

22 April 2024

The Board of Directors
Chuan Holdings Limited
2102-03, 21/F, 299 QRC
287-299 Queen's Road Central, Hong Kong

Dear Sir/Madam,

Valuation Services in relation to Market Value of Hulett Construction (S) Pte. Ltd.

In accordance with the instructions from Chuan Holdings Limited (the “**Company**”), we have been engaged by the Company to assist to determine the following subject of valuation (the “**Subject of Valuation**”) as at 30 November 2023 (the “**Valuation Date**”).

- Valuation of Hulett Construction (S) Pte. Ltd. (“**Hulett Construction**”) as at the Valuation Date for transaction reference purpose.

Our analyses are substantially based on the information provided to us by the existing management of the Company (the “**Management**”). It is our understanding that our analyses, and the subsequent appraised estimation of Market Value (as defined in the section Standard and Basis of Value), will be used by the Management solely for their purpose of transaction reference. Our analyses were conducted for the above stated purpose. As such, this report should not be used by the Company for any other purpose other than those that are expressly stated herein without our expressed prior written consent.

Our work was subject to section Statement of Limiting Conditions as described till the end of this report. The basis of value follows the definition of Market Value as stipulated in the International Valuation Standard (“**IVS**”) published by the International Valuation Standards Council, premised on the Subject of Valuation being a “Highest and Best Use” basis.

The approaches and methodologies used in our work did not comprise an examination to ascertain whether Hulett Construction's presented financial information were constructed in accordance with generally accepted accounting principles. The objective of the aforesaid examination is of course to determine whether existing current financial statements or other financial information, historical or prospective, which are provided to us by the Management, are being expressed as a fair presentation of Hulett Construction's financial condition. As such, we express no opinion and accept no responsibility on the accuracy and/or completeness of the historical and projected financial information of Hulett Construction, and of the marketing materials or other data provided to us by the Management.

Our conclusion on Market Value do not constitute nor shall they be construed to be an investment advice or an offer to invest. Prior to making any decisions on any investments, a prospective investor should independently consult with their own investment, accounting, legal and tax advisers to critically evaluate the risks, consequences, and suitability of such investment.

SCOPE AND PURPOSE OF ENGAGEMENT

We were engaged by the Management to assist to determine the Market Value of the Subject of Valuation as at the Valuation Date. It is our understanding that our analysis will be used by the Management solely for their transaction reference purpose.

It is understood that the valuation result may be referenced or inserted in full in the public document of the Company.

STANDARD AND BASIS OF VALUE

This valuation was prepared on the basis of Market Value. In accordance with IVS, Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The IVS details the general guideline on the basis and valuation approaches used in valuation.

PREMISE OF VALUE

Premise of value relates to the concept of valuing a subject, i.e., a business, in a manner which would generate the greatest return to the owner, taking account what is physically tangible, financially feasible, and legally permissible. Premise of value includes the following scenarios:

- **Highest and Best Use:** is the use that would produce the highest and best use for an asset, and it must be financially feasible, legally allowed and result in the highest value;

- **Current Use/Existing Use:** is the current way an asset, liability, or group of assets and/or liabilities is used, maybe yet not necessarily the highest and best use;
- **Orderly Liquidation:** describes the value of a group of assets that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser(s), with the seller being compelled to sell on an as-is, where-is basis; and
- **Forced Sale:** is in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence.

After having reviewed all background and financial information and taken into consideration all relevant facts, valuation of Market Value of the Subject of Valuation should be prepared on a “Highest and Best Use” basis.

LEVEL OF VALUE

Current valuation theories suggest that there are at least four basics “levels” of value applicable to a business or business interest. The four most common levels of value are as follows:

- **Controlling Interest:** Value of the controlling interest of a business, always evaluate an enterprise as a whole;
- **Non-controlling Interest:** Value of the non-controlling interest of a business;
- **As if Freely Tradable Interest:** Value of a business that or business interest that enjoys the benefit of market liquidity; and
- **Non-marketable Interest:** Value of a business or business interest that lacks market liquidity.

After having reviewed all background and financial information and take into consideration all relevant and objective facts, we reasonably believe Subject of Valuation should be valued and reported in this valuation as a Controlling Interest and Non-marketable Interest.

SOURCES OF INFORMATION

Our analysis and conclusion of opinion on value were based on continued discussions with, and having obtained pertinent key documents and records provided by the Management, and conducted certain procedures including but not limited to:

- Obtained audited financial reports of Hulett Construction for the year ended 31 December 2020, 31 December 2021 and 31 December 2022;

- Obtained management account of Hulett Construction for the period ended 30 November 2023;
- Obtained the lease liabilities schedule of Hulett Construction as at 30 November 2023;
- Obtained floor plan of the property at 20 Senoko Drive, Singapore 758207 held by Hulett Construction (the “**Property**”);
- Obtained the list of tenancy schedule of the Property as at 1 December 2023;
- Obtained sample lease agreements of the lessee of the Property;
- Obtained land title search of the Property;
- Obtained property tax bill of the Property for the year 2023; and
- Obtained land lease agreement of the land on which the Property situated.

We have also relied upon publicly available information from sources in capital markets, including industry reports, news and various databases of publicly traded companies.

ECONOMIC OVERVIEW

To substantiate the economic background of the country where the Subject of Valuation is located at, we have reviewed the economic condition of Singapore where the Subject of Valuation will derive its future income from.

Overview

Singapore’s economy is characterised by excellent finances and a high degree of openness, with the country being highly dependent on international trade. In 2019, mainly due to the trade war between the US and China and to a cyclical global downturn in the electronics sector, Singapore’s gross domestic product (“**GDP**”) grew 1.3% in 2019, the worst slowdown in 10 years at the time. During the COVID-19 pandemic, the country registered a negative GDP growth of -5.4% in 2020 before a strong rebound at +7.6% in 2021 and a slow down at 3% in 2022. The latest International Monetary Fund (“**IMF**”) forecast is expecting a 2.3% rate in 2023 and 2.6% in 2024, subject to the post-pandemic global economic recovery. Growth factors include Singapore business-friendly regulatory system and 184.8% of GDP in exports and domestic demand.

The country's government balance dived to -7.9% of GDP due to the impact of the COVID-19 pandemic on public spending, before a come back to -2.3% in 2021 and -0.5% in 2022. It is expected to remain at -0.5% in 2023 and to come back in positive territory at +0.6% in 2024 (IMF, October 2022). Singapore's gross debt remained high at 159.9% and 141.1% of GDP in 2021 and 2022 respectively, and is projected to remain at 140% in 2023 and 139.9% in 2024. Inflation was negative in 2020 (-0.2%) before reaching 2.3% in 2021 and 5.5% in 2022. The IMF is forecasting inflation of 3% in 2023 and 2% in 2024. The Monetary Authority of Singapore is expected to maintain its policy in 2023. Economic challenges include slower exports due to Chinese economic slowdown, the U.S.-China trade war, decreasing global demand for electronics (19.7% of exports), a lagging construction sector, and a tight monetary policy, according to Coface.

Although per capita wealth in Singapore is amongst the highest in the region, unemployment has appeared due to structural economic changes (outsourcing of low-skilled work) and the COVID-19 crisis. Singapore's annual average unemployment rate reached 2.7% in 2021 and 2.1% in 2022, and is expected to remain at 2.1% in 2023 and 2024 (IMF, October 2022). Singapore ranked the best country in the world in human capital development in 2021 (World Bank, 2022). Social challenges include rising income inequality and social discontent caused by overpopulation, high competition for employment and housing, lack of skilled labour, an ageing population, and distrust towards immigration.

In 2023, the country's most immediate challenge will be to navigate the volatile international context, facing steep challenges against a backdrop of the persistent health and economic overhang of a global pandemic and a war in Europe, a cost-of-living crisis caused by persistent and broadening inflation pressures, and the slowdown in China.

Real GDP Annual Growth Rate and Inflation Forecast of Singapore

| | 2022A | 2023F | 2024F | 2025F | 2026F |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Real GDP Annual Growth Rate (%) | 3.6 | 1.0 | 2.1 | 2.5 | 2.5 |
| Inflation (%) | n/a | 5.5 | 3.5 | 2.5 | 2.0 |

Source: World Economic Outlook Database (October 2022), IMF

INDUSTRY SECTORS

Singapore's economy is based on electronics, petrochemicals, trade, finance, and business services. The agricultural sector is almost non-existent except for cultivation of orchids, vegetables and fish for aquariums. Its contribution to GDP (close to 0%) and employment (close to 0%) is negligible (World Bank, 2023), although the country intends to increase food resilience by developing a new aquaculture centre. The sector is registering regular growth rates since 2019. Singapore does not have mineral resources.

Singapore's economy is highly industrialised. The industrial sector represented 24.9% of GDP and employed over 15% of the active population in 2022 (World Bank, 2023). Electronics and petrochemicals dominate the industry, which also includes biomedical sciences, logistics, and transport engineering (GuideMe Singapore).

The services sector contributed over 70% of GDP and employed over 84.1% of the active population in 2022 (World Bank, 2023). It is dominated by trade, business services, transportation, communications and financial services. As a regional commercial hub, the Port of Singapore is one of the most important in the world. It ranks second in total volume of container transshipment traffic after Hong Kong. The growth in transport and storage services, health and social services sectors did not compensate the decline in the recreation and personal services, and the education services.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023, the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024 (IMF, April 2023). The impact of the 2022 world events appears to have affected both sides of most sectors and markets in this country for the third year in a row – demand disruptions having run up against supply problems – making the short-term outlook uncertain for agriculture, industry and service sectors.

Breakdown of Economic Activity By Sector in Singapore

| | Agriculture | Industry | Services |
|--|-------------|----------|----------|
| Employment By Sector (% of Total Employment) | 0.3 | 14.4 | 85.3 |
| Value Added (% of GDP) | 0.0 | 24.2 | 70.9 |
| Value Added (Annual % Change) | -7.7 | 2.9 | 4.6 |

Source: World Bank (2023)

FOREIGN TRADE

Singapore's trade represented 338% of its GDP in 2022 (World Bank, 2023). The country ranks the 15th importers and the 15th exporters of the world (WTO, 2023). Main exports include electronic integrated circuits and micro assemblies, electrical machinery and equipment, mineral fuels followed by chemicals, optical and medical equipment, transportation, business services, travel and financial services. Imports, on the other hand, were led by integrated circuits, refined petroleum, electrical machinery and equipment, turbo-jets and turbo-propellers, business services, transportation, travel, royalties and license fees. The IMF is forecasting a increase of 4.3% in the volume of exports of goods and services of the country in 2023, after an increase of 6.5% in 2022, and an increase of 5.2% of its imports, after an increase of 8.4% in 2022.

Main export destinations include China (16% of all exports in 2022), Hong Kong (14%), the United States (9.1%), Malaysia (9.7%) and Indonesia (6.6%), while most imports arrived from China (15%), Malaysia (15%), the United States (11%), Japan (6.1%) and Indonesia (4.3%). The greatest risk to Singapore trade was the U.S. exit from the Trans-Pacific Partnership in January 2017; however, a formal signing ceremony excluding the U.S. was held in March 2018. Trade and exports also fell between 2019 and 2021 due to global trade tension, weakening demand for electronics and the COVID-19 pandemic. On 15 November 2020 Singapore has signed the Regional Comprehensive Economic Partnership (“**RCEP**”) with 14 other Indo-Pacific countries. This free trade agreement is the largest trade deal in history, covering 30 per cent of the global economy. It includes the Association of Southeast Asian Nations (ASEAN: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) and ASEAN's free trade agreement partners (Australia, China, India, Japan, New Zealand and Republic of Korea). The RCEP covers goods, services, investment, economic and technical cooperation. It also creates new rules for electronic commerce, intellectual property, government procurement, competition, and small and medium sized enterprises.

According to WTO data in 2021, exports of goods amounted to USD 457.35 billion and imports reached USD 406.22 billion. With regard to services, Singapore exported USD 229.55 billion USD worth of services and imported USD 223.35 billion. The strategy adopted by the country is to promote exports while minimising barriers to imports. Singapore has signed the Asian Free Trade Area agreements (AFTA in the ASEAN context), the Trans-Pacific Partnership (TPP) and several bilateral agreements. All customs duties between Singapore and the E.U. are expected to disappear once the European Union-Singapore Free Trade Agreement is ratified by both countries.

Foreign Trade Forecasts of Singapore

| | 2023F | 2024F | 2025F | 2026F | 2027F |
|---|-------|-------|-------|-------|-------|
| Volume of exports of goods and services (Annual % Change) | 5.6 | 9.8 | 4.5 | 3.9 | 3.7 |
| Volume of imports of goods and services (Annual % Change) | 6.7 | 11.3 | 5.2 | 4.5 | 4.3 |

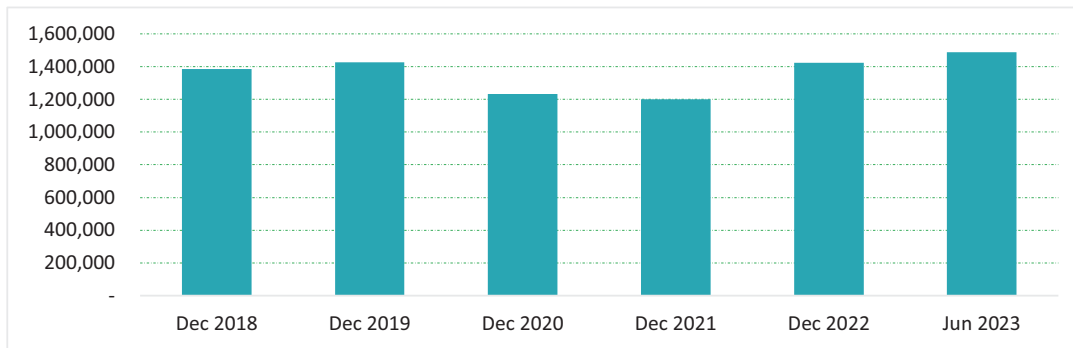
Source: World Economic Outlook Database (October 2022), IMF

INDUSTRY OVERVIEW

Industrial complex development refers to the development of industrial complexes, which are areas where multiple industries are located in close proximity to each other. Singapore's industrial complex development industry is a key contributor to the country's economy, accounting for 22% of Singapore's GDP in 2021. The industry is supported by the Economic Development Board, which aims to uplift companies in Singapore and create new jobs through research and development, deep tech innovation, extensive digitalisation, and environmental sustainability. In Singapore, the development of industrial complexes and workers' dormitories are regulated by the Urban Redevelopment Authority ("URA"). The URA has specific guidelines for the construction of workers' dormitories within industrial or warehouse developments.

The dormitory construction and operations industry in Singapore has experienced significant growth and transformation over the past decade, driven by the country's robust economic development, increased globalisation, and a burgeoning demand for labour in various sectors. This industry plays a pivotal role in providing accommodations for the workforce, particularly for the influx of foreign workers who contribute to the diverse and dynamic labour market of Singapore. As the country continues to be a regional hub for industries such as construction, manufacturing, and services, there is an escalating need for affordable and efficient housing solutions for the workforce. Dormitories, catering specifically to the needs of foreign workers, have become indispensable in meeting this demand.

Foreign workforce numbers of Singapore between 2018 and 2023



Source: Ministry of Manpower, Singapore

The industry operates within a comprehensive regulatory framework set by the Singaporean government. Regulations governing dormitory construction and operations are designed to ensure the well-being, safety, and living standards of the residents. The Ministry of Manpower (“**MOM**”) and other relevant authorities have implemented stringent guidelines to govern the construction, maintenance, and management of dormitories.

In October 2023, MOM announced that they will be transitioning around 1,000 existing Purpose-Built Dormitories (“**PBDs**”) and Factory Converted Dormitories to improved interim standards under the Dormitory Transition Scheme (“**DTS**”) by 2030. The DTS will strengthen public health resilience in migrant workers dormitories against future disease outbreaks by improving their ability to reduce the spread of infectious diseases. The dormitories under the DTS will subsequently move to the New Dormitory Standards (“**NDS**”) by 2040. The DTS is part of MOM’s multi-year efforts to uplift migrant workers housing resilience and improve living conditions for dormitory residents. These include the NDS announced in September 2021 and the expansion of the regulatory coverage of the Foreign Employee Dormitories Act from 1 April 2023 to cover about 1,500 dormitories with seven or more beds. MOM will also drive innovation in health resilience and livability through two upcoming PBDs that are built and owned by MOM, and operated by a corporate entity in partnership with the private sector.

In conclusion, the dormitory construction and operations industry in Singapore is a critical component of the nation’s economic landscape. Its growth is intrinsically tied to Singapore’s status as a global business hub, attracting a diverse workforce. With a commitment to regulatory compliance, innovation, and adaptability, the industry is poised for continued success in meeting the evolving accommodation needs of Singapore’s dynamic workforce.

COMPANY OVERVIEW

Chuan Holdings Limited

Chuan Holdings Limited is a listed company in Stock Exchange of Hong Kong (1420.HK). The Company is a Singapore-based investment holding company. Its segments include earthworks and ancillary services, and general construction works. The earthworks and ancillary services include land clearing, demolition, rock breaking, mass excavation, deep basement excavation, foundation excavation, earth disposal, earth filling and shore protection. The general construction works include alteration and addition works, which are classified into interior works or works affecting building systems or components such as structural works, additions of lifts and reinforcement works, and the construction of new buildings.

Hulett Construction (S) Pte. Ltd.

Hulett Construction (S) Pte. Ltd. is a company incorporated in Singapore with limited liability, which is owned as to 65% by Mr Lim Kui Teng (“**Mr. Lim**”) and 35% by Ms Yee Say Lee. Its principal business activity is investment holding. Its principal asset is the Property as at the Valuation Date.

The Property

The Property is the piece of leasehold industrial land held under Private Lots Nos A2163000 and A2163001, also known as Government Survey Lot No 1808L Mukim 13 and situated at 20 Senoko Drive, Singapore 758207. The Property comprises a nine-storey industrial building with ancillaries and facilities erected on a site with site area of approximately 8,638.7 sq.m. completed at around 2016. The Property has a total gross floor area of approximately 21,596.75 sq.m.. The Property is held under the lease entered into between JTC Corporation and Hulett Construction with a tenure of 30 years commencing on 16 September 2012.

VALUATION METHODOLOGY OVERVIEW

The valuation of any asset can be broadly classified into one of the three approaches, namely the cost approach, the market approach and the income approach. In any valuation analysis, all three approaches must be considered, and the approach or approaches deemed most relevant will then be selected for use in the analysis of that asset.

Cost Approach

This is a general way of determining the economic value of a business, business ownership interest, security, or intangible asset by using one or more methods based on the value of the assets net of liabilities. Value is established based on the cost of reproducing or replacing the property, less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable.

Market Approach

This is a general way of determining the economic value of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have previously been sold.

Value is established based on the principle of comparison. This simply means that if one thing is similar to another and could be used for the other, then they must be equal. Furthermore, the price of two alike and similar items should be approximate to one another.

Income Approach

This is a general way of determining the economic value of a business, business ownership interest, security, or intangible asset by using one or more methods that convert anticipated benefits into a present value amount.

In the income approach, an economic benefit stream of the asset under analysis is selected, usually based on historical and/or forecasted cash flow. The focus is to determine a benefit stream that is reasonably reflective of the asset's most likely future benefit stream. This selected benefit stream is then discounted to present value with an appropriate risk-adjusted discount rate. Discount rate factors often include general market rates of return at the valuation date, business risks associated with the industry in which the company operates, and other risks specific to the asset being valued.

Selected Valuation Approach

| Methodology | Application | Reason |
|--------------------|--------------------|--|
| Cost Approach | Accepted | The principal asset of Hulett Construction would be the Property and its value could be readily determined with reference to the valuation of the Property, recreation of Hulett Construction with substantially the same utility is abled. |
| Market Approach | Rejected | (1) Hulett Construction has not recently been sold in a transaction appropriate for consideration under the basis of value, e.g. recent round of equity financing or recent transfer of shares in Hulett Construction between existing or new shareholder(s) (if any), the transaction price of which would have served as a direct reference of market value; and (2) there is no publicly available information regarding the possible recent observable transactions in substantially similar businesses to Hulett Construction which is a property holding company. |
| Income Approach | Rejected | Reasonable projections of the amount and timing of future income are not available for the Subject of Valuation; and the financial projections require inputs of different assumptions which might inherit uncertainty. |

GENERAL ASSUMPTIONS

A number of general assumptions were established to sufficiently support our conclusion of valuation. The general assumptions adopted in this valuation are:

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the existing political, legal, commercial and banking regulations, fiscal policies, foreign trade and economic conditions in countries/regions where Hulett Construction currently operates in and in new markets that Hulett Construction may potentially expand into as proposed by Management;
- There are no deviations, the aggregate of which when viewed together, may be construed to be a material adverse change in industry demand and/or market conditions;

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the fluctuation of interest rates or currency exchange rates in any country which would be deemed to have a negative impact or the ability to hinder the existing and/or potentially future operations of Hulett Construction;
- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the current laws of taxation in those countries in which Hulett Construction operates in or Hulett Construction may potentially operate in;
- All relevant legal approvals, business certificates, trade and import permits, bank credit approval have been procured, in place and in good standing prior to commencement of operations by Hulett Construction under the normal course of business;
- Revenue projections and future business potential generated from Hulett Construction are expected to largely conform to those as forecasted by the Management;
- Hulett Construction will be able to retain existing and competent management, key personnel and technical staff to support all facets of the ongoing business and future operations; and
- Trademarks, patents, technology, copyrights and other valuable technical and management knowhow will not be infringed in countries/regions where Hulett Construction is or will be carrying on business.

VALUATION OF HULETT CONSTRUCTION

Pursuant to IVS, there are 3 conventional valuations methods under the cost approach, namely replacement cost method, reproduction cost method and summation method. Each of the valuation methods would have its appropriate application. In this valuation, Hulett Construction is an investment holding company having the Property as its principal asset, we considered the summation method which calculates the value of an asset by the addition of the separate values of its component parts would be the most appropriate one.

We adopted summation method in valuation of Hulett Construction. The summation method is also referred to as the underlying asset method, it is typically used for investment companies or entities for which value is primarily a factor of the values of their holdings. The key steps in summation method are valuing each of the component assets that are part of the subject asset using the appropriate valuation approaches and methods and adding the value of the component assets together to reach the value of the subject asset.

Based on the property valuation prepared by us in a separate valuation report (“**Property Valuation Report**”) (refer to Appendix VI), the market value of the Property has been determined. We have further looked into remaining assets and liabilities of Hulett Construction for fair value adjustments. In view of the nature of liquidity of current assets and liabilities, we considered they reflected the fair value and were relatively insignificant to the Property value. We further studied the lease liabilities schedule by checking the incremental borrowing rate, since there has been no change to prime rate published by the Monetary Authority of Singapore since lease inception, we made no adjustment to the lease liabilities. We have also enquired the Management and confirmed that borrowing from Mr Lim is payable on demand and carries no interest, we made no fair value adjustment accordingly. Moreover, we have also obtained loan agreements of non-current liabilities including bridging loan and term loan of DBS Bank Ltd, and we considered the carrying amount should reflect its fair value with respect to the terms and conditions of the loans.

To illustrate the market value of Hulett Construction, excess items including cash and marketable securities, debt, net working capital and non-operating assets and liabilities are required to adjust. Details of determination of market value of Hulett Construction as at the Valuation Date were as follows:

| As at 30 November 2023 | <i>Note</i> | SGD |
|--------------------------------------|-------------|---------------------|
| CURRENT ASSETS | | |
| Trade receivables | | 104,358 |
| Other receivables | | 75,931 |
| Amount due from related parties | | 27,688 |
| Cash and cash equivalents | | <u>587,865</u> |
| TOTAL CURRENT ASSETS | | 795,842 |
| NON-CURRENT ASSETS | | |
| Investment property (incl. ROU-Land) | <i>1</i> | 75,000,000 |
| Property, plant and equipment | | <u>28,758</u> |
| TOTAL NON-CURRENT ASSETS | | 75,028,758 |
| CURRENT LIABILITIES | | |
| Borrowings | | (2,266,500) |
| Amount due to a director | | (4,000,000) |
| Trade payables | | (178,372) |
| Other payables | | (1,388,606) |
| Provision for income tax | | <u>(906,714)</u> |
| TOTAL CURRENT LIABILITIES | | (8,738,192) |
| NON-CURRENT LIABILITIES | | |
| Borrowings | | <u>(14,089,821)</u> |

| As at 30 November 2023 | <i>Note</i> | SGD |
|--|-------------|------------------------------|
| TOTAL NON-CURRENT LIABILITIES | | (14,089,821) |
| Implied equity value before valuation adjustments | | 52,996,587 |
| Less: Discount for Lack of Control (“DLOC”) | 2 | <u> –</u> |
| Implied equity value after DLOC | | 52,996,587 |
| Less: Discount for Lack of Marketability (“DLOM”) | 3 | <u> (1,351,413)</u> |
| Implied equity value after DLOM | | 51,645,174 |
| Market Value of Hulett Construction (rounded) | | <u>51,650,000</u> |

* *Calculation of certain figures are not equal due to rounding*

Note:

1. The investment property including right-of-use asset (land) is adjusted to market value with reference to Property Valuation Report, please refer to corresponding valuation working.
2. DLOC is a valuation adjustment applied to reflect downward adjustment with regard to ability to make decisions and changes resulting from lack of control over the subject asset. In this valuation, the Subject of Valuation is 100% equity interest in Hulett Construction, thus no DLOC was applied.
3. The principal asset held by Hulett Construction is the Property and it has been valued to market value, thus minimal DLOM is applied to reflect the non-listing condition of equity interest. Please refer to below section for details.

DISCOUNT FOR LACK OF MARKETABILITY

DLOM reflects the concept that when comparing otherwise identical assets, a readily marketable asset would have a higher value than an asset with a long marketing period or restrictions on the ability to sell the asset. For example, publicly-traded securities can be bought and sold nearly instantaneously while shares in a private company may require a significant amount of time to identify potential buyers and complete a transaction. Many bases of value allow the consideration of restrictions on marketability that are inherent in the subject asset but prohibit consideration of marketability restrictions that are specific to a particular owner. DLOM may be quantified using any reasonable method, but are typically calculated using option pricing models, studies that compare the value of publicly-traded shares and restricted shares in the same company, or studies that compare the value of shares in a company before and after an initial public offering.

To estimate the DLOM applicable to Hulett Construction, which can be characterised as an asset holding company, we adopt the observed DLOM from close-end funds. A closed-end fund, like a public company, issues a set number of shares in an initial public offering and trades on an exchange. Its share price is primarily determined by the total value of the assets it holds, and also determined by investor demand and perception on marketability. Thus, closed-end funds can trade at a discount or premium from their net asset values.

In this valuation, we made reference to Pluris DLOM Database, a database studying DLOM from actual transactions in restricted stock private placements. The real estate investment trusts (SIC code 6798) are establishments primarily engaged in closed-end investments in real estate or related mortgage assets operating. We apply filter of real estate investment trusts in Pluris DLOM Database, and we arrive at median DLOM of 2.55% with reference to common stock discounts of list of filtered transactions.

| | |
|------|-------|
| DLOM | 2.55% |
|------|-------|

STATEMENT OF LIMITING CONDITIONS

This valuation report relies upon the following contingent and limiting conditions:

1. We assume no responsibility for the legal matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable.
2. The business interest and subject business assets have been valued free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject business assets or their ownership are assumed to exist.
3. All information provided by the client and others is thought to be accurate. However, we offer no assurance as to its accuracy.
4. Unless stated otherwise in this report, we have assumed compliance with the applicable local laws and regulations.
5. Absent a statement to the contrary, we have assumed that no hazardous conditions or materials exist which could affect the Subject of Valuation or its assets. However, we are not qualified to establish the absence of such conditions or materials, nor do we assume the responsibility for discovering the same.
6. This report may not fully disclose all the information sources, discussions and business valuation methodologies used to reach the conclusion of value. Supporting information concerning this report is on file with our company.
7. The valuation analysis and conclusion of value presented in this report are for the purpose of this engagement only and are not to be used for any other reason, any other context or by any other person except the client to whom this report is addressed.
8. The opinion of value expressed in this report does not obligate us attend court proceedings with regard to the subject business assets, Property or business interests, unless such arrangements have been made previously.
9. Possession of this report does not imply a permission to publish the same or any part thereof. No part of this report is to be communicated to the public by means of advertising, news releases, sales and promotions or any other media without a prior written consent and approval by us.
10. This report is valid only for the date specified herein.

CONCLUSION OF VALUE

In conclusion, based on the analyses as fully described in this valuation report and the valuing methodologies which we have employed, we are of the opinion that the market value of Hulett Construction (S) Pte. Ltd. as at 30 November 2023 is as follows.

| Subject of Valuation | Valuation Result |
|---|-------------------------|
| Market value of Hulett Construction (S) Pte. Ltd. | SGD 51,650,000* |

* *Based on the result of the Property Valuation Report, the Property was valued at SGD 75,000,000.*

The opinion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor any prospective interests in the subject under valuation. Moreover, we have neither personal interests nor any bias with respect to any of the parties involved.

This valuation report is issued subject to our general service conditions.

Yours faithfully,

For and on behalf of

VALTECH VALUATION ADVISORY LIMITED



Jimmy Wong

CPA, CFA, FRM, MFin

Director

INVOLVED STAFF BIOGRAPHY

Jimmy Wong, CPA, CFA, FRM, MFin (Investment Management)

Mr. Wong has been working as a professional consultant on valuation, transfer pricing and tax services. Before joining the statutory valuation field, he had worked as a senior consultant in one of the Big 4 accounting firms since 2010. His consulting experience includes providing extensive valuation and consulting services for private equity investment funds, listed and private firms and state-owned entities for financial reporting, IFRS 9 portfolio valuations, initial public offering, transactions, strategic restructuring, fund raising, litigation and tax compliance purposes.

He has participated in a number of cases of multi-national conglomerates to formulate and model the impacts of their operating activities and tax strategies in the Asia-pacific region. His industry exposure primarily covers the technology and social media, clean energy, financial services, consumer and industrial, utility and infrastructure, forestry and agriculture, and mining sectors. Mr. Wong was inducted as a Lifetime member of the Beta Gamma Sigma Honour Society.

Keith Lui, CFA, FRM

Mr. Lui is a bachelor of science in quantitative finance and risk management science in university and has been working in the professional valuation field since 2013. Mr. Lui has been joining in business valuation industries for private and listed companies for the purposes of financial reporting, initial public offerings, mergers and acquisitions and financing since graduation. The scope of services includes business valuation, intangible asset valuation and financial instruments valuation.

He has participated in many representative projects, such as valuation of metal mining and processing in the PRC, oil and gas extraction in the United States and Canada, logistic hub in Singapore, container port in Brazil and household cleaning products in the United Kingdoms.

Bobby Zhu

Mr. Zhu has valuation experiences in various industries including but not limited to clean energy, manufacturing, utility and infrastructure, mining, etc. Prior to joining Valtech Valuation, he worked in another valuation firm where he participated in many business valuation projects to support clients for the purpose of financial reporting, mergers and acquisitions. He has also gained experiences in performing valuation of projects for State-owned Assets Supervision and Administration Commission of the State Council filing in the PRC. Earlier to that, he worked as Corporate Financial analyst in Sony and Dell and Corporate Auditor in Natuzzi China. Mr. Zhu earned his Financial Management Degree from Shanghai University of Finance and Economics.

GENERAL SERVICE CONDITIONS

The service(s) we provide will conform to the professional appraisal standard. The proposed service fee is not contingent in any way upon our conclusions of value or result. All the data provided to us are assumed to be accurate without independent verification. As an independent contractor, we have and will reserve the right to use subcontractors. Furthermore, we have the right to retain all files, working papers or documents developed by us during the engagement for as long as we wish, which will also be our property.

The report we prepare is prohibited for any other use but only for the specific purpose stated herein. No reliance may be made by any third party on the report or part thereof without our prior written consent. The report along with this General Services Conditions could be shown to the third parties who need to review the information contained herein.

No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including all fees of lawyers, including ours and the parties successfully suing us, to which we may become subject in connection with this engagement except in respect of our own negligence. Your obligation for indemnification and reimbursement shall extend to any of our management and employees, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless the nature of the claim, such liability will be limited to the amount of fees we received for this engagement.

We will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. Meanwhile, we reserve the right to include your company/firm name in our client list.

The conditions stated in this section can only be modified by written documents executed by both parties.