

CIRCULAR DATED 20 OCTOBER 2017

THIS CIRCULAR IS ISSUED BY POH TIONG CHOON LOGISTICS LIMITED (THE “COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF ERNST & YOUNG CORPORATE FINANCE PTE LTD, THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company (“Shares”), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained, opinions expressed or advice given in this Circular.



POH TIONG CHOON LOGISTICS LIMITED

(Incorporated in the Republic of Singapore)
(Company Reg. No. 196900049H)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)
(Company Reg. No. 193500026Z)

for and on behalf of

RESPOND LOGISTICS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Reg. No. 201724215G)

to acquire the Offer Shares (as defined herein)

Independent Financial Adviser to the Independent Directors of the Company



ERNST & YOUNG CORPORATE FINANCE PTE LTD

(Incorporated in the Republic of Singapore)
(Company Reg. No. 199702967E)

SHAREHOLDERS SHOULD NOTE THAT THE ANNOUNCEMENT DATED 12 OCTOBER 2017 BY UNITED OVERSEAS BANK LIMITED, FOR AND ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN) STATES THAT THE CLOSING DATE FOR THE OFFER WILL BE EXTENDED FROM 5.30 P.M. ON 6 NOVEMBER 2017 TO 5.30 P.M. ON 20 NOVEMBER 2017, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR. ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

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DEFINITIONS

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

"1H2017"	:	The half year ended 30 June 2017
"Acceptance Forms"	:	The FAA and the FAT collectively or any one of them, as the case may be
"Business Day"	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to the Shareholders dated 20 October 2017 from the Company in relation to the Offer
"Code"	:	The Singapore Code on Take-overs and Mergers
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore
"Company"	:	Poh Tiong Choon Logistics Limited
"Company Securities"	:	Shares, other securities which carry voting rights in the Company and convertible securities, warrants, options and derivatives in respect of such Shares or securities
"Concert Parties"	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
"Consortium Members"	:	Mr. Poh CA, PCAPL and TCL LP
"Constitution"	:	The constitution of the Company
"CPF"	:	Central Provident Fund
"CPF Agent Bank"	:	Agent banks included under the CPFIS
"CPFIS"	:	Central Provident Fund Investment Scheme
"CPFIS Investors"	:	Investors who have purchased Shares using their CPF account savings under the CPFIS
"CSA"	:	Shall have the meaning ascribed to it in Section 6.2 of the Offer Document
"Directors" or "Board"	:	The directors of the Company as at the Latest Practicable Date, and "Director" means any of them

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“Extended Closing Date”	:	5.30 p.m. on 20 November 2017, or such later date(s) as may be announced from time to time by or on behalf of the Offeror
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
“Facility Agreement”	:	Shall have the meaning ascribed to it in Section 12.3 of the Offer Document
“FAT”	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are not deposited with CDP
“FY”	:	Financial year ended or ending, as the case may be, 31 December
“Group”	:	The Company and its subsidiaries
“HIPL”	:	Her Investment Pte. Ltd.
“IFA” or “EYCF”	:	Ernst & Young Corporate Finance Pte Ltd, the independent financial adviser to the Independent Directors in relation to the Offer
“IFA Letter”	:	Has the meaning ascribed to it in section 9.1 of the Letter to Shareholders
“Independent Directors”	:	The Directors who are considered independent for the purpose of the Offer, namely: (i) Mr Lew Syn Pau; and (ii) Dr Hong Hai
“Interested Person”	:	As defined in Note on Rule 24.6 of the Code and read with Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer, or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary;

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- (d) any company in which a director, the chief executive officer, or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
 - (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or
 - (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
- “Initial Closing Date”** : 5.30 p.m. (Singapore time) on 6 November 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 for the Offer
- “Irrevocable Undertakings”** : Shall have the meaning ascribed to it in Section 5.3 of the Offer Document
- “Latest Practicable Date”** : 12 October 2017, being the latest practicable date prior to the printing of this Circular
- “Letter to Shareholders”** : The letter from the Directors to the Shareholders dated 20 October 2017 set out in this Circular
- “Listing Manual”** : The listing manual of the SGX-ST, as amended, supplemented or modified from time to time
- “Market Day”** : A day on which the SGX-ST is open for trading of securities
- “Mr. Poh CA”** : Mr. Poh Choon Ann
- “Non-Independent Directors”** : Mr. Poh Choon Ann, Ms. Poh Khim Hong, Mr. Poh Kay Leong, Mr. Poh Kay Yong and Mr. Poh Key Boon
- “Offer”** : The voluntary conditional cash offer by UOB, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in the 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
- “Offer Announcement”** : The announcement in connection with the Offer released by UOB, for and on behalf of the Offeror on the Offer Announcement Date

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“Offer Announcement Date”	:	20 September 2017, being the date of the Offer Announcement
“Offer Document”	:	The offer document in relation to the Offer dated 9 October 2017 and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update the offer document from time to time
“Offer Period”	:	The period commencing from the Offer Announcement Date until the date the Offer is declared to have closed or lapsed
“Offer Price”	:	S\$1.30 in cash for each Offer Share
“Offer Shares”	:	All the issued Shares to which the Offer relates, as described in Sections 2.1 (Offer) and 2.2 (Offer Shares) of the Offer Document
“Offeror”	:	Respond Logistics Pte. Ltd.
“Offeror Securities”	:	Ordinary shares in the capital of the Offeror, other securities which carry substantially the same rights in the Offeror and convertible securities, warrants, options and derivatives in respect of such shares or securities
“Overseas Shareholders”	:	Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP
“PCAPL”	:	Poh Choon Ann (Pte.) Ltd.
“PCHPL”	:	Poh Choon Her Investment Pte. Ltd.
“Preference Shares”	:	Redeemable convertible preference shares issued by the Offeror
“Promissory Note”	:	Shall have the meaning ascribed to it in Section 5.1(c) of the Offer Document
“PSCPL”	:	Poh Sin Choon (Pte.) Ltd.
“PTCHPL”	:	Poh Tiong Choon Holdings (Pte.) Ltd.
“Register”	:	The register of holders of the Shares, as maintained by the Share Registrar
“Relevant Period”	:	The period commencing on 20 June 2017 and ending on the Latest Practicable Date
“S\$”	:	Singapore dollars, being the lawful currency of Singapore

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“Selling Shareholders”	:	Shall have the meaning ascribed to it in Section 5.2 of the Offer Document
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	Singapore Exchange Network, a system network used by listed companies to send information and announcements to SGX-ST or any other system networks prescribed by SGX-ST
“Share Registrar”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), the share registrar of the Company
“Shareholders”	:	The holders of Shares, including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“SRS”	:	The Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Shares pursuant to SRS
“TCL LP”	:	Tower Capital Logistics L.P.
“UOB”	:	United Overseas Bank Limited
“VWAP”	:	Volume weighted average price
“%” or “per cent.”	:	Percentage or per centum

Acting in Concert and Associates. Unless otherwise defined, the expressions **“acting in concert”** and **“associates”** shall have the same meanings as ascribed to them respectively in the Code.

Announcements and notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

DEFINITIONS

Capitalised Terms in Extracts. Statements which are reproduced in their entirety or as excerpts from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within borders, quotes or italics, and capitalised terms used within these reproduced statements and not defined herein shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter and the Constitution respectively.

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

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

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

Rounding. Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, the figures shown as totals in this Circular 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 or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning as ascribed to it under the Companies Act, the Code, the Listing Manual, the SFA or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. The terms “subsidiary” and “related corporation” shall have the meanings ascribed to them in Sections 5 and 6 of the Companies Act respectively.

Time and Date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively unless otherwise stated.

Total number of Shares as at the Latest Practicable Date. Any reference in this Circular to the total number of Shares in issue as at the Latest Practicable Date is a reference to a total of 211,940,800 issued Shares.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

INDICATIVE TIMETABLE

Date of despatch of Offer Document	:	9 October 2017
Date of despatch of this Circular	:	20 October 2017
Initial Closing Date and time	:	5.30 p.m. (Singapore time) on 6 November 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
Extended Closing Date and time	:	5.30 p.m. (Singapore time) on 20 November 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	:	(i) in respect of acceptances of the Offer which are complete and valid 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, within seven (7) Business Days of that date; or (ii) in respect of acceptances which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) Business Days of the date of such receipt.

Please refer to section 2 of Appendix 1 to the Offer Document for further information.

LETTER TO SHAREHOLDERS

POH TIONG CHOON LOGISTICS LIMITED

(Incorporated in the Republic of Singapore)
(Company Reg. No. 196900049H)

Directors

Poh Choon Ann (Chairman and Chief Executive Officer)
Poh Khim Hong (Finance Director and Chief Financial Officer)
Poh Kay Yong (Executive Director)
Poh Key Boon (Executive Director)
Poh Kay Leong (Executive Director)
Lew Syn Pau (Lead Independent Director)
Hong Hai (Independent Director)

Registered Office

48 Pandan Road
Poh Tiong Choon Logistics Hub
Singapore 609289

20 October 2017

To: The Shareholders of the Company

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY UOB, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

- 1.1. Offer Announcement.** On 20 September 2017, UOB announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of the Company, other than those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of the Code. A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.
- 1.2. Offer Document.** Shareholders should have by now received a copy of the Offer Document despatched by the Offeror on 9 October 2017, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of 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.
- 1.3. Purpose of this Circular.** The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and the Offer, the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors with regards to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept the Offer. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

LETTER TO SHAREHOLDERS

2. THE OFFER

- 2.1. **Offer Terms.** The Offer is made by UOB for and on behalf of the Offeror on the principal terms set out in sections 2 and 3 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“2. THE OFFER

- 2.1 **Offer.** UOB, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Shares other than those already held by the Offeror as at the date of the Offer (the “**Offer Shares**”) in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT.

- 2.2 **Offer Shares.** The Offer will be extended to all the Shares other than those already held by the Offeror as at the date of the Offer.

*For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression “**Offer Shares**” shall include such Shares.*

- 2.3 **Offer Price.** The consideration for each Offer Share is as follows:

For each Offer Share: S\$1.30 in cash

- 2.4 **No Encumbrances.** The Offer Shares are to be acquired (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

In the event of any such Distributions on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price to a Shareholder who validly accepts or has validly accepted the Offer by the amount of such Distribution.

- 2.5 **Minimum Acceptance Condition.** The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and the parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the close of the Offer (the “**Minimum Acceptance Condition**”).

LETTER TO SHAREHOLDERS

As mentioned in the Offer Announcement and as further described in Section 5 below, PCAPL and the Selling Shareholders have provided the Irrevocable Undertakings to the Offeror to tender in acceptance of the Offer in aggregate 141,285,400 Shares, representing approximately 66.67% of the Shares in issue as at the Latest Practicable Date. Accordingly, based on the total number of issued Shares as at the Latest Practicable Date, the Minimum Acceptance Condition will be met upon receipt of valid acceptances of the Offer from PCAPL and the Selling Shareholders pursuant to the Irrevocable Undertakings and the Offer is expected to be declared unconditional in all respects.

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

2.6 ***Revision of Terms of the Offer.*** The Offeror reserves the right to revise the terms of the Offer in accordance with the Code.

2.7 ***Warranty.*** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares, as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

3. **FURTHER DETAILS OF THE OFFER**

Appendix 1 to this Offer Document sets out further details on:

- (a) the duration of the Offer;
- (b) the settlement of the consideration for the Offer;
- (c) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and
- (d) the right of withdrawal of acceptances of the Offer."

2.2. **Further Details of the Offer and Procedures for Acceptance.** Further details of the Offer and the procedures for acceptance may be found in section 4, and Appendices 1 and 2 of the Offer Document, an extract of which is set out below.

"4. **PROCEDURES FOR ACCEPTANCE**

Appendix 2 to this Offer Document sets out the procedures for acceptance of the Offer by a Shareholder.

...

LETTER TO SHAREHOLDERS

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 Despatch 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. on 6 November 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:*

- (a) the Offer 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*
- (b) the Offer 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 the Offer.** *The Offeror is not obliged to extend the Offer if the condition of the Offer as set out in Section 2.5 (Minimum Acceptance Condition) of 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.** *Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for a period (the "Rule 22.6 Period") of not less than 14 days after the date on which the Offer would otherwise have closed, in order to give Shareholders who have not accepted the Offer the opportunity to do so.*

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 (the "Shut-Off Notice") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

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

For these purposes, the SIC would normally regard a "competitive situation" to have arisen if a competing offer for the Company has been announced.

LETTER TO SHAREHOLDERS

If a declaration that the Offer is unconditional is confirmed in accordance with Paragraph 4.2(a) (Right of Withdrawal of Shareholders) 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:*

- (a) of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or*
- (b) of being kept open after the expiry of such 60-day period 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 the SIC's prior consent (the "Final Day Rule"). The SIC will normally grant such permission if a competing offer has been announced.

1.6 Revision. *The Offeror reserves the right to revise the terms of the Offer at such time and in such manner as it may consider appropriate. If the Offer is revised, the Offer will remain open for acceptance for 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 who had previously accepted the Offer."*

2.3. Extended Closing Date. Shareholders should note that as set out in the announcement by UOB for an on behalf of the Offeror dated 12 October 2017, the Minimum Acceptance Condition of the Offer (as set out in Section 2.5 of the Offer Document) has been satisfied and the Offer has become unconditional in all respects on 12 October 2017, and the Offer will close at 5.30 p.m. on 20 November 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3. IRREVOCABLE UNDERTAKINGS

3.1 Irrevocable Undertakings. As stated in Sections 5.1, 5.2, and 5.3 of the Offer Document, PCAPL and the Selling Shareholders have given irrevocable undertakings as reproduced below.

"5.1 Irrevocable Undertakings from PCAPL. *As at the Latest Practicable Date, PCAPL has provided an irrevocable undertaking (the "PCAPL Undertaking") in favour of the Offeror to, inter alia:*

- (a) tender all its 48,000,000 Shares, representing approximately 22.65% of the total number of issued Shares, in acceptance of the Offer by no later than 5.00 p.m. (Singapore time) on the 3rd Business Day after the date of the despatch of the Offer Document;*
- (b) waive its rights under Rule 30 of the Code to receive payment for all of its Shares to be tendered in acceptance of the Offer in cash within the time period prescribed under Rule 30 of the Code; and*

LETTER TO SHAREHOLDERS

- (c) agree that payment for its Shares shall be satisfied in full by the issue by the Offeror to PCAPL of an interest-free promissory note with an aggregate principal amount of S\$62,400,000 (the “**Promissory Note**”).

The SIC has confirmed that the Promissory Note to be issued to PCAPL does not constitute a special deal for the purpose of Rule 10 of the Code and need not be extended to any other Shareholders.

- 5.2 **Irrevocable Undertakings from Selling Shareholders.** As at the Latest Practicable Date, each of PTCHPL, PSCPL, PCHIPL, HIPL, Mr. Poh Kay Giap, Mr. Ho Kim Lee Adrian and Ms. Nelly Rolles (collectively, the “**Selling Shareholders**”) has provided irrevocable undertakings (the “**Selling Shareholders Undertakings**”) pursuant to which each of the Selling Shareholders has undertaken, inter alia, to tender all their respective Shares amounting in aggregate to 93,285,400 Shares, representing approximately 44.02% of the total number of issued Shares, in acceptance of the Offer by no later than 5.00 p.m. (Singapore time) on the 3rd Business Day after the date of the despatch of the Offer Document. In consideration for their acceptance of the Offer, the Selling Shareholders will receive cash settlement on the terms of the Offer.

- 5.3 **Irrevocable Undertakings.** In addition, pursuant to the PCAPL Undertaking and the Selling Shareholders Undertakings (collectively, the “**Irrevocable Undertakings**”), each of PCAPL and the Selling Shareholders has undertaken to, inter alia:

- (a) notwithstanding the provisions of the Code or any term of the Offer relating to the withdrawal of acceptances, not withdraw the acceptance of Offer once it has been given;
- (b) not, directly or indirectly (i) offer, (ii) sell, transfer, give or otherwise dispose of, (iii) grant any option, right or warrant to purchase in respect of, (iv) charge, mortgage, pledge or otherwise create an encumbrance over, or (v) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of their respective Shares or any interest therein;
- (c) not, directly or indirectly, take any action or omit to do any action which would conflict with or diminish their obligations under the Irrevocable Undertakings or otherwise preclude, delay, frustrate, restrict or otherwise prejudice the Offer; and
- (d) not acquire any further Shares or any interest in any Shares.”

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- 3.2 Shareholdings of PCAPL and the Selling Shareholders.** The shareholdings of PCAPL and the Selling Shareholders in the Company as at the latest practicable date of the Offer Document are set out in Section 5.4 of the Offer Document which is reproduced below.

<i>"Name of Shareholder"</i>	<i>Number of Shares owned or controlled</i>	<i>Percentage shareholding in the Company⁽¹⁾</i>
<i>PCAPL</i>	<i>48,000,000</i>	<i>22.65%</i>
<i>PTCHPL</i>	<i>3,429,000</i>	<i>1.62%</i>
<i>PSCPL</i>	<i>27,842,000</i>	<i>13.14%</i>
<i>PCHPL</i>	<i>16,476,000</i>	<i>7.77%</i>
<i>HIPL</i>	<i>500,000</i>	<i>0.24%</i>
<i>Mr. Poh Kay Giap</i>	<i>96,000</i>	<i>0.05%</i>
<i>Mr. Ho Kim Lee Adrian</i>	<i>32,091,800</i>	<i>15.14%</i>
<i>Ms. Nelly Rolles</i>	<i>12,850,600</i>	<i>6.06%</i>
Total:	141,285,400	66.67%

Note:

(1) *Based on the Company's total number of issued Shares of 211,940,800 Shares as at the Latest Practicable Date."*

- 3.3 Further Information.** The Offer Document states that save for the Irrevocable Undertakings, as at the latest practicable date of the Offer Document, neither the Offeror nor any of its Concert Parties have received any irrevocable undertakings from any other party to accept or reject the Offer. Please refer to Section 5 of the Offer Document for further information on the Irrevocable Undertakings.

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4. FINANCIAL ASPECTS OF THE OFFER

Section 11 of the Offer Document sets out certain information on the financial aspects of the Offer, as reproduced below.

“11. FINANCIAL ASPECTS OF THE OFFER

The Offer Price of S\$1.30 for each Offer Share represents the following premia/(discount) over certain historical traded prices of the Shares¹ as set out below:

<i>Description</i>	<i>Benchmark Price (S\$)</i>	<i>Premium/ (Discount) over Benchmark Price (%)</i>
<i>Last traded price of the Shares on the SGX-ST on the Last Undisturbed Trading Day</i>	<i>1.280</i>	<i>1.6</i>
<i>VWAP for the 1-month period up to and including the Last Undisturbed Trading Day</i>	<i>0.981</i>	<i>32.5</i>
<i>VWAP for the 3-month period up to and including the Last Undisturbed Trading Day</i>	<i>0.908</i>	<i>43.2</i>
<i>VWAP for the 6-month period up to and including the Last Undisturbed Trading Day</i>	<i>0.874</i>	<i>48.7</i>
<i>VWAP for the 12-month period up to and including the Last Undisturbed Trading Day</i>	<i>0.822</i>	<i>58.1</i>
<i>Last traded price of the Shares on the SGX-ST on the Last Trading Day</i>	<i>1.315</i>	<i>(1.1)</i>

¹ *The historical traded prices of the Shares (rounded to the nearest three (3) decimal places) and the corresponding premia are computed based on data extracted from Bloomberg L.P.. Percentage figures are rounded to the nearest one (1) decimal place.”*

5. INFORMATION ON THE OFFEROR AND THE CONSORTIUM MEMBERS

5.1. Offeror and the Consortium Members. Section 6 of the Offer Document sets out certain information on the Offeror and the Consortium Members, which is reproduced below.

“6. INFORMATION ON THE OFFEROR AND THE CONSORTIUM MEMBERS

6.1 The Offeror. *The Offeror is a company incorporated in Singapore on 24 August 2017. It is a special purpose vehicle incorporated for the purposes of making the Offer. As at the Latest Practicable Date, Mr. Poh CA holds one (1) ordinary share and TCL LP holds 41,600,000 Preference Shares in the Offeror. As at the Latest Practicable Date, the Directors are Mr. Poh CA and Ms. Poh KH.*

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6.2 **Consortium Arrangements.** (i) The Offeror, (ii) Mr. Poh CA, (iii) PCAPL and (iv) TCL LP have, on the Offer Announcement Date, entered into a consortium and shareholders' agreement (the "CSA") whereby parties have agreed that, amongst others:

- (a) the Offeror will undertake the Offer on the terms and conditions set out in the CSA;
- (b) TCL LP will subscribe for 41,600,000 Preference Shares at a subscription price of S\$41,600,000; and
- (c) after the close of the Offer, or, if the Offeror is entitled to undertake compulsory acquisition under Section 215 of the Companies Act after the close of the compulsory acquisition (whichever is later):
 - (i) PCAPL will capitalise the principal value of the Promissory Note into new ordinary shares in the Offeror credited as fully paid up in the share capital of the Offeror;
 - (ii) Mr. Poh CA will immediately thereafter transfer his one (1) ordinary share in the Offeror to PCAPL; and
 - (iii) TCL LP can convert all (and not part of) the Preference Shares into 40% of the total ordinary share capital of the Offeror. If TCL LP converts all its aforesaid Preference Shares, the ordinary shares in the Offeror will be held by PCAPL as to 60%, and TCL LP as to 40%.

The CSA further regulates the relationship of PCAPL and TCL LP as members of the consortium and in the conduct of the business and affairs of the Offeror.

6.3 **Information on the Consortium Members.**

- (a) **Mr. Poh CA and PCAPL.** Mr. Poh CA is the Chairman and Chief Executive Officer of the Company. He is deemed to have an interest in 51,429,000 (representing approximately 24.27% of the total number of Shares) comprising 48,000,000 Shares held by PCAPL and 3,429,000 Shares held by PTCHPL. PCAPL holds 60% of the shares in PTCHPL. PCAPL is held by Mr. Poh CA as to 54%, Ms. Poh KH as to 33%, and Mr. Poh Kay Leong as to 13%.
- (b) **TCL LP.** TCL LP is an exempted limited partnership established in the Cayman Islands with Tower Capital Logistics General Partner Limited (an affiliate of Tower Capital Asia Pte. Ltd.) acting as the sole general partner. Tower Capital Asia Pte. Ltd. is a private equity management firm registered with the Monetary Authority of Singapore and is controlled by Mr. Danny Koh. Mr. Danny Koh is also the sole director and shareholder of Tower Capital Logistics General Partner Limited. Mr. Danny Koh is a seasoned private equity investment professional and has worked previously at 3i Investments PLC, Singapore branch and at Actis Capital where he was the head of the Southeast Asia private equity team."

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- 5.2. **Additional Information.** Appendix 3 of the Offer Document sets out additional information on the Offeror, which is reproduced in Appendix C of this Circular.

6. **RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY**

The full text of the rationale for the Offer and the Offeror's intentions relating to the Company has been extracted from sections 8 and 9 of the Offer Document and is set out below. **Shareholders are advised to read the extract below carefully.**

"8. RATIONALE FOR THE OFFER

8.1 **Intention to Delist and Privatisise the Company.** *The Offeror is making the Offer with a view to delisting and privatising the Company.*

8.2 **Low Trading Liquidity.** *The trading volume of the Shares has been generally low, with an average daily trading volume of approximately 12,257 Shares, 24,086 Shares, 35,913 Shares and 79,201 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period respectively up to and including 19 September 2017, being the Last Trading Day. This represents only approximately 0.01%, 0.01%, 0.02% and 0.04% of the Shares respectively.*

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

8.3 **Opportunity for Shareholders to realise their investment in the Shares at a premium.** *The Offer Price represents a premium of approximately 32.5%, 43.2%, 48.7% and 58.1% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month period respectively up to and including 19 September 2016, being the last full day of trading of the Shares prior to the date of the announcement dated 23 September 2016 by the Company that the substantial shareholders of the Company will be seeking a strategic review relating to the Shares (the "Last Undisturbed Trading Day").*

8.4 **Greater Management Flexibility.** *The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and/or operational changes of the Group to achieve greater efficiency and competitiveness.*

8.5 **Compliance Costs relating to Listing Status.** *If the Company is delisted, the Company will be able to save on compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and focus its resources and channel such expenses towards its business operations.*

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9. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

Subsequent to the Closing Date and depending on the outcome of the Offer, the Offeror intends to undertake a review of the business of the Group with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. The Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company.

Save as disclosed above, the Offeror presently has no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business."

7. LISTING STATUS AND COMPULSORY ACQUISITION

Section 10 of the Offer Document set out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition, as reproduced below.

"10. COMPULSORY ACQUISITION AND LISTING STATUS

10.1 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at a price equal to the Offer Price.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from 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 at the Offer Price 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 the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

10.2 Listing Status. Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror

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succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding Shares held in treasury), thus causing the percentage of the total number of Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual 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, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

8. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and Offeror Securities as at the Latest Practicable Date are set out in Appendix B of this Circular.

9. ADVICE AND RECOMMENDATIONS

9.1. General. Shareholders should read and carefully consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors dated 20 October 2017, which is set out in Appendix A of this Circular ("**IFA Letter**"), before deciding whether to accept or reject the Offer.

9.2. Independence of Directors. The following Directors are Non-Independent Directors for the reasons as set out below:

- (i) Mr. Poh Choon Ann, the Chairman and Chief Executive Officer of the Company, is a director and shareholder of the Offeror, and is also a shareholder of PCAPL.
- (ii) Ms. Poh Khim Hong and Mr. Poh Kay Leong are the children of Mr. Poh Choon Ann, and are both shareholders of PCAPL.
- (iii) Mr. Poh Kay Yong and Mr. Poh Key Boon are nephews of Mr. Poh Choon Ann and shareholders of PSCPL and PCHIPL respectively.
- (iv) Ms. Poh Khim Hong, Mr. Poh Kay Leong, Mr. Poh Kay Yong and Mr. Poh Key Boon are parties presumed to have been acting in concert since the listing of the Company.

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Accordingly, each of the Non-Independent Directors will face conflicts of interest in relation to the Offer that would render it inappropriate for him/her to join the remainder of the Board in making a recommendation to the Shareholders in connection with the Offer.

The SIC has ruled that the Non-Independent Directors are exempted from the requirement to make a recommendation to the Shareholders in connection with the Offer. The Non-Independent Directors must, nonetheless, assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

All of the Independent Directors consider themselves independent for the purposes of making a recommendation on the Offer. For completeness, the shareholdings of the Independent Directors (if any) in the Company are as set out in Appendix B of this Circular.

9.3. Advice of the IFA to the Independent Directors

- (a) **IFA.** EYCF has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendation of the Independent Directors and the advice of EYCF to the Independent Directors before deciding whether to accept or reject the Offer. EYCF's advice is set out in its IFA Letter dated 20 October 2017, which is set out in Appendix A of this Circular.
- (b) **Factors Taken into Consideration by EYCF.** In arriving at its recommendation, EYCF has taken into account several key considerations, set forth in section 7 of the IFA Letter. Shareholders should read section 7 of the IFA Letter in conjunction with, and in the context of, the full text of the IFA Letter.
- (c) **Advice of EYCF.** After having regard to the considerations set out in the IFA Letter, an extract of which is set out below, and based on the circumstances of the Company and the information as at the Latest Practicable Date, EYCF has made certain recommendations to the Independent Directors. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"8. OUR ADVICE ON THE OFFER

In arriving at our advice on the Offer, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Offer. The factors we have considered in our evaluation, which are discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

- (a) **The premiums implied by the Offer Price.** *For the two-year period prior to the Last Undisturbed Trading Day, the Company's Share price traded below the Offer Price of S\$1.30 per Share for the entire period. Over the last two years prior to and including the Last Undisturbed Trading Day, the market price of the Shares traded between a low of S\$0.55 per Share and a high of S\$1.28 per Share.*

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The Offer Price represents premiums of approximately 75.7%, 56.6%, 47.7%, 41.3%, and 30.0% over the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Last Undisturbed Trading Day, respectively, and a premium of approximately 1.6% over the last transacted price on the Last Undisturbed Trading Day.

The Offer Price represents discounts of approximately 2.3%, 7.1%, 3.0% and 0.8% to the VWAPs for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date, and a discount of approximately 1.5% to the last transacted price prior to the Offer Announcement Date.

For the period following the Offer Announcement Date up to the Latest Practicable Date, Shares traded between S\$1.29 per Share and S\$1.30 per Share. The VWAP of the Shares over this period is equivalent to the Offer Price of S\$1.30 per Share.

- (b) **The liquidity of the Shares.** *The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Last Undisturbed Trading Day represents approximately 0.09%, 0.08%, 0.09%, 0.14% and 0.25% of the free float as at the Offer Announcement Date, respectively.*

The average daily traded volume of the Shares for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date represents approximately 0.13%, 0.06%, 0.04% and 0.03% of the free float as at the Offer Announcement Date.

The average daily traded volume of the Shares for the period following the Offer Announcement Date up to the Latest Practicable Date represents approximately 0.29% of the free float as at the Offer Announcement Date.

- (c) **Price performance of the Shares against the Singapore equity market.** *Over the last three years prior to the Offer Announcement Date and up to the Latest Practicable Date, the Shares had outperformed the FSSTI in relative terms.*

- (d) **Comparison with privatisation transactions of companies listed on the SGX-ST.** *The premium of 1.6% implied by the Offer Price against the last transacted price of the Shares prior to and including the Last Undisturbed Trading Day is below the range of premiums of the Precedent Privatisation Transactions.*

The premiums of 30.1%, 41.3%, 47.1 and 56.8% implied by the Offer Price against the 1-month, 3-month, 6-month and 12-month VWAPs of the Shares prior to the Last Undisturbed Trading Day are within the respective ranges of premiums and above the average and median premiums of the Precedent Privatisation Transactions.

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- (e) **Comparison of valuation measures of the Company against those of the Comparable Companies.** The Shares, as implied by the Offer Price of S\$1.30, trade at an EV/EBITDA Ratio, P/E Ratio and P/NAV Ratio of 11.8 times, 23.0 times and 3.1 times, respectively.

The EV/EBITDA Ratio implied by the Offer Price is within the range of the EV/EBITDA Ratios of the Comparable Companies, but is below the average and median EV/EBITDA Ratios of the Comparable Companies.

The P/E Ratio implied by the Offer Price is within the range, and above both the average and median P/E Ratios of the Comparable Companies.

The P/NAV Ratio implied by the Offer Price is within the range of the P/NAV Ratios of the Comparable Companies, and above both the average and median P/NAV Ratios of the Comparable Companies.

- (f) **Comparison of valuation measures implied by the Offer Price against those of Comparable Transactions.** The EV/EBITDA Ratio of the Company implied by the Offer Price of 11.8 times is above the range of EV/EBITDA Ratios of the Comparable Transactions.

The P/E Ratio of the Company implied by the Offer Price of 23.0 times is above the range of P/E Ratios of the Comparable Transactions.

- (g) **Analysis of the RNAV of the Group.** The Offer Price represents a premium of approximately 17.1% over the unaudited RNAV of the Group as at the Latest Practicable Date. While the unaudited RNAV is a relevant basis for comparison, it is not necessarily a realisable value as the market value of the Properties and any tax liabilities arising from the sale of the Properties may vary depending on prevailing market and economic conditions.

- (h) **Offeror's intentions for the Group.** The Offeror has stated that it is making the Offer with a view to delisting and privatising the Company.

- (i) **The Offer has turned unconditional.** The Offer was declared unconditional in all respects on the Offer Unconditional Date. As at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror, and (b) valid acceptances to the Offer, amount to an aggregate of 143,606,000 Shares, representing approximately 67.76% of the total number of issued Shares as at the Latest Practicable Date.

- (j) **Revision of terms of the Offer.** As set out in the Offer Document, the Offeror has stated that it reserves the right to revise the terms of the Offer in accordance with the Code.

- (k) **The Offer is the only offer available to Shareholders.** As at the Latest Practicable Date, there is no alternative or competing offer made for the Shares that is available to Shareholders.

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In arriving at our conclusion, we have considered the information available to us as at the Latest Practicable Date.

After having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the Offer is fair and reasonable from a financial point of view. Accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer.

We note that on 12 October 2017, being the Offer Unconditional Date, the Offeror announced that it has received valid acceptances of the Offer in respect of more than 50% of the voting rights attributable to the maximum potential issued Shares in the capital of PTC. Accordingly, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects.

Shareholders may wish to sell their Shares in the open market if they are able to obtain a price higher than the Offer Price, net of related expenses (such as brokerage and trading costs). We also advise the Independent Directors to consider highlighting to the Shareholders that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to, and including, the Latest Practicable Date. Our advice on the Offer cannot and does not take into account any subsequent developments after the Latest Practicable Date, including future trading activity or price levels of the Shares, as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Offer."

- 9.4. Recommendation of the Independent Directors.** The Independent Directors, having considered carefully the terms of the Offer and the advice given by EYCF in the IFA Letter, concur with the advice of the IFA and recommendation thereon in respect of the Offer and accordingly, recommend that Shareholders either ACCEPT THE OFFER or sell their Shares in the open market if they are able to obtain a price higher than the Offer Price, net of related expenses (such as brokerage and trading costs). Shareholders are to note that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.
- 9.5. No Regard to Specific Objectives.** In rendering the advice and the recommendations above, both the IFA and the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

SHAREHOLDERS ARE ADVISED TO READ THE FULL TEXT OF THE IFA LETTER WHICH IS SET OUT IN APPENDIX A OF THIS CIRCULAR CAREFULLY.

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10. OVERSEAS SHAREHOLDERS

- 10.1. Availability of Offer.** The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or in the Depository Register (as the case may be), being the Overseas Shareholders, may be affected by the laws of the relevant overseas jurisdiction. Overseas Shareholders should refer to section 14 of the Offer Document, as reproduced below.

“14. OVERSEAS SHAREHOLDERS

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

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

*Copies of this Offer Document and the Acceptance Forms are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer will violate the laws of that jurisdiction (“**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

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

- 14.2 Overseas Shareholders.** *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an “Overseas Shareholder”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.*

For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and the relevant Acceptance Forms may not be sent.

LETTER TO SHAREHOLDERS

It is the responsibility of Overseas Shareholders who wish to accept the Offer to (a) request for this Offer Document, the Acceptance Forms, and/or any related documents; or (b) satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction 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 and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, UOB, CDP, the Share Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, UOB, CDP, the Share Registrar and/or any person acting on their behalf may be required to pay. In (a) requesting for this Offer Document, the Acceptance Forms, and/or any related documents; or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and UOB 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.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

14.3 ***Copies of the Offer Document and the relevant Acceptance Forms.*** *Given potential restrictions on sending this Offer Document and the relevant Acceptance Forms to overseas jurisdictions, the Offeror and UOB will not be sending these documents to Overseas Shareholders. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of this Offer Document, the relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from the office of the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #11-02 Singapore 068898. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror c/o the Share Registrar at the above-stated address to request for the 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.*

14.4 ***Notice.*** *The Offeror and UOB 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 or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement."*

10.2. Copies of Circular. This Circular will not be sent to Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Extended Closing Date, from the offices of the Share Registrar at 80 Robinson Road, #11-02 Singapore 068898, download a copy of this Circular from the website of the SGX-ST at www.sgx.com, 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, up to five (5) Market Days prior to the Extended Closing Date.

LETTER TO SHAREHOLDERS

11. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Sections 15.6 and 15.7 of the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, an extract of which is set out below.

*“15.6 **CPFIS Investors.** CPFIS Investors will receive further information on how to accept the Offer from the CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks, which may be earlier than the Closing Date. CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF Investment accounts.*

*15.7 **SRS Investors.** SRS Investors will receive further information on how to accept the Offer from the SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date. SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their SRS Investment accounts.”*

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than the Extended Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 of the Offer Document, and in the accompanying FAA and/or FAT.

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.

13. CONSENTS

EYCF, named as the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter in Appendix A of this Circular and the references to its name in the form and context in which it appears in this Circular.

CBRE Pte. Ltd., named as the valuer to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the summary of its valuation report in Appendix G of this Circular and the references to its name in the form and context in which it appears in this Circular.

PricewaterhouseCoopers LLP, named as the auditors of the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the independent auditor's report dated 31 March 2017 in relation to the audited consolidated financial statements of the Group for FY2016 and the references to its name in the form and context in which it appears in this Circular.

LETTER TO SHAREHOLDERS

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at 48 Pandan Road, Poh Tiong Choon Logistics Hub, Singapore 609289 during normal business hours from the date of this Circular up to and including the date of the Extended Closing Date:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2014, FY2015 and FY2016;
- (c) the unaudited financial information of the Group for 1H2017 as set out in Appendix F of this Circular;
- (d) the summary of the valuation report as set out in Appendix G of this Circular;
- (e) the IFA Letter as set out in Appendix A of this Circular; and
- (f) the letters of consent referred to in section 13 of the Letter to Shareholders.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Save for (a) the IFA Letter set out in Appendix A, (b) the summary of the valuation report set out in Appendix G, (c) the information extracted from the Offer Announcement, the announcement dated 12 October 2017 by UOB for and on behalf of the Offeror and the Offer Document, and (d) the information relating to the Offeror, the Directors (including any who may have delegated detailed supervision of this Circular) jointly and severally accept responsibility for the accuracy of information contained in this Circular, having made all reasonable inquiries to ensure that, to the best of their knowledge, the facts stated and opinions expressed in this Circular are fair and accurate and that no material facts have been omitted the omission of which would make any statement in this Circular misleading.

Where any information in this Circular has been extracted or reproduced from the Offer Document or from published or publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

16. ADDITIONAL INFORMATION

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

Yours faithfully
For and on behalf of the Board of Directors of
POH TIONG CHOON LOGISTICS LIMITED

Lew Syn Pau
Lead Independent, Non-Executive Director

APPENDIX A: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY

20 October 2017

The Independent Directors of
Poh Tiong Choon Logistics Limited
48 Pandan Road
Poh Tiong Choon Logistics Hub
Singapore 609289

Dear Sirs:

VOLUNTARY CONDITIONAL GENERAL OFFER BY UNITED OVERSEAS BANK LIMITED (“UOB”), FOR AND ON BEHALF OF RESPOND LOGISTICS PTE. LTD. (THE “OFFEROR”), FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE “SHARES”) IN THE CAPITAL OF POH TIONG CHOON LOGISTICS LIMITED (“PTC” OR THE “COMPANY”) OTHER THAN THOSE ALREADY HELD BY THE OFFEROR AS AT THE DATE OF THE OFFER (THE “OFFER SHARES”) (THE “OFFER”)

1 INTRODUCTION

On 20 September 2017 (the **“Offer Announcement Date”**), UOB announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer for all the Offer Shares other than those already held by the Offeror as at the Offer Announcement Date in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the **“Code”**) (the **“Offer Announcement”**).

The offer document in relation to the Offer dated 9 October 2017 and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update the offer document from time to time (the **“Offer Document”**) was despatched to the shareholders of the Company (the **“Shareholders”**) on 9 October 2017. The Offer Document sets out, *inter alia*, the terms and conditions of the Offer.

The Offeror is a company incorporated in Singapore on 24 August 2017. It is a special purpose vehicle incorporated for the purposes of making the Offer. As at the latest practicable date of the Offer Document, Mr. Poh Choon Ann (**“Mr. Poh CA”**) holds one (1) ordinary share and Tower Capital Logistics L.P. (**“TCL LP”**) holds 41,600,000 preference shares in the Offeror. The directors of the Offeror are Mr. Poh CA and Ms. Poh Khim Hong (**“Ms. Poh KH”**).

Ernst & Young Corporate Finance Pte Ltd (**“EYCF”**) has been appointed as the independent financial adviser (**“IFA”**) to the directors of the Company (the **“Directors”**) who are considered independent in relation to the Offer (the **“Independent Directors”**), for the purpose of advising on the Offer.

This letter sets out, *inter alia*, our evaluation of the terms of the Offer and our advice thereon. It forms part of the circular to the shareholders of the Company (the **“Shareholders”**) dated 20 October 2017 which provides, *inter alia*, the details of the Offer and the recommendation of the Independent Directors in relation to the Offer (the **“Circular”**).

Unless otherwise defined, all terms in the Circular have the same meaning in this letter.

APPENDIX A: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY

2 TERMS OF REFERENCE

EYCF has been appointed to advise the Independent Directors on the financial terms of the Offer and to recommend for or against acceptance of the Offer pursuant to Rules 7.1 and 24.1(b) of the Code.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Offer, as well as information provided to us by the Company and its management (the “**Management**”), as at 12 October 2017 (the “**Latest Practicable Date**”). Accordingly, our opinion shall not take into account any event or condition which occurs after the Latest Practicable Date. Shareholders should take note of any announcement and/or event relevant to their consideration of the Offer which may be released after the Latest Practicable Date.

We have confined our evaluation and analysis of the Offer to the financial terms thereof. It is not within our terms of reference to assess the rationale for, commercial merits and/or commercial risks of the Offer, and to comment on the financial merits and/or financial risks of the Offer where the assessment of such financial merits and/or financial risks involves our reviewing of non-publicly available information of the companies involved to which we have no access and with which we have not been furnished. It is also not within our terms of reference to compare the relative merits of the Offer vis-à-vis any alternative transaction that the Company may consider in the future, and as such, we do not express an opinion thereon. We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Offer Shares.

The scope of our appointment does not require us to express, and we do not express, a view on the future prospects of PTC, its subsidiaries and associates (the “**Group**”). We are, therefore, not expressing any view herein as to the prices at which the Shares may trade or on the future financial performance of PTC and/or the Group upon the completion of the Offer. No financial or profit forecasts, business plans or management accounts of PTC and/or the Group have been specifically prepared for the purpose of evaluating the Offer, save for those that were provided by the Company for the purposes of arriving at the revalued net asset value (“**RNAV**”) of the Group. Accordingly, we will not be able to comment on the expected future performance or prospects of PTC and/or the Group. However, we may draw upon the views of the Directors and/or the Management, to the extent deemed necessary and appropriate by us, in arriving at our opinion as set out in this letter.

In the course of our evaluation, we have held discussions with the Directors and the Management. We have also examined and relied on publicly available information in respect of the Group collated by us as well as information provided to us by the Company, including information in relation to the Offer. We have not independently verified such information furnished by the Directors and/or the Management or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy and/or completeness of such information, representation and/or assurance. Nevertheless, the Directors have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to the Group has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about the Group in the context

APPENDIX A: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY

of the Offer, and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Offer have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of PTC and/or the Group or any of its associated or joint venture companies. We have also not made an independent valuation or appraisal of the assets and liabilities of the Group. However, we have been furnished with the summary of the independent valuation report of CBRE Pte. Ltd. (the “**Independent Valuer**”) commissioned by the Company, and issued by the Independent Valuer in connection with the assessed market value of the Group’s properties as at 11 October 2017 (the “**Valuation Report Summary**”). We are not experts and do not regard ourselves to be experts in the valuation of the properties, and we have taken into consideration the Valuation Report Summary prepared by the Independent Valuer.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

This letter and our opinion are addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Offer, and the recommendations made by them to the Shareholders with regard to the Offer shall remain the responsibility of the Independent Directors. Our opinion should not be relied on as a recommendation to, or confer any rights or remedies upon, any Shareholder as to what the Shareholder should do in relation to the Offer or any matters related thereto. Nothing herein shall confer or be deemed or is intended to confer, any right or benefit to any third party.

The Company has been separately advised in the preparation of the Circular (other than this letter). We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of this Circular (other than this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than this letter).

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

3 THE OFFER

The principal terms and conditions of the Offer are set out in Sections 2 and 3 of the Letter to Shareholders in the Offer Document. Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

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3.1 Offer

Based on the information set out in the Offer Document, UOB, for and on behalf of the Offeror, made the Offer to acquire the Offer Shares in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in the Offer Document.

3.2 Offer Shares

Section 2.2 of the Letter to Shareholders in the Offer Document states that the Offer will be extended to all the Shares other than those already held by the Offeror as at the date of the Offer.

The Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the parties acting or presumed to be acting in concert with the Offeror. For the purposes of the Offer, the term “Offer Shares” shall include such Shares.

3.3 Offer Price

Section 2.3 of the Letter to Shareholders in the Offer Document states that the consideration for the Offer will be satisfied by the payment of **S\$1.30 in cash for each Offer Share** (the “Offer Price”).

3.4 No Encumbrances

Section 2.4 of the Letter to Shareholders in the Offer Document states that the Offer Shares are to be acquired:

- (a) fully paid;
- (b) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (collectively, the “**Encumbrances**”); and
- (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company in respect of the Shares (collectively, the “**Distributions**”) (if any), the Record Date for which falls on or after the Offer Announcement Date.

In the event of any such Distributions on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer by the amount of such Distribution.

3.5 Minimum Acceptance Condition

As stated in Section 2.5 of the Letter to Shareholders in the Offer Document, the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it

APPENDIX A: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY

(either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and the parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the close of the Offer (the “**Minimum Acceptance Condition**”).

Poh Choon Ann (Pte.) Ltd. (“**PCAPL**”) and each of Poh Tiong Choon Holdings (Pte.) Ltd. (“**PTCHPL**”), Poh Sin Choon (Pte.) Ltd (“**PSCPL**”), Poh Choon Her Investment Pte. Ltd. (“**PCHPL**”), Her Investment Pte. Ltd. (“**HIPL**”), Mr Poh Kay Giap, Mr Ho Kim Lee Adrian and Ms Nelly Rolles (collectively, the “**Selling Shareholders**”) have provided the Irrevocable Undertakings (as defined below) to the Offeror to tender in acceptance of the Offer in aggregate 141,285,400 Shares, representing approximately 66.67% of the Shares in issue as at the latest practicable date of the Offer Document.

On 12 October 2017 (the “**Offer Unconditional Date**”), UOB announced, for and on behalf of the Offeror, that as at 5.00 p.m. on the same date, the Offeror has received valid acceptances of the Offer in respect of an aggregate of 142,519,400 Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), result in the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the total number of issued Shares (excluding Shares held in treasury) (the “**Offer Unconditional Announcement**”).

Accordingly, the Minimum Acceptance Condition of the Offer had been satisfied and the Offer was declared unconditional in all respects on the Offer Unconditional Date.

3.6 Revision of Terms of the Offer

As stated in Section 2.6 of the Letter to Shareholders in the Offer Document, the Offeror reserves the right to revise the terms of the Offer in accordance with the Code.

3.7 Warranty

As stated in Section 2.7 of the Letter to Shareholders in the Offer Document, a Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares, as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (c) together with all the rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

3.8 Further Details of the Offer

Appendix 1 to the Offer Document sets out further details on (a) the duration of the Offer; (b) the settlement of the consideration of the Offer; (c) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer.

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3.9 Closing Date

As stated in the Offer Unconditional Announcement, the Offer became unconditional as to acceptances on the Offer Unconditional Date and pursuant to Rule 22.6 of the Code, the Offer will remain open for acceptance for not less than 14 days after the date on which it would have closed.

Accordingly, Shareholders should note that the Offer will remain open for acceptance until 5.30 p.m. on 20 November 2017, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

4 IRREVOCABLE UNDERTAKINGS

4.1 Irrevocable Undertakings. The details of the Irrevocable Undertakings in relation to the Offer are set out in Section 5 of the Letter to Shareholders in the Offer Document, which we have reproduced below:

*“5.1 **Irrevocable Undertakings from PCAPL.** As at the Latest Practicable Date, PCAPL has provided an irrevocable undertaking (the “**PCAPL Undertaking**”) in favour of the Offeror to, inter alia:*

- (a) tender all its 48,000,000 Shares, representing approximately 22.65% of the total number of issued Shares, in acceptance of the Offer by no later than 5.00 p.m. (Singapore time) on the 3rd Business Day after the date of the despatch of the Offer Document;*
- (b) waive its rights under Rule 30 of the Code to receive payment for all of its Shares to be tendered in acceptance of the Offer in cash within the time period prescribed under Rule 30 of the Code; and*
- (c) agree that payment for its Shares shall be satisfied in full by the issue by the Offeror to PCAPL of an interest-free promissory note with an aggregate principal amount of S\$62,400,000 (the “**Promissory Note**”).*

The SIC has confirmed that the Promissory Note to be issued to PCAPL does not constitute a special deal for the purpose of Rule 10 of the Code and need not be extended to any other Shareholders.

5.2 Irrevocable Undertakings from Selling Shareholders. *As at the Latest Practicable Date, each of PTCHPL, PSCPL, PCHIPL, HIPL, Mr. Poh Kay Giap, Mr. Ho Kim Lee Adrian and Ms. Nelly Rolles (collectively, the “**Selling Shareholders**”) has provided irrevocable undertakings (the “**Selling Shareholders Undertakings**”) pursuant to which each of the Selling Shareholders has undertaken, inter alia, to tender all their respective Shares amounting in aggregate to 93,285,400 Shares, representing approximately 44.02% of the total number of issued Shares, in acceptance of the Offer by no later than 5.00 p.m. (Singapore time) on the 3rd Business Day after the date of the despatch of the Offer Document. In consideration for their acceptance of the Offer, the Selling Shareholders will receive cash settlement on the terms of the Offer.*

APPENDIX A: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY

5.3 Irrevocable Undertakings. In addition, pursuant to the PCAPL Undertaking and the Selling Shareholders Undertakings (collectively, the “**Irrevocable Undertakings**”), each of PCAPL and the Selling Shareholders has undertaken to, *inter alia*:

- (a) notwithstanding the provisions of the Code or any term of the Offer relating to the withdrawal of acceptances, not withdraw the acceptance of Offer once it has been given;
- (b) not, directly or indirectly (i) offer, (ii) sell, transfer, give or otherwise dispose of, (iii) grant any option, right or warrant to purchase in respect of, (iv) charge, mortgage, pledge or otherwise create an encumbrance over, or (v) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of their respective Shares or any interest therein;
- (c) not, directly or indirectly, take any action or omit to do any action which would conflict with or diminish their obligations under the Irrevocable Undertakings or otherwise preclude, delay, frustrate, restrict or otherwise prejudice the Offer; and
- (d) not acquire any further Shares or any interest in any Shares.”

4.2 Shareholdings of PCAPL and the Selling Shareholders. The shareholdings of PCAPL and the Selling Shareholders in the Company as at the latest practicable date of the Offer Document are set out in Section 5.4 of the Letter to Shareholders in the Offer Document, which we have reproduced below:

“Name of Shareholder	Number of Shares owned or controlled	Percentage shareholding in the Company⁽¹⁾
PCAPL	48,000,000	22.65%
PTCHPL	3,429,000	1.62%
PSCPL	27,842,000	13.14%
PCHPL	16,476,000	7.77%
HIPL	500,000	0.24%
Mr. Poh Kay Giap	96,000	0.05%
Mr. Ho Kim Lee Adrian	32,091,800	15.14%
Ms. Nelly Rolles	12,850,600	6.06%
Total:	141,285,400	66.67%

Note:

- (1) Based on the Company’s total number of issued Shares of 211,940,800 Shares as at the Latest Practicable Date.”

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- 4.3 Further Information.** The Offer Document states that save for the Irrevocable Undertakings, as at the latest practicable date of the Offer Document, neither the Offeror nor any parties acting or presumed to be acting in concert with the Offeror in connection with the Offer (the “**Concert Parties**”) have received any irrevocable undertakings from any other party to accept or reject the Offer.

5 INFORMATION ON THE OFFEROR AND THE CONSORTIUM MEMBERS

Please refer to Section 6 of the Letter to Shareholders in the Offer Document and Appendix 3 to the Offer Document for information on the Offeror and the Consortium Members, being Mr. Poh CA, PCAPL and TCL LP.

6 RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS RELATING TO THE COMPANY

The details on the Offeror’s rationale for the Offer and intentions relating to the Company are set out in Sections 8 and 9 of the Letter to Shareholders in the Offer Document, which we have reproduced below:

“8. RATIONALE FOR THE OFFER

8.1 Intention to Delist and Privatisise the Company. *The Offeror is making the Offer with a view to delisting and privatising the Company.*

8.2 Low Trading Liquidity. *The trading volume of the Shares has been generally low, with an average daily trading volume of approximately 12,257 Shares, 24,086 Shares, 35,913 Shares and 79,201 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period respectively up to and including 19 September 2017, being the Last Trading Day. This represents only approximately 0.01%, 0.01%, 0.02% and 0.04% of the Shares respectively.*

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

8.3 Opportunity for Shareholders to realise their investment in the Shares at a premium. *The Offer Price represents a premium of approximately 32.5%, 43.2%, 48.7% and 58.1% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month period respectively up to and including 19 September 2016, being the last full day of trading of the Shares prior to the date of the announcement dated 23 September 2016 by the Company that the substantial shareholders of the Company will be seeking a strategic review relating to the Shares (the “**Last Undisturbed Trading Day**”).*

8.4 Greater Management Flexibility. *The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and/or operational changes of the Group to achieve greater efficiency and competitiveness.*

APPENDIX A: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF THE COMPANY

8.5 Compliance Costs relating to Listing Status. *If the Company is delisted, the Company will be able to save on compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and focus its resources and channel such expenses towards its business operations.*

9. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

Subsequent to the Closing Date and depending on the outcome of the Offer, the Offeror intends to undertake a review of the business of the Group with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. The Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company.

Save as disclosed above, the Offeror presently has no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business."

7 EVALUATION OF THE FINANCIAL TERMS OF THE OFFER

In our analysis and evaluation of the financial terms of the Offer, and our recommendation thereon, we have taken into consideration the following factors:

- (a) Market quotation and historical trading activity of the Shares;
- (b) Comparison with privatisation transactions for companies listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**");
- (c) Comparison of valuation measures of the Company against those of selected listed comparable companies;
- (d) Comparison of comparable transactions involving similar logistics companies;
- (e) Analysis of the Net Asset Value ("**NAV**") and RNAV of the Group; and
- (f) Other relevant considerations.

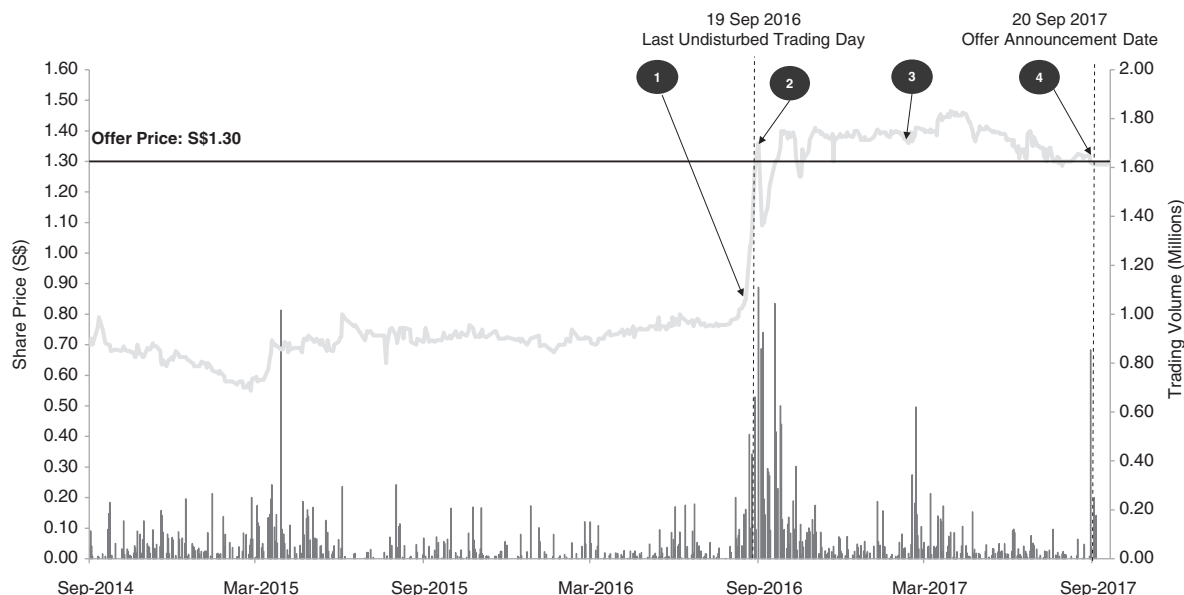
The factors above are discussed in more detail in the following sections.

7.1 Market quotation and historical trading activity of the Shares

We set out below a chart which shows the daily closing prices for the Shares and volume traded (excluding married trades) for the period from three (3) years prior to the Offer Announcement Date and up to the Latest Practicable Date. We have also marked dates during the given period where significant events occurred.

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Share Prices for the Period from Three Years Prior to the Offer Announcement Date and up to the Latest Practicable Date



Source: Capital IQ, Company announcements

Notes:

- (1) On 9 September 2016, the Company issued a clarification on an article in the Business Times titled “PTC Logistics is on an expansion path” published on 9 September 2016. The Company clarified, *inter alia*, that the S\$150 million in relation to the redevelopment of that warehouse facilities in Pandan Road comprises of construction cost of warehouse/office building of approximately S\$128 million (as previously announced by the Company on 24 December 2014), warehouse/office equipment, furniture and fittings estimated at approximately S\$16 million and Provisional and Contingency sum of S\$5.8 million.
- (2) On 23 September 2016, the Company issued a notice from substantial shareholders that the board of Directors (the “**Board**”) had been informed, *inter alia*, that the substantial shareholders will be seeking a strategic review relating to their Shares in the Company.
- (3) On 1 March 2017, the Company announced its annual financial results for the financial year ended 31 December 2016.
- (4) On 20 September 2017, UOB announced, for and on behalf of the Offeror, the Offer to acquire all the Offer Shares.

We note that the Board issued a notice on 23 September 2016 that the Board had been informed by substantial Shareholders of the Company that they were seeking a strategic review of their Shares in the Company. This information may have been incorporated into the price of the Shares, such that 19 September 2016 (being the last full day of trading of the Shares prior to the date of the announcement on 23 September 2016 by the Board that the substantial shareholders of the Company will be seeking a strategic review relating to their Shares) can be considered as the “**Last Undisturbed Trading Day**.”

We also note that for the two-year period prior to the Last Undisturbed Trading Day up to the Last Undisturbed Trading Day, the Company’s Share price traded below the Offer Price of S\$1.30.

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Additional information on the volume-weighted average price (“VWAP”) of the Shares and other trading statistics are set out below:

Reference period	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Offer Price over/(to) VWAP (%)	Highest Transacted Price (S\$)	Lowest Transacted Price (S\$)	Average daily trading volume ⁽²⁾	Daily trading volume as percentage of free float ⁽³⁾ (%)
Periods up to and including the Last Undisturbed Trading Day						
Last 2 years	0.74	75.7	1.28	0.55	65,685	0.09
Last 1 year	0.83	56.6	1.28	0.68	56,890	0.08
Last 6 months	0.88	47.7	1.28	0.70	65,743	0.09
Last 3 months	0.92	41.3	1.28	0.76	100,047	0.14
Last 1 month	1.00	30.0	1.28	0.77	178,912	0.25
Last Undisturbed Trading Day	1.28	1.6	1.28	1.28	661,800	0.94
Periods prior to the Offer Announcement Date⁽⁴⁾						
Last 2 years	1.17	11.1	1.47	0.68	76,028	0.11
Last 1 year	1.33	(2.3)	1.47	1.09	89,364	0.13
Last 6 months	1.40	(7.1)	1.47	1.29	41,069	0.06
Last 3 months	1.34	(3.0)	1.40	1.29	29,924	0.04
Last 1 month	1.31	(0.8)	1.33	1.29	23,400	0.03
Last trading day prior to the Offer Announcement Date	1.32	(1.5)	1.32	1.32	59,000	0.08
After the Offer Announcement Date and up to the Latest Practicable Date						
Between the Announcement Date and the Latest Practicable Date	1.30	0.0	1.30	1.29	206,707	0.29
As at the Latest Practicable Date	1.30	0.0	1.30	1.30	196,000	0.28

Source: Capital IQ, EYCF analysis

Notes:

- (1) The VWAP is calculated based on the closing price of the Shares and the traded volume for the relevant trading days for each of the periods. The respective last transacted prices of the Shares were used for the Last Undisturbed Trading Day, last trading day prior to the Offer Announcement Date, and the Latest Practicable Date.
- (2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the given period divided by the number of market days during that period.
- (3) Free float refers to the Shares other than those held by the Directors, substantial Shareholders and their associates (as defined in the SGX-ST Listing Manual), which amounts to approximately 70,470,316 Shares or equivalent to approximately 33.3% of the total issued share capital of the Company as at the Offer Announcement Date.
- (4) A trading halt was called on the morning of 20 September 2017 prior to the Offer Announcement on 20 September 2017 afternoon. As such, the last full trading day prior to the Offer Announcement is 19 September 2017.

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We note the following:

- (a) Over the last two years prior to and including the Last Undisturbed Trading Day, the market price of the Shares traded between a low of S\$0.55 and a high of S\$1.28;
- (b) The Offer Price represents premiums of approximately 75.7%, 56.6%, 47.7%, 41.3%, and 30.0% over the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Last Undisturbed Trading Day, respectively;
- (c) The Offer Price represents a premium of approximately 1.6% over the last transacted price on the Last Undisturbed Trading Day;
- (d) Over the last two years prior to the Offer Announcement Date, the market price of the Shares traded between a low of S\$0.68 and a high of S\$1.47;
- (e) The Offer Price represents premiums/(discounts) of approximately 11.1%, (2.3)%, (7.1)%, (3.0)%, and (0.8)% over/to the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date, respectively;
- (f) The Offer Price represents a discount of approximately 1.5% to the last transacted price prior to the Offer Announcement Date;
- (g) For the period following the Offer Announcement Date up to the Latest Practicable Date, Shares traded between S\$1.29 and S\$1.30 per Share. The Offer Price of S\$1.30 is equivalent to the VWAP of the Shares over this period; and
- (h) The last traded price as at the Latest Practicable Date of S\$1.30 is equivalent to the Offer Price.

We have also considered the trading liquidity of the Shares. As at the Offer Announcement Date, the Company had a free float of approximately 70,470,316 Shares or equivalent to approximately 33.3% of the total issued Shares as at the Offer Announcement Date. We note the following:

- (a) The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Last Undisturbed Trading Day represents approximately 0.09%, 0.08%, 0.09%, 0.14% and 0.25% of the free float, respectively;
- (b) The average daily traded volume of the Shares as at the Undisturbed Last Trading Day represents 0.94% of the free float;
- (c) The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date represents approximately 0.11%, 0.13%, 0.06%, 0.04% and 0.03% of the free float, respectively;
- (d) The average daily traded volume of the Shares on the last trading date prior to the Announcement Date represents approximately 0.08% of the free float;

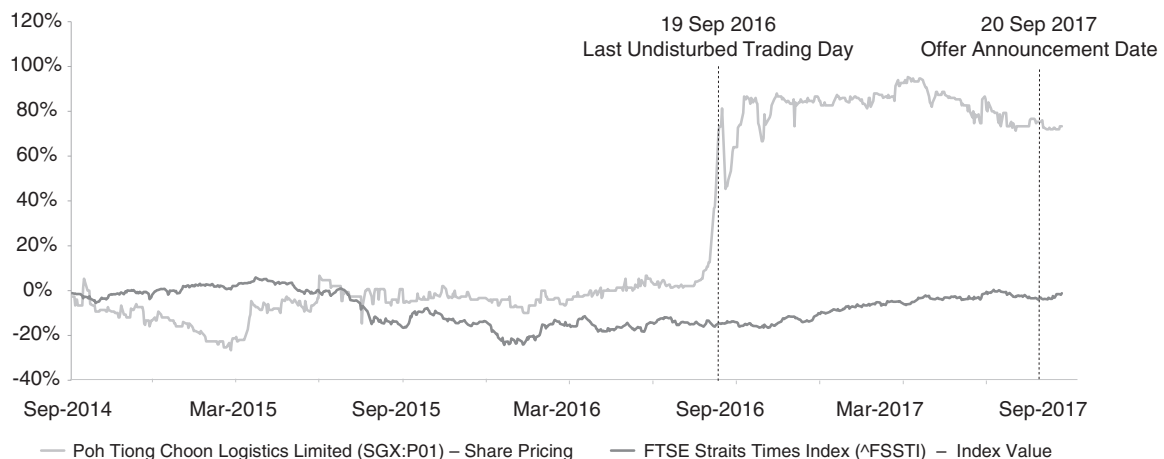
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- (e) The average daily traded volume of the Shares for the period following the Offer Announcement Date up to the Latest Practicable Date represents approximately 0.29% of the free float and the traded volume of the Shares on the Latest Practicable Date represents approximately 0.28% of the free float.

The past liquidity of the Shares, particularly for the period after the Offer Announcement Date, should not be relied upon in any way as an indication of the future liquidity of the Shares. We wish to highlight that there is no assurance that the liquidity of the Shares will remain at the same level after the Offer closes.

In order to assess the market price performance of the Shares vis-à-vis the general price performances of the Singapore equity market in general, we have compared the market movement of the Shares against the FTSE Straits Times Index (“**FSSTI**”) for the period from three years prior to the Offer Announcement Date and up to the Latest Practicable Date.

Share Prices and FSSTI Prices for the Period from Three Years prior to the Offer Announcement Date and up to the Latest Practicable Date



Source: Capital IQ, rebased to 0% on 28 September 2014

We note that the Shares had outperformed the FSSTI in relative terms over the period between the Last Undisturbed Trading Day and the Latest Practicable Date.

We wish to highlight that the analysis on the historical trading performance of the Shares serves only as an illustrative guide and is not an indication of the future trading performance of the Shares.

7.2 Comparison with privatisation transactions for companies listed on the SGX-ST

In assessing the reasonableness of the Offer Price, we have also examined recent similar transactions by listed companies on the SGX-ST Main Board involving successful privatization transactions announced and completed in the period between 1 January 2016 and the Latest Practicable Date, and wherein the offerors had indicated their intentions to privatise the target companies (the “**Precedent Privatisation Transactions**”). Privatisation transactions of companies listed on the SGX-ST are generally carried out by way of voluntary general offer under the Code (“**VGO**”), mandatory general offer under the Code (“**MGO**”),

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scheme of arrangement under Section 210 of the Companies Act (“SOA”), or voluntary delisting under Rule 1307 of the SGX-ST Listing Manual (“VD”). Our analysis of the Precedent Privatisation Transactions is to illustrate the premiums/discounts represented by each of the respective offer prices over/to the traded prices prior to the announcements of such Precedent Privatisation Transactions.

The Independent Directors and Shareholders should note that due to the differences in, *inter alia*, business activities, scale of operations, geographical spread of activities, track record and future prospects, accounting standards and policies, any comparison made with respect to the Precedent Privatisation Transactions are for illustrative purposes only. The Precedent Privatisation Transactions are not directly comparable to the terms and conditions of the Offer. The premium any offeror is prepared to pay for in any particular offer transaction depends on various factors, including prevailing market conditions and general economic and business risks. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation for the Company. In addition, we wish to highlight that the list of Precedent Privatisation Transactions is by no means exhaustive and information relating to the Precedent Privatisation Transactions was compiled from publicly available information.

Company name	Type	Announcement date	Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement ⁽¹⁾				
			Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)
XinRen Aluminum Holdings Limited	VGO	25 Feb 2016	31.3	49.6	50.0	48.5	36.1
OSIM International Ltd	VGO	7 Mar 2016	27.0	40.9	42.5	16.7	(2.2)
Indiabulls Properties Investment Trust	MGO	27 Apr 2016	25.0	26.9	26.3	25.6	21.4
China Merchants Holdings (Pacific) Ltd	VGO	9 May 2016	22.9	21.8	25.3	20.2	8.0
Eu Yan Sang International Ltd	VGO	16 May 2016	2.6	8.5	16.5	24.7	22.5
Otto Marine Limited	VD	8 Jun 2016	39.1	44.8	43.5	42.9	(13.5)
SMRT Corporation Ltd	SOA	20 Jul 2016	8.7	10.8	10.7	8.7	15.5
Sim Lian Group Limited	VGO	8 Aug 2016	14.9	16.6	19.5	21.3	23.0
China Minzhong Food Corporation Ltd	VGO	6 Sep 2016	25.0	24.8	23.1	25.9	35.4
Aztech Group Ltd.	VD	20 Sep 2016	29.2	38.6	21.0	10.5	(13.2)
China Auto Electronics Group Limited	MGO	24 Oct 2016	23.1	50.9	65.0	65.0	88.2
Innovalues Limited	SOA	26 Oct 2016	14.5	19.0	21.6	27.8	30.5
Super Group Ltd	VGO	3 Nov 2016	62.5	60.5	62.5	55.9	51.0
ARA Asset Management Limited	SOA	8 Nov 2016	26.2	29.6	30.3	31.7	43.9
Advanced Integrated Mfg. Corp. Ltd.	VD	24 Nov 2016	22.8	20.7	20.7	17.3	6.1
Auric Pacific Group Limited	VGO	7 Feb 2017	13.7	17.7	23.8	35.6	60.8
Nobel Design Holdings Ltd	MGO	2 May 2017	8.5	9.4	15.9	19.4	25.9
Changtian Plastic & Chemical Limited	VGO	29 May 2017	45.3	46.6	48.2	49.5	63.7

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			Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement ⁽¹⁾				
Company name	Type	Announcement date	Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)
Low			2.6	8.5	10.7	8.7	(13.5)
High			62.5	60.5	65.0	65.0	88.2
Average			24.6	29.9	31.5	30.4	28.0
Median			24.1	25.9	24.6	25.8	24.5
PTC – Implied by the Offer Price and based on Share prices prior to and including the Last Undisturbed Trading Day			1.6	30.1	41.3	47.1	56.8

Source: Capital IQ, company circulars and company reports

Note:

- (1) Market premium/discount is calculated based on the share price on either the last trading day or unaffected day for the given periods, as defined in the respective circulars.

We have based our evaluation on the Precedent Privatisation Transactions on the Share prices in relation to the Last Undisturbed Trading Day, as the trading price of the Shares may have been influenced following the Board's announcement on 23 September 2016 that the Company's substantial shareholders were considering a strategic review of their Shares in the Company. We note the following with regard to the Precedent Privatisation Transactions:

- (a) the premium of 1.6% implied by the Offer Price against the last transacted price of the Shares prior to and including the Last Undisturbed Trading Day is below the range of premiums of the Precedent Privatisation Transactions;
- (b) the premium of 30.1% implied by the Offer Price against the 1-month VWAP of the Shares prior to the Last Undisturbed Trading Day is within the range of premiums, and above the average and median premiums of the Precedent Privatisation Transactions;
- (c) the premium of 41.3% implied by the Offer Price against the 3-month VWAP of the Shares prior to the Last Undisturbed Trading Day is within the range of premiums, and above the median and average premiums of the Precedent Privatisation Transactions; and
- (d) the premium of 47.1% and 56.8% implied by the Offer Price against the 6-month and 12-month VWAPs of the Shares prior to the Last Undisturbed Trading Day are within the respective ranges of premiums, and are above the median premium of the Precedent Privatisation Transactions.

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7.3 Comparison of valuation measures of the Company against those of selected listed comparable companies

In our evaluation, we have considered the following widely used valuation measures:

Valuation Measure	Description
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation Ratio ("EV/EBITDA Ratio")	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents EBITDA refers to the historical consolidated earnings before interests, taxes, depreciation and amortisation
Price-to-Earnings Ratio ("P/E Ratio")	P/E Ratio or earnings multiple is the ratio of a company's market capitalisation divided by the historical consolidated net profit attributable to shareholders
Price-to-NAV Ratio ("P/NAV Ratio")	NAV refers to consolidated net asset value, which is calculated as total assets of a company less total liabilities P/NAV Ratio refers to the ratio of a company's share price divided by net asset value per share

Based on our discussions with the Management and a search for comparable listed companies on Capital IQ, OneSource and other available databases, we recognise that there is no particular listed company that we may consider to be directly comparable to PTC in terms of the composition of the business activities, company size, scale of operations, service range, customer base, risk profile, geographical spread of activities, accounting standards and policies used, and such other relevant criteria. However, after discussions with the Management, we have selected companies which we think match PTC in terms of revenues, being logistics services companies, which include trucking and supply chain management services such as procurement, inventory management, and packing (the "**Comparable Companies**").

The Independent Directors and Shareholders should note that any comparison made with respect to the Comparable Companies is for illustrative purposes only as there is no one company with the exact scope of business and using the exact accounting policies and standards as those of PTC. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation of PTC as at the Latest Practicable Date. In addition, we wish to highlight that the list of Comparable Companies is by no means exhaustive.

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Accordingly, for the purposes of our evaluation, we have considered the following Comparable Companies whose activities, in our view (and as explained above), are broadly comparable to those of PTC:

Selected Comparable Companies/Exchange location	Brief business description	Market capitalization (\$ million)
Kerry TJ Logistics Company Limited ("Kerry TJ Logistics")/ (Taiwan)	Kerry TJ Logistics provides integrated logistics services worldwide. It offers truck freight, truck route freight, and truck container transport services, and provides cold storage and temperature controlled distribution services; tally, packing, and delivery services; and devanning, warehousing, sorting, retrieving, disposal, and customized value added services.	760.2
JWD Infologistics Public Company Limited ("JWD Infologistics")/ (Thailand)	JWD InfoLogistics engages in the integrated logistics business in Thailand and internationally. It operates through five segments: integrated logistics, supply chain and warehouse management; transportation services; domestic and international removal; record and information storage; and others, including warehousing and yard management, customs clearance, transportation and distribution management, and office and warehouses rental.	492.0
Vibrant Group Limited ("Vibrant Group")/ (Singapore)	Vibrant Group provides logistics, real estate, and financial services worldwide. It operates through three segments: freight and logistics business, financial services, and real estate business. It also offers chemical logistic solutions, as well as chemical transportation in bulk tankers and ISO-tanks containers; and contract logistics solutions.	261.4
TASCO Berhad ("TASCO")/ (Malaysia)	TASCO provides logistics solutions worldwide. It operates through air freight forwarding, contract logistics, trucking, ocean freight forwarding, and origin cargo order and vendor management segments. The company offers airfreight and sea forwarding services, systems and solutions for integrated supply chain management, as well as other logistics solutions. It also operates a fleet of trucks.	148.1

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Selected Comparable Companies/Exchange location	Brief business description	Market capitalization (\$ million)
Century Logistics Holdings Berhad (“Century Logistics”)/ (Malaysia)	Century Logistics provides supply chain solutions in Malaysia. The company operates through total logistics services and procurement, logistics services divisions. It offers international freight forwarding, transportation management and distribution, contract logistics, oil and procurement logistics, halal logistics services, data management services, and bonded warehousing services.	146.0
Taiwan Pelican Express Co., Ltd. (“Taiwan Pelican Express”)/ (Taiwan)	Taiwan Pelican Express provides trucking and door-to-door home delivery services in Taiwan. It offers C2C, B2C, and C2B home-delivery services. The company also provides warehousing and logistics, as well as tally and packaging services.	135.1

Source: Capital IQ, company reports and company websites

Valuation Measures of the Comparable Companies in Comparison with the Valuation Measures of PTC implied by the Offer Price

Comparable Companies	Listed Exchange	Market Capitalization ⁽¹⁾ (in S\$ millions)	EV/EBITDA Ratio ⁽²⁾ (times)	P/E Ratio ⁽³⁾ (times)	P/NAV Ratio ⁽⁴⁾ (times)
Kerry TJ Logistics	Taiwan	760.2	10.7	16.6	2.2
JWD Infologistics	Thailand	492.0	27.3	<i>n.m.</i>	4.7
Vibrant Group	Singapore	261.4	<i>n.m.</i>	1.9	0.5
TASCO	Malaysia	148.1	7.8	14.6	1.3
Century Logistics	Malaysia	146.0	12.0	25.2	1.5
Taiwan Pelican Express	Taiwan	135.1	12.9	27.2	1.8
Low			7.8	1.9	0.5
High			27.3	27.2	4.7
Average			14.1	17.1	2.0
Median			12.0	16.6	1.6
PTC (Implied by the Offer Price)	Singapore	275.5	11.8	23.0	3.1

Source: Capital IQ, company announcements, company reports

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Notes:

- (1) Market capitalisation for the Comparable Companies is based on the outstanding number of shares and the closing price as at Latest Practicable Date as obtained from Capital IQ. Market capitalisation of the Company is S\$275.5 million based on the Offer Price of S\$1.30 per Share and the total outstanding Shares of 211,940,800 as at the Latest Practicable Date.
- (2) For the Comparable Companies, EV is computed based on the latest available consolidated financial results, except for market capitalisation which is as at the Latest Practicable Date, and EBITDA is computed based on a trailing 12-month basis from the interim unaudited consolidated financial results. EV of the Company is based on the equity consideration of S\$275.5 million implied by the Offer Price and the Company's latest unaudited consolidated financial results as at 30 June 2017. EBITDA of the Company is computed based on the Company's unaudited consolidated results for the 12 months ended 30 June 2017.
- (3) Net profit attributable to shareholders of the Comparable Companies and the Company are computed on a trailing 12-month basis based on the companies' interim unaudited consolidated financial results and the Company's unaudited consolidated results for the 12 months ended 30 June 2017, respectively.
- (4) P/NAV ratio is the ratio of a company's share price as at the Latest Practicable Date divided by its consolidated net asset value per share as at the latest available financial results.
- (5) The financial statements of the Comparable Companies are reported in various currencies, which may or may not be in Singapore dollars and which may be different from the respective currencies that their shares are traded in. For the purposes of computing and comparing the valuation measures, financial figures in relation to the balance sheet of the Comparable Companies have been translated (if applicable) to Singapore dollars using a suitable exchange rate as at the balance sheet date as obtained from Capital IQ, while earning figures have been translated (if applicable) to Singapore dollars using a suitable average exchange rate for the relevant financial period, as obtained from Capital IQ. Closing share prices of the Comparable Companies as at the Latest Practicable Date have been translated (if applicable) to Singapore dollars using a suitable exchange rate as at the Latest Practicable Date, as obtained from Capital IQ.
- (6) *n.m.* – Not Meaningful.

(A) Comparison of EV/EBITDA Ratios

The EV/EBITDA Ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cashflow performance and disregards the entity's existing capital structure.

We note that the range of the Comparable Companies EV/EBITDA Ratios is between 7.8 times and 27.3 times, while the average and median EV/EBITDA Ratios are 14.1 times and 12.0 times, respectively.

The EV/EBITDA Ratio of the Company implied by the Offer Price of 11.8 times is within the range of the EV/EBITDA Ratios of the Comparable Companies, and below the average and median EV/EBITDA Ratios of the Comparable Companies.

(B) Comparison of P/E Ratios

The P/E Ratio illustrates the ratio of the market capitalisation of an entity in relation to the historical net profit attributable to its shareholders.

We note that the range of the Comparable Companies P/E Ratios is between 1.9 times and 27.2 times, while the average P/E Ratio is 17.1 times, and the median P/E Ratio is 16.6 times.

The P/E Ratio of the Company implied by the Offer Price of 23.0 times is within the range of the P/E Ratios of the Comparable Companies, and above the average and median P/E Ratios of the Comparable Companies.

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(C) Comparison of P/NAV Ratios

The P/NAV Ratio represents an asset-based relative valuation which takes into consideration the net tangible assets of a company.

We note that for the Comparable Companies as at the Latest Practicable Date, the range of P/NAV Ratios is between 0.5 times and 4.7 times, while the average P/NAV Ratio is 2.0 times, and the median P/NAV Ratio is 1.6 times.

The P/NAV Ratio of the Company implied by the Offer Price of 3.1 times is within the range of the P/NAV Ratios of the Comparable Companies, and above the average and median P/NAV Ratios of the Comparable Companies.

Further analysis on the NAV and RNAV of the Group and the premium implied by the Offer Price to the NAV and RNAV of the Group are discussed in Section 7.5 of this letter.

7.4 Comparable Transactions

We have also examined recent similar transactions involving logistics companies (the “**Comparable Transactions**”) announced and completed in the period five (5) years prior to the Offer Announcement Date up to the Latest Practicable Date, with the acquisition of majority interests in the target companies. Our analysis of the Comparable Transactions is to illustrate how the valuation multiples, namely EV/EBITDA Ratio and P/E Ratio, as implied by the transaction consideration compare against the respective valuation multiples as implied by the Offer Price for the Company.

The Independent Directors and Shareholders should note that due to the differences in, *inter alia*, business activities, scale of operations, geographical spread of activities, track record and future prospects, accounting standards and policies, any comparison made with respect to the Comparable Transactions is for illustrative purposes only. The Comparable Transactions are not directly comparable to the terms and conditions of the Offer. The premium any acquiror is prepared to pay for in any particular transaction depends on various factors, including prevailing market conditions, and general economic and business risks. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation for the Company. In addition, we wish to highlight that the list of Comparable Transactions is by no means exhaustive and pieces of information relating to the Comparable Transactions were compiled from publicly available information.

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Valuation Measures of the Comparable Transactions in Comparison with the Implied Valuation Measures for the Proposed Offer

Date	Target	Business Description	Transaction Size (\$m)	Interest Acquired (%)	EV/EBITDA (times)	P/E Ratio (times)
Mar 2015	Shinhung Global Co., Ltd.	Shinhung Global Co., Ltd. engages in third party logistics, packing, and forwarding businesses in South Korea and internationally. It also offers export and import services, as well as provides research and development, supply and inventory management services.	64.7	100.0	5.7	6.7
Mar 2015	Pantos Logistics Co., Ltd.	Pantos Logistics Co., Ltd. provides a range of logistics services in South Korea and internationally. The company offers sea freight services, and airfreight services, including consolidation, aircraft charter, re-forwarding, and sea and air services. It also provides rail and road transportation services, warehousing/customs clearance services and express services.	461.5	51.0	6.1	8.4
Nov 2015	Hi Logistics Co., Ltd.	Hi Logistics Co., Ltd. provides logistics services. It offers storage, unloading, distribution processing, transportation/delivery, home appliances delivery and installation, import logistics, service parts logistics, and trucking services.	136.7	100.0	5.8	10.1
Dec 2016	Dongbu Express Co., Ltd.	Dongbu Express Co., Ltd. provides stevedoring, trucking, warehousing, and international logistics services in South Korea. It also offers logistics consulting, storage, cargo transportation, and third party logistics services.	506.4	100.0	6.1	<i>n.a.</i>
Low					5.7	6.7
High					6.1	10.1
Median					5.9	8.4
Average					5.9	8.4
PTC (Implied by the Offer Price)			275.5		11.8	23.0

Source: Capital IQ, company and news reports

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(a) Comparison of EV/EBITDA Ratios

We note that for the Comparable Transactions, the range of EV/EBITDA Ratios is between 5.7 times and 6.1 times, while the median and average EV/EBITDA Ratios are both 5.9 times.

The EV/EBITDA Ratio of the Company implied by the Offer Price of 11.8 times is above the range of EV/EBITDA Ratios of the Comparable Transactions.

(b) Comparison of P/E Ratios

We note that for the Comparable Transactions, the range of P/E Ratios is between 6.7 times and 10.1 times, while the median and average P/E Ratios are both 8.4 times.

The P/E Ratio of the Company implied by the Offer Price of 23.0 times is above the range of P/E Ratios of the Comparable Transactions.

7.5 Analysis of the NAV and RNAV of the Group

In an NAV-based valuation, a valuation analysis is performed for a company's identified fixed, financial and other assets. The derived aggregate value of these assets is then "netted" against the estimated value of all existing liabilities, resulting in an indication of the value of the shareholders' equity.

The net asset backing method is appropriate when the entity being valued is predominantly an investment company which does not carry on any business operations of a commercial nature. The method is also appropriate where (i) the entity's business is to cease operations, and/or (ii) the entity intends to convert the uses of all or most of its assets. This method may ignore the ability of the asset base of the entity to generate ongoing future earnings and sustain an earnings-based valuation.

In this regard and as set out in Section 9 of the Letter to Shareholders in the Offer Document, we note that the Offeror's intentions relating to the Group are as follows:

"Subsequent to the Closing Date and depending on the outcome of the Offer, the Offeror intends to undertake a review of the business of the Group with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. The Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company."

Save as disclosed above, the Offeror presently has no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business."

Given the above, we have deemed that the following asset-based analyses would not be the primary consideration in our overall evaluation of the Offer and should be regarded for illustrative purposes only.

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The NAV, which is reflected in a company's financial statements, is calculated as total assets less all liabilities, and determined by relevant accounting policies and procedures. The RNAV figures takes into account adjustments to a company's principal assets based on their estimated current market values.

Based on the Company's unaudited consolidated financial statements as at 30 June 2017, the unaudited NAV of the Group was about S\$88.9 million or approximately S\$0.42 per Share. We note that the Offer Price represents a premium of approximately 209.5% to the unaudited NAV as at 30 June 2017 or a P/NAV Ratio of 3.1 times.

We have also taken into consideration whether there are any factors which, based on applicable accounting standards and policies, have not been disclosed in the Group's announced financial results that may have a material impact on the unaudited NAV of the Group as at 30 June 2017. The Management and the Directors have confirmed that, save as disclosed in the unaudited financial statements of the Group as at 30 June 2017 and to the best of their knowledge, there is no material information undisclosed in accordance with the applicable accounting standards and policies (including any asset impairment, surplus in revaluation and material contingent liabilities) that may materially impact the NAV of the Group as at the Latest Practicable Date.

In our review of the unaudited balance sheet of the Group as at 30 June 2017, we have also considered whether there are any intangible assets that would not appear in the valuation based on the unaudited NAV of the Group as at 30 June 2017. The Management and the Directors have confirmed that, save as disclosed and to the best of their knowledge, there are no intangible assets which should be disclosed in the balance sheet of the Group in accordance with the applicable accounting standards and policies as at the Latest Practicable Date.

We have also taken into consideration any tangible asset of the Group that should be valued and reflected at a different amount from the amount that is recorded in the unaudited financial statements as at 30 June 2017.

The Company has appointed the Independent Valuer to conduct, in connection with the Offer, an independent valuation of the Group's properties (the "**Properties**"). The Valuation Report Summary dated 11 October 2017 is set out as Appendix G to the Offeree Circular.

We note that the valuation is the Independent Valuer's opinion on the market value of the Properties, which, as set out in the Valuation Report Summary, is intended to mean "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*"

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For illustrative purposes only, as set out in the Valuation Report Summary, the market values of the Properties are as follows:

No. Property	Market Value in its existing state attributable to the Group as at 11 Oct 2017 (S\$)
1. 15 Enggor Street, #11-02 Realty Centre	1,600,000
2. 21 Ayer Merbau Road	53,300,000
3. 23 Ayer Merbau Road	19,300,000
4. 29 Tuas Bay Drive	37,000,000
5. 48 Pandan Road (Phases 1 & 2)	219,000,000
Total Market Value	330,200,000
Less: Book Value as at 30 Jun 2017 and estimated development costs as at the Latest Practicable Date	179,000,000
Revaluation Surplus	151,200,000

Source: CBRE's Valuation Report Summary dated 11 October 2017, Company

With reference to Property 5 above (48 Pandan Road (Phases 1 & 2)), we note that the warehouse and office property is currently being developed and will comprise a single-user warehouse development with a block of 6-storey ramp-up warehouse building with ancillary office and other ancillary facilities. The Temporary Occupation Permit ("TOP") for Phase 1 was issued in May 2016, while Phase 2 is currently under construction with expected issue date of TOP in 2018. We note that the market value of Property 5, if valued assuming the warehouse and office facilities have been completed and developed to its maximum development potential, would amount to approximately S\$219.0 million.

We note that, based on information provided by the Company, the potential tax liabilities that may be incurred by the Group on the hypothetical disposal of the Properties on an "as is" basis amount to approximately S\$4.6 million. The aforesaid tax liabilities will not crystallise if the Group does not dispose of its interests in the Properties. We also note the Company's confirmation that it has no current plans to dispose of its interests in the Properties. Further, we note that the Group has to abide by certain sale restrictions under the land lease agreements of certain Properties. As such, the aforesaid tax liabilities are not likely to crystallise. The market values as shown in the table above exclude such potential tax liabilities.

For discussion purposes only, the unaudited RNAV of the Group is approximately S\$235.5 million or S\$1.11 per Share as computed by the Management, after taking into account adjustments due to the revaluation of the Properties as set out in the Valuation Report Summary, estimated total development cost for Phase 2 of the property located at 48 Pandan Road (Property 5 above) as at the Latest Practicable Date, and the potential tax liabilities that would arise if the Properties were to be sold at the amount of the valuation as set out in the Valuation Report Summary. Based on the unaudited balance sheet of the Group as at

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30 June 2017, the NAV of the Group is approximately S\$88.9 million or approximately S\$0.42 per Share. Based on the unaudited RNAV per Share of approximately S\$1.11 above, the Offer Price represents a premium of approximately 17.1%.

In the table below, we have set out the adjustments which were made in determining the RNAV of the Group.

	(S\$'000)
Group's unaudited NAV (as at 30 Jun 2017)	88,913
<i>Add: Revaluation surplus arising from the revalued Properties</i>	151,200
<i>Less: Potential tax liabilities (that would arise if the Properties were to be sold)</i>	4,600
RNAV of the Group (as at 30 Jun 2017)	235,513

Source: Company management

While the unaudited RNAV is a relevant basis for comparison, the Independent Directors should note that it is not necessarily a realisable value as the market value of the Properties and any tax liabilities arising from the sale of the Properties may vary depending on prevailing market and economic conditions.

7.6 Other Relevant Considerations

We have also considered the following in our evaluation of the Offer:

(a) Intention of the Offeror regarding the listing status of the Company

The details on the Offeror's intention with regard to the listing status of the Company are set out in Sections 8 and 10 of the Letter to Shareholders in the Offer Document.

We note that Offeror has stated that it is making the Offer with a view to delisting and privatising the Company.

With regard to Compulsory Acquisition pursuant to Section 215(1) of the Companies Act, we note that as set out in Section 10.1 of the Letter to Shareholders in the Offer Document, *"the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST."*

Further, as set out in Section 10.2 of the Letter to Shareholders in the Offer Document on the listing status, *"the Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1305(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted."*

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We wish to highlight that there is no assurance that the Company will remain listed on the SGX-ST and no guarantee that the Shares will continue to be traded on the SGX-ST after the close of the Offer. As such, Shareholders who do not accept the Offer may encounter lower trading liquidity and/or face difficulties in selling their Shares after the close of the Offer.

(b) The Offer has turned unconditional

The Offer was declared unconditional in all respects on 12 October 2017 by UOB, for and on behalf of the Offeror. As at the Offer Unconditional Date, the Offeror has received valid acceptances of the Offer which result in the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the total number of issued Shares (excluding Shares held in treasury).

As at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror, and (b) valid acceptances to the Offer, amount to an aggregate of 143,606,000 Shares, representing approximately 67.76% of the total number of issued Shares as at the Latest Practicable Date.

(c) Revision of terms of the Offer

We note that as stated in Section 2.6 of the Letter to Shareholders in the Offer Document, the Offeror reserves the right to revise the terms of the Offer in accordance with the Code.

(d) The Offer is the only offer available to Shareholders

We understand from the Directors that, as at the Latest Practicable Date, there is no alternative or competing offer made for the Shares that is available to Shareholders. We also note that there is no publicly available evidence of an alternative or competing offer for the Shares from any other party as at the Latest Practicable Date. Further, given that the Offer is considered to be unconditional as at the Latest Practicable Date, any offer made by any other party would likely not be successful.

8 OUR ADVICE ON THE OFFER

In arriving at our advice on the Offer, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Offer. The factors we have considered in our evaluation, which are discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

- (a) The premiums implied by the Offer Price.** For the two-year period prior to the Last Undisturbed Trading Day, the Company's Share price traded below the Offer Price of S\$1.30 per Share for the entire period. Over the last two years prior to and including the Last Undisturbed Trading Day, the market price of the Shares traded between a low of S\$0.55 per Share and a high of S\$1.28 per Share.

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The Offer Price represents premiums of approximately 75.7%, 56.6%, 47.7%, 41.3%, and 30.0% over the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Last Undisturbed Trading Day, respectively, and a premium of approximately 1.6% over the last transacted price on the Last Undisturbed Trading Day.

The Offer Price represents discounts of approximately 2.3%, 7.1%, 3.0% and 0.8% to the VWAPs for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date, and a discount of approximately 1.5% to the last transacted price prior to the Offer Announcement Date.

For the period following the Offer Announcement Date up to the Latest Practicable Date, Shares traded between S\$1.29 per Share and S\$1.30 per Share. The VWAP of the Shares over this period is equivalent to the Offer Price of S\$1.30 per Share.

- (b) **The liquidity of the Shares.** The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Last Undisturbed Trading Day represents approximately 0.09%, 0.08%, 0.09%, 0.14% and 0.25% of the free float as at the Offer Announcement Date, respectively.

The average daily traded volume of the Shares for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date represents approximately 0.13%, 0.06%, 0.04% and 0.03% of the free float as at the Offer Announcement Date.

The average daily traded volume of the Shares for the period following the Offer Announcement Date up to the Latest Practicable Date represents approximately 0.29% of the free float as at the Offer Announcement Date.

- (c) **Price performance of the Shares against the Singapore equity market.** Over the last three years prior to the Offer Announcement Date and up to the Latest Practicable Date, the Shares had outperformed the FSSTI in relative terms.
- (d) **Comparison with privatisation transactions of companies listed on the SGX-ST.** The premium of 1.6% implied by the Offer Price against the last transacted price of the Shares prior to and including the Last Undisturbed Trading Day is below the range of premiums of the Precedent Privatisation Transactions.

The premiums of 30.1%, 41.3%, 47.1 and 56.8% implied by the Offer Price against the 1-month, 3-month, 6-month and 12-month VWAPs of the Shares prior to the Last Undisturbed Trading Day are within the respective ranges of premiums and above the average and median premiums of the Precedent Privatisation Transactions.

- (e) **Comparison of valuation measures of the Company against those of the Comparable Companies.** The Shares, as implied by the Offer Price of S\$1.30, trade at an EV/EBITDA Ratio, P/E Ratio and P/NAV Ratio of 11.8 times, 23.0 times and 3.1 times, respectively.

The EV/EBITDA Ratio implied by the Offer Price is within the range of the EV/EBITDA Ratios of the Comparable Companies, but is below the average and median EV/EBITDA Ratios of the Comparable Companies.

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The P/E Ratio implied by the Offer Price is within the range, and above both the average and median P/E Ratios of the Comparable Companies.

The P/NAV Ratio implied by the Offer Price is within the range of the P/NAV Ratios of the Comparable Companies, and above both the average and median P/NAV Ratios of the Comparable Companies.

- (f) **Comparison of valuation measures implied by the Offer Price against those of Comparable Transactions.** The EV/EBITDA Ratio of the Company implied by the Offer Price of 11.8 times is above the range of EV/EBITDA Ratios of the Comparable Transactions.

The P/E Ratio of the Company implied by the Offer Price of 23.0 times is above the range of P/E Ratios of the Comparable Transactions.

- (g) **Analysis of the RNAV of the Group.** The Offer Price represents a premium of approximately 17.1% over the unaudited RNAV of the Group as at the Latest Practicable Date. While the unaudited RNAV is a relevant basis for comparison, it is not necessarily a realisable value as the market value of the Properties and any tax liabilities arising from the sale of the Properties may vary depending on prevailing market and economic conditions.
- (h) **Offeror's intentions for the Group.** The Offeror has stated that it is making the Offer with a view to delisting and privatising the Company.
- (i) **The Offer has turned unconditional.** The Offer was declared unconditional in all respects on the Offer Unconditional Date. As at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror, and (b) valid acceptances to the Offer, amount to an aggregate of 143,606,000 Shares, representing approximately 67.76% of the total number of issued Shares as at the Latest Practicable Date.
- (j) **Revision of terms of the Offer.** As set out in the Offer Document, the Offeror has stated that it reserves the right to revise the terms of the Offer in accordance with the Code.
- (k) **The Offer is the only offer available to Shareholders.** As at the Latest Practicable Date, there is no alternative or competing offer made for the Shares that is available to Shareholders.

In arriving at our conclusion, we have considered the information available to us as at the Latest Practicable Date.

After having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the Offer is fair and reasonable from a financial point of view. Accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer.

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We note that on 12 October 2017, being the Offer Unconditional Date, the Offeror announced that it has received valid acceptances of the Offer in respect of more than 50% of the voting rights attributable to the maximum potential issued Shares in the capital of PTC. Accordingly, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects.

Shareholders may wish to sell their Shares in the open market if they are able to obtain a price higher than the Offer Price, net of related expenses (such as brokerage and trading costs). We also advise the Independent Directors to consider highlighting to the Shareholders that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to, and including, the Latest Practicable Date. Our advice on the Offer cannot and does not take into account any subsequent developments after the Latest Practicable Date, including future trading activity or price levels of the Shares, as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Offer.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Offer. The recommendations made by the Independent Directors to the Shareholders in respect of the Offer shall remain their responsibility. A copy of this letter may be reproduced in the Circular.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any purpose other than in relation to the Offer at any time and in any manner without the our prior written consent in each specific case.

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

Yours faithfully
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Luke Pais
Managing Director

Elisa Montano
Director

APPENDIX B: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

1. DIRECTORS

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

Name	Address	Description
Poh Choon Ann	48 Pandan Road Poh Tiong Choon Logistics Hub Singapore 609289	Chairman and Chief Executive Officer
Poh Khim Hong	48 Pandan Road Poh Tiong Choon Logistics Hub Singapore 609289	Finance Director and Chief Financial Officer
Poh Kay Yong	48 Pandan Road Poh Tiong Choon Logistics Hub Singapore 609289	Executive Director
Poh Key Boon	48 Pandan Road Poh Tiong Choon Logistics Hub Singapore 609289	Executive Director
Poh Kay Leong	48 Pandan Road Poh Tiong Choon Logistics Hub Singapore 609289	Executive Director
Lew Syn Pau	48 Pandan Road Poh Tiong Choon Logistics Hub Singapore 609289	Lead Independent, Non-Executive Director
Hong Hai	48 Pandan Road Poh Tiong Choon Logistics Hub Singapore 609289	Independent Non-Executive Director

2. REGISTERED OFFICE

The registered office of the Company is at 48 Pandan Road, Poh Tiong Choon Logistics Hub, Singapore 609289.

3. PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company consist of the provision of services relating to land transportation, warehousing, stevedoring, container services, equipment renting, leasing and general contracting.

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4. SHARE CAPITAL

4.1 Number and Class of Shares

The Company has only one class of Shares, being ordinary shares. The Shares are quoted and listed on the Official List of the Mainboard of the SGX-ST. As at the Latest Practicable Date, the Company has an issued and fully paid-up share capital of S\$30,244,000 divided into 211,940,800 Shares. As at the Latest Practicable Date, the Company has no treasury shares.

4.2 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 Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting is reproduced in Appendix D of this Circular. The Constitution is available for inspection at the registered address of the Company at 48 Pandan Road, Poh Tiong Choon Logistics Hub, Singapore 609289. Capitalised terms and expressions not defined in the extract have the meanings ascribed to them in the Constitution and/or the Companies Act.

4.3 Number of Shares Issued Since the End of the Last Financial Year

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

4.4 Convertible Securities

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, Shares or securities which carry voting rights affecting Shares.

5. SUMMARY OF FINANCIAL INFORMATION

5.1 Consolidated Statement of Comprehensive Income

A summary of the audited consolidated statement of comprehensive income of the Group for FY2014, FY2015, FY2016 and the unaudited financial information of the Group for 1H2017 is set out below:

	Unaudited 1H2017 (S\$'000)	Audited FY2016 (S\$'000)	Audited FY2015 (S\$'000)	Audited FY2014 (S\$'000)
Revenue	69,222	138,900	156,777	126,155
Share of results of joint ventures	(91)	(47)	(12)	52
Profit before taxation	7,076	17,616	18,497	10,553
Profit after taxation	6,042	15,239	15,792	8,867
Profit attributable to: Owners of the Company	5,486	13,867	14,987	8,271

APPENDIX B: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

	Unaudited 1H2017 (S\$'000)	Audited FY2016 (S\$'000)	Audited FY2015 (S\$'000)	Audited FY2014 (S\$'000)
Earnings per Share attributable to owners of the Company (per Share)	(Cents)	(Cents)	(Cents)	(Cents)
Basic	2.59	6.53	7.01	3.85
Diluted	2.59	6.53	7.01	3.85
Dividend declared (per Share)	–	2.75	3.00	2.25

The above summary should be read together with the annual reports, the audited consolidated financial statements of the Group for the relevant years, and the related notes thereto, copies of which are available for inspection at the registered office of the Company at 48 Pandan Road, Poh Tiong Choon Logistics Hub, Singapore 609289 during normal business hours.

The unaudited financial information of the Group for 1H2017 is set out in fuller detail in Appendix F of this Circular.

5.2 Consolidated Statement of Financial Position

A summary of the audited consolidated statement of financial position of the Group as at 31 December 2016 is set out below.

	Group 2016 S\$'000
ASSETS	
Current Assets	
Cash and cash equivalents	24,788
Trade and other receivables	24,389
Inventories	105
Other current assets	3,484
Current income tax recoverable	1,565
	54,331
Non-current assets	
Trade and other receivables	2,082
Investments in joint ventures	980
Investments in subsidiaries	–
Property, plant and equipment	139,020
Investment properties	20,130
Intangible assets	226
Other non-current assets	368
	162,806
Total assets	217,137

APPENDIX B: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

	Group 2016 S\$'000
LIABILITIES	
Current liabilities	
Trade and other payables	27,526
Current income tax liabilities	814
Borrowings	74,662
	103,002
Non-current liabilities	
Trade and other payables	5,820
Borrowings	6,711
Deferred income tax liabilities	9,902
Provision	380
	22,813
Total liabilities	125,815
NET ASSETS	91,322

The above summary should be read together with the annual report for FY2016, the audited consolidated financial statements of the Group for FY2016, which are set out in Appendix E of this Circular, and the related notes thereto.

5.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in note 2 to the audited financial statements of the Group for FY2016, which is reproduced in Appendix E of this Circular and section 4 of the unaudited financial information of the Group for 1H2017, which is set out in Appendix F of this Circular. Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited financial statements of the Group for FY2016 and section 4 of the unaudited financial information of the Group for 1H2017), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

5.4 Changes in Accounting Policies

Save as disclosed in the notes to the audited financial statements of the Group for FY2016 and the notes to the unaudited financial information of the Group for 1H2017, there are no changes in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

6. MATERIAL CHANGES IN FINANCIAL POSITIONS

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to announcements released by the Company in respect of its financial results such as the unaudited financial information of the Group for 1H2017 as announced on 14 August 2017 and set out in Appendix F of this Circular), 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 Company's last published audited financial statements were made up.

APPENDIX B: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

7. DISCLOSURE OF INTERESTS OF THE COMPANY AND DIRECTORS

7.1 Shareholdings and Dealings

As at the Latest Practicable Date:

- (i) the Company does not have any shareholdings in any Offeror Securities;
- (ii) save as disclosed below, none of the Directors have any direct or deemed interests in any Offeror Securities:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Poh Choon Ann	1	100%	–	–	1	100%

- (iii) each of the Company and the Directors have not dealt for value in any Offeror Securities during the Relevant Period, other than Mr. Poh Choon Ann, who was issued the sole subscriber ordinary share in the Offeror upon incorporation of the Offeror on 24 August 2017, at a subscription price of S\$1.00.
- (iv) save as disclosed below, none of the Directors have any direct or deemed interests in any Company Securities:

Name	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Poh Choon Ann	–	–	143,606,000 ⁽²⁾	67.76	143,606,000	67.76

Notes:

- (1) Based on the total number of issued Shares of 211,940,800 Shares.
- (2) Mr. Poh Choon Ann is deemed to have an interest in the shares held by Poh Choon Ann (Pte.) Ltd. by virtue of his holding not less than 20% of the voting shares in Poh Choon Ann (Pte.) Ltd. which directly holds 48,000,000 Shares in the Company. In addition, Poh Choon Ann (Pte.) Ltd. is deemed to have an interest in the 3,429,000 Shares held by Poh Tiong Choon Holdings (Pte.) Ltd., as it owns more than 20% of the ordinary shares in Poh Tiong Choon Holdings (Pte.) Ltd.

As at 12 October 2017, the Offeror has received, pursuant to the Offer made by UOB, for and on its behalf, valid acceptances in respect of 142,519,400 Shares. The figure above includes the 51,429,000 Shares tendered by Poh Choon Ann (Pte.) Ltd. and Poh Tiong Choon Holdings (Pte.) Ltd. In addition, a total of 1,086,600 Shares were acquired by the Offeror through open-market acquisitions. The average price paid per Share was S\$1.30 per Share. Poh Choon Ann holds 100% of the ordinary share in the Offeror and is accordingly deemed to have an interest in the number of Shares owned or controlled by the Offeror.

APPENDIX B: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

- (v) save as disclosed below and other than Directors who do not have direct or deemed interests in the Shares pursuant to section 4 of the SFA,⁽¹⁾ none of the Directors have dealt for value in any Company Securities during the Relevant Period.

Director	Transaction Date	Nature of Transaction	Number of Company Securities traded	Transaction Price (S\$)
Poh Choon Ann	12 October 2017	Acceptance of Offer	143,606,000 ⁽²⁾	1.30 per Share
Poh Khim Hong	12 October 2017	Acceptance of Offer	51,429,000 ⁽³⁾	1.30 per Share
Poh Key Boon	12 October 2017	Acceptance of Offer	761,000	1.30 per Share

Notes:

- (1) On 12 October 2017, Poh Sin Choon (Pte.) Ltd. accepted the Offer by tendering the Shares it held in acceptance of the Offer. Mr. Poh Kay Yong does not have a deemed interest in the Shares pursuant to section 4 of the SFA as his shareholdings in Poh Sin Choon (Pte.) Ltd., which had an aggregate interest in 31,271,000 Shares prior to its acceptance of the Offer on 12 October 2017, is less than 20%.

On 12 October 2017, Poh Choon Ann (Pte.) Ltd. accepted the Offer by tendering the Shares it held in acceptance of the Offer. Mr. Poh Kay Leong does not have a deemed interest in the Shares pursuant to section 4 of the SFA as his shareholdings in Poh Choon Ann (Pte.) Ltd., which had an aggregate interest in 51,429,000 Shares prior to its acceptance of the Offer on 12 October 2017, is less than 20%.

- (2) Mr. Poh Choon Ann is deemed to have an interest in the shares held by Poh Choon Ann (Pte.) Ltd. by virtue of his holding not less than 20% of the voting shares in Poh Choon Ann (Pte.) Ltd. which directly holds 48,000,000 Shares in the Company. In addition, Poh Choon Ann (Pte.) Ltd. is deemed to have an interest in the 3,429,000 Shares held by Poh Tiong Choon Holdings (Pte.) Ltd., as it owns more than 20% of the ordinary shares in Poh Tiong Choon Holdings (Pte.) Ltd.

As at 12 October 2017, the Offeror has received, pursuant to the Offer made by UOB, for and on its behalf, valid acceptances in respect of 142,519,400 Shares. The figure above includes the 51,429,000 Shares tendered by Poh Choon Ann (Pte.) Ltd. and Poh Tiong Choon Holdings (Pte.) Ltd. In addition, a total of 1,086,600 Shares were acquired by the Offeror through open-market acquisitions. The average price paid per Share was S\$1.30 per Share. Poh Choon Ann holds 100% of the ordinary share in the Offeror and is accordingly deemed to have an interest in the number of Shares owned or controlled by the Offeror.

An aggregate of 51,429,000 Shares were validly tendered by Poh Choon Ann (Pte.) Ltd. and Poh Tiong Choon Holdings (Pte.) Ltd. in acceptance of the Offer. The figure above includes 48,000,000 Shares which were held by Poh Choon Ann (Pte.) Ltd. and validly tendered in acceptance of the Offer.

The consideration under the Offer is S\$1.30 per share. Poh Tiong Choon Holdings (Pte.) Ltd. will receive S\$4,457,700 in cash and Poh Choon Ann (Pte.) Ltd. will receive the consideration for its 48,000,000 Shares by way of an interest-free promissory note for S\$62,400,000.

- (3) Ms. Poh Khim Hong is deemed to have an interest in the shares held by Poh Choon Ann (Pte.) Ltd. by virtue of her holding not less than 20% of the voting shares in Poh Choon Ann (Pte.) Ltd. which directly holds 48,000,000 Shares in the Company. In addition, Poh Choon Ann (Pte.) Ltd. is deemed to have an interest in the 3,429,000 Shares held by Poh Tiong Choon Holdings (Pte.) Ltd., as it owns more than 20% of the ordinary shares in Poh Tiong Choon Holdings (Pte.) Ltd.

An aggregate of 51,429,000 Shares were validly tendered by Poh Choon Ann (Pte.) Ltd. and Poh Tiong Choon Holdings (Pte.) Ltd. in acceptance of the Offer made by UOB for and on behalf of the Offeror to acquire all the issued and paid-up Shares of the Company. The figure above includes 48,000,000 Shares which were held by Poh Choon Ann (Pte.) Ltd. and validly tendered in acceptance of the Offer.

The consideration under the Offer is S\$1.30 per Share. Poh Tiong Choon Holdings (Pte.) Ltd. will receive S\$4,457,700 in cash and Poh Choon Ann (Pte.) Ltd. will receive the consideration for its 48,000,000 Shares by way of an interest-free promissory note for S\$62,400,000.

APPENDIX B: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

7.2 Directors' Intentions in relation to the Offer

None of the Directors other than Mr Poh Choon Ann, Mr Poh Kay Leong, Ms Poh Khim Hong, Mr Poh Key Boon, and Mr Poh Kay Yong, had beneficial shareholdings in the Company. Each of Mr Poh Choon Ann, Mr Poh Kay Leong, Ms Poh Khim Hong, Mr Poh Key Boon, and Mr Poh Kay Yong, intend, in respect of their own beneficial shareholdings in the Company, to accept the Offer.

7.3 Directors' Service Contracts

As at the Latest Practicable Date, (i) there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and (ii) there are no such service contracts entered into or amended between any of the Directors or proposed director with the Company or any of its subsidiaries during the period between the start of six (6) months preceding the Offer Announcement Date and the Latest Practicable Date.

7.4 Arrangements Affecting Directors

As at the Latest Practicable Date:

- (i) There are no payments or other benefits which will be made or given to any Director or any director of any 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.
- (ii) Save as disclosed in this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.
- (iii) Please refer to section 3 of the Letter to Shareholders for details of the Irrevocable Undertakings given by PCAPL and the Selling Shareholders (which includes PTCHPL). PCAPL is held by Mr. Poh CA as to 54%, Ms. Poh Khim Hong as to 33%, and Mr. Poh Kay Leong as to 13%. PCAPL holds 60% of the shares in PTCHPL.

A CSA was entered into by the Offeror, Mr. Poh CA, PCAPL and TCL LP on the Offer Announcement Date whereby parties have agreed that, amongst others:

- (a) the Offeror will undertake the Offer on the terms and conditions set out in the CSA;
- (b) TCL LP will subscribe for 41,600,000 Preference Shares at a subscription price of S\$41,600,000; and
- (c) after the close of the Offer, or, if the Offeror is entitled to undertake compulsory acquisition under Section 215 of the Companies Act after the close of the compulsory acquisition (whichever is later):
 - (I) PCAPL will capitalise the principal value of the Promissory Note into new ordinary shares in the Offeror credited as fully paid up in the share capital of the Offeror;

APPENDIX B: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

- (II) Mr. Poh CA will immediately thereafter transfer his one (1) ordinary share in the Offeror to PCAPL; and
- (III) TCL LP can convert all (and not part of) the Preference Shares into 40% of the total ordinary share capital of the Offeror. If TCL LP converts all its aforesaid Preference Shares, the ordinary shares in the Offeror will be held by PCAPL as to 60%, and TCL LP as to 40%.

The CSA further regulates the relationship of PCAPL and TCL LP as members of the consortium and in the conduct of the business and affairs of the Offeror.

Further, the Offeror has entered into a Facility Agreement dated 20 September 2017 with UOB (as lender) to obtain financing for the purpose of the Offer. Pursuant to the terms of the Facility Agreement, all the Shares acquired by the Offeror pursuant to the Offer or otherwise during the period of the Offer will be charged in favour of UOB (as security agent) for the Offeror's obligations under the Facility Agreement.

Save as disclosed above and in section 9.2 (Independence of Directors) of the Letter to Shareholders and sections 7 (Disclosure of Interests of the Company and Directors) and 9 (Material Contracts with Interested Persons) of this Appendix B, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

8. DISCLOSURE OF INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

None of the IFA or any of the funds whose investments are managed by the IFA on a discretionary basis, owns or controls any Company Securities as at the Latest Practicable Date, or has dealt with any Company Securities during the Relevant Period.

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, there have been no material contracts (not being contracts entered into during the ordinary course of business carried on by the Company) entered into by the Company or any of its subsidiaries with Interested Persons, during the three (3) years preceding the Offer Announcement Date.

10. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (i) 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
- (ii) the Directors are not aware of any 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.

APPENDIX C: ADDITIONAL INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from Appendix 3 of the Offer Document and set out below.

“1. DIRECTORS

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

Name	Address	Description
Poh Choon Ann	c/o 9 Battery Road #15-01 Singapore 049910	Director
Poh Khim Hong	c/o 9 Battery Road #15-01 Singapore 049910	Director

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is a company incorporated in Singapore on 24 August 2017. It is a special purpose vehicle incorporated for the purposes of making the Offer and has not carried on any business since its incorporation, except for matters in connection with the making of the Offer. As at the Latest Practicable Date, Mr. Poh CA holds one (1) ordinary share, and TCL LP holds 41,600,000 Preference Shares.

3. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was recently incorporated, no audited or unaudited financial statements of the Offeror have been prepared since the date of its incorporation.

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for the making and financing of the Offer, there has been no known material change in the financial position of the Offeror since its incorporation.

5. REGISTERED OFFICE

The registered office of the Offeror is at 9 Battery Road, #15-01, Singapore 049910.”

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

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

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution and/or the Companies Act, a copy of which is available for inspection at the registered office of the Company at 48 Pandan Road, Poh Tiong Choon Logistics Hub, Singapore 609289, during normal business hours until the Extended Closing Date.

(A) RIGHTS IN RESPECT OF CAPITAL

ISSUE OF SHARES

4. Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, 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 subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions 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 manner of redemption being determined by the Directors, provided always that:—

- (a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;
- (b) no shares shall be issued at a discount except in accordance with the Statutes;
- (c) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and
- (d) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 8(B), shall be subject to the approval of the Company in General Meeting.

5. (A) In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and 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 meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

VARIATION OF RIGHTS

6. (A) Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of 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 repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

(B) The 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

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

8. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

(B) Notwithstanding Article 8(A), 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 issue shares (whether by way of rights, bonus or otherwise) where:–

- (a) the aggregate number of shares to be issued pursuant to such authority does not exceed 50% (or such other limit as may be prescribed by the Stock Exchange of Singapore Limited) of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% (or such other limit as may be prescribed by the Stock Exchange of Singapore Limited) of the issued share capital of the Company for the time being; and
- (b) unless previously revoked or varied by the Company in General Meeting, such authority to issue shares does not continue 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 is required to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

(C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

9. The Company may by Ordinary Resolution:–

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;
- (c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights. or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and
- (d) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

10. (A) The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

(B) The Company may, subject to and in accordance with the Statutes, purchase or otherwise acquire shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. Any share that is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire, and the nominal amount of the issued share capital of the Company shall be diminished by the nominal amount of the share so cancelled.

SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.

12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.

13. Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

14. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions 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. The Company may also on any issue of shares pay such brokerage as may be lawful.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. "Market day" shall have the meaning ascribed to it in Article 18. 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 or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, 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.

CALLS ON SHARES

21. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) 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.

22. Each member shall (subject to receiving at least 14 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.

23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

24. Any sum (whether on account of the nominal value of the share or by way of premium) 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 presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. 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.

26. The Directors may if they think fit receive from any member willing to advance the same, all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) 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 money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not while carrying interest confer a right to participate in profits.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

FORFEITURE AND LIEN

27. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

28. The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

30. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

31. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.

32. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

34. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

36. All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by any Stock Exchange upon which the Company may be listed or in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

37. The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, provided always that such Register shall not be closed for more than 30 days in any year, provided always that the Company shall give prior notice of such closure as may be required to any Stock Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the closure is made.

38. (A) There shall be no restriction on the transfer of fully paid-up shares (except where required by law, the listing rules of any Stock Exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any Stock Exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve, provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten market days beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

(B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:–

- (a) all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding \$2 as the Directors may from time to time require, is paid to the Company in respect thereof;
- (b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;
- (c) the instrument of transfer is in respect of only one class of shares; and
- (d) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.

39. If the Directors refuse to register a transfer of any shares, they shall within ten market days after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes.

40. All instruments of transfer which are registered may be retained by the Company.

41. There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding \$2 as the Directors may from time to time require or prescribe.

42. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; provided always that:–

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

STOCK

46. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

47. 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 previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.

48. 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 the shares from which the stock arose; but no, such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by 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.

RESERVES

120. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any 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.

CAPITALISATION OF PROFITS AND RESERVES

132. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account, Capital Redemption Reserve Fund 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 the date of the Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(B) RIGHTS IN RESPECT OF DIVIDENDS

DIVIDENDS

121. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

122. 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.

123. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

124. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

125. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

126. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

127. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

128. 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 tooting 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.

129. 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 a member or person entitled thereto (or, if two 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 share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or Warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 131, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

130. If two 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 one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

131. 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.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

(C) RIGHTS IN RESPECT OF VOTING

GENERAL MEETINGS

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 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.

50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

51. Any 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 21 days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of these presents 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 the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right,

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 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed.

52. (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 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.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:–

- (a) declaring dividends;
- (b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (d) 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 the remuneration of the Directors proposed to be paid under Article 79.

54. 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

55. 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 meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

56. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at, the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.

57. If within 30 minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

58. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

59. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

60. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

61. 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 members present in person or by proxy and entitled to vote; or
- (c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right,

provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

62. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result 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 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.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

64. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

65. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company each member entitled to vote may vote in person or by proxy. On a show of hands every member who is present in person and each proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose 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 reference 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 at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

66. 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 Depository Register in respect of the share.

67. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

68. No member shall, unless the Directors otherwise determine, 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 meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

69. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

70. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

71. (A) A member may appoint not more than two proxies to attend and vote at the same General Meeting provided that if the 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 48 hours before the time of the relevant General Meeting as certified by the Depository 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 against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository 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.

(B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(D) A proxy need not be a member of the Company.

72. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:—

- (a) in the case of an individual shall be signed by the appointor or his attorney; and
- (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

(B) The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

73. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than 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 meeting as for the meeting to which it relates; provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

APPENDIX D: RELEVANT PROVISIONS OF THE CONSTITUTION OF THE COMPANY

74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

75. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

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

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

The audited consolidated financial statements of the Group for FY2016 which are set out below have been excerpted from the Company's annual report for FY2016, and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in Note 2 of the audited consolidated financial statements of the Group for FY2016 set out below shall have the same meanings given to them in the annual report of the Company for FY2016.

A copy of the annual report of the Company for FY2016 is available for inspection at the registered address of the Company at 48 Pandan Road, Poh Tiong Choon Logistics Hub, Singapore 609289, during normal business hours until the Extended Closing Date.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POH TIONG CHOON LOGISTICS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Poh Tiong Choon Logistics Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income for the year then ended;
- the consolidated balance sheet of the Group as at 31 December 2016;
- the balance sheet of the Company as at 31 December 2016;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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POH TIONG CHOON LOGISTICS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POH TIONG CHOON LOGISTICS LIMITED

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Useful lives of properties on leasehold land The Group owns properties on leasehold land with long term lease period that have been classified as Property, Plant and Equipment ("PPE") and Investment Properties ("IP") and their carrying amounts as at 31 December 2016 are \$98,385,000 and \$19,294,000 respectively. These properties are located at various parcels of leasehold land with varying tenures. For lease agreements where the Group has the option to extend the tenure, the Group has determined the useful lives of the properties on leasehold land with the assumption that the Group would exercise the option to extend after considering the following conditions: • expected usage level of the asset; • expected physical wear and tear; and • commercial obsolescence. Given the significance of these PPE and IP to the Group's financial statements, any changes in the estimated useful lives of the properties on leasehold land could result in a significant adjustment to the financial statements. As a result, this was a key audit matter. Refer to Note 3 – Critical accounting estimates and judgments for the disclosures relating to useful lives of properties on leasehold land and Note 16 and 17 for details of the properties on leasehold land.	Our audit procedures included the following: Reviewed management's analysis and underlying documentary support to the conditions assessed by the management to determine whether the Group would exercise the option to extend the lease tenure and the useful lives of the properties on leasehold land. The conditions include: • expected usage level of the asset; • expected physical wear and tear; and • commercial obsolescence Based on our testing, no exceptions were noted.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POH TIONG CHOON LOGISTICS LIMITED

Other Information

Management is responsible for the other information. The other information comprises of Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the annual report ("the Other Sections"), which are expected to be made available to us after the auditor's report date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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POH TIONG CHOON LOGISTICS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POH TIONG CHOON LOGISTICS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POH TIONG CHOON LOGISTICS LIMITED

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Trillion So.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 31 March 2017

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POH TIONG CHOON LOGISTICS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$'000	2015 \$'000
Revenue	4	138,900	156,777
Other income	5	215	79
Other gains	5	979	336
Expenses			
– Cost of inventories sold		(1,837)	(2,779)
– Employee compensation	6	(58,394)	(60,886)
– Upkeep of commercial vehicles		(13,000)	(15,218)
– Sub-contractors charges		(12,980)	(20,615)
– Depreciation of property, plant and equipment	16	(11,426)	(12,271)
– Impairment of property, plant and equipment and intangible assets		–	(594)
– Rental on operating leases		(8,661)	(10,089)
– Insurance		(2,573)	(2,814)
– Travelling and transportation		(973)	(1,005)
– Depreciation of investment properties	17	(719)	(762)
– Finance	7	(1,568)	(301)
– Amortisation of intellectual property rights	18	–	(93)
– Other		(10,300)	(11,256)
Total expenses		(122,431)	(138,683)
Share of losses of joint ventures	14	(47)	(12)
Profit before income tax		17,616	18,497
Income tax expense	8(a)	(2,377)	(2,705)
Total profit		15,239	15,792
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation (losses)/gains arising from consolidation		(31)	61
Other comprehensive (loss)/income, net of tax		(31)	61
Total comprehensive income		15,208	15,853
Profit attributable to:			
Equity holders of the Company		13,867	14,987
Non-controlling interests		1,372	805
		15,239	15,792
Total comprehensive income attributable to:			
Equity holders of the Company		13,836	15,048
Non-controlling interests		1,372	805
		15,208	15,853
Earnings per share attributable to equity holders of the Company			
– Basic earnings per share	9	6.53 cents	7.01 cents
– Diluted earnings per share	9	6.53 cents	7.01 cents

The accompanying notes form an integral part of these financial statements.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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BALANCE SHEETS

AS AT 31 DECEMBER 2016

	Note	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	24,788	28,773	19,970	25,183
Trade and other receivables	11	24,389	21,598	21,258	25,906
Inventories	12	105	136	–	–
Other current assets	13	3,484	5,090	2,073	3,822
Current income tax recoverable	8(b)	1,565	–	1,565	–
		<u>54,331</u>	<u>55,597</u>	<u>44,866</u>	<u>54,911</u>
Non-current assets					
Trade and other receivables	11	2,082	2,026	2,658	2,525
Investments in joint ventures	14	980	1,027	788	788
Investments in subsidiaries	15	–	–	2,658	3,325
Property, plant and equipment	16	139,020	117,597	124,362	101,571
Investment properties	17	20,130	20,849	4,353	4,643
Intangible assets	18	226	226	–	–
Other non-current assets	19	368	396	162	162
		<u>162,806</u>	<u>142,121</u>	<u>134,981</u>	<u>113,014</u>
Total assets		<u>217,137</u>	<u>197,718</u>	<u>179,847</u>	<u>167,925</u>
LIABILITIES					
Current liabilities					
Trade and other payables	20	27,526	29,581	29,132	34,770
Current income tax liabilities	8(b)	814	2,798	–	1,580
Borrowings	22	74,662	59,503	71,192	55,904
		<u>103,002</u>	<u>91,882</u>	<u>100,324</u>	<u>92,254</u>
Non-current liabilities					
Trade and other payables	20	5,820	6,554	3,807	4,393
Borrowings	22	6,711	8,188	4,852	4,915
Deferred income tax liabilities	24	9,902	6,699	7,188	4,475
Provision	21	380	–	380	–
		<u>22,813</u>	<u>21,441</u>	<u>16,227</u>	<u>13,783</u>
Total liabilities		<u>125,815</u>	<u>113,323</u>	<u>116,551</u>	<u>106,037</u>
NET ASSETS		<u>91,322</u>	<u>84,395</u>	<u>63,296</u>	<u>61,888</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	25	30,244	30,244	30,244	30,244
Currency translation reserve	26	208	239	–	–
Retained profits	27	57,208	50,692	33,052	31,644
		<u>87,660</u>	<u>81,175</u>	<u>63,296</u>	<u>61,888</u>
Non-controlling interests	15	<u>3,662</u>	<u>3,220</u>	<u>–</u>	<u>–</u>
Total equity		<u>91,322</u>	<u>84,395</u>	<u>63,296</u>	<u>61,888</u>

The accompanying notes form an integral part of these financial statements.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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POH TIONG CHOON LOGISTICS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Attributable to equity holders of the Company				
		Share capital	Currency translation reserve	Retained profits	Total	Non-controlling interests
		\$'000	\$'000	\$'000	\$'000	\$'000
2016						
Beginning of financial year		30,244	239	50,692	81,175	3,220
Profit for the year		–	–	13,867	13,867	1,372
Other comprehensive loss for the year		–	(31)	–	(31)	–
Total comprehensive income for the year		–	(31)	13,867	13,836	1,372
Shares repurchased and cancelled	27	–	–	(978)	(978)	–
Dividends paid	28	–	–	(6,373)	(6,373)	–
Dividends paid to non-controlling interests		–	–	–	–	(930)
Total transactions with owners, recognised directly in equity		–	–	(7,351)	(7,351)	(930)
End of financial year		<u>30,244</u>	<u>208</u>	<u>57,208</u>	<u>87,660</u>	<u>3,662</u>
2015						
Beginning of financial year		30,244	178	42,228	72,650	3,695
Profit for the year		–	–	14,987	14,987	805
Other comprehensive income for the year		–	61	–	61	–
Total comprehensive income for the year		–	61	14,987	15,048	805
Shares repurchased and cancelled	27	–	–	(1,178)	(1,178)	–
Dividends paid	28	–	–	(5,345)	(5,345)	–
Dividends paid to non-controlling interests		–	–	–	–	(1,280)
Total transactions with owners, recognised directly in equity		–	–	(6,523)	(6,523)	(1,280)
End of financial year		<u>30,244</u>	<u>239</u>	<u>50,692</u>	<u>81,175</u>	<u>3,220</u>

The accompanying notes form an integral part of these financial statements.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Total profit		15,239	15,792
Adjustments for:			
– Depreciation of property, plant and equipment	16	11,426	12,271
– Depreciation of investment properties	17	719	762
– Amortisation of intangible assets	18	–	93
– Gain on disposal of property, plant and equipment	5	(894)	(291)
– Impairment loss of property, plant and equipment and other intangible assets		–	594
– Income tax expense	8(a)	2,377	2,705
– Interest expense	7	1,568	301
– Interest income	5	(215)	(79)
– Share of losses of joint ventures	14	47	12
		30,267	32,160
Change in working capital			
– Trade and other receivables		(2,847)	662
– Inventories		31	67
– Other current and non-current assets		1,634	(1,756)
– Trade and other payables		(1,661)	2,852
Cash generated from operations		27,424	33,985
Income tax paid	8(b)	(2,723)	(1,169)
Net cash provided by operating activities		24,701	32,816
Cash flows from investing activities			
Interest received		215	79
Proceeds from disposal of property, plant and equipment		1,497	614
Purchase of intangible asset		–	(3)
Additions to property, plant and equipment*		(30,842)	(56,778)
Net cash used in investing activities		(29,130)	(56,088)
Cash flows from financing activities			
Dividends paid to equity holders of the Company		(6,373)	(5,345)
Dividends paid to non-controlling interests		(930)	(1,280)
Proceeds from borrowings		23,000	54,588
Proceeds from finance lease liabilities		–	765
Repayments of borrowings		(9,450)	(13,950)
Repayments of lease liabilities		(3,263)	(2,269)
Interest paid		(1,510)	(243)
Shares repurchased and cancelled		(978)	(1,178)
Net cash provided by financing activities		496	31,088
Net (decrease)/increase in cash and cash equivalents		(3,933)	7,816
Cash and cash equivalents			
Beginning of financial year		28,773	20,905
Effects of currency translation on cash and cash equivalents		(52)	52
End of financial year	10	24,788	28,773

* The provision for dismantlement, removal or restoration (Note 21) is not considered as cash movement.

The accompanying notes form an integral part of these financial statements.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Revenue recognition (Continued)

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Rendering of services*

Revenue from rendering of services is recognised in the period in which the services are rendered.

(b) *Sale of goods*

Revenue from sale of goods is recognised when the Group has delivered the products to its customer and the customer has accepted the products in accordance with the sales contract and collectability of the related receivables is reasonably assured.

(c) *Rental income from investment properties*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(d) *Interest income*

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting

(a) *Subsidiaries*

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Group accounting (Continued)

(a) Subsidiaries (Continued)

(i) Consolidation (Continued)

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Group accounting (Continued)

(a) Subsidiaries (Continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Joint ventures

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investments.

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Group accounting (Continued)

(c) Joint ventures (Continued)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in a joint venture equals to or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses joint control. If the retained equity interest in the former joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Property, plant and equipment (Continued)

(a) Measurement (Continued)

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.6 on borrowing costs) that are directly attributable to the acquisition, construction or production of a qualifying asset.

(iii) Provision for dismantlement, removal and restoration

The projected cost of dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) Depreciation

Assets under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Properties on leasehold land	2.5 – 51 years
Commercial vehicles	8 years
Machinery and equipment	3 – 20 years
Barges	5 – 10 years
Computer and accessories	3 – 5 years
Motor vehicles	8 years
Office equipment, furniture and fittings	5 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Property, plant and equipment (Continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/losses – net".

2.5 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable net assets acquired.

Goodwill on subsidiaries and businesses is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, businesses and joint ventures include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and not recognised in profit or loss on disposal.

(b) Other intangible assets

Other intangible assets consist of acquired intellectual property rights and in-house developed patents.

Intellectual property rights acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 3 years, which is the shorter of their estimated useful lives and periods of contractual rights.

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of patents are capitalised as intangible assets only when technical feasibility of the patent is demonstrated, the Group has an intention and ability to complete and use the patent and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the development of the patent. These costs are amortised to profit or loss using the straight-line method over 3 years, which is the shorter of their estimated useful lives and registration expiry dates.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the assets under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.7 Investment properties

Investment properties include those buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives as follows:

	<u>Useful lives</u>
Properties on leasehold land	25 – 60 years
Properties on freehold land	100 years

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its carrying value at the date of reclassification becomes its cost for accounting purposes.

Investment properties are subject to renovations or improvement at regular interval. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised to profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets

Property, plant and equipment

Investment properties

Investments in subsidiaries and joint ventures

Intangible assets, property, plant and equipment, investment properties and investments in subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of non-financial assets (Continued)

- (b) *Intangible assets*
Property, plant and equipment
Investment properties
Investments in subsidiaries and joint ventures (Continued)

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 Financial assets

- (a) *Classification*

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents", "trade and other receivables", "other current assets" and "other non-current assets" on the balance sheet, except for loan to a subsidiary included within non-current trade and other receivables, which in substance forms part of the Company's net investment in the subsidiary ("quasi-equity loan"), and has been accounted for in accordance with Note 2.8.

- (b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(d) *Subsequent measurement*

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

(f) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial guarantees (Continued)

Financial guarantees are initially recognised at their fair values (if material) plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intragroup transactions are eliminated on consolidation.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.15 Leases

(a) *When the Group is the lessee:*

(i) Lessee – Finance leases

The Group leases commercial vehicles under finance leases and certain property, plant and equipment and warehouses under operating leases from non-related parties.

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Leases (Continued)

(a) *When the Group is the lessee:* (Continued)

(i) Lessee – Finance leases (Continued)

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) *When the Group is the lessor:*

Lessor – Operating leases

The Group leases investment properties under operating leases to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and spares and consumables is determined based on invoiced value, net of goods and services tax. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants receivable are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are offset against the related expenses.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in the other comprehensive income. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

APPENDIX E: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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POH TIONG CHOON LOGISTICS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017



傅長春儲運有限公司
Poh Tiong Choon Logistics Limited

(Company Registration No. 196900049H)
(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

1(a) An income statement (for the group) together with a comprehensive statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	GROUP Second quarter ended			GROUP Half year ended		
	30.06.2017 \$'000	30.06.2016 \$'000	% Change	30.06.2017 \$'000	30.06.2016 \$'000	% Change
Revenue	33,720	33,622	-	69,222	70,570	(2)
Other income	35	56	(38)	83	109	(24)
Other gains – net	96	339	(72)	368	418	(12)
Expenses						
- Cost of inventories sold	(672)	(422)	59	(1,368)	(826)	66
- Depreciation of property, plant and equipment	(3,587)	(2,610)	37	(7,108)	(5,303)	34
- Depreciation of investment properties	(180)	(179)	1	(359)	(359)	-
- Employee compensation	(14,736)	(14,921)	(1)	(30,050)	(29,124)	3
- Insurance	(621)	(654)	(5)	(1,183)	(1,402)	(16)
- Rental on operating leases	(1,159)	(2,600)	(55)	(2,129)	(5,376)	(60)
- Sub-contractor charges	(3,474)	(2,905)	20	(6,519)	(7,087)	(8)
- Travelling and transportation	(209)	(277)	(25)	(411)	(557)	(26)
- Upkeep of commercial vehicles and barges	(3,171)	(3,212)	(1)	(6,740)	(6,335)	6
- Finance	(444)	(224)	98	(903)	(591)	53
- Other	(3,096)	(2,276)	36	(5,736)	(4,516)	27
Total expenses	(31,349)	(30,280)	4	(62,506)	(61,476)	2
Share of (loss)/profit of joint venture	(76)	(14)	443	(91)	18	(606)
Profit before income tax	2,426	3,723	(35)	7,076	9,639	(27)
Income tax expense	(300)	(535)	(44)	(1,034)	(1,520)	(32)
Total profit	2,126	3,188	(33)	6,042	8,119	(26)
Profit attributable to:						
Equity holders of the Company	1,869	2,798	(33)	5,486	7,368	(26)
Non-controlling interests	257	390	(34)	556	751	(26)
	2,126	3,188	(33)	6,042	8,119	(26)

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

STATEMENT OF COMPREHENSIVE INCOME

	GROUP Second quarter ended			GROUP Half year ended		
	30.06.2017 \$'000	30.06.2016 \$'000	% Change	30.06.2017 \$'000	30.06.2016 \$'000	% Change
Total profit for the period	2,126	3,188	(33)	6,042	8,119	(26)
Other comprehensive (loss)/ income:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	(5)	(8)	(38)	6	(29)	121
Total comprehensive income for the period	2,121	3,180	(33)	6,048	8,090	(25)
Total comprehensive income attributable to:						
Equity holders of the Company	1,864	2,790	(33)	5,492	7,339	(25)
Non-controlling interests	257	390	(34)	556	751	(26)
	2,121	3,180	(33)	6,048	8,090	(25)

NOTES TO INCOME STATEMENT

- (i) Profit before tax is arrived at after crediting/(charging):

	GROUP Second quarter ended			GROUP Half year ended		
	30.06.2017 \$'000	30.06.2016 \$'000	% Change	30.06.2017 \$'000	30.06.2016 \$'000	% Change
Interest income	35	56	(38)	83	109	(24)
Interest expense	(444)	(224)	98	(903)	(591)	53
Currency exchange (losses)/gain– net	4	(20)	120	(30)	(17)	76
Gain on disposal of property, plant & equipment	82	322	(75)	351	398	(12)

- (ii) Adjustment for under or overprovision of tax of previous years

There is no material adjustment for under or overprovision of tax in respect of prior years.

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	24,529	24,788	18,967	19,970
Trade and other receivables	24,917	24,389	23,120	21,258
Inventories	36	105	-	-
Other current assets	4,541	3,484	2,764	2,073
Current income tax recoverable	1,568	1,565	1,568	1,565
	55,591	54,331	46,419	44,866
Non-current assets				
Trade and other receivables	2,038	2,082	2,849	2,658
Investments in joint venture	889	980	788	788
Investments in subsidiaries	-	-	2,658	2,658
Property, plant and equipment	162,169	139,020	146,994	124,362
Investment properties	19,771	20,130	4,208	4,353
Intangible assets	226	226	-	-
Other non-current assets	405	368	208	162
	185,498	162,806	157,705	134,981
Total assets	241,089	217,137	204,124	179,847
LIABILITIES				
Current liabilities				
Trade and other payables	32,185	27,526	34,717	29,132
Current income tax liabilities	780	814	-	-
Borrowings	91,429	74,662	88,719	71,192
	124,394	103,002	123,436	100,324
Non-current liabilities				
Trade and other payables	5,562	5,820	3,549	3,807
Borrowings	7,345	6,711	5,911	4,852
Deferred income tax liabilities	10,457	9,902	7,840	7,188
Provision	380	380	380	380
	23,744	22,813	17,680	16,227
Total liabilities	148,138	125,815	141,116	116,551
NET ASSETS	92,951	91,322	63,008	63,296
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	30,244	30,244	30,244	30,244
Currency translation reserve	214	208	-	-
Retained profits	58,455	57,208	32,764	33,052
	88,913	87,660	63,008	63,296
Non-controlling interests	4,038	3,662	-	-
Total equity	92,951	91,322	63,008	63,296

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount payable in one year or less, or on demand

As at 30.06.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,411	87,018	4,621	70,041

Amount repayable after one year

As at 30.06.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,345	-	6,711	-

Details of any collateral

Secured borrowings of the group relate to:

- a. finance lease liabilities for commercial vehicles and equipment where the rights to the leased commercial vehicles and equipment revert to the lessor in the event of default by the Group; and
- b. term loan secured by legal mortgage over an investment property.

The net book value of these commercial vehicles and equipment and investment property amounted to \$15,370,000 (31 December 2016 - \$13,283,000) and \$15,563,000 (31 December 2016 - \$15,777,000) respectively.

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP Second quarter ended		GROUP Half year ended	
	30.06.2017 \$'000	30.06.2016 \$'000	30.06.2017 \$'000	30.06.2016 \$'000
Cash flows from operating activities				
Total Profit	2,126	3,188	6,042	8,119
Adjustments for:				
- Depreciation of property, plant and equipment	3,587	2,610	7,108	5,303
- Depreciation of investment properties	180	179	359	359
- Gain on disposal of property, plant and equipment	(82)	(322)	(351)	(398)
- Income tax expense	300	535	1,034	1,520
- Interest expense	444	224	903	591
- Interest income	(35)	(56)	(83)	(109)
- Share of loss/(profit) of joint venture	76	14	91	(18)
	6,596	6,372	15,103	15,367
Changes in working capital				
- Trade and other receivables	1,390	(24)	(484)	1,742
- Inventories	(5)	(19)	69	87
- Other current and non-current assets	(1,698)	288	(1,094)	697
- Trade and other payables	4,025	(8)	(996)	(5,609)
Cash generated from operations	10,308	6,609	12,598	12,284
Income tax paid	(515)	(1,222)	(515)	(1,362)
Net cash provided by operating activities	9,793	5,387	12,083	10,922
Cash flows from investing activities				
Interest received	35	56	83	109
Proceeds from disposal of property, plant and equipment	280	449	578	607
Additions to property, plant and equipment	(12,011)	(8,274)	(22,132)	(22,138)
Net cash used in investing activities	(11,696)	(7,769)	(21,471)	(21,422)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(4,239)	(4,784)	(4,239)	(4,784)
Dividends paid to non-controlling interest	(180)	-	(180)	-
Proceeds from borrowings	10,000	6,200	20,000	19,200
Repayments of borrowings	(1,300)	(1,300)	(3,600)	(3,100)
Repayments of finance lease liabilities	(1,012)	(741)	(1,955)	(1,446)
Interest paid	(444)	(210)	(889)	(562)
Share repurchased and cancelled	-	(187)	-	(640)
Net cash provided by/(used in) financing activities	2,825	(1,022)	9,137	8,668
Net increase/(decrease) in cash and cash equivalents	922	(3,404)	(251)	(1,832)
Cash and cash equivalents at beginning of financial period	23,610	30,300	24,788	28,773
Effect of currency translation on cash and cash equivalents	(3)	(25)	(8)	(70)
Cash and cash equivalents at end of financial period	24,529	26,871	24,529	26,871

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

1(d)(i) A statement (for the issuer and group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	← Attributable to equity holders of the Company →					
	Share Capital	Currency translation reserve	Retained Profits	Total	Non- controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP						
2017						
Beginning of financial year	30,244	208	57,208	87,660	3,662	91,322
Total comprehensive income for the period	-	11	3,617	3,628	299	3,927
Balance at 31 Mar and 1 Apr 2017	30,244	219	60,825	91,288	3,961	95,249
Dividend paid	-	-	(4,239)	(4,239)	(180)	(4,419)
Total comprehensive (loss)/income for the period	-	(5)	1,869	1,864	257	2,121
Balance at 30 Jun and 1 Jul 2017	30,244	214	58,455	88,913	4,038	92,951
2016						
Beginning of financial year	30,244	239	50,692	81,175	3,220	84,395
Share repurchased and cancelled	-	-	(453)	(453)	-	(453)
Total comprehensive (loss)/income for the period	-	(21)	4,570	4,549	361	4,910
Balance at 31 Mar and 1 Apr 2016	30,244	218	54,809	85,271	3,581	88,852
Share repurchased and cancelled	-	-	(187)	(187)	-	(187)
Dividend paid	-	-	(4,784)	(4,784)	-	(4,784)
Total comprehensive (loss)/income for the period	-	(8)	2,798	2,790	390	3,180
Balance at 30 Jun and 1 Jul 2016	30,244	210	52,636	83,090	3,971	87,061
COMPANY						
2017						
Beginning of financial year	30,244	-	33,052	63,296		
Total comprehensive income for the period	-	-	1,722	1,722		
Balance at 31 Mar and 1 Apr 2017	30,244	-	34,774	65,018		
Dividend paid	-	-	(4,239)	(4,239)		
Total comprehensive income for the period	-	-	2,229	2,229		
Balance at 30 Jun and 1 Jul 2017	30,244	-	32,764	63,008		
2016						
Beginning of financial year	30,244	-	31,644	61,888		
Share repurchased and cancelled	-	-	(453)	(453)		
Total comprehensive income for the period	-	-	1,873	1,873		
Balance at 31 Mar and 1 Apr 2016	30,244	-	33,064	63,308		
Share repurchased and cancelled	-	-	(187)	(187)		
Dividend paid	-	-	(4,784)	(4,784)		
Total comprehensive income for the period	-	-	1,335	1,335		
Balance at 30 Jun and 1 Jul 2016	30,244	-	29,428	59,672		

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

During the period from 1 April 2017 to 30 June 2017, the Company did not repurchase any of its share.

- 1(d)(iii) Total number of issued shares excluding Treasury Shares at the end of 30 June 2017 as compared to 31 December 2016**

As at	30.06.2017	31.12.2016
No. of Ordinary Share	211,940,800	211,940,800

- 1(d)(iv) Movement of Treasury Shares**

Not applicable as the Company has no Treasury Shares.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the Company's auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The accounting policies and methods of computation applied by the Group and the Company are consistent with those used in its most recently audited financial statements which have been prepared in accordance with the Singapore Financial Reporting Standards.

- 5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The effect of the adoption of the new or revised FRS and interpretations do not have a material impact on the Company's financial statements.

- 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Second quarter ended		Half year ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:				
(i) Based on weighted average number of shares	0.88 cents	1.32 cents	2.59 cents	3.46 cents
(ii) On a fully-diluted basis	0.88 cents	1.32 cents	2.59 cents	3.46 cents

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 211,940,800 shares (2016: 212,776,695).

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Net asset value per ordinary share based on issued share capital at the end of the financial period	41.95 cents	41.36 cents	29.73 cents	29.86 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Income Statement Review – Second Quarter 2017 ("2Q17") vs Second Quarter 2016 ("2Q16")

Group revenue in 2Q17 was \$33.72m, similar to \$33.62m in 2Q16.

Total expenses increased by 4% from \$30.28m in 2Q16 to \$31.35m in 2Q17, mainly due to increases in depreciation of property, plant and equipment, other expenses, sub-contractor charges, cost of inventories sold and finance cost. The increase was partly offset by the decrease in rental on operating leases.

Depreciation of property, plant and equipment increased by 37% or S\$0.98m, from \$2.61m in 2Q16 to \$3.59m in 2Q17, mainly due to greater depreciation on the completion of the redevelopment of Phase 1, 48 Pandan Road premises.

Other expenses increased by 36% or \$0.82m, from \$2.28m in 2Q16 to \$3.10m in 2Q17, mainly due to higher property maintenance costs incurred for the new Phase 1, 48 Pandan Road premises.

Sub-contractor charges increased by 20% or \$0.57m, from \$2.91m in 2Q16 to \$3.48m in 2Q17. The reason was mainly due to an increase in volume for certain services handled by the Transportation and Bulk Cargo Division.

Cost of inventories sold surged by 59% from \$0.42m in 2Q16 to \$0.67m in 2Q17. The increase was mainly caused by higher diesel prices.

Finance cost of \$0.44m in 2Q17 was higher compared to \$0.22m in 2Q16, as the Company started to expense off the interest cost for the construction loan after TOP of Phase 1, 48 Pandan Road premises was obtained.

Rental on operating leases decreased by 55% or \$1.44m, from \$2.6m in 2Q16 to \$1.16m in 2Q17. This was mainly due to non-renewal of expired leases for third party warehouse premises after the migration of customers' cargo to Phase 1, 48 Pandan Road premises after TOP was obtained towards end of 2Q16.

The Group's income tax expense decreased by 44% or \$0.23m, from \$0.53m in 2Q16 to \$0.30m in 2Q17 mainly attributed to lower profit.

Consequently, the Group's net profit after tax decreased by 33% from \$3.19m in 2Q16 to \$2.13m in 2Q17.

Income Statement Review – half year 2017 ("1H17") vs half year 2016 ("1H16")

Group revenue in 1H17 was \$69.22m representing a decrease of 2% or \$1.35m, from \$70.57m in 1H16. The lower revenue was mainly attributable to the decrease in volume handled by the Transportation and Bulk Cargo Division.

Total expenses increased by 2% from \$61.48m in 1H16 to \$62.51m in 1H17, mainly due to increase in depreciation of property, plant and equipment, other expenses, employee compensation and cost of inventories sold. The increase was partially offset by decrease in rental on operating leases. The reasons for the above are similar to those cited in 2Q16 vs 2Q17.

The Group's total profit after tax decreased by 26% from \$8.12m in 1H16 to \$6.04m in 1H17 as a result of the above.

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

Statement of Financial Position

Property, plant and equipment increased by \$23.15m from \$139.02m as at 31 December 2016 to \$162.17m as at 30 June 2017, mainly due to costs capitalised for Phase 2 of the redevelopment of the Pandan premises.

Trade and other payables increased by \$4.40m from \$33.35m as at 31 December 2016 to \$37.75m as at 30 June 2017, mainly due to increase in payables for the redevelopment of the Pandan yard.

Total borrowings for the Group increased by \$17.40m from \$81.37m as at 31 December 2016 to \$98.77m as at 30 June 2017. Proceeds from borrowings were utilised to finance the purchase of additional property, plant and equipment which included the progress payments for the redevelopment of the Phase 2, 48 Pandan Road premises.

Statement of Cashflow

The Group continued to generate positive cashflow from its operations. Cash provided by operating activities and additional borrowings from banks were utilized mainly to finance the purchase of additional property, plant and equipment.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

None.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Despite the challenging business environment, the Group continues to obtain new business opportunities. The performance of the Group will continue to be affected by diesel prices, tightening of the labour market, pressure on wage costs and interest rate fluctuations.

The Group will continue to be prudent with costs and look for synergistic opportunities to increase its competitiveness.

The Company has started Phase 2 of the redevelopment project to construct a single-user general warehouse comprising a block of ramp-up warehouse building with office space and ancillary facilities. The entire project when completed in 2018 is expected to contribute positively to the Group's results.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No dividend has been declared for second quarter 2017.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Interim tax exempt (one-tier)
Dividend Type	Cash
Dividend Amount per share (in cents)	0.75 cents

APPENDIX F: UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE HALF YEAR ENDED 30 JUNE 2017

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended for the period ended 30 June 2017.

13. Interested Person Transactions (IPT)

The Company has not obtained a general mandate from shareholders for interested person transactions.

There are no interested person transactions (excluding transaction less than \$100,000) for the second quarter financial period ended 30 June 2017.

14. Negative assurance confirmation by Directors pursuant to the SGX Listing Rule 705(5) of the Listing Manual

We, Poh Key Boon and Poh Kay Yong, hereby confirm on behalf of the Board of Directors of the Company that, to the best of its knowledge, nothing material has come to the attention of the Board of Directors of the Company which may render the second quarter and six months unaudited results for the financial period ended 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Poh Key Boon
Director

Poh Kay Yong
Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the revised format set out in Appendix 7.7) under Rule 720 (1).

The Company has procured undertakings from all its directors and executive officers (in the revised format set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Poh Khim Hong (Ms)
Finance Director & CFO
14 August 2017

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services



CBRE Pte. Ltd.

6 Battery Road #32-01
Singapore 049909

T (65) 6224 8181
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Co. Reg. No.: 197701161R
Agency License No.: L30021631

11 October 2017

Our Ref: 17-SGL-0180-1 to 5/CHH/LLH/JC/JL

Poh Tiong Choon Logistics Limited
48 Pandan Road
Singapore 609289

Attn: The Board of Directors

Dear Sirs,

Valuation Summary of

- 1) 15 Enggor Street #11-02 Realty Centre ("Formal")
- 2) 21 Ayer Merbau Road
- 3) 23 Ayer Merbau Road, Pte Lots A0409803 & A0409802
- 4) 29 Tuas Bay Drive
- 5) 48 Pandan Road (Phase 1 & 2)

Instructions

We refer to your instructions to provide a valuation of the abovementioned Properties. We confirm that we have made enquiries and have obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Values of the Properties as at 11 October 2017 of the remaining leasehold interest (except for Property 1 which is Freehold) in the Properties as disclosed.

We have been requested to undertake a "formal" valuation and 4 "desktop" valuations of the Properties. In providing this desktop format, we note that we have previously undertaken a full valuation of the Properties as at 31 December 2016 for Poh Tiong Choon Logistics Limited. The full valuation included a property inspection, along with comprehensive property and market enquiries. For "desktop" valuation, no site inspection was undertaken, thus it should be read in conjunction with our previous full reports.

Valuation Basis and Assumptions

In accordance with the International Valuation Standards, the definition of Market Value is as follows:

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

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services



Our valuation has been made on the assumption that the owner sells the Properties on the open market in its existing state taking into account the existing tenancy and occupational arrangements and without the benefit of a deferred terms contract, joint venture, or any similar arrangement which would affect the price of the Properties.

Where market value is assessed, it reflects the full contract value and no account is taken of any liability to taxation on sale or of the cost involved in effecting a sale. The Properties are valued on the assumption that it is free and clear of all mortgages, encumbrances and other outstanding premiums and charges.

Our valuation is prepared on the basis that the premises and any works thereto comply with all relevant statutory regulations.

No structural survey has been made of the building and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects. None of the services in the building was tested.

We have relied on property information provided in October 2017 by Poh Tiong Choon Logistics Limited in relation to such matters as land rent, annual values, tenancy details etc. CBRE Pte. Ltd. ("CBRE") accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

We provide a Summary of the Reports outlining key factors that have been considered in arriving at our opinions of value. The value conclusions reflect all information known by the valuers of CBRE Pte. Ltd. ("CBRE") who worked on the valuations in respect to the Properties, market conditions and available data.

Extension of Liability & Confidentiality

This report may only be relied upon by Poh Tiong Choon Logistics Limited for disposal purposes.

This confidential document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than Poh Tiong Choon Logistics Limited is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

Limitation of Liability

The liability of CBRE and its directors and employees is limited to the addressee of the valuation report only. No accountability, obligation or liability to any third parties is accepted.

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services



In recognition of the relative risks and benefits of this engagement to the Instructing Party, the Reliant Party(ies) and CBRE, the risks have been allocated such that the Instructing Party shall procure that the Reliant Party(ies) agrees, to the fullest extent permitted by law, the total liability, in the aggregate, of CBRE and its professionals, officers, directors, employees, agents and sub-consultants, and any of them, to the Instructing Party, Reliant Party(ies) and anyone claiming by, through or under the Instructing Party or Reliant Party(ies), for any and all claims, losses, costs or damages of any nature whatsoever arising out of, resulting from or in any way related to this engagement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability, breach of contract or warranty, express or implied, of CBRE or its professionals, officers, directors, employees, agents or sub-consultants, or any of them, shall to the Instructing Party or Reliant Party(ies), limited to three (3) times the total compensation received by CBRE under this engagement, for any and all injuries, damages, claims, losses, expenses or claim expenses (including attorneys' fees) arising out of this engagement from any cause or causes.

This provision is standard with valuation engagements and is not provided to waive our professional responsibility but as a mechanism to appropriately reflect the risk and benefits of the parties to the engagement.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and have investigated recent sales and leasing transactions of comparable properties that have occurred in the broader commercial and industrial property market. We have primarily utilised the Capitalisation Approach and Direct Comparison Methods in undertaking our assessment for each of the Properties.

Capitalisation Approach

The Capitalisation Approach is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield.

Direct Comparison Method

The direct comparison approach is a comparative analysis which considers the relatively of various aspects of the property including (not necessary limited to) location, tenure, size, configuration, quality of improvements and the date of transaction and the circumstances surrounding the sale. Transactions of comparable properties have been considered and capital value rates analysed; thereafter, appropriate adjustments have been included and a capital value rate adopted for the property.

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services



Summary of Values

The table below summarises the key property details for each of the Properties:

Property	Remaining Land Lease Term (Years)	Land area (sq m)	Gross Floor Area - Aproximately (sq m)	Assessed Market Value (\$\$)
1) 15 Enggor Street #11-02 Realty Centre	Freehold	-	95.0*	\$1,600,000
2) 21 Ayer Merbau Road	42.5	26,143.0	26,143.0	\$53,300,000
3) 23 Ayer Merbau Road	12.5	30,012.3		
Pte Lot A0409803	12.5	18,639.0	3,215.1	\$19,300,000
Pte Lot A0409802	12.5	4,914.0		
4) 29 Tuas Bay Drive	49.56	18,086.4	13,892.5	\$37,000,000
5) 48 Pandan Road (Phase 1 & 2)	26.07	47,135.9**	101,589.30	\$219,000,000
Total Portfolio				\$330,200,000

* Strata Floor Area

** including the 6,500 square metres of land to be surrendered to JTC Corporation by 23 February 2018 and assuming that Phase 2 within Lot 3532K Mukim 5 is satisfactorily completed

Assessment of Value

We are of the opinion that the Market Value of the Properties, as disclosed is:

Total Portfolio: S\$330,200,000

(Singapore Dollars: Three Hundred Thirty Million and Two Hundred Thousand only)

Disclaimer

Mr. James Crawford and Ms Chia Hui Hoon and CBRE have prepared this Valuation Summary Letter which appears in this Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the aforementioned Reports and this Valuation Summary Letter. Mr. James Crawford and Ms Chia Hui Hoon and CBRE do not make any warranty or representation as to the accuracy of the information in any other part of the prospectus other than as expressly made or given by CBRE in this Valuation Summary Letter.

CBRE has relied upon property data supplied by Poh Tiong Choon Logistics Limited which we assume to be true and accurate. CBRE takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions. Messrs James Crawford and Chia Hui Hoon have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party/s involved.

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services



The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorized to practice as valuers and have at least 10 years continuous experience in valuation.

Yours sincerely
CBRE PTE. LTD.

A handwritten signature in dark ink, appearing to read 'James Crawford'.

James Crawford AAPI MRICS
Registered Valuer
Executive Director
Valuation & Advisory Services

A handwritten signature in dark ink, appearing to read 'Chia Hui Hoon'.

Chia Hui Hoon
BSc (Est Mgt) Hons MSISV
Senior Director
Valuation & Advisory Services

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services



Valuation Certificate

Property:	Realty Centre 15 Enggor Street #11-02 Singapore 079716
Client:	Poh Tiong Choon Logistics Limited
Purpose:	For disposal
Interest Valued:	Estate in Fee Simple
Basis of Valuation:	Market Value
Registered Owner:	Poh Tiong Choon Logistics Limited
Town Planning:	Commercial with a plot ratio of 5.6+
Brief Description:	Realty Centre is a 12-storey commercial building. The building accommodates 3 shop units on the 1st storey, carpark lots on the 2nd and 3rd storey and offices on the 4th to 11th storeys. The building was built in the early 1970's. The Property that forms this valuation is an office unit with a strata floor area of 95.0 square metres located on the 11th storey of Realty Centre.
Annual Value:	\$43,900
Strata Floor Area (sqm)	95.0
Valuation Approach:	Direct Comparison Method
Date of Valuation:	11 October 2017
Assessed Value:	\$1,600,000 (One Million Six Hundred Thousand Dollars) This valuation is exclusive of GST.
Assumptions, Disclaimers, Limitations & Qualifications	<i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
Prepared By:	CBRE Pte. Ltd.

Per: James Crawford AAPI MRICS
Registered Valuer
Executive Director - Valuation & Advisory Services

Lim Lay Hong BSc (Est. Mgt) Hons MSISV
Appraiser's License No. AD041-2006716J
Director - Valuation & Advisory Services

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services

CBRE

Valuation Certificate

Property:	21 Ayer Merbau Road (Private Lot A19360) Singapore
Client:	Poh Tiong Choon Logistics Limited
Purpose:	For Disposal
Interest Valued:	Leasehold for a term of 30+30 years commencing from 16 April 2000. Balance term of 42.5 years.
Basis of Valuation:	Market Value
Registered Lessee:	Poh Tiong Choon Logistics Limited
Land Area (sqm):	26,143.0
Master Plan 2014:	Business 2 with a plot ratio of 1.0
Brief Description:	The property comprises a 6-storey warehouse building with ancillary office and a viewing gallery; an adjoining chemical drumming plant and a single-storey high bay warehouse which incorporates an Automated Storage Retrieval System (ASRS). The Temporary Occupation Permit of the building was obtained on 13 December 2001. The building is in good condition and is reasonably maintained, having regard to its age and use.
Tenancy Profile:	The Property is currently owner-occupied.
Annual Land Rent (pa):	\$351,426
Annual Value:	\$3,904,000
GFA (sqm):	26,143.0
Valuation Approaches:	Capitalisation Approach & Direct Comparison Method
Date of Valuation:	11 October 2017
Assessed Value:	\$53,300,000 (Fifty Three Million Three Hundred Thousand Dollars)
Value psm of GFA:	\$2,039
Assumptions, Disclaimers, Limitations & Qualifications	<i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the valuation report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on the valuation report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
Prepared By:	CBRE Pte. Ltd.

Per: James Crawford AAPI MRICS
Registered Valuer
Executive Director - Valuation & Advisory Services

Chia Hui Hoon BSc (Est. Mgt) Hons MSISV
Appraiser's License No. AD041-2006555E
Senior Director - Valuation & Advisory Services

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services



Valuation Certificate

Property: 23 Ayer Merbau Road (Private Lot A19360C), Private Lots A0109803 And A0409802
Singapore

Client: Poh Tiong Choon Logistics Limited

Purpose: For Disposal

Interest Valued:

No.	Private Lot Nos. (Mukim 34)	Land area (sq m)	Tenure
23 Ayer Merbau Road	A19360C	30,012.3*	26 years, 2 months and 15 days commencing from 1 February 2004
-	A0409803	18,639.0	24 years 1 month commencing from 16 March 2006
-	A0409802	4,914.0	25 years, 4 months and 15 days commencing from 1 December 2004**

*final survey area

** The commencement date is to co-terminate with the lease of Private Lot A19360C

Basis of Valuation: Market Value

Registered Lessee: Poh Tiong Choon Logistics Limited

Master Plan 2014: Business 2 with a plot ratio of 1.0

Brief Description: Currently standing on 23 Ayer Merbau Road (Private Lot A19360C) is a single-storey office block, a large portal frame structure with a mezzanine office level which is used as a workshop area and other ancillary buildings such as a sub-station and bin centre. We were informed that the buildings were completed circa late 2004. The remaining portion of the site is generally used as container stacking yard. It is improved with concrete hardstanding which is laid over compacted graded stones and sand.

Private Lot A0409802 is located adjacent to 23 Ayer Merbau Road. It is generally used as trailer parking and is improved with concrete hardstanding. According to information provided, it can accommodate about 100 trailers.

Private Lot A0409803 is located at the rear of 23 Ayer Merbau Road. It is generally used as container stacking yard and is improved with concrete hardstanding. According to information provided, the container yard has a maximum capacity of 1,100 TEUs (Twenty-foot Equivalent Units or 20 feet containers) and storage height is up to 5-container high.

The buildings are in average condition and is reasonably maintained, having regard to its age and use.

Annual Land Rent & Annual Value:

No.	Private Lot Nos. (Mukim 34)	Annual Land Rent	Annual Value
23 Ayer Merbau Road	A19360C	\$402,765.1	\$697,000
-	A0409803	\$249,940.8	\$269,000
-	A0409802	\$65,945.9	Not available

GFA (sqm): 3,215.1

Valuation Approaches: Capitalisation Approach & Direct Comparison Method

Date of Valuation: 11 October 2017

Assessed Value: \$19,300,000

This valuation is exclusive of GST.

(Nineteen Million Three Hundred Thousand Dollars)

**Assumptions,
Disclaimers,
Limitations &
Qualifications**

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the valuation report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on the valuation report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: CBRE Pte. Ltd.

Per:

James Crawford AAPI MRICS
Registered Valuer
Executive Director - Valuation & Advisory Services

Chia Hui Hoon BSc (Est. Mgt) Hons MSISV
Appraiser's License No. AD041-2006555E
Senior Director - Valuation & Advisory Service

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services

CBRE

Valuation Certificate

Property:	29 Tuas Bay Drive Singapore 637429
Client:	Poh Tiong Choon Logistics Limited
Purpose:	For Disposal.
Interest Valued:	Leasehold for a term of 60 years commencing from 2-5-2007. Balance term 49.56 years.
Basis of Valuation:	Market Value.
Registered Owner:	PTC Development Pte Ltd
Land Area:	18,086.4 square metres
Town Planning:	Business 2 with a plot ratio of 1.0
Brief Description:	The Property comprises a part single and part 2-storey single user industrial development with ancillary office. The Temporary Occupation Permit of the building was obtained on 23 December 2008. The extension of the ancillary office space on the roof level was carried out in 2010.
Annual Value:	\$2,132,000
NLA (sqm):	13,892.5
GFA (sqm):	13,892.5
Valuation Approaches:	Capitalisation Approach & Direct Comparison Method
Date of Valuation:	11 October 2017
Assessed Value:	\$37,000,000 (Thirty Seven Million Dollars)
	This valuation is exclusive of GST.
Value psm of NLA:	\$2,663
Value psm of GFA:	\$2,663
Assumptions, Disclaimers, Limitations & Qualifications	<i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>

Prepared By: CBRE Pte. Ltd



Per: James Crawford AAPI MRICS
Registered Valuer
Executive Director - Valuation & Advisory Services



Lim Lay Hong (Est. Mgt) Hons MSISV
Appraiser's License No. AD041-2006716J
Director - Valuation & Advisory Services

APPENDIX G: SUMMARY OF THE VALUATION REPORT

Valuation & Advisory Services

CBRE

Valuation Certificate

Property: 48 Pandan Road (Phase 1 and Phase 2)
Singapore 609289

Client: Poh Tiong Choon Logistics Limited

Purpose: For Disposal

Interest Valued:

Lot No. (Mukim 5)	Tenure
Lot 3531A (Private Lot A19041)	10 years wef 19 October 2009 with an option for a further term of 24 years 4 months commencing from 1 July 2019
Lot 3532K (Private Lot A18987)	10 years wef 1 July 2009 with an option for a further term of 24 years 4 months commencing from 1 July 2019

Basis of Valuation: Market Value

Registered Owner: Poh Tiong Choon Logistics Limited

Land Area (sqm):

Lot No. (Mukim 5)	Site Area (square metres)
Lot 3531A (Private Lot A19041 and formerly 42 Pandan Road)	20,147.3 *
Lot 3532K (Private Lot A18987)	26,988.6
Total	47,135.9 *

* including the 6,500 square metres of land to be surrendered
to JTC Corporation by 23 February 2018

Master Plan 2014: Business 2 with a plot ratio of 2.5

Brief Description: The Property comprises Phase 1 and Phase 2. The Temporary Occupation Permit (TOP) for Phase 1 was issued on 20 May 2016. Phase 2 is currently under construction and we understand that TOP will be issued in 2018.

Upon the completion of Phase 2, the Property will comprise a single-user warehouse development comprising a block of 6-storey ramp-up warehouse building with ancillary office, rooftop parking, a temporary ancillary industrial canteen and other ancillary facilities.

Annual Land Rent (psm): \$28.60

Annual Value:

Property	Annual Value
Phase 1	\$5,719,000
Phase 2	Not available

GFA (sqm): 101,589.3

Valuation Approaches: Capitalisation Approach & Direct Comparison Method

Date of Valuation: 11 October 2017

Assessed Value: \$219,000,000
(Two Hundred Nineteen Million Dollars)

This valuation is exclusive of GST.

Value psm of GFA: \$2,156

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Prepared By: CBRE Pte. Ltd.

Per: James Crawford AAPI MRICS
Registered Valuer
Director - Valuation & Advisory Services

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Appraiser's License No. AD041-2006716J
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