Market Value of the machinery and equipment assets as of the valuation date and it is our understanding that these values will be utilized for public disclosure reference purpose.

The scope of this assignment included physical inspection of the production plants of the Target Companies located at Nanning, the PRC.

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2. BASIS OF VALUE

We have adopted the **Market Value In Continued Use** as being the most appropriate, in accordance with the following definition: -

> **Market Value** is defined herein as
> "the estimated amount at which the subject assets should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing where in the parties had each acted knowledgeably, prudently, and without compulsion."

Market Value In Continued Use is further defined as amount of money at which a given property would change hands between a willing buyer and a willing seller, in an appropriate marketplace, when neither is acting under compulsion and when both have reasonable knowledge of relevant facts, including installation and other turnkey costs and assumes that earnings support the value reported. *(source: American Society of Appraisers)*

Market Value In Continued Use does not represent the amount that might be realised in the event of piecemeal disposition of the assets in the open market or from any alternative use to which they may be put.

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3. BASIS OF OPINION

We have conducted our valuation in accordance with the International Valuation Standards issued by the International Valuation Standards Committee. The valuation procedures employed include the review of physical and economic condition of the subject asset, an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the subject asset. All matters we consider essential to the proper understanding of the valuation will be disclosed in the valuation report.

We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

This investigation is concerned solely with the values of the appraised machinery and equipment and our opinion of value is not related to the earning capacity of the business. It is assumed that prospective earnings are adequate to support the concluded value of the machinery and equipment plus the value of other assets not included in this valuation, and sufficient net working capital. It does not attempt to arrive at the value of the assets as a total business entity.

4. VALUATION METHODOLOGY

There are three generally accepted approaches to value, namely:

4.1 The Market Approach

The market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised machinery and equipment relative to the market comparative. Assets for which there is an established used market may be appraised by this approach.

4.2 The Income Approach

The income approach is the present worth of the future economic benefits of ownership. This approach is generally applied to an aggregation of assets that consists of all assets of a business enterprise including working capital and tangible and intangible assets.

4.3 The Cost Approach

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence present (physical, functional or economical), taking into consideration past and present maintenance policy and rebuilding history. The cost approach generally furnishes the most reliable indication of value for assets without a known used market.

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Reproduction Cost New - is the estimated amount of money needed to acquire in like kind and in new condition an asset or group of assets taking into consideration current prices of materials, manufactured equipment, labour, contractor's overhead, profit and fees, and all other attendant costs associated with its acquisition, but without provision for overtime or bonuses for labour and premium for materials.

Replacement Cost New – is the amount required to replace property with a modern new unit utilizing the most current technology and construction materials that will duplicate the product capacity and utility of an existing unit at current market prices for materials, labour and manufactured equipment, contractor's overhead and profit, and fees, but without provision for overtime or bonuses for labour and premiums for material or equipment based upon replacing the entire property at one time.

Physical Depreciation – the loss in value or usefulness of a property due to the using up or expiration of its useful life caused by wear and tear, deterioration, exposure to various elements, physical stresses, and similar factors.

Functional Obsolescence – the loss in value or usefulness of a property caused by inefficiencies or in adequacies of the property itself, when compared to a more efficient or less costly replacement property than new technology has developed.

Economic Obsolescence – the loss in value or usefulness of a property caused by factors external to the assets. These factors include increased cost of raw materials, labour or utilities, reduced demand for the product; increased competition; environmental or other regulation: or similar factors.

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5. ANALYSIS

In accordance to valuation procedures, all valuation approaches must be considered, as one or more approaches may be applicable to the subject asset. In certain situations, elements of the three approaches may be combined to reach a value conclusion. However, the relative strength, applicability, and significance of the approaches and their resulting values must be analyzed and reconciled.

In estimating the value of the assets, the market approach was primarily utilized for those assets where an active secondary market exists. Verified market comparables is the best proof of transacted value as it reflects the dynamics of secondary market. Factors such as the availability and desirability of particular types of machines are vital consideration, as supply and demand is an influencing factor on the transactions.

For all other assets without active secondary market, we relied on the cost approach, where an estimate is made on the cost of reproduction new or replacement cost, less allowance for depreciation or loss of value arising from condition, utility, age, wear and tear, and obsolescence, taking into consideration past and present maintenance policy, and rebuilding history, if any, and current utilization.

In situation where we can identify and collect sufficient data on certain equipment that has direct contribution to the revenue generation, the income approach will be applied as part of the cross-checking procedure with the result from the cost approach and the market approach in arriving at our conclusion of value.

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5.1 Valuation Procedure

We have not included in this appraisal spare parts, equipment under operating leases, or the property of others.

Our procedure began with inspection of the subject assets located at Nanning, the PRC.

The major machinery and equipment were investigated in detail at the time of physical inspection and recorded not only the specification of the assets but also noted the age, condition, degree of functional utility, current use, and the accessory equipment which form part of the assets.

Upon completion of the physical inspection, we discuss with plant maintenance personnel to determine maintenance procedures adopted at the facility, modifications which may have occurred to the equipment over its years of use, unusual operating conditions, the manufacturing processes and changes in technology which could have an impact on the obsolescence, and any other information available which may be relevant to the valuation process.

We began the valuation phase by considering the various approaches of valuation.

Where assets being appraised have active secondary markets, with comparables readily available in the marketplace, we have utilized the ***market approach*** for our value conclusion. To arrive at the ***Market value*** from the market approach, we must consider additional costs that are typical in the industry. These costs may include many of the same costs that are properly capitalized for new assets, such as electrical wiring, piping, foundations, support structures, insulation, and finishes; direct costs, such as sales taxes, import duty, crating, and

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freight and handling charges; installation costs; modification or overhaul costs; general contractors' costs; and indirect costs, such as engineering, design, and purchasing costs.

Where active secondary market does not exist, we have valued the assets by using the ***cost approach***. We began by developing current ***replacement cost new*** for similar or equivalent units according to prices we obtained from the manufacturer, its authorized dealers, or our in-house database. To arrive at the fully installed ***replacement cost new***, we combined it with estimates of any additional material costs, such as electrical wiring, piping, foundations, support structures, and insulation and finishes; direct costs, including import duty, and freight and handling charges; installation costs; general contractors' costs; and indirect costs, such as engineering, design, and purchasing.

The next step in the ***cost approach*** is to assess the physical deterioration of the assets by determining its ***effective age***. In determining the effective age of the equipment, we have considered the observed condition in relation to its chronological age; whether or not maintenance was adequate for the period of use; and the effects of any technological changes on the equipment's life expectancy. ***Effective age*** is the number of years of apparent age, based on the observed condition and the amount of wear and tear experienced during its life.

Decrease in useful life is normally quantified through an ***age-life analysis*** which measures the loss in value due to the reduction in normal useful life, which is the first cause in measuring physical depreciation. Normal useful life ranges are adopted from expected life tables developed in the USA. Considering both the reduced useful life and the decline in utility enables us to quantify the physical depreciation of the asset.

Apart from measuring depreciation of physical characteristics, we must consider other forms of depreciation in arriving at an overall depreciation, namely ***functional*** and ***economic*** obsolescence.

Functional obsolescence is the impairment of functional capacity or efficiency caused by factors inherent in the property. These factors include but are not limited to such items as changes in current technology, discovery of new and improved materials, improved manufacturing processes, under- or over-capacities, production rates, and highest and best use.

Economic obsolescence is the loss in value or usefulness of a property caused by factors external to the assets. These factors include increased cost of raw materials, labour or utilities, reduced demand for the product; increased competition; environmental or other regulation: or similar factors.

The final step in the ***cost approach*** is to deduct the physical depreciation, functional and economic obsolescence from the ***replacement cost new*** to conclude at the ***Market value.***

For this exercise, we have considered and excluded the income approach due to insufficient financial data being available. We have used both market approach and cost approach in arriving at our estimate of ***Market value*** as appropriate.

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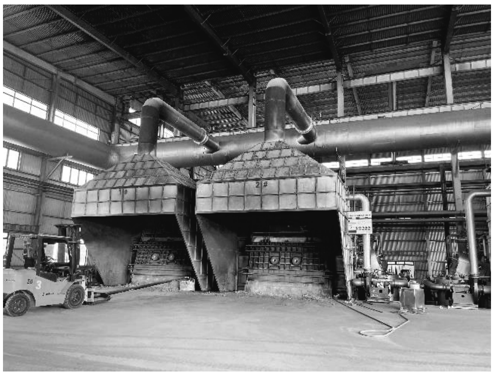
6. ASSETS REVIEWED

The Assets under review comprise mainly of machinery and equipment such as production lines, furnace and casting-rolling mill.

The chronological ages of the major machinery range from less than 1 year old to 2 years old. Most of the equipment were sourced and fabricated in the PRC, while some major equipment were sourced from foreign countries. Our inspection reveals that the machinery and equipment are mostly of standard manufacture while some are custom built to in-house design.



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7. FINDINGS

7.1 Inspection

We have carried out inspection of the major assets on 16 to 17 October 2024 located at Nanning, the PRC. During our inspection, we have been provided with a listing of the machinery and equipment. We have relied considerably on this plus on other information such as equipment specifications and other documents provided to us.

We have not carried out a full mechanical survey, nor have inspected other machinery and equipment, which are covered, unexposed or inaccessible, and our assessments on these non-inspected assets are based on the premise that these items are in a condition that commensurate with age and usage.

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7.2 Conditions of the Equipment

We have inspected the major machinery and based on our observation, we found that most of them were in use and in good operational condition.

In arriving at our valuation, we have not investigated the title nor any liabilities affecting the equipment. No consideration was made for any outstanding amount owed under financing agreements, if any.

7.3 Exclusion

We have excluded in this valuation: land, buildings, other land improvements or any current or intangible assets.

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8. OPINION OF VALUE

Based on the results of our findings, it is our opinion that the valuation of the above asset which fairly represents the Market Values of the machinery and equipment as of 30 November 2024 are set out as follows:-

> **RMB82,253,000 (RENMINBI EIGHTY TWO MILLION TWO HUNDRED AND FIFTY THREE THOUSAND),** which fairly represents the Market Value of the machinery and equipment as of 30 November 2024

LIMITING CONDITIONS

This report is subject to our standard Limiting Conditions as attached.

We have made no investigation of, and assume no responsibility for titles to, or liabilities against the property appraised.

WE HEREBY CERTIFY that we have neither present nor prospective interest in the property appraised, or in the values reported.

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Yours faithfully,

for and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Johnny Lee
Director, Plant & Machinery Valuation

James Lai
Consultant, Plant & Machinery Valuation

9. SUMMARY OF VALUATION

Valuation Date: 30 November 2024

Target Company: Nanning Tidal Aluminium Co. Ltd.

	Acq Cost (RMB)	NBV (RMB)	Market Value (RMB)
Machinery & Equipment	7,326,850.21	6,717,671.54	6,935,400.00
Motor vehicles	526,548.69	338,965.83	427,900.00
Office Equipment	287,532.41	171,883.93	261,700.00
Construction-in-Progress (CIP)	8,374,392.27	8,374,392.27	8,316,800.00
Total:	**16,515,323.58**	**15,602,913.57**	**15,941,800.00**

Valuation Date: 30 November 2024

Target Company: Guangxi Tidal Precision Technology Co., Ltd.

	Acq Cost (RMB)	NBV (RMB)	Market Value (RMB)
Machinery & Equipment	60,466,640.69	54,167,640.92	55,498,100.00
Motor vehicles	789,292.03	607,436.40	675,100.00
Office Equipment	1,492,729.79	959,171.90	1,269,600.00
Other Equipment	735,150.75	605,669.46	641,200.00
Construction-in-Progress (CIP)	8,656,745.97	8,656,745.97	8,227,200.00
Total:	**72,140,559.23**	**64,996,664.65**	**66,311,200.00**
Grand total:	**88,655,882.81**	**80,599,578.22**	**82,253,000.00**
		Rounded to:	**82,253,000.00**

10. LIMITING CONDITIONS

1. We have disregarded any existing liabilities, liens and encumbrances against or titles to the property appraised and assume no responsibility for these matters.

2. In the inventory, machinery and/or equipment were listed as complete units and were meant to include all parts and accessories normally comprising the unit.

3. We have totally disregarded such items that, in our opinion, have no practical take-up value or are normally charged as operating expenses.

4. Our conclusions assume continuation of prudent management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

5. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information give a true and Market view and have been prepared in accordance with the relevant company's ordinance.

6. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information and have accepted the information without any verification.

7. The management of the Company has reviewed and agreed on the valuation report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

8. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the project described herein unless prior arrangements have been made.

9. No opinion is intended to be expressed for matters which require legal or other specialised expertise or knowledge, beyond what is customarily employed by valuers.

10. The use of and/or the reliance of the valuation report is subject to the terms of engagement letter/proposal and the full settlement of the fees.

11. This valuation report has been prepared solely for the use of the directors. The valuation report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. We shall not under any circumstances whatsoever be liable to any third party except where we specifically agreed in writing to accept such liability.

12. This report is confidential to the client and the opinion of value expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the valuation date. In accordance with our standard practice, we must state that this report and valuation exercise is for the use only by the party to whom it is addressed and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

13. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation if such investigation is beyond the scope of normal business valuation work.

14. We are not environmental consultants or auditors, and we take no responsibility for any actual or potential environmental liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional environmental assessment. We do not conduct or provide environmental assessments and have not performed one for the subject property.

15. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of value are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value represents the consideration, based on information furnished by the Target Companies and other sources.

16. Reliance on this valuation report is permitted only:
    - by a party expressly identified by the report as being permitted to rely on it;
    - when the given party has received the report directly from JLL; and
    - for a purpose expressly identified by the report as being a permitted use of the report.

11. VALUER'S PROFESSIONAL DECLARATION

I certify, to the best of my knowledge and belief, that:

- Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuer(s) and no important facts have been intentionally disregarded.

- The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on my personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.

- The reported analyses, opinions, and conclusions are independent and objective.

- I have no present or prospective interest in the asset that is the subject of this report and have no personal interest or bias with respect to the parties involved.

- My compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favors the cause of the client.

- The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Committee and USPAP, the Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board (USA)

- Albert Mak has made personal inspection of the machinery and equipment that is the subject of this report.

- The under-mentioned persons provided professional assistance in the compilation of this report.

Johnny Lee	**James Lai**	**Albert Mak**
Director	Consultant	Assistant Manager

12. Schedule of Assets

Machinery & Equipment

Valuation Date: 2024-11-30

Target Company: Guangxi Tidal Precision Technology Co.,Ltd.　　Currency : RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	35T铝熔炼炉	823,008.85	751,338.46	773,600
2	35T铝熔炼炉	823,008.85	757,853.95	779,100
3	铸造平台	509,955.75	469,584.25	482,800
4	方形逆流工业型冷却塔	822,123.90	757,039.10	778,300
5	真空泵	3,716.81	3,422.61	3,500
6	水泵	82,392.92	75,870.12	78,000
7	除尘系统	3,364,380.53	3,098,033.73	3,184,900
8	制氮机	188,716.81	178,258.74	181,200
9	高温电磁吸盘	47,787.61	34,924.73	43,300
10	减速机	6,460.18	4,721.25	5,900
11	精炼罐	8,407.08	6,277.32	7,600
12	仪表车床	7,345.13	5,484.33	6,700
13	直读光谱仪	292,035.40	241,172.61	268,100
14	铝水斗	50,442.48	43,254.45	47,800
15	铝水斗	25,221.24	22,425.86	24,200
16	电动套丝机	3,190.27	2,836.70	3,100
17	铸钢渣斗	65,486.73	64,449.86	65,100
18	炒灰机	154,497.11	152,050.91	153,500
19	锯棒机	48,672.56	48,672.56	48,700
		7,326,850.21	**6,717,671.54**	**6,935,400**

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Vehicles

Valuation Date: 2024-11-30

Target Company: Nanning Tidal Aluminium Co.,Ltd. Currency : RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	内燃平衡重式叉车	114,159.30	73,490.10	92,800
2	内燃平衡重式叉车	61,946.90	39,878.36	50,300
3	内燃平衡重式叉车	61,946.90	39,878.36	50,300
4	内燃平衡重式叉车	69,026.55	44,435.85	56,100
5	内燃平衡重式叉车	109,734.52	70,641.58	89,200
6	内燃平衡重式叉车	109,734.52	70,641.58	89,200
		526,548.69	**338,965.83**	**427,900**

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Office Equipment

Valuation Date：2024-11-30

Target Company：Nanning Tidal Aluminium Co.,Ltd.

Currency ： RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	栅栏道闸	61,295.70	33,797.69	55,600
2	3.4*18m全碳钢称平台	134,955.76	74,413.15	122,400
3	2*4m全碳钢称平台	50,884.94	28,057.34	46,100
4	空调	24,778.76	20,201.60	22,300
5	电脑	7,696.46	7,493.36	7,400
6	生产环境监控1项（海康监控）	7,920.79	7,920.79	7,900
		287,532.41	**171,883.93**	**261,700**

Construction-in-progress

Valuation Date: 2024-11-30

Target Company: Nanning Tidal Aluminium Co.,Ltd.

Currency : RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	在建工程_熔炉	5,206,609.82	5,206,609.82	5,206,610
2	在建工程_蓄热式燃烧系统	424,778.77	424,778.77	399,300
3	在建工程_蓄热式燃烧系统	1,274,336.31	1,274,336.31	1,274,336
4	在建工程_水泵	333,288.50	333,288.50	315,500
5	在建工程_单梁起重机	228,424.78	228,424.78	214,700
6	在建工程_方形逆流工业型冷却塔	10,691.03	10,691.03	10,100
7	在建工程_锯切平台	26,684.57	26,684.57	26,685
8	在建工程_烟气排放联系监测系统	118,446.60	118,446.60	118,447
9	在建工程-铸锭线	159,760.20	159,760.20	159,760
10	在建工程-除尘系统	591,371.69	591,371.69	591,372
		8,374,392.27	**8,374,392.27**	**8,316,800**

Machinery & Equipment

Valuation Date：2024-11-30

Target Company：Guangxi Tidal Precision Technology Co.,Ltd.

Currency ：RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	低倍室酸碱洗槽、通风橱及废气处理一体装置	65,486.73	52,907.76	56,800
2	四重不可逆冷轧机	23,716,814.16	22,402,507.39	22,768,100
4	油雾净化装置	353,982.30	334,365.78	339,800
5	除气过滤装置	4,242,035.40	3,697,682.83	3,676,400
6	倾斜式双驱动铸轧机	6,106,194.69	4,933,296.42	5,292,000
7	倾斜式双驱动铸轧机	6,106,194.69	5,477,765.46	5,658,400
8	倾斜式双驱动铸轧机	6,106,194.69	5,622,787.59	5,780,500
9	倾斜式双驱动铸轧机	6,106,194.69	5,187,721.20	5,454,900
10	电磁旋流搅拌装置	378,318.58	305,649.93	327,900
11	铝渣处理设备	672,566.40	543,830.37	582,900
12	高温烟气除尘设备	2,185,840.71	1,765,977.18	1,894,400
13	低温烟气除尘设备	1,221,238.94	986,659.32	1,058,400
14	台车式加热炉	207,964.60	168,018.00	180,200
15	重型普通车床	506,994.69	438,409.38	452,900
16	艾高永磁变频螺杆空压机	29,203.53	23,594.11	25,100
17	空压机	4,778.76	4,362.63	4,500
18	液体精炼机	9,734.51	8,655.67	9,000
19	铸轧辊模具	1,204,867.24	1,071,327.82	915,700
20	铝合金喷吹精炼机	10,619.47	9,778.77	10,100
21	铸轧辊模具	1,204,867.24	1,109,481.94	988,000
22	金属带锯床	26,548.67	22,861.37	22,100
		60,466,640.69	**54,167,640.92**	**55,498,100**

Vehicles

Valuation Date: 2024-11-30

Target Company: Guangxi Tidal Precision Technology Co.,Ltd.　　Currency : RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	电动平车	92,920.35	81,886.05	86,000
2	内燃平衡重式叉车	109,734.52	63,897.48	79,600
3	内燃平衡重式叉车	67,256.64	39,163.00	48,800
4	内燃平衡重式叉车	50,353.98	29,320.69	37,800
5	电动平车	92,920.35	54,106.72	69,700
6	XA系列内燃叉车	207,964.60	170,920.87	187,200
7	内燃平衡重式叉车	168,141.59	168,141.59	166,000
		789,292.03	**607,436.40**	**675,100**

Office Equipment

Valuation Date: 2024-11-30

Target Company: Guangxi Tidal Precision Technology Co.,Ltd.

Currency : RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	直读光谱仪	309,734.51	141,531.46	253,400
2	熔铝分析仪	520,796.46	389,150.69	426,100
4	测氢仪	265,486.73	188,421.83	241,600
5	仪表车床	6,017.70	2,749.76	4,500
6	激光测距仪	3,446.60	2,446.15	3,100
7	20吨台秤	104,424.78	47,716.40	90,500
8	3吨台秤	8,584.07	3,922.52	7,400
9	100kg台秤	2,212.39	1,010.99	1,900
10	80吨地磅	79,646.02	36,393.81	69,000
11	6吨地磅	19,469.03	14,331.33	18,400
12	电子吊秤	12,212.39	5,580.41	7,300
13	电脑	5,752.21	3,930.73	4,600
14	长虹变频冷暖圆柱5匹空调	6,193.81	5,376.56	5,700
15	长虹变频冷暖挂式大1.5匹空调	9,817.70	8,522.30	9,000
16	电脑	3,672.57	2,412.61	2,900
17	电脑	3,672.57	2,412.61	2,900
18	电脑	3,672.57	2,412.61	2,900
19	电脑	3,672.57	2,412.61	2,900
20	监控设备	118,928.20	93,821.16	110,600
21	康佳变频冷暖立式大3匹空调	3,077.04	2,671.04	2,800
22	康佳变频冷暖挂式2匹空调	2,239.87	1,944.32	2,100
		1,492,729.79	**959,171.90**	**1,269,600**

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Other Equipment

Valuation Date：2024-11-30

Target Company：Guangxi Tidal Precision Technology Co.,Ltd.

Currency ：RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	C型吊具	15,929.20	10,473.49	11,900
2	立板用放流铁箱（大）	12,389.38	9,250.66	9,300
3	立板用放流铁箱（小）	9,380.53	7,004.05	7,000
4	除气炉放流铁箱	11,681.42	8,722.06	8,800
5	板式过滤器放流铁箱	15,221.24	11,365.24	11,400
6	除气渣箱	13,274.34	9,911.46	10,000
7	扫地机	5,486.73	4,183.68	4,100
8	过滤渣箱	18,495.58	15,274.23	16,400
9	立板放流铁箱 (小)	11,433.63	9,442.30	10,100
10	铁渣箱	11,752.21	9,705.33	10,400
11	除气炉放流铁箱	20,265.49	16,735.92	18,000
12	货架	38,053.10	31,425.49	33,800
13	炒灰锅	27,433.63	22,655.56	24,300
14	活动板房	110,194.98	74,289.86	85,400
15	C型吊具	15,929.20	11,137.21	11,900
16	钢套筒	398,230.09	354,092.92	368,400
		735,150.75	**605,669.46**	**641,200**

Construction-in-progress

Valuation Date: 2024-11-30

Target Company: Guangxi Tidal Precision Technology Co.,Ltd.　　Currency : RMB

Seq No	Asset Name	Acq cost (RMB)	NBV (RMB)	Market value (RMB)
1	熔炉	230,949.85	230,949.85	200,200
2	直读光谱仪	62,242.72	62,242.72	50,900
3	轧辊磨床	362,831.86	362,831.86	362,832
4	倾斜式双驱动铸轧机	792,012.16	792,012.16	686,400
5	冷轧机	7,047,381.94	7,047,381.94	6,765,500
6	除尘系统	161,327.44	161,327.44	161,327
		8,656,745.97	**8,656,745.97**	**8,227,200**

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JLL China Valuation WeChat Account

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Website: www.zhenliang.com

About Zhenliang

Valuation modeling in the report is supported by Zhenliang cashflow modeling and valuation platform.

Zhenliang – RICS Tech Partner in China - is a CRE cashflow modeling and valuation solution developed by JLL China Valuation & Advisory Services, dedicated to creating a digital solution for investors and real estate professionals. It automates DCF modeling and increase efficiency.

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Valuation Advisory

Client: SHS Holdings Limited

Property: An industrial complex located in Nanning City, Guangxi Zhuang Autonomous Region, the People's Republic of China

13 May 2025

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7th Floor, One Taikoo Place
979 King's Road, Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

仲量聯行企業評估及咨詢有限公司
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電話 +852 2846 5000 傳真 +852 2169 6001
公司牌照號碼: C-030171

Our ref: CON101879780RE-1
13 May 2025

The Board of Directors
SHS Holdings Limited
19 Tuas Avenue 20
Singapore 638830

Dear Sirs,

Pursuant to a sale and purchase agreement dated 4 September 2024, SHS Capital Pte. Ltd. (the "**Purchaser**") or a wholly-foreign owned entity which is wholly-owned by the Purchaser in the People's Republic of China (the "**PRC**") shall purchase 100% of the equity interests of Guangxi Tidal Precision Technology Co., Ltd. ("**Guangxi TPT**") and Nanning Tidal Aluminium Co., Ltd. ("**Nanning Tidal Aluminium**" and together with Guangxi TPT, collectively the "**Target Companies**") in the **PRC**.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**" or "**we**") are instructed to provide valuation service on the property interest held by the Target Companies for circular disclosure purpose. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the property interest as at 30 November 2024 (the "**valuation date**").

According to the information provided by the Target Companies, the property interest held by Nanning Tidal Aluminium is an industrial complex located on the southwest side of Jingyi Road, Liujing Industrial Park, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region. The property comprises 2 parcels of land with a total site area of approximately 119,302.55 sq.m. and various industrial buildings and ancillary structures erected thereon. As of the valuation date, an industrial building of the property was completed and used for production, while the construction of the remaining portion of the property was suspended.

According to the information provided by the Target Companies, Guangxi TPT did not own any land use rights or building ownership rights as at the valuation date. Guangxi TPT has rented a factory building located in Yongning District, Nanning City, Guangxi Zhuang Autonomous Region for production purpose. This rented property is not included in this valuation.

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper

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marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Due to the nature of the buildings and structures of the property and the particular location in which it is situated, there are unlikely to be relevant market comparable sales readily available. The property interest has therefore been valued by the cost approach with reference to its depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

Portion of the property was under construction as at the valuation date, in valuing this portion, we have assumed that it will be developed and completed in accordance with the latest development proposals provided to us by the Target Companies. In arriving at our opinion of value, we have taken into account the construction costs and professional fees relevant to the stage of construction as at the valuation date.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

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We have relied to a very considerable extent on the information given by the Target Companies and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements and all other relevant matters.

We have been shown copies of title documents including Real Estate Title Certificates and other official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest. However, we have not examined the original documents and assumed that the copies of the documents obtained are consistent with their originals. If necessary, we recommend that a PRC legal opinion is sought to verify the existing title to the property interests in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by SHS Holdings Limited and the Target Companies. We have also sought confirmation from SHS Holdings Limited and the Target Companies that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the property was carried out on 17 October 2024 and 18 October 2024 by Mr. Shuo Yang, who has obtained the master degree of economics and has 7 years' experience of property valuation in the PRC.

All monetary figures stated in this report are in Renminbi (RMB).

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The valuation certificate is attached.

Yours faithfully,

For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Eddie T. W. Yiu
MRICS MHKIS R.P.S. (GP)
Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 31 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

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VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value of the subject land on clear site state as at the valuation date *RMB*
An industrial complex located on the southwest side of Jingyi Road, Liujing Industrial Park, Hengzhou City, Nanning City, Guangxi Zhuang Autonomous Region The PRC	The property comprises 2 parcels of land with a total site area of approximately 119,302.55 sq.m., an industrial building which was completed in 2023 and various unfinished industrial buildings and ancillary structures (the "**CIP**") erected thereon. According to the information provided, the completed industrial building of the property has a gross floor area ("**GFA**") of approximately 4,600 sq.m. The CIP has a total planned GFA of approximately 44,059.36 sq.m. which mainly includes a composite building, 3 industrial buildings, a dormitory building, a warehouse, a pump house, 2 power distribution rooms and 2 guard rooms. The construction work of the CIP has been suspended in March 2023. The land use rights of the property have been granted for terms expiring on 29 May 2072 and 18 September 2072 for industrial use.	The completed industrial building of the property is currently occupied by Nanning Tidal Aluminium for production purpose while the construction work of the CIP of the property has been suspended.	34,790,000 (Please refer to note 8) **Market value in existing state under special assumptions as at the valuation date *RMB*** 286,013,000 (Please refer to note 8)

Notes:

1. Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 6 May 2022 and 30 August 2022, the land use rights of 2 parcels of land with a total site area of approximately 119,302.55 sq.m. were contracted to be granted to Nanning Tidal Aluminium Co., Ltd. (南宁市潮力铝业有限公司, "**Nanning Tidal Aluminium**") for terms of 50 years for industrial use commencing from the land delivery date. The total land consideration was RMB31,860,000. As advised by Nanning Tidal Aluminium, the land consideration has been fully paid.
2. Pursuant to 2 Real Estate Title Certificates (for land) – Gui (2022) Heng Zhou Shi Bu Dong Chan Quan Di Nos. 0023783 and 0029027, the land use rights of 2 parcels of land (the same land parcels mentioned in note 1) of the property with a total site area of approximately 119,302.55 sq.m. were granted to Nanning Tidal Aluminium for terms expiring on 29 May 2072 and 18 September 2072 for industrial use.
3. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 450181202200352 in favour of

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Nanning Tidal Aluminium, the construction project named "Annual output of 700,000 tons of recycled aluminium processing and production project" with a total planned GFA of approximately 48,659.36 sq.m. has been approved for construction.

4. Pursuant to a Construction Work Commencement Permit – No. 450127202207050101 in favour of Nanning Tidal Aluminium, permission by the relevant local authority was given to commence the "Annual output of 700,000 tons of recycled aluminium processing and production project" (the same construction project mentioned in note 3).
5. According to information provided by Nanning Tidal Aluminium, as of the valuation date, an industrial building with GFA of approximately 4,600 sq.m. has been completed in 2023 and has been put into use. However, we have not been provided with the title certificate for this building.
6. According to information provided by Nanning Tidal Aluminium, the construction work of the remaining portion of the property with a planned GFA of approximately 44,059.36 sq.m. has been suspended in March 2023.
7. According to a construction contract dated 7 November 2024 signed by Nanning Tidal Aluminium and Guangxi Fengjia Construction Co., Ltd. (广西丰嘉建设集团有限公司, "**Guangxi Fengjia**"), Guangxi Fengjia will commence the construction work on the CIP portion of the property in 2025, which includes industrial buildings, water pump houses, roads, fences and etc. The overall construction duration is estimated to be 153 days, with a contract amount of RMB11,997,565. However, based on the latest information as advised by SHS Holdings Limited and the Target Companies, the entire construction will be delayed.
8. In the course of our valuation, we have not attributed commercial value to the completed building without any title certificate and the CIP of which the construction work has been suspended over two years up till now. However, we are of the opinion that the market value of the property in its existing state as at the valuation date (including land use rights, completed building and the CIP) would be RMB286,013,000 under the following special assumptions:
   a. the completed portion (mentioned in note 5) can pass the fire inspection acceptance, and there are no technical or legal obstacles to obtain the Construction Work Completion and Inspection Acceptance Certificate and the Real Estate Title Certificate;
   b. all relevant procedures and permits required for continuing construction of CIP portion (mentioned in note 6) in accordance with the existing development scheme can be proceeded and obtained legally without any technical and legal obstacles; and
   c. the property could be freely transferred by Nanning Tidal Aluminium.
9. The market value of the subject land use rights on clear site state as at the valuation date would be RMB34,790,000.
10. The notional apportionment of the value stated in note 8 is as follows:

Item	Apportionment of Value (RMB)
Completed Building (excluding land)	30,704,000
CIP (excluding land)	220,519,000
Land use rights of the subject land parcels	34,790,000
Market value under special assumptions	**286,013,000**

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We would like to point out that in their existing state, the land and building (completed building and CIP) element of the property exist as a unique and inseparable entity. Any split of value between the elements is a notional apportionment and the resultant figures may not represent the market value of either the land use rights or building element of the property.

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Photos of the Property

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JLL China Valuation
WeChat Account

ZhenLiang
WeChat Account

TECH PARTNER

RICS China Tech Partner
Website: www.zhenliang.com

About Zhenliang

Zhenliang – RICS Tech Partner in China - is a CRE cashflow modeling and valuation solution developed by JLL China Valuation & Advisory Services, dedicated to creating a digital solution for investors and real estate professionals. It automates DCF modeling and increase efficiency.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of SHS Holdings Ltd. (the "**Company**") will be held at 19 Tuas Avenue 20, Singapore 638830 on 29 May 2025 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications the following ordinary resolutions.

Shareholders should note that Ordinary Resolution 2 set out in this Notice of EGM is conditional upon the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 is not approved by Shareholders, Ordinary Resolution 2 will not be passed.

*All capitalised terms used in this Notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 13 May 2025 (the "**Circular**") in relation to the Proposed Acquisition and the Proposed Business Diversification.*

ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITION

IT IS RESOLVED THAT:

(a) approval be and is hereby given for the Company to enter into the Proposed Acquisition pursuant to the terms and conditions of the SPA, the principal terms of which are set out in the Circular, and the Company's entry into the SPA be and is hereby ratified, approved and confirmed;

(b) the Directors or any one of them be and are hereby authorised and directed to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, to approve any amendment, alteration or modification to any documents and deeds relating to the Proposed Acquisition, and to waive any term and/or condition of the SPA, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit; and

(c) to the extent that any action in connection with the Proposed Acquisition has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

ORDINARY RESOLUTION 2

THE PROPOSED BUSINESS DIVERSIFICATION

IT IS RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolution 1:

(a) approval be and is hereby given for the diversification of the Group's business into the precision aluminium manufacturing and aluminium recycling business and to include the New Business as additional core businesses of the Group;

(b) the Company be and is hereby authorised to invest in, purchase, acquire or dispose of, from time to time, any such assets, investments and shares or interests in any entity that is in the New Business on such terms and conditions as the Directors deem fit, and the Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; and

(c) the Directors or any one of them be and are hereby authorised and directed to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any documents and deeds relating to the Proposed Business Diversification, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

BY ORDER OF THE BOARD

For and on behalf of the Board of
SHS Holdings Ltd.

Ng Han Kok, Henry
Executive Director and Group Chief Executive Officer
13 May 2025

Notes:

1 The EGM will be held in a wholly physical format. There will be no option for Shareholders to participate virtually.

2 This Notice of EGM, together with the instrument appointing a proxy(ies) ("**Proxy Form**") and the Circular, will be sent to Shareholders by electronic means via publication on the Company's corporate website at the URL http://shsholdings.com.sg/ir_newsroom.html and also made available via SGXNet at the URL https://www.sgx.com/securities/company-announcements. Printed copies of this Notice of EGM, the Proxy Form and the Circular will also be sent by post to Shareholders.

3 Shareholders may participate in the EGM by:

(a) attending the EGM in person;

(b) raising questions at the EGM or submitting questions in advance of the EGM; and/or

(c) voting at the EGM (i) themselves personally; or (ii) through their duly appointed proxy(ies)/corporate representative(s).

4 For avoidance of doubt, investors who hold Shares through the Central Provident Fund ("**CPF**") or the Supplementary Retirement Scheme ("**SRS**") (collectively, "**CPF/SRS Investors**"), will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the EGM) to vote at the EGM on their behalf.

CPF/SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 5.00 p.m. on 19 May 2025, being seven (7) working days prior to the date of the EGM.

5 A Shareholder who is not a relevant intermediary is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than two (2) proxies, the appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

6 A Shareholder can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory. If a Shareholder wishes to appoint the Chairman of the EGM as proxy, such Shareholder (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the Proxy Form appointing the Chairman of the EGM as proxy. In the absence of specific direction as to voting or abstentions from voting in respect of a resolution in the Proxy Form, the Chairman of the EGM will vote or abstain from voting at his/her discretion.

7 The Proxy Form must be submitted to the Company in the following manner:

(a) if in hard copy by post, be lodged at the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

(b) if by email, be received at proxyform@shsholdings.com.sg,

in either case, no later than 11.00 a.m. on 27 May 2025.

8 The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one (1) instrument appointing a proxy(ies)).

9 In the case of a Shareholder whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), the Company may reject any instrument appointing himself/herself/itself or the Chairman of the EGM as proxy that is lodged if such Shareholder is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for the EGM, as certified by CDP to the Company.

10 The Chairman of the EGM, as a proxy, need not be a member of the Company.

11 Shareholders may submit questions relating to the business of the EGM, in advance of the EGM, in the following manner by 5.00 p.m. on 21 May 2025:

(a) in hard copy by post to the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

(b) by email to meetings@shsholdings.com.sg.

The Company will endeavour to address all substantial and relevant questions received in advance from Shareholders by the 21 May 2025 deadline, by way of an announcement released via SGXNet at the URL https://www.sgx.com/securities/company-announcements and on the Company's website on http://shsholdings.com.sg/ir_newsroom.html by 24 May 2025.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

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PROXY FORM

SHS HOLDINGS LTD.
(Company Registration No. 197502208Z)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. A relevant intermediary may appoint more than two (2) proxies to attend the Extraordinary General Meeting of the Company ("**EGM**") and vote (please see note 2 for the definition of "relevant intermediary").
2. This proxy form is not valid for use by investors holding shares in the Company through a relevant intermediary and such investors, including investors holding shares in the Company through the Central Provident Fund or the Supplementary Retirement Scheme (the "**CPF/SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them. This proxy form may also be accessed at the URL https://www.sgx.com/securities/company-announcements and the Company's website at URL http://shsholdings.com.sg/ir_newsroom.html.

I/We,______________________________________ (Name)

______________________________ (*NRIC/Passport No./Company Registration No.)

of ______________________________________ (Address)

being a *member/members of **SHS Holdings Ltd.** (the "**Company**"), hereby appoint:

Name	***NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	***NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the EGM as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held at 19 Tuas Avenue 20 Singapore 638830 on 29 May 2025 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against, or to abstain from voting on, the ordinary resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion on any matter arising at the EGM and at any adjournment thereof.

No.	**Resolution relating to:**	**For****	**Against****	**Abstain****
1.	The Proposed Acquisition			
2.	The Proposed Business Diversification			

*Voting will be conducted by poll. **If you wish to exercise all your votes 'For', 'Against' or 'Abstain', please tick (√) within the box provided. Alternatively, you may indicate the number of Shares that you wish to vote for, against and/or abstain from voting for the resolution in the relevant box.*

Dated this ________ day of ____________________ 2025.

Total number of Shares in:	**No. of Shares**
CDP Register	
Register of Members	

____

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

**Delete where inapplicable*

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A Shareholder who is not a relevant intermediary (as defined under Section 181 of the Companies Act 1967 of Singapore) is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her/its stead. A proxy need not be a Shareholder.

3. Where a Shareholder appoints two (2) proxies, he/she/it shall specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A Shareholder who is a relevant intermediary is entitled to attend the EGM and vote, and is entitled to appoint more than two (2) proxies to attend and vote in his/her/its stead, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than two (2) proxies, the appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed.

5. Completion and return of this instrument appointing a proxy shall not preclude a Shareholder from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company at 19 Tuas Avenue 20, Singapore 638830; or

   (b) if by email, be received at proxyform@shsholdings.com.sg,

   in either case, no later than 11.00 a.m. on 27 May 2025.

7. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment) (such as in the case where the appointor submits more than one (1) instrument appointing a proxy(ies)). In addition, in the case of Shareholders whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if the Shareholder, being the appointor, is not shown to have Shares entered against his/her/thei name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 13 May 2025.

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