

CONNECTED TRANSACTIONS

OVERVIEW

Upon [REDACTED], certain transactions between our Group and our connected persons will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSON

Our Company has entered into agreements with the following connected persons, the transactions contemplated under such agreements will constitute our continuing connected transactions upon [REDACTED]:

<u>Name of our connected person</u>	<u>Connected relationship</u>
CRF	CRF is owned as to 50% by Mr. Sun, who is a controlling shareholder and a non-executive Director of the Company, and 50% by his spouse. Accordingly, CRF is a connected person of the Company under Rule 14A.12(1)(c) of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Following the [REDACTED], the following transactions will be regarded as continuing connected transactions subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules following the [REDACTED].

Service Framework Agreement

Principal Terms

During the Track Record Period, CRF, as main contractor of Sunbeam, and Sunbeam, as sub-contractor of CRF, entered into certain work orders to provide M&E engineering works and services to CRF and we expect such subcontracting arrangements to continue after [REDACTED]. As at the Latest Practicable Date, there are certain work orders entered into between CRF and Sunbeam for the supply and installation of M&E engineering works in respect of construction projects situated at Singapore (collectively, the “**Relevant Work Orders**”).

On [REDACTED], we entered into the service framework agreement with CRF (the “**Service Framework Agreement**”), pursuant to which our Group may, from time to time, provide certain M&E engineering works and services to CRF as part of its ordinary course of business. The Service Framework Agreement has an initial term commencing on the [REDACTED] and ending on 31 December 2028, and may be renewed as the parties may mutually agree, subject to the compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

The transactions contemplated under the Service Framework Agreement are conducted on normal commercial terms and in the ordinary and usual course of business of our Group. The precise scope of service, service fee calculation, method of payment and other details of the subcontracting arrangements will be agreed between the relevant parties separately.

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Pricing Policy

The service fees payable by CRF to our Group under the Relevant Work Orders have been determined through arm’s length negotiations between the parties, taking into account a number of factors, including but not limited to the scope and complexity of the M&E engineering works, the project specifications, the labour and material requirements, the duration of the project, and the prevailing market rates for similar M&E engineering works in Singapore. In determining the pricing, our Group will assess the cost involved with reference to the scale, complexity and timing, where appropriate, to ensure that the terms are on normal commercial terms or better. The pricing is also determined with reference to the historical fees charged by our Group for similar M&E engineering projects and prevailing market benchmarks for comparable services. Our Group confirmed the terms offered under the Relevant Work Orders are no more favourable than those available to Independent Third Parties. The transactions contemplated under the Relevant Work Orders have been and will be conducted in the ordinary and usual course of business of our Group, on an arm’s length basis and on normal commercial terms or better.

Reasons for the transaction

Taking into account (i) our Group’s established expertise and track record in providing M&E engineering services; and (ii) the stable and ongoing working relationship between CRF and our Group, the Directors consider that the entering into of the Relevant Work Orders enables our Group to secure a stable stream of project revenue and participate in construction projects undertaken by CRF. In addition, the long-standing cooperation between CRF and our Group facilitates efficient coordination and execution of project works, allowing the Group to deliver M&E engineering services in a timely and cost-effective manner. Accordingly, the Directors consider that the transactions contemplated under the Relevant Work Orders are beneficial to the business development of the Group.

Historical Transaction Amounts

The aggregate transaction amounts arising from the provision of M&E engineering works by Sunbeam to CRF for the financial years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 were approximately S\$2.2 million, S\$3.2 million, S\$8.1 million and S\$4.8 million, respectively.

Annual Caps on Future Transaction Amount

It is expected that the maximum annual transaction amounts payable by CRF to Sunbeam for the provision of M&E engineering works pursuant to the Relevant Work Orders for the financial years ending 31 December 2026, 2027 and 2028 will not exceed S\$8.0 million, S\$7.0 million and S\$7.0 million, respectively.

In arriving at the above annual caps, our Directors have considered (i) the terms and conditions of the Relevant Work Orders which will continue after [REDACTED]; (ii) the status of the existing projects and projects in the pipeline; (iii) the number of projects from CRF which our Group anticipates to tender; and (iv) the historical transactions with Independent Third Parties and CRF which our Group engaged to provide similar services.

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Listing Rules Implications

As the highest applicable percentage ratio in respect of each of the caps will, on an annual basis, be more than 5% and the total consideration is more than HK\$10,000,000, such transactions will, upon [REDACTED], in the absence of a waiver be subject to announcement, reporting, annual review, circular and independent Shareholder’s approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATIONS FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the non-exempt continuing connected transactions described in this section will be carried out on a continuing basis and will extend over a period of time, the Directors consider that strict compliance with the announcement and/or circular and independent Shareholders’ approval requirements under the Listing Rules would be impractical and unduly burdensome and would impose unnecessary administrative costs upon the Company. Accordingly, the Company has applied for, [and the Stock Exchange has granted,] a waiver under Rule 14A.105 of the Listing Rules to exempt the transactions set out in “— 2. Service Framework Agreement” from strict compliance with the announcement, circular and independent Shareholders’ approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules for the three years ending 31 December 2028. The Company will, however, comply at all times with the other applicable provisions under Chapter 14A of the Listing Rules in respect of these non-exempt continuing connected transactions (i.e. announcement, reporting and annual review requirements). In addition, the Company confirms that it will comply with the applicable requirements under the Listing Rules and will promptly inform the Stock Exchange if any of the proposed annual caps set out in this section are exceeded, or if there is any material change to the terms of the non-exempt continuing connected transactions described in this section.

CONFIRMATION FROM THE DIRECTORS AND THE SOLE SPONSOR

The Directors (including the independent non-executive Directors) are of the view that the non-exempt continuing connected transactions described in this section have been and will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, that are fair and reasonable and in the interests of the Group and the Shareholders as a whole, and that the proposed annual caps for the non-exempt continuing connected transactions described in this section are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Sole Sponsor has reviewed the relevant information and historical figures prepared and provided by the Company relating to the non-exempt continuing connected transactions described in this section, and have obtained confirmations from the Company. Based on the Sole Sponsor’s due diligence, the Sole Sponsor is of the view that the non-exempt continuing connected transactions described in this section have been and will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the proposed annual caps for the non-exempt continuing connected transactions described in this section are fair and reasonable and in the interests of the Company and the Shareholders as a whole.