

**CIRCULAR DATED 27 APRIL 2017**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

***Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled “Definitions” of this Circular.***

If you have sold or transferred all your ordinary shares in the capital of Top Global Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

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



**TOP GLOBAL LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 198003719Z)

**CIRCULAR TO SHAREHOLDERS**

**in relation to the**

**VOLUNTARY CONDITIONAL CASH OFFER**

**by**

**Oversea-Chinese Banking Corporation Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 193200032W)

**for and on behalf of**

**SW International Holding Pte. Ltd.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201706223N)

**for all the issued ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by SW International Holding Pte. Ltd.**

***Independent Financial Adviser to the Independent Directors of the Company***



**Stirling Coleman Capital Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200105040N)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 16 MAY 2017 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR. THE OFFER PRICE IS FINAL. THE OFFEROR WILL NOT REVISE THE OFFER PRICE.**



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## DEFINITIONS

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

<b>“Announcement Date”</b>	:	28 March 2017, being the date of the Offer Announcement
<b>“Business Day”</b>	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular dated 27 April 2017 issued by the Company to Shareholders in relation to the Offer (including, <i>inter alia</i> , the Appendices to this Circular) and any other document which may be issued by or on behalf of the Company to amend, revise, supplement or update this Circular from time to time
<b>“Closing Date”</b>	:	5.30 p.m. (Singapore time) on 16 May 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Commencement Date”</b>	:	18 April 2017, being the date of despatch of the Offer Document
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Top Global Limited
<b>“Company Scheme”</b>	:	The Top Global Share Option Scheme 2011
<b>“Company Securities”</b>	:	(i) Shares; (ii) Options; (iii) other securities which carry voting rights in the Company; and (iv) convertible securities, warrants, options, awards or derivatives in respect of any Shares or other securities which carry voting rights in the Company
<b>“Concert Parties”</b>	:	The parties acting or deemed to be acting in concert with the Offeror
<b>“Constitution”</b>	:	The constitution of the Company comprising the memorandum and articles of association of the Company which were in force immediately before phase 2 of the Companies (Amendment) Act 2014 took effect on 3 January 2016
<b>“CPF”</b>	:	Central Provident Fund

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## DEFINITIONS

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<b>“CPF Agent Banks”</b>	:	Agent banks included under the CPFIS
<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS Investors”</b>	:	Investors who purchase Shares using their CPF contributions pursuant to the CPFIS
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“FAA”</b>	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of this Offer Document
<b>“FAT”</b>	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of this Offer Document
<b>“FY”</b>	:	Financial year ended or ending (as the case may be) 31 December of a particular year as stated
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“HM”</b>	:	Mr. Hano Maeloa, Chief Executive Officer and Executive Director of the Company, director of the Offeror, son of SW and brother of MM
<b>“IFA”</b>	:	Stirling Coleman Capital Limited, the independent financial adviser to the Independent Directors in relation to the Offer
<b>“IFA Letter”</b>	:	The letter dated 27 April 2017 from the IFA to the Independent Directors in relation to the Offer, as set out in Appendix I to this Circular
<b>“Independent Directors”</b>	:	The directors of the Company who are considered to be independent for the purposes of the Offer, being Ms. Jennifer Chang Shyre Gwo, Mr. Yeo Chin Tuan Daniel and Dr. Lam Lee G
<b>“Latest Practicable Date”</b>	:	18 April 2017, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended up to the Latest Practicable Date

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## DEFINITIONS

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<b><i>“Market Day”</i></b>	:	A day on which the SGX-ST is open for the trading of securities
<b><i>“MM”</i></b>	:	Ms. Mimi Yuliana Maeloa, Non-Executive Director of the Company, daughter of SW and sister of HM
<b><i>“OCBC Bank”</i></b>	:	Oversea-Chinese Banking Corporation Limited
<b><i>“Offer”</i></b>	:	The voluntary conditional cash offer made by OCBC Bank, for and on behalf of the Offeror, for the Offer Shares on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
<b><i>“Offer Announcement”</i></b>	:	The announcement relating to the Offer released by OCBC Bank, for and on behalf of the Offeror, on the Announcement Date
<b><i>“Offer Document”</i></b>	:	The offer document dated 18 April 2017, including the FAA and FAT, and any other document(s) which may be issued by OCBC Bank for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
<b><i>“Offer Price”</i></b>	:	S\$0.330 in cash for each Offer Share
<b><i>“Offer Shares”</i></b>	:	All Shares, other than those already owned, controlled or agreed to be acquired by the Offeror as at the Announcement Date
<b><i>“Offeror”</i></b>	:	SW International Holding Pte. Ltd.
<b><i>“Offeror Directors”</i></b>	:	The directors of the Offeror as at the Latest Practicable Date, being SW and HM
<b><i>“Offeror Securities”</i></b>	:	(i) shares in the Offeror; (ii) securities which carry substantially the same rights as any Offeror Shares; and (iii) convertible securities, warrants, options, awards or derivatives in respect of any Offeror Shares or other securities which carry voting rights in the Offeror
<b><i>“Option Holders”</i></b>	:	The holders of Options
<b><i>“Options”</i></b>	:	Outstanding options granted to subscribe for new shares under the Company Scheme
<b><i>“Options Proposal”</i></b>	:	The proposal to the Option Holders

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## DEFINITIONS

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<b>“Overseas Shareholders”</b>	:	Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP
<b>“Register”</b>	:	The register of holders of Shares, as maintained by the Registrar
<b>“Share Registrar”</b>	:	Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services)
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company
<b>“SIC”</b>	:	Securities Industry Council of Singapore
<b>“SRS”</b>	:	The Supplementary Retirement Scheme
<b>“SRS Agent Banks”</b>	:	Agent banks included under SRS
<b>“SRS Investors”</b>	:	Investors who purchase Shares pursuant to SRS
<b>“SW”</b>	:	Mdm. Oei Siu Hoa @ Sukmawati Widjaja, Executive Chairman of the Company and director and sole shareholder of the Offeror
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
<b>“UGT”</b>	:	United Glow Trust reg.
<b>“Undertaking Shareholders/Option Holders”</b>	:	SW and HM
<b>“VWAP”</b>	:	Volume-weighted average price
<b>“%” or “per cent”</b>	:	Percentage or per centum

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## DEFINITIONS

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**Acting in Concert.** Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

**Depositor, Depository Agent and Depository Register.** The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have meanings ascribed to them respectively in Section 81SF of the SFA.

**Genders, etc.** Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

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

**Shares.** In this Circular, the total number of Shares is 321,381,399 Shares (excluding treasury shares), and there are 514,200 treasury shares, as at the Latest Practicable Date.

**Rounding.** Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

**Statutes.** Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that modification, as the case may be.

**Subsidiary, Related Corporations.** The expressions “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Any reference to a time of day and date in this Offer Document shall be a reference to Singapore time and date, unless otherwise specified.

**Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular in italics and all capitalised terms and expressions used within these reproduced statements shall have the same meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.**



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## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

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All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “if”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

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## SUMMARY TIMETABLE

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Date of despatch of the Offer Document	:	18 April 2017
Date of despatch of Circular	:	27 April 2017
Closing Date	:	5.30 p.m. (Singapore time) on 16 May 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
Date of settlement of consideration for valid acceptances of the Offer	:	<p>(a) In respect of acceptances of the Offer which are complete in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of that date; and</p> <p>(b) in respect of acceptances which are complete in all respects and are received after the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within seven Business Days of the date of such receipt. Please refer to paragraph 2 of Appendix 1 to the Offer Document for further details.</p>

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## LETTER TO SHAREHOLDERS

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### TOP GLOBAL LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198003719Z)

#### Board of Directors:

Mdm. Oei Siu Hoa @ Sukmawati Widjaja (Executive Chairman)  
Mr. Hano Maeloa (Chief Executive Officer, Executive Director)  
Ms. Jennifer Chang Shyre Gwo (Chief Operating Officer,  
Executive Director)  
Ms. Mimi Yuliana Maeloa (Non-Executive Director)  
Mr. Yeo Chin Tuan Daniel (Non-Executive, Lead Independent Director)  
Dr. Lam Lee G (Non-Executive, Independent Director)

#### Registered Office:

1 Scotts Road, #20-03  
Shaw Centre  
Singapore 228208

27 April 2017

To: The Shareholders of Top Global Limited

Dear Sir/Madam

#### **VOLUNTARY CONDITIONAL CASH OFFER BY OCBC BANK, FOR AND ON BEHALF OF THE OFFEROR FOR THE OFFER SHARES**

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### **1 INTRODUCTION**

#### **1.1 Offer Announcement**

On 28 March 2017, OCBC Bank announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the Shares in the capital of the Company.

A copy of the Offer Announcement is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

#### **1.2 Aggregate holding of Shares by the Offeror and parties acting in concert with the Offeror**

Paragraph 2.3 of the Letter to Shareholders in the Offer Document states that, as at 12 April 2017, being the latest practicable date prior to the printing of the Offer Document:

1.2.1 the Offeror does not own any Shares; and

1.2.2 based on the latest information available to the Offeror, the Concert Parties own, control or have agreed to acquire 248,789,810 Shares in aggregate, representing approximately 77.41 per cent. of the Shares.

Further details on the aggregate holding of Shares by the Offeror and the Concert Parties can be found in Appendix 5 to the Offer Document.

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## LETTER TO SHAREHOLDERS

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### 1.3 Offer Document

Shareholders should have by now received a copy of the Offer Document despatched by the Offeror on the Commencement Date, being 18 April 2017, containing the formal offer by OCBC Bank, for and on behalf of the Offeror, to acquire all the Offer Shares, subject to the terms and conditions set out in the Offer Document.

**Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

### 1.4 Independent Financial Adviser

Stirling Coleman Capital Limited has been appointed as the independent financial adviser to the Independent Directors in relation to the Offer.

### 1.5 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

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

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

## 2 THE OFFER

- 2.1 Based on the information set out in the Offer Document, the Offeror is making the Offer for the Offer Shares subject to the terms and conditions set out in the Offer Document, the FAA and/or the FAT (as the case may be). The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

### **2. TERMS OF THE OFFER**

**2.1 Offer Price.** *For and on behalf of the Offeror, OCBC Bank hereby makes the Offer to acquire all the Offer Shares, in accordance with Section 139 of the SFA and the Code, on the following basis:*

***For each Offer Share: S\$0.330 in cash.***

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

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## LETTER TO SHAREHOLDERS

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**2.2 Offer Shares.** *The Offer is extended to all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror as at the Announcement Date, but including Shares owned, controlled or agreed to be acquired by Concert Parties, and is also extended to all new shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the Closing Date (collectively, the “Offer Shares”).*

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**2.4 Rights and Encumbrances.** *The Offer Shares will be acquired:*

**2.4.1** *fully paid;*

**2.4.2** *free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (“Encumbrances”); and*

**2.4.3** *together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (“Distributions”) declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date.”*

**2.5 Adjustment for Distributions.** *Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Announcement Date.*

*Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date to a Shareholder who validly accepts the Offer (the “Accepting Shareholder”), the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by the Accepting Shareholder falls, as follows:*

**2.5.1** *if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “Books Closure Date”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or*

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## LETTER TO SHAREHOLDERS

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**2.5.2** *if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “Adjusted Offer Price”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.”*

**2.6 Acceptance Condition.** *The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been validly withdrawn) pursuant to the Offer or otherwise acquiring or agreeing to acquire the Shares from the Commencement Date other than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (other than treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date) (the “90 per cent. Acceptance Condition”).*

*Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which, when taken together with the Shares acquired or agreed to be acquired from the Commencement Date, will result in the Offeror holding such number of Shares carrying not less than 90 per cent. of the maximum potential issued share capital of the Company. For the purposes of this Offer Document, the “maximum potential issued share capital of the Company” means the total number of Shares which would be in issue had all new shares issuable pursuant to the exercise of the Options (other than (i) the Options held by SW and HM which are the subject of the Additional Irrevocable Undertakings and (ii) any other Options which are the subject of Option Holders’ acceptances under the Options Proposal) been issued as at the date of such declaration, but excluding any treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date.*

*The Offeror reserves the right to waive the 90 per cent. Acceptance Condition or reduce such condition to a level below 90 per cent. (but in any event above 50 per cent.) of the voting rights attributable to all the Shares, subject to the approval of the SIC. In the event that such revision is made during the course of the Offer, the revised Offer will remain open for at least another 14 days and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight (8) days of the notification of such revision.*

*Save for the 90 per cent. Acceptance Condition, the Offer is unconditional in all other respects.*

### **3. WARRANTY**

*A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date.*

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## LETTER TO SHAREHOLDERS

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- 2.2 Further details of the Offer and the procedures for acceptance may be found in Appendices 1 and 2 of the Offer Document, an extract of which is set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

### **6. DETAILS OF THE OFFER**

**Appendix 1** to this Offer Document sets out further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

### **7. PROCEDURES FOR ACCEPTANCE**

**Appendix 2** to this Offer Document sets out the procedures for acceptance of the Offer.

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#### **APPENDIX 1 – DETAILS OF THE OFFER**

##### **1. Duration of the Offer**

**1.1 First Closing Date.** The Offer is open for acceptance by Shareholders for at least 28 days from the Commencement Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 16 May 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

**1.2 Subsequent Closing Date(s).** If the Offer is extended and:

**1.2.1** is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or

**1.2.2** is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.

**1.3 No Obligation to Extend Offer.** The Offeror is not obliged to extend the Offer if the acceptance condition specified in **Section 2.6** of the Letter to Shareholders in this Offer Document is not fulfilled by the Closing Date.

**1.4 Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances.** In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period ("**Rule 22.6 Period**") of not less than 14 days after the date on which it would otherwise have closed.

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## LETTER TO SHAREHOLDERS

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*This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:*

***1.4.1** the Offeror may not give a Shut-Off Notice in a competitive situation; and*

***1.4.2** the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

*If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **Paragraph 4.2** of this **Appendix 1**, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.*

**1.5 Final Day Rule.** *The Offer (whether revised or not) will not be capable:*

***1.5.1** of becoming or being declared unconditional as to acceptances after 5.30 p.m.*

***1.5.2** of being kept open after 5.30 p.m. (Singapore time) on the 60<sup>th</sup> day after the Commencement Date unless the Offer has previously become or been declared to be unconditional as to acceptances,*

*provided that the Offeror may extend the Offer beyond such 60-day period with SIC's prior consent ("**Final Day Rule**").*

**1.6 Revision.** *The Offeror will not revise the Offer Price. However, pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.*

### 3 OPTIONS PROPOSAL

Paragraph 4 of the Letter to Shareholders in the Offer Document states the following:

*As at the Latest Practicable Date, based on the latest information available to the Offeror, there are 4,165,400 Options to subscribe for an aggregate of 4,165,400 Shares granted under the Company Scheme. Under the rules of the Company Scheme, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options, although, for the avoidance of doubt, the Offer will be extended to all new shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the Closing Date.*

*Instead, the Offeror will make an appropriate options proposal (the "**Options Proposal**") to the holders of the Options ("**Option Holders**"). The Options Proposal will be made on the basis of the "see-through" price of the Options. In other words, the price to be paid for each Option (the "**Option Price**") will be the amount (if positive) of the Offer Price less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Offer Price, the Option Price for each Option will be the nominal amount of S\$0.001.*



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## LETTER TO SHAREHOLDERS

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### 4 IRREVOCABLE UNDERTAKINGS

- 4.1 The following information on the irrevocable undertakings by the Undertaking Shareholders/Option Holders has been extracted from paragraph 10 of the Letter to Shareholders in the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

**10.1 Undertaking Shareholders.** *As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from (i) UGT, whose settler and sole beneficiary is SW, and (ii) HM (collectively, the “**Undertaking Shareholders**”), pursuant to which the Undertaking Shareholders have undertaken to accept the Offer in respect of all Shares held by each of them (the “**Irrevocable Undertakings**”) prior to and up to the close of the Offer. As at the Latest Practicable Date, the Undertaking Shareholders hold in aggregate 248,759,810 Shares, representing approximately 77.40 per cent. of the total number of Shares.*

**10.2 Undertaking Option Holders.** *As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from SW and HM (collectively, the “**Undertaking Option Holders**”), pursuant to which the Undertaking Option Holders have undertaken not to exercise all or any Options held by each of them and to accept the Options Proposal in respect of all Options held by each of them (the “**Additional Irrevocable Undertakings**”) prior to and up to the close of the Offer. As at the Latest Practicable Date, the Undertaking Option Holders hold in aggregate 3,365,400 Options, representing approximately 80.80 per cent. of the total number of Options.*

**10.3 Waiver of Consideration.** *In addition:*

**10.3.1** *pursuant to the terms of the Irrevocable Undertakings, each of the Undertaking Shareholders will also waive the receipt of all of the consideration payable to them for Shares tendered in acceptance of the Offer; and*

**10.3.2** *pursuant to the terms of the Additional Irrevocable Undertakings, each of the Undertaking Option Holders will also waive the receipt of all of the consideration payable to them for Options surrendered in acceptance of the Options Proposal,*

*(collectively, the “**Waiver**”).*

**10.4 Further Details.** *The Irrevocable Undertakings and the Additional Irrevocable Undertakings shall lapse on the date on which the Offer closes, lapses or is withdrawn.*

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## LETTER TO SHAREHOLDERS

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### 5 INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from paragraph 8 of the Letter to Shareholders in the Offer Document and reproduced below:

**8.1 Introduction.** *The Offeror is a private company limited by shares incorporated in the Republic of Singapore on 6 March 2017. Its principal activity is that of investment holding. As at the Latest Practicable Date, the Offeror does not own any Shares.*

....

**8.2 Sole Shareholder of the Offeror.** *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100.00 divided into 100 ordinary shares and is wholly-owned by SW.*

**8.3 Directors of the Offeror.** *As at the Latest Practicable Date, the directors of the Offeror are SW and HM.*

### 6 RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer has been extracted from paragraph 11 of the Letter to Shareholders in the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

**11.1 Compelling Premium.** *The Offer Price represents a premium of approximately 50.0 per cent. over the Company's closing price of S\$0.220 on the Last Trading Day and a premium of 65.0 per cent. over the one (1)-month VWAP of S\$0.200, 65.0 per cent. over the three (3)-month VWAP of S\$0.200, 66.7 per cent. over the six (6)-month VWAP of S\$0.198 and 58.7 per cent. over the twelve (12)-month VWAP of S\$0.208.*

...

*Amidst challenging market conditions in the residential property sector, the Offer therefore represents a cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the historical market prices, without incurring brokerage fees and other trading costs.*

**11.2 Intention to Delist and Privatisise the Company.** *The Offeror is making the Offer with the objective of delisting the Company from the SGX-ST.*

*Based on publicly available information, the Company's projects in Singapore are The Quinn, E Maison and R Maison. As stated in the Company's annual report for the financial year ended 31 December 2016, E Maison and R Maison are subject to the applicable Qualifying Certificate ("QC") rules and approximately 40 per cent. of the 130-unit E Maison and 20 per cent. of the 45-unit R Maison remain unsold. If the Company is not privatised, these units would be subject to QC penalties after March 2018 if they remain unsold by then. The amount to be paid would depend on the number of unsold units then.*

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## LETTER TO SHAREHOLDERS

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*The Quinn will be subject to QC rules by June 2018. However, as stated in the Company's announcement dated 28 March 2017, there was a sale by the Company's subsidiary, Bartley Homes Pte. Ltd., of 17 units in The Quinn (at an aggregate purchase price of S\$25.29 million) to certain other wholly-owned subsidiaries of the Company (the "**Relevant Subsidiaries**"). As a result of the sale, The Quinn will not be subject to QC rules. However, an aggregate amount of approximately S\$4.46 million is payable by the Relevant Subsidiaries as Buyer's Stamp Duties and Additional Buyer's Stamp Duties in connection with the purchase. The Offeror believes that it will be challenging for the Company to avoid making further losses if the Relevant Subsidiaries sell these units in The Quinn over the next three (3) years as any such sale will be subject to applicable Seller's Stamp Duty.*

*If the Company is not privatised, the Offeror believes that, in the event market conditions continue to deteriorate and the Company is unable to sell the remaining unsold units of E Maison and R Maison and the Company makes further losses from sales of units in The Quinn by the Relevant Subsidiaries as aforesaid, the Company may be required to seek alternative avenues of funding, including equity fund raising on the SGX-ST, in order to fund penalty charges which will be incurred for failing to meet the applicable QC deadlines and the bank loan of S\$52.6 million due for repayment on 31 March 2018. The Company's cash and cash equivalents stood at S\$48.4 million as at 31 December 2016.*

- 11.3 Low Trading Liquidity.** *The trading volume of the Shares has been generally low, with an average daily trading volume of approximately 7,305 Shares, 18,390 Shares, 14,367 Shares and 11,075 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period up to and including the Last Trading Day. Each of these represents less than 0.01 per cent. of the total number of Shares for any of the aforementioned relevant periods.*

*Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the historical market prices, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.*

- 11.4 Costs of Maintaining Listing Status.** *In maintaining its listed status, the Company incurs costs associated with complying with the SGX-ST's listing requirements and other regulatory requirements.*

*As a non-listed entity, the Offeror believes that the Company will be able to save on compliance and associated expenses relating to the maintenance of a listed status, as well as management's time and human resources that are committed for such compliance.*

- 11.5 Greater Management Flexibility.** *The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Company and its subsidiaries, optimise the use of its management and resources and facilitate the implementation of any operational change.*

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## LETTER TO SHAREHOLDERS

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### 7 OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror's intentions for the Company has been extracted from paragraph 12 of the Letter to Shareholders in the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

**12.1 The Offeror's Plans for the Company.** *The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business. However, the board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which it may regard to be in the interest of the Offeror.*

**12.2 Listing Status and Trading Suspension.** *Under Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received that bring the holdings of the Shares owned by the Offeror and its Concert Parties to above 90 per cent. of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.*

*Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares (excluding treasury shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, for the percentage of the total number of Shares (excluding treasury shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.*

***In the event the Company does not meet the Free Float Requirement, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted.***

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## LETTER TO SHAREHOLDERS

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**12.3 Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer and/or acquires or agrees to acquire such number of Shares from the Commencement Date otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (excluding treasury shares and other than those Shares already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.

**In such event, the Offeror intends to exercise its right to compulsorily acquire all the Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.**

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of shares of the Company. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90 per cent. threshold under Section 215(3) of the Companies Act does not exclude treasury shares or Shares held by the Offeror, its related corporations or their respective nominees.”

## 8 ADVICE AND RECOMMENDATION

### 8.1 General

Shareholders and Option Holders should read and carefully consider the advice of the IFA to the Independent Directors on the Offer and the Options Proposal, as set out in the IFA Letter, and the recommendation of the Independent Directors before deciding whether to accept or reject the Offer and/or the Options Proposal. The IFA Letter is set out in Appendix I to this Circular.

### 8.2 Exemptions relating to Directors’ Recommendation

The Offeror has furnished the Company with an extract of a letter from SIC dated 24 March 2017 which sets out, *inter alia*, SIC’s ruling that SW, HM and MM are exempted from the requirement to make a recommendation on the Offer to Shareholders and that notwithstanding such exemption, SW, HM and MM must still assume responsibility for the accuracy of the facts stated in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

SW owns 100% of the Offeror and is a director of the Offeror. HM is the son of SW and a director of the Offeror. MM is the daughter of SW. SW, HM and MM are hence parties acting in concert with the Offeror.

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## LETTER TO SHAREHOLDERS

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Save as disclosed above in respect of SW, HM and MM, as at the Latest Practicable Date, all of the Directors consider themselves to be independent for the purposes of making a recommendation on the Offer.

### 8.3 Advice of the IFA to the Independent Directors

The IFA's advice to the Independent Directors in respect of the Offer and the Options Proposal, as extracted from paragraph 10 of the IFA Letter, is set out below and should be read in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meaning as defined in the IFA Letter.

#### **10 RECOMMENDATION AND CONCLUSION**

***Having carefully considered the information available to us, and the analysis set out in this letter, and based upon the industry, market, economic and other relevant considerations as at the Latest Practicable Date, and subject to the qualifications and assumptions made herein, from a financial point of view, we are of the view that the Offer is NOT FAIR BUT REASONABLE.***

*In determining that the Offer is **NOT FAIR**, we have considered the following pertinent factors from the perspective of the value of the Shares:*

- (i) the Offer Price is at a discount of 72.3% to the RNAV per Share of the Group as at 31 December 2016;*
- (ii) the P/RNAV of 0.28x as implied by the Offer Price is below the range of the corresponding ratios of the Comparable Companies; and*
- (iii) the P/RNAV of 0.28x as implied by the Offer Price is below the range of the corresponding ratios of the Precedent Privatisation Transactions.*

*Although we noted that the premiums of 50.0%, 65.0% and 65.0% as implied by the Offer Price over the last transacted price, one-month VWAP and three-month VWAP, respectively is above the median and simple average of the corresponding ratios of the Precedent Privatisation Transactions.*

*In determining that the Offer is **REASONABLE**, we have considered the following pertinent factors other than from the perspective of the value of the Shares:*

- (i) the rationale for the Offer appear to be based on sound commercial grounds;*
- (ii) the declining financial performance of the Group and net losses incurred for FY2016;*



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## LETTER TO SHAREHOLDERS

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- (iii) *the trading volume of the Shares had generally been low in the past 12 months prior to the Announcement Date and ending on the Latest Practicable Date and the Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity;*
- (iv) *the Group's performance ratio was less favourable compared to the Comparable Companies although its debt position was more favourable compared to the Comparable Companies;*
- (v) *the Offeror had stated that it intends to privatise the Company and does not intend to preserve the listing status of the Company and when entitled to, will exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer;*
- (vi) *the Company did not pay any dividend for the last 12 financial years, with the last dividend distribution made in FY2004 and the Directors have confirmed that the Company does not have a fixed dividend policy; and*
- (vii) *there is no publicly available evidence of any alternative offer for the Shares from any third party.*

***Accordingly, on the balance of the above factors, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer to realise their investment in the Company or sell their Shares on the open market if they can obtain a price higher than the Offer Price (after deducting expenses).***

*In respect of the Options Proposal, we note that as the Options Price is calculated on a "see-through" basis, the consideration an Option Holder would receive from accepting the Options Proposal would be the same as if the Option Holder were to convert the Options and accept the Offer. Our advice to Shareholders with respect to the Offer is applicable to Option Holders.*

***Accordingly, we advise the Independent Directors to recommend that Option Holders ACCEPT the Options Proposal or sell their Shares, after exercising their Options, in the open market if they can obtain a price higher than the Offer Price (after deducting expenses).***

***We further recommend that the Independent Directors should advise the Shareholders and Option Holders that Stirling Coleman's opinion should not be relied upon by any Shareholder or Option Holder as the sole basis for deciding where to accept or reject the Offer or the Options Proposal, as the case may be.***

**Shareholders should read and consider carefully the full text of the IFA Letter.**

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## LETTER TO SHAREHOLDERS

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### 8.4 Recommendations of the Independent Directors

The Independent Directors, having carefully considered the terms of the Offer and the Options Proposal and the advice given by the IFA to the Independent Directors in the IFA Letter, set out their recommendation on the Offer and the Options Proposal respectively below:

#### **8.4.1 The Offer**

The Independent Directors concur with the advice of the IFA in respect of the Offer and accordingly recommend that Shareholders **ACCEPT** the Offer or sell their Shares on the open market if they can obtain a price higher than the Offer Price (after deducting expenses).

#### **8.4.2 The Options Proposal**

The Independent Directors concur with the advice of the IFA in respect of the Options Proposal and accordingly recommend that Option Holders **ACCEPT** the Options Proposal or sell their Shares, after exercising their Options, in the open market if they can obtain a price higher than the Offer Price (after deducting the related expenses).

**Shareholders should also note that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares may not be indicative of the future price performance levels of the Shares.**

**Shareholders and Option Holders are advised to read the IFA Letter set out in Appendix I to this Circular carefully before deciding whether to accept or reject the Offer or the Options Proposal, as the case may be. Shareholders and Option Holders should note that the IFA Letter and the recommendation of the Independent Directors should not be relied upon by any Shareholder or Option Holder as the sole basis for deciding whether to accept or reject the Offer or the Option Proposal, as the case may be.**

**Further, in rendering the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder or Option Holder.**

**As different Shareholders and Option Holders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder or Option Holder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser(s).**

## 9 ACTION TO BE TAKEN BY THE SHAREHOLDERS

### 9.1 Shareholders who wish to accept the Offer

Shareholders who wish to accept the Offer should refer to Appendix 2 to the Offer Document which sets out the procedures for acceptance of the Offer.



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## LETTER TO SHAREHOLDERS

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Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on the Closing Date.

### 9.2 Shareholders who do not wish to accept the Offer

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

## 10 OVERSEAS SHAREHOLDERS

### 10.1 Availability of the Offer to Overseas Shareholders

Overseas Shareholders should refer to paragraph 16 of the Letter to Shareholders in the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

**16.1 Overseas Shareholders.** *This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. Where there are potential restrictions on sending this Offer Document and the Relevant Acceptance Forms to any overseas jurisdictions, the Offeror and OCBC Bank reserve the right not to send this Offer Document and the Relevant Acceptance Forms to such overseas jurisdictions. The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an “Overseas Shareholder”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Offer Document and the Relevant Acceptance Forms have not been, or will not be, sent.*

**16.2 Copies of the Offer Document.** *Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents, during normal business hours up to the Closing Date from Tricor Barbinder Share Registration Services (if he is a scrip holder) at 80 Robinson Road, #11-02, Singapore 068898 or The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) write to the Offeror at SW International Holding Pte. Ltd. c/o Tricor Barbinder Share Registration Services (if he is a scrip holder) at 80 Robinson Road, #02-00, Singapore 068898 or The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road Post Office P.O. Box 1984, Singapore 903934, to request for this Offer Document, the Relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.*

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## LETTER TO SHAREHOLDERS

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**16.3 Compliance with Applicable Laws.** *It is the responsibility of an Overseas Shareholder who wishes to (i) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including OCBC Bank, CDP and the Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3) of the Companies Act In (i) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, OCBC Bank, CDP and the Receiving Agent that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.*

**16.4 Notice.** *The Offeror and OCBC Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.*

### 10.2 Copies of Circular

This Circular may not be sent to any Overseas Shareholder due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nonetheless, obtain copies of this Circular during normal business hours and up to the Closing Date, from the office of the Share Registrar, being Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 or make a request to the Share Registrar for this Circular to be sent to an address in Singapore by ordinary post at his own risk. The last date for despatch in respect of such request shall be the date falling three (3) Market Days prior to the Closing Date.

## 11 INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent

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## LETTER TO SHAREHOLDERS

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Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who accept the Offer will receive the payment for their Shares in their respective CPF investment accounts and SRS investment accounts.

### 12 **CONSENT**

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

### 13 **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 1 Scotts Road, #20-03 Shaw Centre, Singapore 228208 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the terms of the Company Scheme;
- (c) the annual reports of the Company for FY2014, FY2015 and FY2016;
- (d) the IFA Letter; and
- (e) the letters of consent from the IFA as set out in paragraph 12 of this Circular.

### 14 **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including any Director who may have delegated detailed supervision of this Circular) confirm that they have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed herein (other than those relating to the Offeror, those set out in the IFA Letter and the recommendation of the Independent Directors) are fair and accurate and that no material facts have been omitted from this Circular which would make any statement in this Circular misleading, and they jointly and severally accept full responsibility accordingly.

The recommendation of the Independent Directors to Shareholders at paragraph 8.4 of this Circular is the sole responsibility of the Independent Directors.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

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## LETTER TO SHAREHOLDERS

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Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information extracted from the Offer Document and the IFA Letter), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

### **15    ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the Appendices to this Circular which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of  
**TOP GLOBAL LIMITED**

Mr. Yeo Chin Tuan Daniel  
Non-Executive, Lead Independent Director  
27 April 2017

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND THE OPTIONS PROPOSAL

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### APPENDIX I

LETTER FROM IFA TO THE INDEPENDENT DIRECTORS OF  
TOP GLOBAL LIMITED

#### STIRLING COLEMAN CAPITAL LIMITED

(Company registration no. 200105040N)  
4 Shenton Way #07-03  
SGX Centre 2  
Singapore 068807

27 April 2017

To: The Independent Directors of Top Global Limited  
(Deemed to be independent for the purposes of the Offer), namely  
Ms. Jennifer Chang Shyre Gwo,  
Mr Yeo Chin Tuan Daniel, and  
Dr Lam Lee G

Dear Sirs

**VOLUNTARY CONDITIONAL CASH OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED (“OCBC BANK”) FOR AND ON BEHALF OF SW INTERNATIONAL HOLDING PTE. LTD. (“OFFEROR”) FOR ALL THE ISSUED ORDINARY SHARES (“SHARES”) IN THE CAPITAL OF TOP GLOBAL LIMITED (“COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR**

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 27 April 2017 to the Shareholders (as define herein) of Top Global Limited (the “Circular”).*

### 1 INTRODUCTION

On 28 March 2017 (“**Announcement Date**”), OCBC Bank announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer (the “**Offer**”) for all the Shares in the Company other than those already owned, controlled or agreed to be acquired by the Offeror, but including Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (“**Concert Parties**”).

Shareholders should have by now received a copy of the Offer Document despatched by OCBC Bank, for and on behalf of the Offeror, on 18 April 2017, setting out, *inter alia*, the terms and conditions of the Offer. **Independent Directors should advise Shareholders to read the terms and conditions of the Offer set out in the Offer Document carefully.**

Stirling Coleman Capital Limited (“**Stirling Coleman**”) has been appointed as the independent financial adviser (“**IFA**”) to advise the Independent Directors for the purpose of making the recommendation to the Shareholders in respect of the Offer. This letter (“**Letter**”) is therefore addressed to the Independent Directors and sets out, *inter alia*, our views and evaluation on the financial terms of the Offer and our opinion thereon. It will form part of the Circular providing, *inter alia*, the details of the Offer and the recommendation of the Independent Directors in respect thereof.

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND THE OPTIONS PROPOSAL

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### 2 TERMS OF REFERENCE

Stirling Coleman has been appointed as the IFA to advise the Independent Directors in respect of their recommendations to (i) the Shareholders in relation to the Offer and (ii) the Option Holders in relation to the Options Proposal. Our opinion, by way of this Letter will be limited to the financial terms of the Offer, as of the date of this opinion.

Our terms of reference do not require us to evaluate or comment on the legal and commercial risks and/or merits of the Offer or the future prospects of the Company other than to form an opinion on whether the financial terms of the Offer is fair and reasonable to the Shareholders. Such evaluation or comment, if any, remains the responsibility of the Board of Directors and the management of the Company ("**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 opinion as set out in this Letter.

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 Shares or the assets of the Company. It is not within our terms of reference to compare the relative merits of the Offer vis-à-vis any alternative transactions previously considered by the Board of Directors or transactions that the Board of Directors may consider in the future, and such comparison and consideration shall remain as the responsibility of the Board of Directors. The Directors have confirmed that, as at the latest practicable date being 18 April 2017 ("**Latest Practicable Date**"), apart from the Offer being made by the Offeror, no alternative offer or proposal received from any third party.

In arriving at our opinion, we have not relied upon any financial projections or forecasts in respect of the Company or the Group. Our terms of reference do not require us to express and we do not express any view on the future growth prospects, financial position and earnings potential of the Group after the completion of the Offer. We therefore do not make any projection as to the future financial performance of the Group after the completion or expiry of the Offer.

We have also relied upon the responsibility statement that the Circular has been reviewed and approved by the Directors (including those who may have delegated detailed supervision of the Circular) who have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed herein (other than those relating to the Offeror and those set out in the Letter) are fair and accurate and that no material facts have been omitted from this Circular which would make any statement in this Circular misleading, and they jointly and severally accept full responsibility accordingly. We have not independently verified such information but have made reasonable enquiries and exercised judgment on the reasonable use of information disclosed in the Circular and Offer Document as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information.

Where any information in the Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or the parties acting in concert with it, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources or, as the case may be, and/or reproduced in the Circular in its proper form and context.

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In rendering our services, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise you to recommend that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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

**Our recommendation in respect of the Offer and the Options Proposal, as set out in Section 8.3 of the Circular, should be considered in the context of the entirety of this Letter, the Circular and the Offer Document.**

### 3 THE OFFER

#### 3.1 Terms of the Offer

Based on the information set out in the Offer Document, the Offeror is making the Offer for the Offer Shares subject to the terms and conditions set out in the Offer Document, the FAA and/or the FAT (as the case may be). The principal terms and conditions of the Offer, as extracted from **paragraph 2** of the Offer Document, are set out below.

##### 3.1.1 Offer Price

**For each Offer Share: S\$0.330 in cash (the “Offer Price”)**

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

##### 3.1.2 Offer Shares

The Offer is extended to all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror as at the Announcement Date, but including Shares owned, controlled or agreed to be acquired by Concert Parties, and is also extended to all new shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the Closing Date of the Offer (collectively, the **“Offer Shares”**).

The Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (**“Encumbrances”**); and



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- (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (“**Distributions**”) declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date.

### 3.1.3 Adjustment for Distributions

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date to a Shareholder who validly accepts the Offer (the “**Accepting Shareholder**”), the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by the Accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or
- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

### 3.1.4 Acceptance Condition

The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been validly withdrawn) pursuant to the Offer or otherwise acquiring or agreeing to acquire the Shares from the Commencement Date other than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (other than treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date) (the “**90 per cent. Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which, when taken together with the Shares acquired or agreed to be acquired from the Commencement Date, will result in the Offeror holding such



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number of Shares carrying not less than 90 per cent. of the maximum potential issued share capital of the Company. For the purposes of this Offer Document, the “maximum potential issued share capital of the Company” means the total number of Shares which would be in issue had all new shares issuable pursuant to the exercise of the Options (other than (i) the Options held by SW and HM which are the subject of the Additional Irrevocable Undertakings and (ii) any other Options which are the subject of Option Holders’ acceptances under the Options Proposal) been issued as at the date of such declaration, but excluding any treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date.

The Offeror reserves the right to waive the 90 per cent. Acceptance Condition or reduce such condition to a level below 90 per cent. (but in any event above 50 per cent.) of the voting rights attributable to all the Shares, subject to the approval of the SIC. In the event that such revision is made during the course of the Offer, the revised Offer will remain open for at least another 14 days and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight days of the notification of such revision.

Save for the 90 per cent. Acceptance Condition, the Offer is unconditional in all other respects.

### **3.2 Warranty**

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Announcement Date.

### **3.3 Duration of the Offer**

#### **3.3.1 First Closing Date**

The Offer is open for acceptance by Shareholders for at least 28 days from the Commencement Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 16 May 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

#### **3.3.2 Subsequent Closing Date(s)**

If the Offer is extended and:

- (i) is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER AND THE OPTIONS PROPOSAL

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- (ii) is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.

### 3.3.3. No Obligation to Extend Offer

The Offeror is not obliged to extend the Offer if the acceptance condition specified in Section 2.6 of the Letter to Shareholders in the Offer Document is not fulfilled by the Closing Date.

### 3.3.4 Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances

In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period ("**Rule 22.6 Period**") of not less than 14 days after the date on which it would otherwise have closed.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

- (i) the Offeror may not give a Shut-Off Notice in a competitive situation; and
- (ii) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with Paragraph 4.2 of Appendix 1 of the Offer Document, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

### 3.3.5 Final Day Rule

The Offer (whether revised or not) will not be capable:

- (i) of becoming or being declared unconditional as to acceptances after 5.30 p.m.;
- (ii) of being kept open after 5.30 p.m. (Singapore time) on the 60<sup>th</sup> day after the Commencement Date unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with SIC's prior consent ("**Final Day Rule**").

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### 3.3.6 Revision

The Offeror will not revise the Offer Price. However, pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

### 3.4 Options Proposal

**Paragraph 4** of the Offer Document states that as at the latest practicable date of the Offer Document, based on the latest information available to the Offeror, there are 4,165,400 Options to subscribe for an aggregate of 4,165,400 Shares granted under the Company Scheme. Under the rules of the Company Scheme, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options, although, for the avoidance of doubt, the Offer will be extended to all new shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the Closing Date.

Instead, the Offeror will make an appropriate options proposal (the “**Options Proposal**”) to the holders of the Options (“**Option Holders**”). The Options Proposal will be made on the basis of the “see-through” price of the Options. In other words, the price to be paid for each Option (the “**Option Price**”) will be the amount (if positive) of the Offer Price less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Offer Price, the Option Price for each Option will be the nominal amount of S\$0.001.

### 3.5 Further Details of the Offer

Further details of the Offer, including details on the (i) settlement of the consideration for the Offer, (ii) the requirements relating to the announcement of the level of acceptance of the Offer, (iii) the right of withdrawal of acceptances of the Offer, and (iv) the procedures for acceptance of the Offer are set out in **Appendices 1 and 2** to the Offer Document.

## 4 IRREVOCABLE UNDERTAKINGS

UGT, whose settler and sole beneficiary is SW, and HM (collectively, the “**Undertaking Shareholders**”), have undertaken to accept the Offer in respect of all Shares held by each of them (the “**Irrevocable Undertakings**”) prior to and up to the close of the Offer. Pursuant to the terms of the Irrevocable Undertakings, each of the Undertaking Shareholders will also waive the receipt of all of the consideration payable to them for Shares tendered in acceptance of the Offer.

As at the Latest Practicable Date, the Undertaking Shareholders hold in aggregate 248,789,810 Shares, representing approximately 77.41 per cent. of the total number of Shares.

The Offeror has also received irrevocable undertakings from SW and HM (collectively, the “**Undertaking Option Holders**”), pursuant to which the Undertaking Option Holders have undertaken not to exercise all or any Options held by each of them and to accept the

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Options Proposal in respect of all Options held by each of them (the “**Additional Irrevocable Undertakings**”) prior to and up to the close of the Offer. Pursuant to the terms of the Additional Irrevocable Undertakings, each of the Undertaking Option Holders will also waive the receipt of all of the consideration payable to them for Options surrendered in acceptance of the Options Proposal.

As at the Latest Practicable Date, the Undertaking Option Holders hold in aggregate 3,365,400 Options, representing approximately 80.80 per cent. of the total number of Options.

The Irrevocable Undertakings and the Additional Irrevocable Undertakings shall lapse on the date on which the Offer closes, lapses or is withdrawn.

Additional information on the Irrevocable Undertakings and the Additional Irrevocable Undertakings are set out in **paragraph 10** of the Offer Document.

### 5 INFORMATION ON THE OFFEROR

The Offeror is a private company limited by shares incorporated in the Republic of Singapore on 6 March 2017. Its principal activity is that of investment holding. As at the Date, the Offeror has an issued and paid-up share capital of S\$100.00 divided into 100 ordinary shares and is wholly-owned by SW. The directors of the Offeror are SW and HM.

Additional information on the Offeror are set out in **paragraph 8** of the Offer Document and **Appendix 3** of the Offer Document.

### 6 INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 9 October 1980 and is a public limited company. The Company was listed on SESDAQ (now known as Catalist) of the SGX-ST on 21 June 2001 and transferred to the Main Board of the SGX-ST on 24 December 2012. The Company, through its subsidiaries and joint venture companies, is a diversified real estate development, hospitality and leisure, facilities management and education group with a presence in Singapore and Indonesia.

Additional information on the Offeror are set out in **paragraph 9** of the Offer Document and **Appendix 4** of the Offer Document.

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### 7 RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions for the Company are set out in **paragraphs 11 and 12** respectively of the Offer Document.

The rationale for the Offer is reproduced below for your reference.

**“11.1 Compelling Premium.** *The Offer Price represents a premium of approximately 50.0 per cent. over the Company's closing price of S\$0.220 on the Last Trading Day and a premium of 65.0 per cent., 65.0 per cent., 66.7 per cent., and 58.7 per cent. over the one- month VWAP of S\$0.200, three-month VWAP of S\$0.200, six-month VWAP of S\$0.198 and 12-month VWAP of S\$0.208, respectively.*

*Amidst challenging market conditions in the residential property sector, the Offer therefore represents a cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, without incurring brokerage fees and other trading costs.*

**11.2 Intention to Delist and Privatisise the Company.** *The Offeror is making the Offer with the objective of delisting the Company from the SGX-ST.*

*Based on publicly available information, the Company's projects in Singapore are The Quinn, E Maison and R Maison. As stated in the Company's annual report for the financial year ended 31 December 2016 (the “2016 Annual Report”), E Maison and R Maison are subject to the applicable Qualifying Certificate (“QC”) rules and approximately 40 per cent. of the units in E Maison and 20 per cent. of the units in R Maison remain unsold. If the Company is not privatised, these units would be subject to QC penalties after March 2018 if they remain unsold by then. The amount to be paid would depend on the number of unsold units then.*

*The Quinn will be subject to QC rules by June 2018. However, as stated in the Company's announcement dated 28 March 2017, there was a sale by the Company's subsidiary, Bartley Homes Pte. Ltd., of 17 units in The Quinn (at an aggregate purchase price of S\$25.29 million) to certain other wholly-owned subsidiaries of the Company (the “Relevant Subsidiaries”). As a result of the sale, The Quinn will not be subject to QC rules. However, an aggregate amount of approximately S\$4.46 million is payable as Buyer's Stamp Duties and Additional Buyer's Stamp Duties in connection with the purchase. The Offeror believes that it will be challenging for the Company to avoid making further losses if the Relevant Subsidiaries sell these units in The Quinn over the next three years as any such sale will be subject to applicable Seller's Stamp Duty.*

*If the Company is not privatised, the Offeror believes that, in the event market conditions continue to deteriorate and the Company is unable to sell the remaining unsold units of E Maison and R Maison and the Company makes further losses from sales of units in The Quinn by the Relevant Subsidiaries as aforesaid, the Company may be required to seek alternative avenues of funding, including equity fund raising on the SGX-ST, in order to fund penalty charges which will be incurred for failing to meet the applicable QC deadlines and the bank loan of S\$52.6 million due for repayment on 31 March 2018.*

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- 11.3 Low Trading Liquidity.** *The trading volume of the Shares has been generally low, with an average daily trading volume<sup>1</sup> of approximately 7,305 Shares, 18,390 Shares, 14,367 Shares and 11,075 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period up to and including the Last Trading Day. Each of these represents less than 0.01 per cent. of the total number of Shares for any of the aforementioned relevant periods.*

*Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.*

- 11.4 Costs of Maintaining Listing Status.** *In maintaining its listed status, the Company incurs costs associated with complying with the SGX-ST's listing requirements and other regulatory requirements.*

*As a non-listed entity, the Offeror believes that the Company will be able to save on compliance and associated expenses relating to the maintenance of a listed status, as well as management's time and human resources that are committed for such compliance.*

- 11.5 Greater Management Flexibility.** *The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Company and its subsidiaries, optimise the use of its management and resources and facilitate the implementation of any operational change."*

The Offeror has stated that it intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business. However, the board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which it may regard to be in the interest of the Offeror.

The Offeror also stated that in the event the Company does not meet the Free Float Requirement, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted.

In addition, in the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer, the Offeror stated that it intends to exercise its right. The Offeror will then proceed to delist the Company from the SGX-ST.

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### 8 FINANCIAL ASSESSMENT OF THE OFFER

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

- (i) Financial performance and position of the Group;
- (ii) Historical Share Price performance and trading liquidity;
- (iii) The Group's
  - Net Asset Value (“NAV”) and Net Tangible Assets (“NTA”); and
  - Revalued NAV (“RNAV”)
- (iv) Relative valuation analysis;
- (v) Precedent privatisation transactions analysis;
- (vi) Implication of the Offeror's intention for the Company regarding listing status;
- (vii) Dividend track record of the Company; and
- (viii) Other relevant considerations.

#### 8.1 Financial Performance and Position of the Group

We set out below a summary of the financial results of the Group for the last three financial years ended 31 December 2014, 2015 and 2016 (“FY2014”, “FY2015” and “FY2016” respectively).

##### Summary of the Group's Income and Loss Statement

S\$'000	Audited FY2016	Audited FY2015	Audited FY2014
Revenue	121,792	195,698	50,182
Gross Profit	18,141	37,993	12,038
(Loss)/Profit before tax	(15,333)	8,248	4,067
Net (Loss)/Profit	(14,128)	6,855	3,200
<b>Net (Loss)/Profit attributable to Shareholders of the Company</b>	<b>(13,975)</b>	<b>4,990</b>	<b>2,819</b>



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### Summary of the Group's Financial Position

S\$'000	Audited As at 31-Dec-16	Audited As at 31-Dec-15	Audited As at 31-Dec-14
Current assets	290,309	423,645	427,460
Non-current assets	268,808	233,503	235,372
<b>Total assets</b>	<b>559,117</b>	<b>657,148</b>	<b>662,832</b>
Current liabilities	73,449	225,246	98,897
Non-current liabilities	70,561	19,801	175,094
<b>Total liabilities</b>	<b>144,010</b>	<b>245,047</b>	<b>273,991</b>
Share Capital	265,667	265,667	256,812
Treasury Shares	(91)	–	–
Other reserves <sup>(2)</sup>	15,548	1,803	9,014
Retained earnings	(2,067)	11,694	7,336
Non-controlling interest	136,050	132,937	115,679
<b>Total Equity</b>	<b>415,107</b>	<b>412,101</b>	<b>388,841</b>

### Summary of the Group's Cash Flows

S\$'000	Audited FY2016	Audited FY2015	Audited FY2014
Net cash from/(used in) operating activities	66,077	(3,802)	(14,770)
Net cash from/(used in) investing activities	(5,429)	(1,345)	29,890
Net cash from/(used in) financing activities	(81,677)	564	2,166
<b>Cash and cash equivalents at end of period/year</b>	<b>48,403</b>	<b>68,714</b>	<b>74,007</b>

Source: FY2014 to FY2016 annual reports

#### Notes:

1. *Figures above are subject to rounding differences.*
2. *Other reserves comprise fair value reserve, foreign currency translation reserve, premium paid on acquisition of non-controlling interests, loss on reissuing of treasury shares and employee benefits plan reserve.*

### 8.1.1 Analysis of the Financial Performance of the Group

#### Revenue

We noted the Group had achieved revenue of S\$195.7 million in FY2015, an increase of 290.0% from revenue of S\$50.2 million in FY2014. The Group acquired Suryamas on 16 October 2014 and FY2015 is the first year whereby the full financial results of Suryamas is consolidated into the Group's financial statement. The significant increase in revenue was due mainly to sale of development properties



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from the Group's Braddell and Bartley projects amounting to S\$99.4 million, revenue contribution from Suryamas of S\$32.9 million from sale of real estate developments in Indonesia and S\$13.2 million contribution from the hospitality management and other businesses.

We noted the Group revenue in FY2016 decreased by 37.8% to S\$121.8 million. This decrease in revenue was due mainly to lower sales of development properties from the Group's Braddell and Bartley projects of S\$65.4 million, decreased revenue contribution from Suryamas of S\$5.0 million due to delays in construction resulting in slower handover of units and absence of S\$4.3 million relating to the one time sale of land for construction of toll road in FY2015.

### Net profit/(loss) attributable to Shareholders of the Company

We noted the Group recorded a 78.6% increase in net profit attributable to Shareholders from S\$2.8 million in FY2014 to S\$5.0 million in FY2015 due to the increase in sales of development properties and the full year profit contribution from Suryamas.

We noted the Group made a net loss attributable to Shareholders of S\$14.0 million in FY2016 compared to a profit of S\$5.0 million in FY2015. The net loss registered in FY2016 was mainly due to the slowdown in sales of development properties and impairments made on unsold units in the Group's Braddell and Bartley projects as the net realisable value of these unsold units is estimated to be below their carrying costs.

**We also noted that the Group had registered losses for four consecutive quarters since the 1st quarter of 2016 due to the slowdown in sales of development properties, impairments made on unsold units in the Group's Braddell and Bartley projects and lower profit contribution from Suryamas.**

### **8.1.2 Analysis of the Financial and Cash Position of the Group**

We noted that the Group's assets comprised mainly development properties (73.5% of total assets as at 31 December 2016), property, plant and equipment (7.0%), cash and cash equivalents (8.7%) and investment properties (1.9%). The Group's liabilities comprised mainly bank borrowings (52.4% of total liabilities as at 31 December 2016) and trade and other payables (37.1%).

We noted the Group's total assets decreased slightly by S\$5.7 million to S\$657.1 million as at 31 December 2015 from S\$662.8 million as at 31 December 2014, mainly attributable to decrease in cash and cash equivalents arising from depreciation of the Indonesian Rupiah against the Singapore Dollar. The Group's total liabilities decreased by S\$29.0 million from S\$274.0 million as at 31 December 2014 to S\$245.0 million as at 31 December 2015. The decrease was due to reduction in bank borrowings and advances of S\$13.0 million and S\$19.6 million respectively and the conversion of a S\$9.8 million convertible bond in a subsidiary of Suryamas by a non-controlling shareholder, partially offset by increase in trade and other payables of S\$13.4 million.

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We noted the Group's total assets decreased by S\$98.0 million to S\$559.1 million as at 31 December 2016. The decrease was due mainly to the recognition of sales of the development properties amounting to S\$50.7 million, after achieving Temporary Occupation Permit for the Group's Braddell and Bartley projects and the decrease of S\$29.7 million in development properties as a result of impairments made on the carrying value of the development properties. The Group's total liabilities decreased by S\$101.0 million to S\$144.0 million as at 31 December 2016. The decrease is mainly attributable to repayment of bank borrowings of S\$76.4 million and reduction in trade payables of S\$26.6 million due to payments made to contractors.

We noted that although the Group had maintained a positive cash position and working capital during the period under review, the net working capital of the Group had declined from S\$328.6 million as at 31 December 2014 to S\$216.9 million as at 31 December 2016. Cash and cash equivalent also decreased from S\$74.0 million as at 31 December 2014 to S\$48.4 million as at 31 December 2016.

### **8.1.3 Between 31 December 2016 and the Latest Practicable Date**

In respect of the above, the Directors and Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, save for what have been previously disclosed in Circular, the annual reports and its announcements on the SGXNET:

- (i) there are no other off-balance sheet and contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;
- (ii) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (iii) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (iv) there are no material acquisitions and disposals of assets by the Group between 1 January 2017 and the Latest Practicable Date, other than in the ordinary course of business, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

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### 8.2 Historical Share Price performance and Trading Liquidity

#### 8.2.1 Historical Share Price performance

The following presents the historical chart of the closing prices of the Shares and the number of Shares traded on a daily basis during the period commencing from 25 March 2015, being the last 24 months period prior to 24 March 2017, being the last trading day before the Announcement Date (“**Last Trading Day**”), and ending on the Latest Practicable Date.

**Chart 1: Share Price Performance from 25 March 2015 up to the Latest Practicable Date**



Source: Bloomberg, and information/announcement from the SGX-ST

#### Share Consolidation

The Company had on 1 October 2015 completed a share consolidation exercise to consolidate every 100 existing issued Shares of the Company into one (1) ordinary Share to fulfill the minimum trading price of S\$0.20 as a continuing listing requirement for issuers listed on the Mainboard of the SGX-ST (the “**Share Consolidation**”). Following the completion of the Share Consolidation, the issued share capital of the Company, including treasury shares, had decreased to 321,895,299 Shares.

#### Period before 1 January 2016

Based on Chart 1, for the period before 1 January 2016, the Company’s closing Share Prices were generally above the Offer Price but was on a downward trend since its peak Share Price of S\$0.70 (assuming Share Consolidation had taken place) recorded in May 2015.

#### Period after 1 January 2016 up to the Last Trading Day

Based on Chart 1, between 1 January 2016 and up to the Last Trading Day, the Shares were mostly trading below the Offer Price at a range of between S\$0.185 to S\$0.335. We noted that this period corresponded to the decline in the financial performance of the Group, registering losses for four consecutive quarters since 1st quarter of 2016. The Group’s

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losses were mainly due to the slowdown in sales of development properties and impairments made to the carrying value of the Group's development properties in Singapore.

### 8.2.2 Offer Price comparison to historical Share price

We have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares commencing from 25 March 2016, being the 12-month period prior to the Last Trading Day, and ending on the Latest Practicable Date:

**Table 1: Share Price Performance and Trading Liquidity Table**

	VWAP <sup>(1)</sup> (S\$)	Premium/ (Discount) of the Offer Price to VWAP per Share (%)	Lowest Transacted Price (S\$)	Highest Transacted Price (S\$)	Average daily trading volume <sup>(2)</sup> (Shares)	Average daily trading volume as % of Free-float
<b>For the period prior to the Announcement Date<sup>(3)</sup></b>						
Last 12 months	0.208	58.7%	0.182	0.300	11,075	0.02%
Last 6 months	0.198	66.7%	0.182	0.220	14,367	0.02%
Last 3 months	0.200	65.0%	0.187	0.220	18,390	0.03%
Last 1 month	0.200	65.0%	0.192	0.220	7,305	0.01%
Last Trading Day <sup>(4)</sup>	0.220	50.0%	0.200	0.220	22,000	0.03%
<b>For the period commencing after the Announcement Date up to the Last Practicable Date<sup>(5)</sup></b>						
From the market day immediately after Announcement Date up to and including the Latest Practicable Date	0.329	0.3%	0.325	0.340	351,736	0.49%
Latest Practicable Date	0.325	1.5%	0.325	0.325	275,500	0.38%

Source: Bloomberg as at the Latest Practicable Date, 18 April 2017

**Notes:**

1. The Volume Weighted Average Price ("VWAP") was calculated by adding up the dollar value for every transaction and then dividing by the total shares traded for the day which were rounded to the nearest three decimal places.
2. The average daily trading volume of the Shares was computed based on the total number of Shares traded during the relevant periods divided by the number of market days which the SGX-ST is open for the trading of securities ("Market Day") for the relevant periods.
3. Free-float is approximately 71,943,280 Shares of the issued share capital held by the public as at the Last Trading Day.
4. The Last Trading Day was 24 March 2017, which was the last day the Shares were traded prior to the Announcement Date on 28 March 2017. The closing price on 24 March 2017 is shown instead of VWAP.
5. Free-float is approximately 71,943,280 Shares of the issued share capital held by the public as estimated by Bloomberg as at the Latest Practicable Date.

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Based on Table 1, we note that the Offer Price is:

- (i) at approximately 65.0%, 65.0%, 66.7% and 58.7% premium to the VWAP for the Shares for the period one-month, three-months, six-months, and 12-months prior to the Announcement Date respectively;
- (ii) at a premium of approximately 50.0% from the last transacted price of S\$0.220 on the Last Trading Day;
- (iii) at a premium of approximately 0.3% from the VWAP for the Shares for the period commencing after the Announcement Date up to and including the Latest Practicable Date; and
- (iv) at a premium of approximately 1.5% from the last transacted price of S\$0.325 on the Latest Practicable Date.

### 8.2.3 Trading Volume and Liquidity

Based on the number of Shares traded on a daily basis during the period commencing from 25 March 2016, being the 12 months period prior to the Last Trading Day, and ending on the Latest Practicable Date, we noted that:

- (i) from 25 March 2016 to the Last Trading Day, the Shares were traded on 121 Trading Days out of the total 253 Market Days during the period, with the total number of Shares traded being approximately 2.8 million Shares and an average daily trading volume of approximately 11,075 Shares, which represents 0.003% of the issued Share capital as at the Last Trading Day or approximately 0.02% of the Free-float as at the Last Trading Day; and
- (ii) for the period commencing from the Market Day immediately after the Announcement Date up till and including the Latest Practicable Date, the Shares were traded on all 14 Market Days during the period, with the total number of Shares traded being approximately 4.92 million Shares and an average daily trading volume of approximately 351,736 Shares, which represents 0.109% of the issued Share capital as at the Latest Practicable Date or approximately 0.489% of the Free-float as at the Latest Practicable Date.

**We noted that the trading volume of the Shares had generally been low in the past 12 months prior to the Announcement Date and ending on the Latest Practicable Date. The Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity. However, Shareholders should note that the past trading performance for the Shares should not be relied upon as an indication of its future trading performance.**

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### **8.3 The Group's NAV, NTA and RNAV**

#### **8.3.1 NAV and NTA analysis**

The NAV based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and minorities' interests. The NAV based approach is meaningful as it shows the extent to which the value of each share is backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NAV based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (including any intangible assets including but not limited to goodwill, trademarks and brand names) in an orderly manner or over a reasonable period of time and at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, minority interest and obligation of the company or group with the balance to be distributed to its shareholders. However the NAV approach does not take into account or consideration the hypothetical sale of assets in a non-orderly manner or over a short period of time. The NAV does not illustrate the values at which assets may actually be realised or disposed of.

The NTA based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities, minority interest and intangible assets of the company. The NTA based approach is meaningful as it shows the extent to which the value of each share is backed by tangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NTA based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (other than intangible assets) in an orderly manner over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, the proceeds of which are used to settle the liabilities, minority interest and obligation of the company or group, with the balance to be distributed to its shareholders. However the NTA based approach does not take into account or consideration the presence of any intangible assets including but not limited to land use rights, goodwill, trademarks and brand names nor does it take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. The NTA does not illustrate the values of which assets may actually be realised or disposed of.

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Based on the Group's financial statement ended 31 December 2016 <sup>(1)</sup>	
<b>NAV attributable to Shareholders as at 31 December 2016 (S\$'000)</b>	<b>279,057</b>
Less: Intangible assets (S\$'000)	—
<b>NTA as at 31 December 2016 (S\$'000)</b>	<b>279,057</b>
Number of ordinary Shares of the Company (excluding 514,200 treasury Shares <sup>(2)</sup> )	321,381
<b>NAV per Share (S\$)</b>	<b>0.868</b>
<b>NTA per Share (S\$)</b>	<b>0.868</b>
Offer Price(S\$)	0.330
<b>Offer Price to NAV per Shares (x)</b>	<b>0.380</b>
Discount of Offer Price to NAV per Share (%)	62.0%
<b>Offer Price to NTA per Shares (x)</b>	<b>0.380</b>
Discount of Offer Price to NTA per Share (%)	62.0%

**Notes:**

1. Figures and computations above are subject to rounding.
2. Treasury shares based on Top Global FY2016 Annual Report, Statistics of Shareholding as at 6 March 2017.

For illustrative purposes only, the Offer Price to NAV per Share (“**P/NAV**”) and the discount of the Offer Price to NAV per Share as at 31 December 2016 were 0.38x and 62.0% respectively. There is no difference between the NAV and NTA for the Group.

### 8.3.2 Revalued NAV of the Group

In our evaluation of the financial terms of the Offer, we have also considered whether there are any assets which may be valued at an amount that is materially different from what was recorded in the balance sheet of the Group as at 31 December 2016.

As mentioned under section 8.1.2 above, the Group's assets as at 31 December 2016 comprised mainly development properties amounting to S\$411.0 million (73.5% of total assets), property, plant and equipment amounting to S\$39.2 million (7.0%), cash and cash equivalents amounting to S\$48.4 million (8.7%) and investment properties amounting to S\$10.4 million (1.9%).

The development properties of the Group comprised properties under development (including land held for future development) in Indonesia and completed properties held for sale in Singapore and Indonesia. According to the Group's accounting policy, properties under development are stated on the balance sheet at the lower of cost plus attributable profit less progress billings and estimated net realisable value. Completed properties held for sale are stated at the lower of cost and net realisable value.



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Investment properties of the Group comprise commercial and residential properties held for long-term rental yield and/or capital appreciation in Singapore and Indonesia. According to the Group's accounting policy, investment properties are stated on the balance sheet at fair value determined annually by management based on independent valuation amount. Independent valuation of the investment properties as at 31 December 2016 were obtained for the FY2016 financial reporting purpose.

For the purposes of assessing the market valuation of the development properties and property assets under the Property, Plant and Equipment (the **"Revalued Assets"**), the Company had obtained desktop valuation for its Singapore development properties recently for accounting and mortgage reference purposes. The Company had also commissioned AVA Associates Limited (**"AVA"**) to conduct a valuation for the Group's Indonesia properties as at 31 December 2016.

We noted that in the valuation report by AVA on the Group's Indonesian properties, AVA highlighted several risk factors faced by the Group that may affect the value of the Group's Indonesian properties (which are held by Suryamas). Below are some of the key risk factors highlighted:

- (i) Dependent on the economic conditions in Indonesia, particularly the property market in Jakarta;
- (ii) Difficulty or delay in obtaining the relevant government approvals for the development projects;
- (iii) Reliance on external construction companies which may not be able to adhere to the quality and safety standards of the Group;
- (iv) Labour shortages and/or increase in labour costs;
- (v) Increase in cost of construction materials;
- (vi) Not having adequate capital resources to finance Suryamas's land acquisition or property development activities; and
- (vii) Fluctuation in the the value of the Indonesian Rupiah against the Singapore Dollar.

For illustrative purposes only, we have presented the net book value and the fair valuation amount of the Revalue Assets as at 31 December 2016 in the following table:

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**Table 2: Revalued Assets**

Revalued Assets	Date of Valuation	Independent Valuer	Net Book Value as at 31-Dec-16 (S\$) <sup>(1)</sup>	Fair Value (S\$) <sup>(1)</sup>	Revaluation surplus (S\$) <sup>(1)</sup>
<b>Development Properties</b>					
<u>Singapore properties</u>					
E and R Maison	30-Sep-16	Colliers International	80,289,466	81,167,000 <sup>(2)</sup>	877,534
The Quinn	31-Dec-16	Colliers International	33,502,504	32,500,000	(1,002,504)
<u>Indonesian properties</u>					
Properties under development	31-Dec-16	AVA	190,472,748	248,496,486 <sup>(3)</sup>	58,023,738
Completed properties held for sale	31-Dec-16	AVA	106,736,833	135,427,401 <sup>(3)</sup>	28,690,568
<b>Property, Plant and Equipment</b>	31-Dec-16	AVA	38,856,349	55,602,692 <sup>(3)</sup>	16,746,613
					<b>103,335,949</b>
<b>Group NAV (S\$'000)</b>			<b>279,057</b>		
<b>Add: Revaluation Surplus (S\$'000)</b>			<b>103,336</b>		
<b>Revalued Group NAV ("RNAV") (S\$'000)</b>			<b>382,393</b>		
<b>RNAV per Share (S\$)</b>			<b>1.190</b>		
<b>Offer Price to RNAV per Shares (x)</b>			<b>0.277</b>		
<b>Discount of Offer Price to RNAV per Share (%)</b>			<b>72.3%</b>		

**Notes:**

- Figures and computations above are subject to rounding and exchange rate differences.
- The market value exclude five units with aggregate market value of S\$5,133,000 which were sold between the 30 September 2016 (the date at which the valuation was performed) to 31 December 2016.
- Based on the Group's 71.52% shareholding interest in Suryamas and translated into S\$ based on exchange rate S\$1:IDR9500.

For illustrative purposes only, the Offer Price to RNAV per Share ("**P/RNAV**") and the discount of the Offer Price to RNAV per Share as at 31 December 2016 were 0.28x and 72.3% respectively.

Except for the Revalued Assets identified above, the Directors and the Management of the Company had confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, on aggregate basis, there are no material differences between the estimated fair value of the other assets for which no valuation was obtained and their respective book value. The Directors confirmed that they are aware of and are satisfied with the selection of the Revalued Assets for the valuation exercise.

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We have been furnished by the Company with the valuation reports in respect of the fair value of the Revalued Assets. For the avoidance of doubt, as we are not experts in the evaluation or appraisal of assets, we have not made any independent evaluation or appraisal of the Revalued Assets and have relied solely on the valuation reports for the fair value of the Revalued Assets.

### 8.3.3 Historical Share Prices of the Company against its trailing NAV per Share

We have compared the historical Share prices of the Company and the Offer Price against the trailing NAV per Share of the Group over the 12 months period prior to the Last Trading Day, as shown below:

**Chart 2: Historical Share Prices of the Company against its trailing NAV per Share<sup>(1)</sup>**



Source: Bloomberg as at the Latest Practicable Date, annual reports and interim financial statements

Based on Chart 2 above, we noted the closing Share Prices of the Company had been trading below its NAV per Share in the past 12 months prior to and including the Last Trading Day, at a discount between 60.8% and 78.9%.

**Shareholders should note that the computation above is solely for illustration purposes as the NAV may not be fully realisable at its book value or revalued value, especially within a short time frame, and the market value of these assets may vary depending on, amongst others, the prevailing market and economic conditions and whether a buyer can be found for such assets. Also, we wish to highlight that the NAV of the Group may deteriorate further if the Group continues to incur losses after 31 December 2016.**

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### 8.3.4 Comparison of P/RNAV against comparable companies and precedent privatisation transactions

We have compared the P/RNAV of the Group against the P/NAV of comparable companies to the Group. Please refer to section 8.4 of this Letter.

We have also compared the P/RNAV of the Group against the offer price to NAV/NTA multiple of precedent privatisation transactions. Please refer to section 8.5 of this Letter.

### 8.4 Relative Valuation Analysis

In assessing the reasonableness of the Offer Price, we have also considered the financial performance, financial position and valuation statistics of selected comparable companies listed on the SGX-ST with market capitalisation below S\$150.0 million (“**Comparable Companies**”) that may, in our view, be broadly comparable to the core business of the Group, which is in property development and investment in real estate related businesses. We had also discussed with Management on the suitability and reasonableness of the Comparable Companies acting as a basis of comparison with the Group.

We advise the Independent Directors to note that there may not be any company listed on the SGX-ST that is directly comparable to the Group in terms of size, diversity of business activities and products/services, branding, geographical spread, track record, prospects, operating and financial leverage, risk profile, quality of earnings and accounting, listing status and such other relevant criteria. We wish to highlight that it may be difficult to place reliance on the comparison of valuation statistics for the Comparable Companies as the business of these selected companies, their capital structures, growth rates, operating and financial leverage, taxation and accounting policies as well as the liquidity of these shares and the demand/supply conditions for these shares and that of the Group may differ. In addition, we wish to highlight that the list of Comparable Companies is by no means exhaustive. As such, any comparison made herein is necessarily limited and serves only an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

Independent Directors should note that the prices at which shares trade include factors other than historical financial performance, and some of these, *inter alia*, include prospects real or perceived of the financial performance, the historical share price performance, the demand/supply conditions of the shares, the relative liquidity of the shares, the relative sentiments of the market for the shares, as well as the market capitalisation.

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### 8.4.1 Comparable Companies

<b>Comparable Companies (all these companies are listed on the SGX-ST)</b>	<b>Market capitalisation (\$SGD million)</b>	<b>Principal activities</b>
Goodland Group Limited (SGX:5PC)	93.8	Goodland Group Limited, an investment holding company, engages in the real estate development activities in Singapore and Malaysia. It operates through Property Development, Construction, and Property Investment segments. The company develops and sells properties; constructs residential and commercial properties; and invests in properties. It also operates as a general building contractor; and offers housekeeping, cleaning, and maintenance services, as well as engages in the upgrading works. The company was incorporated in 1993 and is headquartered in Singapore.
Heeton Holdings Limited (SGX:5DP)	136.6	Heeton Holdings Limited, an investment holding company, engages in the property development and property investment, and hospitality activities in Singapore, the United Kingdom, and Australia. The company develops and sells private residential properties; and leases residential, retail, and commercial properties. It also operates hotels; and provides property management, and administrative and management services. The company was founded in 1976 and is based in Singapore.
Imperium Crown Limited (Catalist:5HT)	35.7	Imperium Crown Limited, an investment holding company, engages in the property investment and development activities in Japan and Singapore. The company's property portfolio includes residential, retail, and office properties. It is also involved in real estate agency activities. The company was formerly known as Communication Design International Limited and changed its name to Imperium Crown Limited in June 2015. Imperium Crown Limited was founded in 1995 and is based in Singapore.
IPC Corporation Ltd (SGX:AZA)	44.8	IPC Corporation Ltd, an investment holding company, engages in the investment and development of properties in Singapore, the People's Republic of China, and Japan. The company operates through Properties and Income Producing Assets segments. It also invests in and resells properties; provides property consulting and hospitality services; and distributes and sells telecommunication products, computer system boards, and peripheral products. In addition, it is involved in the club and hotel management. IPC Corporation Ltd was incorporated in 1985 and is based in Singapore.

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Comparable Companies (all these companies are listed on the SGX-ST)	Market capitalisation (\$SGD million)	Principal activities
Pollux Properties Ltd. (Catalist:5AE)	22.6	Pollux Properties Ltd., an investment holding company, operates as a property developer in Singapore. The company operates through Property Development and Property Investment segments. The Property Development segment acquires and develops residential and commercial properties for sale. The Property Investment segment rents properties, as well as operates serviced apartments. The company was formerly known as Shining Corporation Ltd. and changed its name to Pollux Properties Ltd. in June 2010. Pollux Properties Ltd. was incorporated in 1999 and is based in Singapore. Pollux Properties Ltd. is a subsidiary of Pollux Holdings Pte. Ltd.
Sing Holdings Limited (SGX:5IC)	146.4	Sing Holdings Limited, an investment holding company, engages in the property development activities in Singapore. The company develops and leases residential and commercial properties. Its property portfolio includes landed houses, apartments, condominiums, office and industrial buildings, factories, and warehouses. Sing Holdings Limited was founded in 1964 and is based in Singapore.
TEE Land Limited (SGX:S9B)	88.0	TEE Land Limited, an investment holding company, operates as a real estate developer and investor in Singapore, Malaysia, Thailand, Australia, and New Zealand. The company engages in identifying, acquiring, designing, developing, launching, and offering various properties to consumers and businesses. It undertakes residential, commercial, and industrial property development projects; invests in properties, such as hotels in Australia; and provides short-term accommodation in New Zealand. The company was incorporated in 2012 and is based in Singapore. TEE Land Limited operates as a subsidiary of TEE International Limited.

Source: S&P Capital IQ as at 05 April 2017

The following tabulates the key financial ratios for comparison of financial performance for the past 12-month period ended 31 December 2016 (“**T12**”) and financial position as at 31 December 2016 for the Comparable Companies and the Group:

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**Table 3: Financial Performance and debt position of the Group and the Comparable Companies**

Comparable Companies	T12 ROE <sup>(1)</sup> (%)	T12 Net profit/loss margin <sup>(2)</sup> (%)	T12 Asset turnover <sup>(3)</sup> (x)	Total liabilities/ shareholders' equity (x)	Total borrowings/ shareholders' equity (x)	Net Debt/Cash Position <sup>(4)</sup>
Goodland Group	(1.5)	(5.8)	0.1	0.8	0.7	Net Debt
Heeton Holdings	3.6	18.5	0.1	1.1	1.1	Net Debt
Imperium Crown	(19.6)	(219.3)	0.0	0.9	0.9	Net Debt
IPC Corporation	(7.1)	(294.4)	0.0	0.1	0.1	Net Debt
Pollux Properties	2.9	3.9	0.4	1.5	1.4	Net Debt
Sing Holdings	13.9	9.4	0.5	0.9	0.9	Net Debt
TEE Land	3.0	6.7	0.1	1.4	1.1	Net Debt
<b>High</b>	<b>13.9</b>	<b>18.5</b>	<b>0.5</b>	<b>1.5</b>	<b>1.3</b>	
<b>Low</b>	<b>(19.6)</b>	<b>(294.4)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	
<b>Median</b>	<b>2.9</b>	<b>3.9</b>	<b>0.1</b>	<b>0.9</b>	<b>0.9</b>	
<b>Simple Average</b>	<b>(0.7)</b>	<b>(68.7)</b>	<b>0.2</b>	<b>1.0</b>	<b>0.9</b>	
<b>The Group</b>	<b>(3.42)</b>	<b>(11.5)</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>Net Debt</b>

Source: S&P Capital IQ as at the Latest Practicable Date, annual reports and the unaudited interim financial statements of the Comparable Companies.

**Notes:**

1. The T12 Return on Equity ("**ROE**") was calculated based on the ratio of the T12 net profit after tax attributable to the shareholders to the shareholders' equity exclude minority interest as at the end of the latest published financial quarter of the respective companies.
2. T12 net profit/loss margin was calculated based on the ratio of T12 net profits/losses after tax attributable to shareholders to the T12 revenue of the respective companies.
3. T12 asset turnover was calculated based on the ratio of the T12 revenue to the total assets as at as at the end of the latest published financial quarter of the respective companies.
4. The Net Debt is the sum of all short-term and long-term debt less the total cash and cash equivalents as at the end of the latest published financial quarter. Net cash, in the context of this Letter, represents as a positive cash position after deducting total debt from cash and its short-term equivalents.



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Based on Table 3, we noted the following:

- (i) the Group's T12 ROE and T12 net profit/loss margin were negative and within the range but below the median (less favourable) of the Comparable Companies;
- (ii) the Group's T12 Asset turnover of 0.2x is within the range but above the median (more favourable) of the Comparable Companies;
- (iii) the Group's total liabilities to shareholders' equity ratio and total borrowings to shareholders' equity ratio of 0.3x and 0.2x were within the range but below the median (more favourable) of the Comparable Companies; and
- (iv) the Group is in a net debt position, similar to the Comparable Companies.

**Table 4: Valuation Statistics of the Group and the Comparable Companies**

Comparable Companies	Financial period	Market Capitalisation (\$SGD million)	T12 PER <sup>(1)</sup> (x)	T12 EV/EBITDA <sup>(2)</sup> (x)	P/NAV <sup>(3)</sup> (x)
Goodland Group	31-Dec-16	93.8	n.m	n.m	0.5
Heeton Holdings	31-Dec-16	136.6	10.3	13.0	0.4
Imperium Crown	31-Dec-16	35.7	n.m	54.6	0.7
IPC Corporation	31-Dec-16	44.8	n.m	n.m	0.5
Pollux Properties	31-Dec-16	22.6	14.8	13.4	0.4
Sing Holdings	31-Dec-16	146.4	5.6	7.9	0.6
TEE Land	31-Dec-16	88.0	17.9	26.4	0.6
<b>High</b>		<b>146.4</b>	<b>17.9</b>	<b>54.6</b>	<b>0.7</b>
<b>Low</b>		<b>22.6</b>	<b>5.6</b>	<b>7.9</b>	<b>0.4</b>
<b>Median</b>		<b>88.0</b>	<b>12.6</b>	<b>13.4</b>	<b>0.5</b>
<b>Simple Average</b>		<b>81.1</b>	<b>12.1</b>	<b>23.1</b>	<b>0.5</b>
<b>The Group (implied by the Offer Price)</b>	31-Dec-16	<b>106.1<sup>(4)</sup></b>	<b>n.m</b>	<b>n.m</b>	<b>0.3</b>

Source: S&P Capital IQ as at the Latest Practicable Date, annual reports and the unaudited interim financial statements of the Comparable Companies as at 31 December 2016.

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### Notes:

1. T12 Price-Earnings Ratio (“**PER**”) was calculated based on the ratio of market capitalisation as at Latest Practicable Date to T12 net profits after tax attributable to shareholders of the respective companies.
2. The Enterprise Value (“**EV**”) was calculated based on the sum of the companies’ market capitalisation as Latest Practicable Date, preferred equity, minority interests, short and long term debts less cash and cash equivalents. The T12 Earnings before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) is computed based on the trailing 12 months period ending on the latest financial quarter for which financial results have been published.
3. The Price to NAV (“**P/NAV**”) was calculated based on the ratio of market capitalisation as at the Latest Practicable Date to the NAV attributable to shareholders of the respective companies.
4. Based on offer price of S\$0.330.

Based on Table 4, we noted the following:

- (i) the Group’s T12 PER and T12 EV/EBITDA were negative as the Group incurred a net loss attributable to Shareholders of S\$14.0 million for FY2016; and
- (ii) The Group’s Offer Price to RNAV multiple of 0.28x based on the Group’s RNAV as at 31 December 2016 was below the range (less favourable) of the corresponding ratios of the Comparable Companies.

### 8.5 Precedent Privatisation Transactions Analysis

In assessing the reasonableness of the Offer Price, we have also compared the valuation statistics implied by the Offer Price with those of selected recently successful privatisation transactions undertaken by SGX-ST listed companies.

For our analysis, we have compared the financial terms of the Offer against:

- (i) all precedent privatisation transactions carried out either by general takeover offer, either voluntary (“**VGO**”) or mandatory (“**MGO**”) (including Scheme of Arrangement (“**SOA**”)) or by way of voluntary delistings (“**VD**”) (collectively “**Precedent Privatisation Transactions**”) since January 2016 and up to the Latest Practicable Date.

**Table 5: Valuation Statistics of Precedent Privatisation Transactions**

Company	Type	Ann Date	Offer Price (\$S)	Premium/ (discount) over the			Offer Price to NTA/NAV (x)
				Last transacted price prior to ann date (%)	1-month VWAP prior to ann date (%)	3-month VWAP prior to ann date (%)	
HTL International Holdings Limited	SOA	7-Jan-16	1.00	46.0	69.2	98.4	1.9 <sup>(1)</sup>
Lantrovision Ltd	SOA	27-Jan-16	3.25	47.7	42.8	46.2	1.5 <sup>(2)</sup>

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Company	Type	Ann Date	Offer Price (S\$)	Premium/ (discount) over the			Offer Price to NTA/NAV (x)
				Last transacted price prior to ann date (%)	1-month VWAP prior to ann date (%)	3-month VWAP prior to ann date (%)	
China Yong Sheng Limited	VGO	24-Feb-16	0.03	52.4	67.4	62.4	0.7 <sup>(3)</sup>
Xinren Aluminium Holdings	VGO	25-Feb-16	0.60	25.1	49.6	50.0	1.5 <sup>(4)</sup>
Osim International	VGO	29-Feb-16	1.41	27.0	40.9	42.5	2.6 <sup>(5)</sup>
Select Group Limited	VGO	23-Mar-16	0.53	23.5	37.9	43.4	3.9 <sup>(6)</sup>
GMG Global Limited	VGO	28-Mar-16	0.70	10.8	25.2	39.9	0.7 <sup>(7)</sup>
Xyec Holdings Co., Ltd	VD	29-Mar-16	0.30	50.0	49.3	49.3	1.3 <sup>(8)</sup>
China Dairy Group Ltd.	VD	12-Apr-16	0.20	87.7	96.4	82.5	1.1 <sup>(9)</sup>
Pteris Global Limited	VGO	21-Apr-16	0.74	33.9	38.0	44.1	1.2 <sup>(10)</sup>
China Merchants Holdings (Pacific) Limited	VGO	9-May-16	1.02	22.9	21.8	25.3	1.1 <sup>(11)</sup>
Eu Yan Sang International Ltd	VGO	16-May-16	0.60	2.6	8.5	16.5	1.7 <sup>(12)</sup>
Otto Marine Limited	VD	2-Jun-16	0.32	39.1	44.8	43.5	2.3 <sup>(13)</sup>
SMRT Corporation Ltd	SOA	15-Jul-16	1.68	8.7	10.8	10.7	2.8 <sup>(14)</sup>
Sim Lian Group Limited	VGO	8-Aug-16	1.08	14.9	16.6	19.5	0.8 <sup>(15)</sup>
China Minzhong Food Corporation Limited	VGO	6-Sep-16	1.20	25.0	24.8	23.1	0.7 <sup>(16)</sup>
Aztech Group Ltd.	VD	19-Sep-16	0.42	29.2	38.6	21.0	0.4 <sup>(17)</sup>
China New Town Development Company Limited	VD	18-Oct-16	0.07	18.6	20.5	27.0	0.9 <sup>(18)</sup>
China Auto Electronics Group Limited	MGO	24-Oct-16	0.16	23.1	50.9	65.0	1.3 <sup>(19)</sup>

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Company	Type	Ann Date	Offer Price (\$)	Premium/ (discount) over the			Offer Price to NTA/NAV (x)
				Last transacted price prior to ann date (%)	1-month VWAP prior to ann date (%)	3-month VWAP prior to ann date (%)	
Innovalues Limited	SOA	26-Oct-16	1.01	13.5 <sup>(21)</sup>	19.0 <sup>(21)</sup>	21.6 <sup>(21)</sup>	3.7 <sup>(20)</sup>
ARA Asset Management Limited	SOA	8-Nov-16	1.78	26.2	29.6	30.3	3.1 <sup>(22)</sup>
Sunmart Holdings	VD	30-Nov-16	0.07	n.m <sup>(27)</sup>	n.m <sup>(27)</sup>	n.m <sup>(27)</sup>	0.9 <sup>(23)</sup>
Auric Pacific Group Limited	VGO	7-Feb-17	1.65	13.4	17.7	23.8	1.5 <sup>(24)</sup>
Kingboard Copper Foil Holdings Limited	VGO	3-Mar-17	0.40	19.9	28.3	32.9	0.6 <sup>(25)</sup>
Spindex Industries Limited	MGO	3-Mar-17	0.85	21.4	20.9	23.4	1.0 <sup>(26)</sup>
<b>High</b>			3.25	87.7	96.4	98.4	3.9
<b>Low</b>			0.03	2.6	8.5	10.7	0.4
<b>Median</b>			0.70	24.3	33.8	36.4	1.3
<b>Simple Average</b>			0.84	28.4	36.2	39.3	1.6
<b>The Group</b>	VGO	24-Mar-16	<b>0.330</b>	<b>50.0</b>	<b>65.0</b>	<b>65.0</b>	<b>0.3</b>

Source: Circulars of the respective selected transactions

### Notes:

1. Based on the NTA per share of HTL International Holdings Limited as at 31 December 2015;
2. Based on the NTA per share of Lantrovision (S) Ltd as at 31 December 2015;
3. Based on the revalued NAV per share of China Yongsheng Limited as at 31 December 2015;
4. Based on the revalued NAV per share of Xinren Aluminium Holdings Limited as at 31 December 2015;
5. Based on the final offer price of S\$1.39 per share announced on 5 April 2016 and the audited NAV per share of OSIM International Ltd as at 31 December 2015;
6. Based on the NTA per share of Select Group Limited as at 31 December 2015;
7. Based on the midpoint of the P/NAV range of GMG Global Limited of 0.72-0.77 as at 31 December 2015 implied by the respective Halcyon Agri Corporation Limited (offeror) VWAP for the 1, 3 and 6 month periods prior to the pre-conditional announcement date as of 28 March 2016;
8. Based on the NAV per share of Xyec Holdings Co., Ltd. as at 30 September 2015;
9. Based on RNAV per share of China Dairy Group Ltd. as at 31 December 2015;
10. Based on the final offer and RNTA per share of Pteris Global Limited as at 31 March 2016;
11. Based on the revalued NAV per share of China Merchants Holdings (Pacific) Limited as at 31 March 2016;
12. Based on the revalued NAV per share of Eu Yan Sang International Ltd as at 31 March 2016;

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13. *Based on the revalued NTA per share of Otto Marine Limited as at 31 March 2016;*
14. *Based on the NTA per share of SMRT Corp Ltd as at 30 June 2016;*
15. *Based on the revalued NAV per share of Sim Lian Group Limited as at 30 June 2016;*
16. *Based on the NTA per share of China Minzhong Food Corporation Limited as at 30 September 2016;*
17. *Based on the RNTA per share of Aztech Group Ltd. as at 30 June 2016;*
18. *Based on the NAV per share of China New Town Development Company Limited as at 30 September 2016;*
19. *Based on the NTA per share of China Auto Electronics Group Limited on a diluted basis (after bond conversion) as at 30 June 2016;*
20. *Based on the NTA per share of Innovalues Limited as at 30 September 2016;*
21. *The market premia were computed based on prices prior to the holding announcement date (7 April 2016) when the company first announced that it has appointed a financial adviser to conduct a review of the strategic options available to the company with a view to enhancing and unlocking shareholder value;*
22. *Based on the NAV per share of ARA Asset Management Limited as at 31 December 2016;*
23. *Based on the NAV per share of Sunmart Holdings Limited as at 30 September 2016;*
24. *Based on the RNTA per share of Auric Pacific Group Limited as at 31 December 2016;*
25. *Based on the RNTA per share of Kingboard Copper Foil Holdings Limited as at 31 December 2016;*
26. *Based on the RNTA per share of Spindex Industries Limited as at 31 December 2016; and*
27. *n.m. denotes not meaningful.*

Based on Table 5, we noted that:

- (i) the premiums of 50.0%, 65.0% and 65.0% for the Group as implied by the Offer Price over the last transacted price, one-month VWAP for the Shares prior to the Announcement Date and three-month VWAP for the Shares prior to the Announcement Date, respectively, are within the comparable range but above (more favourable) the median and the simple average of the corresponding ratios of the Precedent Privatisation Transactions.
- (ii) The Group's Offer Price to RNAV multiple of 0.28x based on the Group's RNAV as at 31 December 2016 was below the range (less favourable) of the corresponding ratios of the Precedent Privatisation Transactions.

**We wish to highlight that the circumstances for each of the transactions is unique and as the companies of transactions involved may not be directly comparable to the Company and the Group in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects, time and other relevant criteria. As such, the analysis is necessarily limited. Furthermore, the list of precedent privatisation transactions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the Offer and the precedent privatisation transactions serves as an illustrative guide only.**

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### **8.6 Intention of the Offeror regarding Listing Status**

We noted that the Offeror had stated that it intends to privatise the Company and does not intend to preserve the listing status of the Company. Accordingly,

- (i) in the event the Company does not meet the Free Float Requirement, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted; and
- (ii) in the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer, the Offeror stated that it intends to exercise its right. The Offeror will then proceed to delist the Company from the SGX-ST.

As at the Latest Practicable Date, the Offeror and its concert parties directly or indirectly hold and/or control in aggregate 248,789,810 Shares, representing approximately 77.41 per cent. of the total number of Shares and 3,365,400 Options, representing approximately 80.80 per cent. of the total number of Options.

### **8.7 Dividend Track Record of the Company**

We noted that the Company did not pay any dividend for the last 12 financial years, with the last dividend distribution made in FY2004.

The Directors have confirmed that the Company does not have a fixed dividend policy and that they will recommend future dividends after taking into consideration the Company's cash and financial position, financial performance of the Group, working capital requirements, projected capital expenditure and other investment plans.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy.

### **8.8 Other Relevant Considerations**

#### **8.8.1 No revision in Offer Price**

Pursuant to **paragraph 2.1** of the Offer Document, we note that the Offer Price is final and the Offeror does not intend to revise the Offer Price under any circumstances.

#### **8.8.2 No Competing Offer Received**

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, there is no competing offer or proposal received from any third party. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party.

#### **8.8.3 Transaction costs in connection with the disposal of the Shares**

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage or other trading costs.

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### 9 SUMMARY OF ANALYSIS

In arriving at our opinion in respect of the financial terms of the Offer, we have deliberated on various factors which we consider to be pertinent and have a significant bearing on our assessment including, *inter alia*, the following:

#### (a) Rationale for the Offer

We have considered the rationale for the Offer and they appear to be based on sound commercial grounds.

In particular, we noted that the Offeror intends to delist and privatise the Company as *“If the Company is not privatised, the Offeror believes that, in the event market conditions continue to deteriorate and the Company is unable to sell the remaining unsold units of E Maison and R Maison and the Company makes further losses from sales of units in The Quinn by the Relevant Subsidiaries as aforesaid, the Company may be required to seek alternative avenues of funding, including equity fund raising on the SGX-ST, in order to fund penalty charges which will be incurred for failing to meet the applicable QC deadlines and the bank loan of S\$52.6 million due for repayment on 31 March 2018.”*

#### (b) Financial performance and position of the Group

##### Declining financial performance of the Group and net losses incurred for FY2016

The Group had registered net losses attributable to Shareholders of S\$14.0 million in FY2016 from a profitable position in FY2015 due to the slowdown in sales of development properties, impairments made on unsold units in the Group’s Braddell and Bartley projects and lower profit contribution from Suryamas.

##### Decreasing Net Asset and Cash balances

We noted that although the Group had maintained a positive cash position and working capital during the period under review, the net working capital of the Group had declined from S\$328.6 million as at 31 December 2014 to S\$216.9 million as at 31 December 2016. Cash and cash equivalent also decreased from S\$74.0 million as at 31 December 2014 to S\$48.4 million as at 31 December 2016.

#### (c) Historical Share price performance and trading liquidity

##### Period before 1 January 2016

Before 1 January 2016, the Company’s closing Share Prices were generally above the Offer Price but was on a downward trend since its peak Share Price of S\$0.70 (assuming Share Consolidation had taken place) recorded in May 2015.



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### Period after 1 January 2016 up to the Last Trading Day

Between 1 January 2016 and up to the Last Trading Day, the Shares were mostly trading below the Offer Price at a range of between S\$0.185 to S\$0.335. We noted that this period corresponded to the decline in the financial performance of the Group, registering losses for four consecutive quarters since 1st quarter of 2016.

### Low trading volume for the Shares

We note that the trading volume of the Shares on SGX-ST had generally been low and the Shares of the Company only traded 121 days out of the total 253 Market Days during the period from 25 March 2016 to the Last Trading Day. Average daily trading volume during this period is approximately 11,075 Shares, which represents 0.003% of the issued Share capital as at the Last Trading Day or approximately 0.02% of the Free-float as at the Last Trading Day.

We noted that the trading volume of the Shares on the SGX-ST had generally been low in the past 12 months prior to the Announcement Date and ending on the Latest Practicable Date and The Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity.

## **(d) The Group's NAV, NTA, and RNAV**

### Offer Price to NAV and RNAV

The Group's P/NAV and P/NTA were approximately 0.38x and 0.38x respectively. The Group's P/RNAV was approximately 0.28x.

### Historical Share price had consistently been trading at a discount to NAV per Share

We noted the closing Share Prices of the Company had been trading below its NAV per Share in the past 12 months prior to and including the Last Trading Day, at a discount between 60.8% and 78.9%.

### Comparison of the Offer Price to RNAV per Share against Comparable Companies and Precedent Privatisation Transactions

The Group's P/RNAV of 0.28x based on the Group's unaudited RNAV as at 31 December 2016 was below the range (less favourable) of the corresponding ratios of the Comparable Companies.

The Group's P/RNAV of 0.28x based on the Group's unaudited RNAV as at 31 December 2016 was below the range (less favourable) of the corresponding ratios of the Precedent Privatisation Transactions.

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Book value or revalued book value may not be fully realisable and may deteriorate further

Shareholders should note that the NAV may not be fully realisable at its book value or revalued value, especially within a short time frame, and the market value of these assets may vary depending on, amongst others, the prevailing market and economic conditions and whether a buyer can be found for such assets. Also, we wish to highlight that the NAV of the Group may deteriorate further if the Group continues to incur losses after 31 December 2016.

### **(e) Relative valuation analysis**

The Group's performance ratio was less favourable but its debt position was more favourable compared to the Comparable Companies

The Group's T12 PER and T12 EV/EBITDA were negative as the Group incurred a net loss attributable to Shareholders of S\$14.0 million for FY2016.

The Group's T12 ROE and T12 net profit/loss margin were negative and within the range but below the median (less favourable) of the Comparable Companies.

The Group's total liabilities to shareholders' equity ratio and total borrowings to shareholders' equity ratio of 0.3x and 0.2x were within the range but below the median (more favourable) of the Comparable Companies and the Group is in a net debt position, similar to the corresponding ratios of the Comparable Companies.

### **(f) Comparison against Precedent Privatisation Transactions**

The premium of the Offer Price over Share Price is more favourable compared to the Precedent Privatisation Transactions

We noted that the premiums of 50.0%, 65.0% and 65.0% as implied by the Offer Price over the last transacted price, one-month VWAP and three-month VWAP, respectively, are within the comparable range but above (more favourable) the median and the simple average of the Precedent Privatisation Transactions.

### **(g) Intention of the Offeror regarding Listing Status**

We noted that the Offeror had stated that it intends to privatise the Company and does not intend to preserve the listing status of the Company. Accordingly, in the event the Company does not meet the Free Float Requirement, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted.

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer, the Offeror stated that it intends to exercise its right. The Offeror will then proceed to delist the Company from the SGX-ST.

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### (h) Dividend Track Record of the Company

We noted that the Company did not pay any dividend for the last 12 financial years, with the last dividend distribution made in FY2004. The Directors have confirmed that the Company does not have a fixed dividend policy and that they will recommend future dividends after taking into consideration the Company's cash and financial position, financial performance of the Group, working capital requirements, projected capital expenditure and other investment plans

### (i) Other Relevant Considerations

#### No revision in Offer Price

Pursuant to **paragraph 2.1** of the Offer Document, we note that the Offeror does not intend to revise the Offer Price under any circumstances.

#### No Competing Offer Received

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, there is no competing offer or proposal received from any third party. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party.

#### Transaction costs in connection with the disposal of the Shares

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage or other trading costs.

## 10 RECOMMENDATION AND CONCLUSION

**Having carefully considered the information available to us, and the analysis set out in this letter, and based upon the industry, market, economic and other relevant considerations as at the Latest Practicable Date, and subject to the qualifications and assumptions made herein, from a financial point of view, we are of the view that the Offer is NOT FAIR BUT REASONABLE.**

In determining that the Offer is **NOT FAIR**, we have considered the following pertinent factors from the perspective of the value of the Shares:

- (i) the Offer Price is at a discount of 72.3% to the RNAV per Share of the Group as at 31 December 2016;
- (ii) the P/RNAV of 0.28x as implied by the Offer Price is below the range of the corresponding ratios of the Comparable Companies; and
- (iii) the P/RNAV of 0.28x as implied by the Offer Price is below the range of the corresponding ratios of the Precedent Privatisation Transactions.

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Although we noted that the premiums of 50.0%, 65.0% and 65.0% as implied by the Offer Price over the last transacted price, one-month VWAP and three-month VWAP, respectively is above the median and simple average of the corresponding ratios of the Precedent Privatisation Transactions.

In determining that the Offer is **REASONABLE**, we have considered the following pertinent factors other than from the perspective of the value of the Shares:

- (i) the rationale for the Offer appear to be based on sound commercial grounds;
- (ii) the declining financial performance of the Group and net losses incurred for FY2016;
- (iii) the trading volume of the Shares had generally been low in the past 12 months prior to the Announcement Date and ending on the Latest Practicable Date and the Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity;
- (iv) the Group's performance ratio was less favourable compared to the Comparable Companies although its debt position was more favourable compared to the Comparable Companies;
- (v) the Offeror had stated that it intends to privatise the Company and does not intend to preserve the listing status of the Company and when entitled to, will exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer;
- (vi) the Company did not pay any dividend for the last 12 financial years, with the last dividend distribution made in FY2004 and the Directors have confirmed that the Company does not have a fixed dividend policy; and
- (vii) there is no publicly available evidence of any alternative offer for the Shares from any third party.

**Accordingly, on the balance of the above factors, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer to realise their investment in the Company or sell their Shares on the open market if they can obtain a price higher than the Offer Price (after deducting expenses).**

In respect of the Options Proposal, we note that as the Options Price is calculated on a "see-through" basis, the consideration an Option Holder would receive from accepting the Options Proposal would be the same as if the Option Holder were to convert the Options and accept the Offer. Our advice to Shareholders with respect to the Offer is applicable to Option Holders.

**Accordingly, we advise the Independent Directors to recommend that Option Holders ACCEPT the Options Proposal or sell their Shares, after exercising their Options, in the open market if they can obtain a price higher than the Offer Price (after deducting expenses).**

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**We further recommend that the Independent Directors should advise the Shareholders and Option Holders that Stirling Coleman’s opinion should not be relied upon by any Shareholder or Option Holder as the sole basis for deciding whether to accept or reject the Offer or the Options Proposal, as the case may be.**

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Shareholder or Option Holder. As each Shareholder or Option Holder would have different investment objectives and profiles, we would advise that any individual Shareholder or Option Holder who may require specific advice in relation to his investment objectives or portfolio should consult his broker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice of Stirling Coleman on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of Stirling Coleman’s review and also, such advice, if given, would not fall within Stirling Coleman’s terms of reference in connection with the Offer.

This Letter (for inclusion in the Circular) is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Offer, but any recommendation made by the Independent Directors in respect of the Offer to the Shareholders and the Options Proposal to the Option Holders remains the responsibility of the Independent Directors.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**STIRLING COLEMAN CAPITAL LIMITED**

ANG LIAN KIAT  
MANAGING DIRECTOR

YAP YEONG KEEN  
MANAGING DIRECTOR

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP

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### 1. DIRECTORS

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

<u>Name</u>	<u>Address</u>	<u>Designation in the Company</u>
Mdm. Oei Siu Hoa @ Sukmawati Widjaja	1 Scotts Road #20-07 Shaw Centre Singapore 228208	Executive Chairman
Mr. Hano Maeloa	1 Scotts Road #20-07 Shaw Centre Singapore 228208	Chief Executive Officer, Executive Director
Ms. Jennifer Chang Shyre Gwo	9 Surin Lane Singapore 535554	Chief Operating Officer, Executive Director
Ms. Mimi Yuliana Maeloa	1 Scotts Road #20-07 Shaw Centre Singapore 228208	Non-Executive Director
Mr. Yeo Chin Tuan Daniel	59 Meyer Road #16-13 The Seafront on Meyer Singapore 437880	Non-Executive, Lead Independent Director
Dr. Lam Lee G	44 Recreation Road Singapore 546533	Non-Executive, Independent Director

### 2. PRINCIPAL ACTIVITIES

The Company was incorporated on 9 October 1980 and was listed on SESDAQ (now known as Catalist) on 21 June 2001. On 24 December 2012, the Group successfully transferred to the Mainboard of SGX-ST.

As at the Latest Practicable Date, the Company is principally engaged in the business of property development and investment in real estate related businesses in Singapore and internationally. The Company is also involved in the businesses of hospitality and leisure, facilities management and education.

### 3. SHARE CAPITAL

#### 3.1 Issued share capital of the Company

The Company has only one (1) class of shares, being ordinary shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$265,667,000 comprising 321,381,099 Shares (excluding Treasury Shares) and there are 514,200 treasury shares.

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

The rights of Shareholders in respect of capital, dividends and voting are contained in the Company's Constitution. For ease of reference, selected texts of the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced in Appendix III to this Circular.

## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP

### 3.3 Number of Shares issued since the end of the last financial year

As at the Latest Practicable Date, there has been no issue of new Shares by the Company since 31 December 2016, being the end of the last financial year.

### 3.4 Convertible instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting shares in the Company save for an aggregate of 4,165,400 outstanding Options under the Company Scheme to subscribe for an aggregate of 4,165,400 Shares.

Details of the outstanding Options are as follows:

Name of Option Holder	Number of Options	Number of Shares to be issued upon exercise	Exercise Price for each Option	Date of Expiry
SW	1,682,700	1,682,700	S\$1.20	4 April 2021
HM	1,682,700	1,682,700	S\$1.20	4 April 2021
Ms. Jennifer Chang Shyre Gwo	800,000	800,000	S\$1.20	19 April 2021

## 4. SUMMARY OF FINANCIAL INFORMATION

### 4.1 Financial Information of the Group

A summary of the financial information of the Group, including revenue, exceptional items, net profit before and after tax, minority interests, net earnings per Share and net dividends per Share for FY2014, FY2015 and FY2016 is set out below.

The following summary should be read together with the annual reports, the audited consolidated financial statements of the Group for the relevant periods and the related notes thereto, which are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

	Audited FY2014	Audited FY2015	Audited FY2016
<b>Income Statement (S\$'000)</b>			
Revenue	50,182	195,698	121,792
Cost of sales	(38,144)	(157,705)	(103,651)
Gross profit	12,038	37,993	18,141
Other income	2,737	3,826	2,238
Other losses – net	(1,135)	(1,220)	(180)
Gain on bargain purchase	4,192	–	–



## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP

	Audited FY2014	Audited FY2015	Audited FY2016
Expenses			
– Distribution and marketing	(2,502)	(5,469)	(7,409)
– Administrative	(10,103)	(22,684)	(23,442)
– Finance	(1,160)	(4,198)	(4,197)
Share of loss of associated company	–	–	(484)
(Loss)/profit before income tax	4,067	8,248	(15,333)
Income tax credit/(expense)	(867)	(1,393)	1,205
<b>Net (loss)/profit</b>	<b>3,200</b>	<b>6,855</b>	<b>(14,128)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Fair value gains/(losses)	512	(568)	5,620
Currency translation difference arising from consolidation			
– Gains/(losses)	5,147	(9,286)	11,271
	5,659	(9,854)	16,891
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment benefits	(678)	(632)	48
<b>Other comprehensive income/(loss), net of tax</b>	<b>4,981</b>	<b>(10,486)</b>	<b>16,939</b>
<b>Total comprehensive income/(loss)</b>	<b>8,181</b>	<b>(3,631)</b>	<b>2,811</b>
<b>(Loss)/profit attributable to:</b>			
Equity holders of the Company	2,819	4,990	(13,975)
Non-controlling interests	381	1,865	(153)
	<b>3,200</b>	<b>6,855</b>	<b>(14,128)</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	6,548	(2,853)	(79)
Non-controlling interests	1,633	(778)	2,890
	<b>8,181</b>	<b>(3,631)</b>	<b>2,811</b>
<b>(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (cents per Share)</b>			
Basic (loss)/earnings per Share	<b>1.83</b>	<b>1.61</b>	<b>(4.34)</b>
Diluted (loss)/earnings per Share	<b>1.20</b>	<b>1.59</b>	<b>(4.34)</b>

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP

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A summary of the assets and liabilities of the Group as at 31 December 2016 is set out below.

The following summary should be read together with the annual report for FY2016, the audited consolidated financial statements of the Group for FY2016, and the related notes thereto, which are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

**31 December 2016**  
**(Audited)**

### Statement of Financial Position (S\$'000)

#### ASSETS

##### Current assets

Cash and cash equivalents	48,403
Available-for-sale financial assets	24
Trade and other receivables	21,062
Inventories	314
Development properties	220,506
	<hr/>
	290,309

##### Non-current assets

Available-for-sale financial assets	16,411
Trade and other receivables	6,087
Development properties	190,473
Investment in an associated company	1,981
Investment in a joint venture	*
Investments in subsidiary corporations	—
Investment properties	10,377
Property, plant and equipment	39,181
Deferred income tax assets	4,298
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	268,808

<b>Total assets</b>	<b>559,117</b>
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#### LIABILITIES

##### Current liabilities

Trade and other payables	52,052
Current income tax liabilities	3,094
Derivative financial instrument	—
Borrowings	17,203
Provisions	1,100
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	73,449

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP

	31 December 2016 (Audited)
<b>Non-current liabilities</b>	
Trade and other payables	1,369
Borrowings	58,294
Deferred income tax liabilities	6,748
Post-employment benefits	3,602
Provisions	548
	70,561
<b>Total liabilities</b>	<b>144,010</b>
<b>NET ASSETS</b>	<b>415,107</b>
<b>EQUITY</b>	
<b>Capital and reserves attributable to equity holders of the Company</b>	
Share capital	265,667
Treasury shares	(91)
Other reserves	15,548
(Accumulated losses)/retained profits	(2,067)
	<b>279,057</b>
Non-controlling interests	136,050
<b>Total equity</b>	<b>415,107</b>

\* Less than S\$1,000

### 4.2 Material changes in financial position

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to the annual report of the Company for FY2016), there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 31 December 2016, being the date to which the last published audited financial statements of the Company were made up.

### 4.3 Significant accounting policies

The significant accounting policies of the Group, which are disclosed in note 2 of the audited consolidated financial statements of the Group for FY2016, are contained in the annual report of the Company for FY2016 and are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP

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Save as disclosed in this Circular and publicly available information on the Company (including but not limited to that contained in the audited financial statements of the Company for FY2014, FY2015 and FY2016), there were no significant accounting policies or any points from the notes to the financial statements of the Company which are of major relevance for the interpretation of the accounts.

### 4.4 Changes in accounting policies

As at the Latest Practicable Date, save as publicly disclosed, there has been no change in the accounting policies of the Company which will cause the figures in the financial statements of the Company to be not comparable to a material extent.

## 5. DISCLOSURE OF INTERESTS

### 5.1 Interests of the Group in the Offeror Securities

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has any direct or deemed interest in any of the Offeror Securities.

### 5.2 Dealings by the Group in the Offeror Securities

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has dealt for value in any of the Offeror Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

### 5.3 Interests of the Directors in the Offeror Securities

Save as disclosed below in respect of SW, HM and MM, as at the Latest Practicable Date, none of the Directors has any direct or deemed interest in any of the Offeror Securities.

The following information has been extracted from paragraph 8 of the Letter to Shareholders in the Offer Document:

**8.2 Sole Shareholder of the Offeror.** *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100.00 divided into 100 ordinary shares and is wholly-owned by SW.*

**8.3 Directors of the Offeror.** *As at the Latest Practicable Date, the directors of the Offeror are SW and HM.*

The Company notes further that MM is the daughter of SW.

### 5.4 Dealings by the Directors in the Offeror Securities

As at the Latest Practicable Date, none of the Directors has dealt for value in any of the Offeror Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

## APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP

### 5.5 Interests of the Directors in the Company Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or deemed interest in any of the Company Securities:

#### *Interests of the Directors in Shares*

	Direct Interest		Deemed Interest	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
<b>Directors</b>				
SW <sup>(1)</sup>	–	–	248,759,810	77.40
HM	600,000	0.19	–	–
Ms. Jennifer Chang Shyre Gwo	78,000	0.02	–	–

**Note:**

- (1) SW has a deemed interest in 600,000 Shares held by her son, HM, and a deemed interest in 248,159,810 Shares held by UGT.

#### *Interests of the Directors in Options*

	Direct Interest		Deemed Interest	
	No. of Options	Number of Shares to be issued upon exercise	No. of Options	Number of Shares to be issued upon exercise
<b>Directors</b>				
SW	1,682,700	1,682,700	–	–
HM	1,682,700	1,682,700	–	–
Ms. Jennifer Chang Shyre Gwo	800,000	800,000	–	–

### 5.6 Dealings in the Company Securities by the Directors

As at the Latest Practicable Date, none of the Directors has dealt for value in any of the Company Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

### 5.7 Interests of the IFA in the Company Securities

As at the Latest Practicable Date, the IFA and funds whose investments are managed by it on a discretionary basis do not own or control any of the Company Securities.

### 5.8 Dealings in the Company Securities by the IFA

As at the Latest Practicable Date, the IFA and funds whose investments are managed by it on a discretionary basis have not dealt for value in any of the Company Securities during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

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## **APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP**

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### **5.9 Directors' Intentions**

As at the Latest Practicable Date, SW has a deemed interest in 248,159,810 Shares held by UGT, whose settler and sole beneficiary is SW, and a deemed interest in 600,000 Shares held by her son, HM, representing in aggregate 77.40 per cent. of the total number of Shares. As at the Latest Practicable Date, SW also holds 1,682,700 Options. SW has informed the Company that pursuant to the irrevocable undertakings provided by UGT, HM and SW respectively in favour of the Offeror (details of which are set out in Section 4 of this Circular), UGT, HM and SW will accept the Offer and the Options Proposal respectively in respect of the aforesaid Company Securities.

As at the Latest Practicable Date, HM has a direct interest in 600,000 Shares, representing 0.19 per cent. of the total number of Shares. As at the Latest Practicable Date, HM also holds 1,682,700 Options. HM has informed the Company that pursuant to the irrevocable undertakings provided by him in favour of the Offeror (details of which are set out in Section 4 of this Circular), HM will accept the Offer and the Options Proposal respectively in respect of the aforesaid Company Securities held by him.

As disclosed in paragraph 5.5 above, Ms. Jennifer Chang Shyre Gwo has a direct interest in 78,000 Shares, representing approximately 0.02 per cent. of the total number of Shares, and holds 800,000 Options. Ms. Jennifer Chang Shyre Gwo has informed the Company that she will accept both the Offer and the Options Proposal in respect of the Company Securities held by her.

Save as disclosed above, none of the Directors has any other direct or deemed interest in the Company Securities.

### **5.10 Directors' service contracts**

As at the Latest Practicable Date:

- (a) there are no service contracts between any Director or proposed Director with the Company or any of its subsidiaries which have more than twelve (12) months to run and which cannot be terminated by the employing company within the next twelve (12) months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period between the start of the six (6) months preceding the Announcement Date and the Latest Practicable Date.

### **5.11 Arrangements affecting Directors**

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director, or any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

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## **APPENDIX II – ADDITIONAL GENERAL INFORMATION ON THE GROUP**

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- (b) save for the making of the Offer by the Offeror and the irrevocable undertakings given by the Undertaking Shareholders/Option Holders respectively, and save as otherwise disclosed in this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) save for the making of the Offer by the Offeror and the irrevocable undertakings and Additional Irrevocable Undertakings given by the Undertaking Shareholders/Option Holders respectively, and save as otherwise disclosed in this Circular, none of the Directors has any material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

### **6. MATERIAL CONTRACTS WITH INTERESTED PERSONS**

Save for the proposed acquisition by the Company of 3,412,821,351 issued ordinary shares in the capital of PT Suryamas Dutamakmur, Tbk of which details are as provided in the circular to Shareholders dated 29 September 2014 and those disclosed in the public announcements made by the Company via SGXNET and the annual reports of the Company for FY2015, FY2015 and FY2016, the Company nor its subsidiaries has entered into any material contract (other than in the ordinary course of business) with interested persons during the period commencing three (3) years prior to the Announcement Date and ending on the Latest Practicable Date.

### **7. MATERIAL LITIGATION**

As at the Latest Practicable Date:

- (a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole; and
- (b) the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

### **8. GENERAL INFORMATION**

All expenses and costs incurred by the Company in relation to the Offer and the Options Proposal will be borne by the Company.



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## APPENDIX III – SELECTED TEXTS FROM THE COMPANY’S CONSTITUTION

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The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are reproduced in italics below.

### (A) RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

#### *ISSUE OF SHARES*

3. (A) *Subject to the Act and to these Articles, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise, as the Directors may think fit and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards Dividend, return of capital, participation in surplus, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manners of redemption being determined by the Directors in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange’s listing rules.*
- (B) *The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*
- (C) *Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be issued subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.*
4. *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.*
5. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may*

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## APPENDIX III – SELECTED TEXTS FROM THE COMPANY’S CONSTITUTION

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*likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).*

*(B) Notwithstanding Article 5(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–*

- (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or*
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,*

*Provided that:–*

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;*
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these Articles; and*
- (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).*

*(C) The Company may, notwithstanding Articles 5(A) and 5(B) above, authorise the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.*

- 6. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.*

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## APPENDIX III – SELECTED TEXTS FROM THE COMPANY’S CONSTITUTION

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7. *Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.*
8. (A) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six (6) months in arrears.*  
  
(B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

### VARIATION OF RIGHTS

9. (A) *Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction or a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two (2) or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one (1) vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one (1) vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two (2) months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.*  
  
(B) *The provisions in Article 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.*

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## APPENDIX III – SELECTED TEXTS FROM THE COMPANY’S CONSTITUTION

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- (C) *The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

### ALTERATION OF SHARE CAPITAL

10. *The Company may by Ordinary Resolution:–*

- (a) *consolidate and divide all or any of its share capital;*
- (b) *cancel the number of any shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled;*
- (c) *sub-divide its shares, or any of them, Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived: and/or*
- (d) *convert or exchange any class of shares into or for any other class of shares.*

11. (A) *The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorised, and consent or confirmation required, by law.*

- (B) *The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange (hereafter, the “Relevant Laws”), on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*

### CALLS ON SHARES

17. *The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*

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## APPENDIX III – SELECTED TEXTS FROM THE COMPANY’S CONSTITUTION

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18. *Each Member shall (subject to receiving at least fourteen days’ notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.*
19. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. (10%) per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.*
20. *Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue in the same becomes payable. In the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
21. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.*
22. *The Directors may if they think fit receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. (8%) per annum) as the Member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.*

### STOCK

43. *The Company may, from time to time, by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any such stock into paid-up shares of any denomination.*
44. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*
45. *The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividend, return of capital, voting and other matters, as if they held shares from which the stock arose; but no such privileges or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*



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### **BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES**

138. (A) *The Directors may with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 5(B)):*
- (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:*
    - (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
    - (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 5(B)) such other date as may be determined by the Directors, in proportion to their then holdings of shares: and/or*
  - (b) *capitalise any sum standing to the credit of any of the Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:*
    - (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
    - (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 5(B)) such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*
- (B) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Article 138, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

*In addition and without prejudice to the powers provided for by this Article the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any Dividend on any shares entitled to cumulative or non-cumulative preference Dividends, (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on*

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*terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in General Meeting and on such terms as the Directors shall think fit.*

### **(B) RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS**

#### **RESERVES**

126. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one (1) fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.*

#### **DIVIDENDS**

127. *The Company may by Ordinary Resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.*
128. *If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
129. *Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:–*
- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
  - (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.*

*For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.*

130. (A) *No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one (1) year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such moneys unclaimed after six (6) years from having been first*



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*payable shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such Dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such Dividend or the date on which such other moneys are first payable.*

- (B) *A payment by the Company to CDP of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.*
131. *No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.*
132. (A) *The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such share or shall transfer the same.*
133. *The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
134. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
135. *Any Dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two (2) or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one (1) of such persons) or to such person and such address as such Member or person or persons may be writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may*

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*direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.*

136. *If two (2) or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any of them may give effectual receipts for any Dividend or other moneys payable or property distributable on or in respect of the share.*
137. *Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.*

### (C) RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

#### GENERAL MEETINGS

46. *An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings. The interval between the close of a financial year of the Company and the date of the Company’s Annual General Meeting shall not exceed such period as may be prescribed by the Designated Stock Exchange from time to time.*
47. *The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.*
48. *Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days’ notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days’ notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:–*
- (a) *in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and*
- (b) *in case of an Extraordinary General Meeting by a majority in number or the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the Members having a right to vote at thereat;*

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*Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days’ notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days’ notice in writing of such Extraordinary General Meeting shall be given to the Designated Stock Exchange.*

49. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a Member of the Company.*
- (B) *In the case of an Annual General Meeting the notice shall also specify the meeting as such.*
- (C) *In the case of any General Meeting at which business other than routine business (“special business”) is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*
50. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:*
- (a) *declaring Dividends;*
- (b) *receiving and adopting the accounts, the reports of the Directors and Auditors and any other documents required to be attached or annexed to the accounts;*
- (c) *appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
- (d) *re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
- (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
- (f) *fixing Directors’ fees.*
51. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

### PROCEEDINGS AT GENERAL MEETINGS

52. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within five (5) minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one (1) of their*

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*number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one (1) of their number) to be chairman of the General Meeting.*

53. *No business other than appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two (2) Members, present in person or by proxy, provided that (i) a proxy representing more than one (1) Member shall only count as one (1) Member for purpose of determining if the quorum aforesaid is present; and (ii) where a Member is represented by more than one (1) proxy, such proxies of such Member shall only count as one (1) Member for purposes of determining if the quorum aforesaid is present.*
54. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may determine by no less than ten (10) days’ notice appoint.*
55. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned sine die, the time and place, for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty days or more or sine die, not less than seven (7) days’ notice of the adjourned meeting shall be given in like manner as at the case of the original meeting.*
56. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.*
57. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the General Meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
58. *At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) the chairman of the meeting; or*
  - (b) not less than two (2) Members present in person or by proxy and entitled to vote; or*

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- (c) *any Member present in person or by proxy, or where such a Member has appointed two (2) proxies any one (1) of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than one-tenth of the total voting rights of all the Members’ having the right to vote at the General Meeting; or*
- (d) *a Member present in person or by proxy, or where such a Member has appointed two (2) proxies any one (1) of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid up equal to not less than ten per cent. (10%) of the total sum paid on all the shares conferring that right,*

*Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.*

- 59. *Unless a poll is required, a declaration by the chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the General Meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
- 60. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
- 61. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the chairman of the Meeting may direct. No notice need be given of a poll not taken immediately. The demand of a poll shall not prevent the continuance of the General Meeting for the transaction of any business other than the question for which a poll has been demanded.*

### VOTES OF MEMBERS

- 62. *Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, and to Article 4, each Member entitled to vote may vote in person or by proxy. On a show of hands, every Member who is present in person or by proxy shall have one (1) vote (provided that in the case of a Member who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by the Member or, failing such determination, by the Chairman of the General Meeting (or by a person authorised by him) in his solo discretion shall be entitled to vote on a show of hands) and on a poll every Member who is present in person or by proxy shall have one (1) vote for every share which he holds or represents. For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as*



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- at forty-eight (48) hours before the time of the relevant General Meeting as certified by CDP to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.*
63. *In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.*
64. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by Membership in relation to General Meetings.*
65. *No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by Membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.*
66. *No objection shall be raised as to the admissibility of any vote except at the General Meeting or adjourned General Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the General Meeting whose decision shall be final and conclusive.*
67. *On a poll, votes may be given either personally or by proxy and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he used in the same way.*
68. (A) *A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same General Meeting, provided that if a Member is a Depositor, the Company shall be entitled and bound:–*
- (a) *to reject any instrument of proxy lodged if the Depositor, is not shown, to have any shares entered against his name in the Depository Register as at forty-eight (48) hours before the time of the relevant General Meeting as certified by CDP to the Company; and*
  - (b) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at forty-eight (48) hours before the time of the relevant General Meeting as certified by CDP to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.*

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- (B) *Where a Member appoints more than one (1) proxy, the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.*
- (C) *A proxy need not be a Member of the Company.*
69. (A) *An instrument appointed a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may approve and;*
- (a) *in the case of an individual Member, shall be signed by the Member or his attorney duly authorised in writing; and*
- (b) *in the case of a Member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorised officer of the corporation.*
- (B) *The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a Member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.*
70. *An instrument appointing a proxy must be left at such place or one (1) of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting (or, if no place is so specified, at the Office) not less than forty-eight (48) hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one (1) meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.*
71. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the General Meeting.*
72. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one (1) hour before the commencement of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*
73. *Subject to these Articles and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.*



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### ***CORPORATIONS ACTING BY REPRESENTATIVES***

74. *Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Articles (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat.*



