

OFFER DOCUMENT DATED 16 OCTOBER 2014

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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

Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") is acting for and on behalf of Lee Kim Tah Investments Pte Ltd ("**Offeror**") and does not purport to advise any Shareholder (as defined herein) or any other person.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Offer Document and the accompanying FAA (as defined herein) to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee. If you have sold or transferred all your Shares not deposited with CDP, you should immediately hand this Offer Document and the accompanying FAT (as defined herein) to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The views of the Independent Directors (as defined herein) and the IFA (as defined herein) to the Independent Directors on the Offer will be made available to you in due course. You may wish to consider their views before taking any action in relation to the Offer.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

VOLUNTARY CONDITIONAL CASH OFFER

by



Oversea-Chinese Banking Corporation Limited

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

for and on behalf of

Lee Kim Tah Investments Pte Ltd

(Incorporated in the Republic of Singapore)
Company Registration No. 198101733K

**to acquire all the issued ordinary shares
in the capital of**

Lee Kim Tah Holdings Limited

(Incorporated in the Republic of Singapore)
Company Registration No. 198200554E

IMPORTANT DATE AND TIME:

ACCEPTANCES SHOULD BE RECEIVED BY 5.30 P.M. (SINGAPORE TIME) ON 13 NOVEMBER 2014 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

The procedures for acceptance of the Offer are set out in **Appendix 2** to this Offer Document and in the accompanying FAA and/or FAT.

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CONTENTS

	Page
DEFINITIONS	2
CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS	6
LETTER TO SHAREHOLDERS	
1. Introduction	7
2. The Offer	7
3. Warranty	8
4. Details of the Offer	8
5. Procedures for Acceptance	8
6. Information on the Offeror and Parties Acting in Concert	8
7. Information on LKTHL	9
8. Rationale for the Offer	9
9. Offeror's Intentions in relation to LKTHL	10
10. Financial Aspects of the Offer	11
11. Disclosures	11
12. Irrevocable Undertakings	12
13. Confirmation of Financial Resources	12
14. Overseas Shareholders	12
15. Information relating to CPFIS Investors	13
16. General	14
17. Responsibility Statement	15
APPENDICES	
1. Details of the Offer	16
2. Procedures for Acceptance of the Offer	19
3. Additional Information on the Offeror	24
4. Additional Information on LKTHL	26
5. Disclosures of Holdings and Dealings in Shares and Irrevocable Undertakings ...	27
6. General Information	29
7. Audited Financial Statements of the Offeror for the financial year ended 31 December 2013	32

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document, the FAA and the FAT:

“Acceptance Condition”	:	Shall have the meaning ascribed to it in section 2.4 of the Letter to Shareholders in this Offer Document
“Business Day”	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	5.30 p.m. on 13 November 2014 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
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	The banks appointed by CPF to be its agent banks, being DBS Bank, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF savings under the CPFIS
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Date of Receipt”	:	Shall have the meaning ascribed to it in paragraph 1.1(i)(a)(II) of Appendix 2 to this Offer Document
“Despatch Date”	:	16 October 2014, being the date of despatch of this Offer Document
“FAA”	:	Form of Acceptance and Authorisation in respect of the Offer, applicable to Depositors, which forms part of this Offer Document
“FAT”	:	Form of Acceptance and Transfer in respect of the Offer, applicable to the Shareholders whose Shares are held in scrip form, which forms part of this Offer Document
“Final Day Rule”	:	Shall have the meaning ascribed to it in paragraph 1.5 of Appendix 1 to this Offer Document

“IFA”	:	Independent financial adviser to the Independent Directors in relation to the Offer
“Independent Directors”	:	The directors of LKTHL who are considered independent for the purposes of the Offer
“Last Trading Day”	:	24 September 2014, being the last full day of trading in the Shares on the SGX-ST preceding the Offer Announcement Date
“Latest Practicable Date”	:	10 October 2014, being the latest practicable date prior to the printing of this Offer Document
“Listing Manual”	:	The Listing Manual of the SGX-ST
“LKTI Shares”	:	Ordinary shares in the capital of LKTI
“LKTHL”	:	Lee Kim Tah Holdings Limited
“LKTHL Group”	:	LKTHL, its subsidiaries and associated companies
“LKTHL Securities”	:	Shall have the meaning ascribed to it in section 11.1.2(i) of the Letter to Shareholders in this Offer Document
“Market Day”	:	A day on which the SGX-ST is open for the trading of securities
“OCBC Bank”	:	Oversea-Chinese Banking Corporation Limited
“Offer”	:	The voluntary conditional cash offer made by OCBC Bank, for and on behalf of the Offeror, to acquire all the Shares on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement relating to the Offer released by OCBC Bank, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	:	25 September 2014, being the date of the Offer Announcement
“Offer Document”	:	This document and any other document which may be issued by OCBC Bank, for and on behalf of the Offeror, to amend, revise, supplement or update this document from time to time
“Offer Period”	:	The period commencing on the Offer Announcement Date and ending on the Closing Date
“Offer Price”	:	S\$1.08 in cash for each Share

“Offeror”	:	Lee Kim Tah Investments Pte Ltd
“Overseas Shareholder”	:	Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP
“Reference Period”	:	The period commencing three months prior to the Offer Announcement Date and ending on the Latest Practicable Date
“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Relevant Acceptance Forms”	:	FAA and/or FAT
“Relevant Day”	:	Shall have the meaning ascribed to it in paragraph 3.1 of Appendix 1 to this Offer Document
“Relevant Person”	:	Shall have the meaning ascribed to it in section 11.1.1 of the Letter to Shareholders in this Offer Document
“Rule 22.6 Period”	:	Shall have the meaning ascribed to it in paragraph 1.4 of Appendix 1 to this Offer Document
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of LKTHL
“SIC”	:	Securities Industry Council of Singapore
“VWAP”	:	Volume weighted average price
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Percentage or per centum

Acting in Concert, Associates. The expressions “**acting in concert**” and “**associates**” shall have the meanings ascribed to them, respectively, in the Code.

Announcement, Notice, etc. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by OCBC Bank and/or advertising agents, for and on behalf of the Offeror, 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 simultaneously to the SGX-ST.

Depositors, etc. The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in the Companies Act.

Genders. 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 Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Issued Shares in the Capital of LKTHL. In this Offer Document, the total number of issued Shares in the capital of LKTHL is 505,442,835 Shares as at the Latest Practicable Date.

Offer Document. References to “**Offer Document**” shall include the FAA and the FAT, unless the context otherwise requires.

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

Subsidiary, Related Corporations, Associated Companies. The expressions “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act. The expression “**associated company**” in relation to any person shall mean a corporation in which that person holds, directly or indirectly, at least 20 per cent. but not more than 50 per cent. of its issued shares.

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

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

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

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

All statements other than statements of historical facts included in this Offer Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’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 and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor OCBC Bank guarantee the performance of such forward-looking statements or undertake any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.



Oversea-Chinese Banking Corporation Limited

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

65 Chulia Street
#06-00 OCBC Centre
Singapore 049513

16 October 2014

To: The Shareholders of Lee Kim Tah Holdings Limited

Dear Sir/Madam

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

1. INTRODUCTION

- 1.1 **Offer Announcement.** On 25 September 2014, being the Offer Announcement Date, OCBC Bank, for and on behalf of Lee Kim Tah Investments Pte Ltd (the “**Offeror**”), announced, *inter alia*, that the Offeror intends to make a voluntary conditional cash offer for all the Shares including all the Shares already owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror but excluding those already owned, controlled or agreed to be acquired by the Offeror as at the Offer Announcement Date.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

- 1.2 **Offer Document.** This Offer Document contains the formal offer by OCBC Bank, for and on behalf of the Offeror, to acquire all the Shares. This Offer Document shall be despatched to Shareholders on 16 October 2014, being the Despatch Date. Shareholders are urged to read this Offer Document carefully.

2. THE OFFER

- 2.1 **Offer Price.** For and on behalf of the Offeror, OCBC Bank hereby makes the Offer, in accordance with Section 139 of the SFA and Rule 15 of the Code, to acquire all the Shares on the following basis:

For each Share: S\$1.08 in cash

- 2.2 **Shares.** The Offer is extended to any Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror but excluding those already owned, controlled or agreed to be acquired by the Offeror.
- 2.3 **No Encumbrances.** The Shares will be acquired (i) fully paid; (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by LKTHL on or after the Offer Announcement Date. **If any**

dividend, rights or other distribution is declared, made or paid by LKTHL on or after the Offer Announcement Date to a Shareholder who accepts or who has accepted the Offer and the Offeror is not entitled to receive such dividend, right or other distribution in full from LKTHL in respect of any of the Shares tendered in acceptance of the Offer, the Offeror will reduce the Offer Price payable to such accepting Shareholder by the amount of such dividend, rights or other distribution.

- 2.4 **Offer Condition.** The Offer is conditional upon the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of Shares which will result in the Offeror and parties acting or deemed to be acting in concert with the Offeror holding Shares representing not less than 90 per cent. of all the Shares in issue as at the Closing Date (the “**Acceptance Condition**”).

As at the Latest Practicable Date, the Offeror and parties acting or deemed to be acting in concert with the Offeror hold in aggregate 436,777,430 Shares representing 86.41 per cent. of all the issued Shares.

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

3. **WARRANTY**

A Shareholder who tenders his Shares in acceptance of the Offer will be deemed to warrant unconditionally and irrevocably that he sells such Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as of the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, paid or made by LKTHL on or after the Offer Announcement Date.

4. **DETAILS OF THE OFFER**

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

5. **PROCEDURES FOR ACCEPTANCE**

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

6. **INFORMATION ON THE OFFEROR AND PARTIES ACTING IN CONCERT**

- 6.1 **Offeror.** The Offeror is a private company limited by shares incorporated in Singapore on 20 April 1981, and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of approximately S\$22,476,190 comprising 23,787,362 shares (“**LKTI Shares**”), and the directors of the Offeror are Mr Lee Soon Teck, Mr Lee Yong Chuan Edwin, Mdm Lee Siew Lian and Mr Lee Choi Seng. As at the Latest Practicable Date, the Offeror holds 360,602,405 Shares representing approximately 71.34 per cent. of the issued Shares.

Appendix 3 to this Offer Document sets out additional information on the Offeror.

- 6.2 **Shareholders of the Offeror.** As at the Latest Practicable Date, the shareholders of the Offeror and their respective shareholdings in the Offeror are as set out below:

Name of Shareholder	No. of shares in the issued capital of the Offeror	Percentage of issued LKTI Shares (%)
Mr Lee Soon Teck	4,506,246	18.94
Mrs Lois Lee Nee Tay Ngiat Fah	448,306	1.88
Mr Lee Yong Chuan Edwin	3,766,955	15.84
Cazcade Pty Ltd	6,224,355	26.17
Mdm Lee Siew Lian	5,977,094	25.13
Mr Seah Peng Chua Arthur	372,870	1.57
Mr Lee Soon Heng, Joseph	802,628	3.37
Estate of Png Keow Ngoh, Deceased	1,033,306	4.34
Mr Lee Sian Ghee, Alan	248,178	1.04
Mr Lee Choi Seng	315,433	1.33
Ms Lee Mei Yin, Jean	91,991	0.39

7. INFORMATION ON LKTHL

- 7.1 **LKTHL.** LKTHL is a public limited company incorporated in Singapore and is listed on the Mainboard of the SGX-ST. The business of LKTHL was founded by the late Mr Lee Kim Tah. The principal business activities of LKTHL are in construction, property development and investments. As at the Latest Practicable Date, based on the information provided by LKTHL to the Offeror, the issued and paid-up share capital of LKTHL comprises 505,442,835 Shares with no treasury shares. LKTHL does not have any outstanding options or rights, warrants or other securities convertible into, exercisable for or redeemable for any Shares.

- 7.2 **Further Information.** Appendix 4 to this Offer Document sets out certain additional information on LKTHL.

8. RATIONALE FOR THE OFFER

The Offeror is making the Offer with a view to delisting LKTHL from the SGX-ST and exercising its rights of compulsory acquisition. The Offeror believes that privatising LKTHL will provide the Offeror with more flexibility to manage the business of the LKTHL Group, reduce its costs of compliance and optimise the use of its management and capital resources.

In the past 10 years, LKTHL has not carried out any equity fund raising on the SGX-ST. The Offeror is of the view that since LKTHL is unlikely to require access to such equity fund raising in the foreseeable future, it is therefore not necessary for LKTHL to maintain its listing on the SGX-ST.

The trading volume of the Shares on the SGX-ST has been generally low. The average daily trading volume of the Shares on the SGX-ST over 12 months up to and including the Last Trading Day has been approximately 12,600 Shares (based on total number of Shares traded divided by the number of Market Days), representing less than 0.1 per cent. of the issued Shares, and the Offeror is of the view that this may not provide Shareholders with sufficient opportunity to efficiently exit their investment in LKTHL.

9. OFFEROR'S INTENTIONS IN RELATION TO LKTHL

9.1 **Offeror's Future Plans for LKTHL.** The Offeror intends for LKTHL to continue its existing business activities and there are no plans to (i) introduce any major changes to the business of LKTHL or the operations of any of its subsidiaries, (ii) re-deploy any of the fixed assets of LKTHL or (iii) discontinue the employment of any of the existing employees of LKTHL and/or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to LKTHL which may present themselves and which they may regard to be in the best interests of LKTHL.

9.2 **Compulsory Acquisition Rights.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires Shares from the Despatch Date otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of Shares in issue as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date), the Offeror will be entitled to exercise the right to compulsorily acquire, at the Offer Price, all the Shares held by Shareholders who have not accepted the Offer (the "**Non-Assenting Shareholders**").

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

9.3 **Non-Assenting Shareholders' Rights.** Non-Assenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer or otherwise, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares. Non-Assenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

9.4 **Listing Status of LKTHL.** Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with it should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the issued Shares are held by at least 500 Shareholders who are members of the public.

In addition, pursuant to Rule 723 of the Listing Manual, LKTHL must ensure that at least 10 per cent. of its total issued Shares (excluding treasury shares) is at all times held in public hands. Pursuant to Rule 724 of the Listing Manual, if the percentage of the issued Shares held in public hands falls below 10 per cent., LKTHL must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Pursuant to Rule 724 of the Listing Manual, the SGX-ST may allow LKTHL a period of three

months, or such longer period as the SGX-ST may agree, to raise the percentage of issued Shares held by members of the public to at least 10 per cent., failing which LKTHL may be delisted from the SGX-ST.

The Offeror intends to privatise LKTHL. It is therefore not the intention of the Offeror to preserve the listing status of LKTHL and the Offeror does not intend to take any steps for any trading suspension in the Shares to be lifted in the event that, *inter alia*, less than 10 per cent. of the total issued Shares (excluding treasury shares) are held in public hands.

10. FINANCIAL ASPECTS OF THE OFFER

10.1 The Offer Price of S\$1.08 represents:

	Benchmark Price (S\$)⁽¹⁾	Premium (%)⁽²⁾
Last traded price per Share as quoted on the SGX-ST on 24 September 2014 (being the Last Trading Day)	1.0150	6.40
VWAP of the Shares for the one-month period up to and including the Last Trading Day	0.9657	11.84
VWAP of the Shares for the three-month period up to and including the Last Trading Day	0.9614	12.34
VWAP of the Shares for the six-month period up to and including the Last Trading Day	0.9520	13.45
VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.9390	15.02

Note:

(1) Source: Bloomberg L.P.

(2) For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.

10.2 The Offer Price is above the highest price at which the Shares were traded of S\$1.015 in the 12-month period prior to the Offer Announcement Date.

11. DISCLOSURES

11.1 Holdings and Dealings in LKTHL Securities.

11.1.1 Offeror and Parties acting in concert. Based on the latest information available to the Offeror, **Appendix 5** to this Offer Document sets out the number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror (each, a “**Relevant Person**”) as at the Latest Practicable Date.

11.1.2 No Other Holdings and Dealings. Based on the latest information available to the Offeror, save as disclosed in **Appendix 5** to this Offer Document:

- (i) none of the Relevant Persons owns, controls or has agreed to acquire any Shares, convertible securities, warrants, options or derivatives in respect of Shares (the “**LKTHL Securities**”) as at the Latest Practicable Date; and

- (ii) none of the Relevant Persons has dealt for value in any LKTHL Securities during the Reference Period.

11.2 **Other Arrangements.** As at the Latest Practicable Date, save as disclosed in **Appendix 5** to this Offer Document and based on the latest information available to the Offeror, none of the Relevant Persons has, in respect of any LKTHL Securities:

- (i) granted a security interest to another person, whether through a charge, pledge or otherwise;
- (ii) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or
- (iii) lent to another person.

12. IRREVOCABLE UNDERTAKINGS

12.1 **Undertakings to Accept.** Certain persons acting in concert with the Offeror named in **paragraph 3 of Appendix 5** to this Offer Document (the “**Undertaking Concert Parties**”) have each given irrevocable undertakings (the “**Irrevocable Undertakings**”) to accept the Offer in respect of the Shares held by each of them prior to and up to the Closing Date. As at the Latest Practicable Date, the Undertaking Concert Parties hold in aggregate 56,781,141 Shares (the “**Deferred Consideration Shares**”), representing approximately 11.24 per cent. of the issued Shares. The Irrevocable Undertakings will lapse if the Offer is withdrawn, lapses or does not become unconditional.

A list of the Undertaking Concert Parties and the Shares to be tendered in acceptance of the Offer is set out in **paragraph 3 of Appendix 5** to this Offer Document. Copies of the Irrevocable Undertakings are available for inspection at 20 Jalan Afifi, #07-01 Certis CISCO Centre II, Singapore 409179 until the Closing Date.

12.2 **Deferred Consideration.** In addition, pursuant to the terms of the Irrevocable Undertakings, each of the Undertaking Concert Parties will tender their Shares unconditionally in acceptance of the Offer and also waive their right to receive the cash consideration for their Deferred Consideration Shares within the stipulated timeline under the Code. The Undertaking Concert Parties have agreed that payment for the Deferred Consideration Shares may be deferred to a date falling 12 months from the close of the Offer.

13. CONFIRMATION OF FINANCIAL RESOURCES

OCBC Bank, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer (excluding the consideration payable for the Deferred Consideration Shares).

14. OVERSEAS SHAREHOLDERS

14.1 **Overseas Shareholders.** The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Offer Document and the Relevant Acceptance Forms have not been, or will not be, sent.

- 14.2 **Copies of the Offer Document.** Where there are potential restrictions on sending the Offer Document and the Relevant Acceptance Forms to any overseas jurisdictions, the Offeror and OCBC Bank reserve the right not to send the Offer Document and the Relevant Acceptance Forms to such overseas jurisdictions. Any affected Overseas Shareholder may (subject to compliance with applicable laws) nonetheless obtain a copy of the Offer Document and the Relevant Acceptance Forms, during normal business hours up to the Closing Date from Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (applicable to Shareholders whose Shares are held in scrip form) or The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 (applicable to Depositors).

Alternatively, an affected Overseas Shareholder may (subject to compliance with applicable laws) write to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (applicable to Shareholders whose Shares are held in scrip form) or The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984, Singapore 903934 (applicable to Depositors) to request the Offer Document and the Relevant Acceptance Forms to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.

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

- 14.4 **Compliance with Applicable Laws.** It is the responsibility of any Overseas Shareholder who wishes to (i) request this Offer Document, the Relevant Acceptance Forms and/or any related documents or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on his behalf (including OCBC Bank, the Registrar and CDP) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any exercise of the rights described in **section 9.2** of the Letter to Shareholders in this Offer Document. In accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, OCBC Bank, the Registrar and CDP that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

15. INFORMATION RELATING TO CPFIS INVESTORS

CPFIS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks. 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. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Offer will receive the payment for their Shares in their CPF investment accounts.

16. GENERAL

- 16.1 Valid Acceptances.** The Offeror and OCBC Bank each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the FAA and/or the FAT, as the case may be, or if made otherwise than in accordance with the provisions herein and instructions printed on the FAA and/or the FAT.
- 16.2 Governing Law and Jurisdiction.** The Offer, this Offer Document, the FAA and the FAT, and all acceptances of the Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each accepting Shareholder submit to the non-exclusive jurisdiction of the Singapore courts.
- 16.3 No Third Party Rights.** Unless expressly provided to the contrary in this Offer Document, the FAA and the FAT, a person who is not a party to any contracts made pursuant to the Offer, this Offer Document, the FAA and the FAT has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 16.4 Accidental Omission.** Accidental omission to despatch this Offer Document, the FAA and/or the FAT or any notice or announcement required to be given under the terms of the Offer or any failure to receive the same by any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.
- 16.5 Independent Advice.** OCBC Bank is acting for and on behalf of the Offeror and does not purport to advise the Shareholders. In preparing this Letter to Shareholders on behalf of the Offeror, OCBC Bank has not had regard to the general or specific investment objectives, tax positions, risk profiles, financial situation or particular needs and constraints of any individual Shareholder. The directors of LKTHL who are considered independent for the purposes of the Offer ("**Independent Directors**") and the IFA to the Independent Directors on the Offer will despatch a further circular to Shareholders setting out their views on the Offer. Shareholders may wish to consider their advice before taking any action in relation to the Offer.
- 16.6 General Information.** **Appendix 6** to this Offer Document sets out certain additional general information relating to the Offer.

17. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of this Offer Document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Document are fair and accurate and that, where appropriate, no material facts have been omitted from this Offer Document and they jointly and severally accept responsibility accordingly. Where any information has been extracted and reproduced from published or publicly available sources (including, without limitation, in relation to the LKTHL Group), the sole responsibility of the directors of the Offeror have 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 Offer Document.

Yours faithfully

Oversea-Chinese Banking Corporation Limited

For and on behalf of

Lee Kim Tah Investments Pte Ltd

16 October 2014

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 13 November 2014, being the First Closing Date 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:

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

1.3 No Obligation to Extend the Offer. The Offeror is not obliged to extend the Offer if the Acceptance Condition is not fulfilled by the Closing Date.

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

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

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

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **paragraph 3.1** 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:

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

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

- 1.6 **Revision.** Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders who had previously accepted the Offer.

2. SETTLEMENT

- 2.1 **When Settlement is Due.** Subject to the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the Relevant Acceptance Forms, and in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the Shares are standing to the credit of the “Free Balance” of the Depositor’s Securities Account at the relevant time(s), remittances in the form of cheques drawn in Singapore Dollars for the appropriate amounts will be despatched (or by such other manner as the accepting Shareholders may have agreed with CDP for the payment of any cash distribution), pursuant to Rule 30 of the Code, to the accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the accepting Shareholders, as soon as practicable, and in any case:

- (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 accordance with its terms, within 10 days of that date; or
- (ii) in respect of acceptances of the Offer which are complete and valid in all respects and are received **after** the Offer becomes or is declared to be unconditional in accordance with its terms, but before the Offer closes, within 10 days of the date of such receipt.

3. ANNOUNCEMENTS

- 3.1 **Timing and Contents.** Pursuant to Rule 28.1 of the Code, by 8.00 a.m. on the Market Day (“**Relevant Day**”) immediately after the day on which the Offer is due to expire, or the Offer becomes or is declared to be unconditional as to acceptances, or is revised or the Offer is extended, the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):

- (i) for which valid acceptances of the Offer have been received;
- (ii) held by the Offeror and parties acting in concert with the Offeror before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror and parties acting in concert with the Offeror during the Offer Period,

and will specify the percentages of the total number of Shares in issue represented by such numbers.

- 3.2 **Suspension.** If the Offeror is unable, within the time limit, to comply with any of the requirements in **paragraph 3.1** of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.

- 3.3 **Valid Acceptances of Shares.** Under Rule 28.1 of the Code, subject to **section 16.1** of the Letter to Shareholders in this Offer Document, in computing the number of Shares represented by acceptances, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

4. RIGHT OF WITHDRAWAL

- 4.1 **Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

- 4.2 **Right of Withdrawal of Shareholders.** A Shareholder who has tendered acceptances under the Offer may:

- (i) withdraw his acceptance immediately if the Offer has become or been declared to be unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in **paragraph 3.1** of this **Appendix 1** by 3.30 p.m. on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in **paragraph 3.1** of this **Appendix 1**;
- (ii) withdraw his acceptance after 14 days from the First Closing Date, if the Offer has not by then become or is declared to be unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances; and
- (iii) withdraw his acceptance immediately if a competing offer for the Shares becomes or is declared to be unconditional as to acceptances. This right of withdrawal also applies in the converse situation: if the Offer becomes or is declared to be unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such other offer immediately.

- 4.3 **Procedures for Withdrawal of Acceptances.** To withdraw his acceptance under the Offer:

- (i) a Shareholder holding Shares which **are not deposited with** CDP must give written notice to the Offeror at Lee Kim Tah Investments Pte Ltd c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; and
- (ii) a Shareholder holding Shares which **are deposited with** CDP must give written notice to the Offeror at Lee Kim Tah Investments Pte Ltd c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

A notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

PROCEDURES FOR ACCEPTANCE OF THE OFFER

1. OFFER

1.1 Depositors

- (i) **Depositors whose Securities Accounts are credited with Shares.** If you have Shares standing to the credit of your Securities Account, you should receive this Offer Document together with the FAA.

Acceptance. If you wish to accept the Offer, you should:

- (a) complete the FAA in accordance with this Offer Document and the instructions printed on the FAA. In particular, you must state in Part A of the FAA, the number of Shares in respect of which you wish to accept the Offer. If you:

- (I) do not specify such number; or
- (II) specify a number which exceeds the number of Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. on the date of receipt of the FAA (or 5.30 p.m. if the date of receipt is on the Closing Date) by CDP, for and on behalf of the Offeror (the “**Date of Receipt**”) (provided always that the Date of Receipt must fall on or before the Closing Date),

you shall be deemed to have accepted the Offer in respect of all the Shares already standing to the credit of the “Free Balance” of your Securities Account as at 5.00pm on the Date of Receipt (or 5.30 p.m. if the date of receipt is on the Closing Date);

- (b) sign the FAA in accordance with this Offer Document and the instructions printed on the FAA; and
- (c) deliver the completed and signed FAA:
 - (I) **by hand** to Lee Kim Tah Investments Pte Ltd, c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (II) **by post**, in the enclosed pre-addressed envelope at your own risk, to Lee Kim Tah Investments Pte Ltd, c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. on the Closing Date.

If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

If you have sold or transferred all your Shares held through CDP, you need not forward this Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee.

- (ii) **Depositors whose Securities Accounts will be credited with Shares.** If you have purchased Shares on the SGX-ST after the Despatch Date, and such Shares are in the process of being credited to your Securities Account, you should also receive this Offer Document together with the FAA.

Acceptance. If you wish to accept the Offer, you should, after the “Free Balance” of your Securities Account has been credited with such number of Shares:

- (a) complete and sign the FAA in accordance with **paragraph 1.1** of this **Appendix 2** and the instructions printed on the FAA; and
- (b) deliver the completed and signed FAA:
 - (I) **by hand** to Lee Kim Tah Investments Pte Ltd, c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (II) **by post**, in the enclosed pre-addressed envelope at your own risk, to Lee Kim Tah Investments Pte Ltd, c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

- (iii) **Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Shares have not been credited to the “Free Balance” of your Securities Account (for example, where you sell or have sold such Shares), your acceptance is liable to be rejected and neither CDP, OCBC Bank nor the Offeror (and for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such rejection, including the consequences of such a rejection.

If you purchase Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Shares by 5.00 p.m. on the Date of Receipt or 5.30 p.m. if the Date of Receipt is on the Closing Date. Neither CDP, OCBC Bank nor the Offeror (and for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such rejection, including the consequences of such a rejection.

- (iv) **Depositors whose Securities Accounts are and will be credited with Shares.** If you have Shares credited to your Securities Account, and have purchased additional Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Offer in respect of the Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Shares purchased which are in the process of being credited to your Securities Account only after the “Free Balance” of your Securities Account has been credited with such number of Shares.
- (v) **General.** No acknowledgement will be given by CDP for submissions of the FAA made by hand or by post to CDP or deposited into boxes located at CDP’s premises. All communications, notices, documents and payments to be delivered or sent to you will

be sent by ordinary post at your risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Shares credited to your Securities Account. You can verify such number through CDP Online, if you have registered for the CDP Internet Access Service, or through CDP Phone Service if you have a T-PIN.

- (vi) **Suspense Account.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Shares in respect of which you have accepted the Offer from the “Free Balance” of your Securities Account to a “Suspense Account”. Such Shares will be held in the “Suspense Account” until the consideration for such Shares has been despatched to you.
- (vii) **No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.
- (viii) **Return of Shares.** In the event that the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the relevant number of Shares in respect of which you have accepted the Offer will be transferred back to the “Free Balance” of your Securities Account as soon as possible but, in any event, not later than 14 days from the lapse of the Offer.
- (ix) **Offer Unconditional.** If you have accepted the Offer in accordance with the provisions contained in the Offer Document and the FAA and upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Shares debited from your Securities Account together with payment of the Offer Price by way of a cheque drawn in Singapore Dollars for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions, at your own risk.

1.2 Scrip Holders

- (i) **Shareholders whose Shares are not deposited with CDP.** If you hold Shares which are not deposited with CDP (“in scrip form”), you should receive this Offer Document together with the FAT.
- (ii) **Acceptance.** If you wish to accept the Offer, you should:
 - (a) complete the FAT in accordance with this Offer Document and the instructions printed on the FAT. If you:
 - (I) do not specify a number in Part (A) of the FAT; or
 - (II) specify a number in Part (A) of the FAT which exceeds the number of Shares represented by the attached share certificate(s),you shall be deemed to have accepted the Offer in respect of all the Shares represented by the share certificate(s) accompanying the FAT;
 - (b) sign the FAT in accordance with the Offer Document and the instructions printed on the FAT; and

(c) deliver:

- (I) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);
- (II) the share certificate(s), other document(s) of title and/or relevant document(s) required by the Offeror relating to the Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Shares but do not have the relevant share certificate(s) relating to such Shares, you, at your own risk, are required to procure LKTHL to issue such share certificate(s) in accordance with the memorandum and articles of association of LKTHL and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and in the FAT; and
- (III) where such Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of transferee left blank (to be completed by the Offeror or a person authorised by it),

either **by hand** to Lee Kim Tah Investments Pte Ltd, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or **by post**, in the enclosed pre-addressed envelope at your own risk, to Lee Kim Tah Investments Pte Ltd, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, **in either case so as to arrive not later than 5.30 p.m. on the Closing Date**. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

- (iii) **Receipt.** No acknowledgement of receipt of any FAT, share certificate(s) or any other document(s) will be given by the Offeror or the Registrar.
- (iv) **Return of Shares.** In the event that the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you as soon as possible but, in any event, not later than 14 days from the lapse of the Offer.

2. GENERAL

- 2.1 **Disclaimer.** Each of the Offeror, OCBC Bank, the Registrar and CDP will be entitled, at their sole and absolute discretion, to reject any acceptance which does not comply with the terms of this Offer Document and the Relevant Acceptance Forms or which is otherwise incomplete, incorrect or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or FAT, as the case may be, is properly completed in all respects and that the FAA and/or FAT, as the case may be, should be submitted with original signatures and all required documents are provided. Any decision to reject any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), OCBC Bank, the Registrar and CDP accepts any responsibility or liability for the consequences of such a decision.
- 2.2 **Discretion.** The Offeror and OCBC Bank reserve the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the FAA and the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Offer Document

and in the FAA and the FAT, as the case may be. Any decision to reject any acceptances will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), OCBC Bank, the Registrar and CDP accepts any responsibility or liability for the consequences of such a decision.

- 2.3 **Scrip and Scripless Shares.** If you hold some Shares in scrip form and others with CDP, you should complete the FAT for the former and the FAA for the latter in accordance with the respective procedures set out in this **Appendix 2** and the FAA and/or FAT if you wish to accept the Offer in respect of all such Shares.
- 2.4 **Acceptances received on Saturday, Sunday or public holidays.** Acceptances in the form of the FAA and/or the FAT received by the Offeror, CDP and/or the Registrar, on a Saturday, Sunday or public holidays will only be processed and validated on the next Business Day.
- 2.5 **Deposit Time.** If you hold Shares in scrip form, the Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Offer in respect of such Shares, you should complete the FAT and follow the procedures set out in **paragraph 1.2** of this **Appendix 2** and the FAT.
- 2.6 **Correspondences.** All communications, notices, documents and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Registrar, as the case may be, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAT, as the case may be, at your own risk).
- 2.7 **Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT, together with the relevant share certificate(s) and/or other document(s) of title and/or other relevant documents required by the Offeror, to CDP and/or the Registrar and/or the Offeror, as the case may be, shall be conclusive evidence in favour of CDP, the Registrar and the Offeror of the right and title of the person signing it to deal with the same and with the Shares to which it relates.
- 2.8 **Loss in Transmission.** The Offeror, OCBC Bank, CDP or the Registrar shall not be liable for any loss in transmission of the FAA and/or the FAT.

ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

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

Name	Address	Description
Lee Soon Teck	46 Cheng Soon Garden Singapore 599822	Director
Lee Yong Chuan Edwin	28 Cheng Soon Garden Singapore 599804	Director
Lee Siew Lian	30 Mount Echo Park Singapore 248788	Director
Lee Choi Seng	11 Mount Emily Road #02-25 Parc Emily Singapore 228493	Director

2. PRINCIPAL ACTIVITIES

The Offeror is a private company limited by shares incorporated in Singapore on 20 April 1981, and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of approximately S\$22,476,190 comprising 23,787,362 LKTI Shares. As at the Latest Practicable Date, the Offeror holds 360,602,405 Shares representing approximately 71.34 per cent. of the issued Shares.

3. FINANCIAL SUMMARY

Set out below is certain financial information extracted from the audited financial statements of the Offeror for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013 respectively. The audited financial statements of the Offeror for the financial year ended 31 December 2013 are available for inspection at 20 Jalan Afifi, #07-01 Certis CISCO Centre II, Singapore 409179 during normal business hours for the period for which the Offer remains open for acceptance.

(i) Income Statements

	Year ended 31 December 2013 (Audited) (In S\$'000)	Year ended 31 December 2012 (Audited) (In S\$'000)	Year ended 31 December 2011 (Audited) (In S\$'000)
Turnover	5,405	5,033	3,317
Exceptional items	Nil	Nil	Nil
Net profit or (loss) before tax	3,378	3,988	2,399
Net profit or (loss) after tax	3,378	3,988	2,399
Minority interest	Nil	Nil	Nil
Net earnings per share – cents	14.20	16.76	10.09
Net dividends per share – cents	4.21	Nil	Nil

(ii) **Statement of Assets and Liabilities**

	As at 31 December 2013 (Audited) (In S\$'000)
Assets	
Current assets	121
Non-current assets	77,841
Total assets	77,962
Liabilities and Equity	
Current liabilities	1,740
Non-current liabilities	16,358
Shareholders' equity	59,864
Total liabilities and equity	77,962

4. MATERIAL CHANGES IN FINANCIAL POSITION

Save as a result of making and financing the Offer, there have been no known material changes in the financial position of the Offeror since 31 December 2013, being the date of the last published accounts of the Offeror.

5. SIGNIFICANT ACCOUNTING POLICIES

As at the Latest Practicable Date, the significant accounting policies of the Offeror are disclosed in the Notes to the audited financial statements of the Offeror for the financial year ended 31 December 2013, as reproduced in **Appendix 7** to this Offer Document.

6. CHANGES IN ACCOUNTING POLICIES

As at the Latest Practicable Date, there have been no significant changes in the accounting policies of the Offeror since 31 December 2013, being the date of the last published audited accounts of the Offeror, which will cause the figures disclosed in this Offer Document not to be comparable to a material extent.

7. REGISTERED OFFICE

The registered office of the Offeror is 20 Jalan Afifi, #07-01 Certis CISCO Centre II, Singapore 409179.

ADDITIONAL INFORMATION ON LKTHL

1. DIRECTORS

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

Name	Address	Description
Lee Soon Teck	46 Cheng Soon Garden Singapore 599822	Executive Chairman
Lee Yong Chuan Edwin	28 Cheng Soon Garden Singapore 599804	Executive Director
Lee Choi Seng	11 Mount Emily Road #02-25 Parc Emily Singapore 228493	Executive Director
Chew Heng Ching	38 Siglap Plain Singapore 456027	Lead Independent Non-Executive Director
Lee Seng Lip	22 Scotts Road Room 621 Goodwood Park Hotel Singapore 228221	Independent Non-Executive Director
Ramaswamy Athappan	146 Meyer Road Singapore 437942	Independent Non-Executive Director

2. SHARE CAPITAL

As at the Latest Practicable Date, LKTHL has an issued and paid-up share capital of S\$66,014,763 comprising 505,442,835 Shares.

3. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in the unaudited consolidated financial statements of LKTHL for the six months ended 30 June 2014 announced by LKTHL on 13 August 2014 and any other information on LKTHL which is publicly available (including, without limitation, the announcements released by LKTHL on the SGX-ST), there has not been, within the knowledge of the Offeror, any material changes in the financial position or prospects of LKTHL since 31 December 2013, being the date of the last balance sheet laid before Shareholders in general meeting.

4. REGISTERED OFFICE

The registered office of LKTHL is 20 Jalan Afifi, #07-01 Certis CISCO Centre II, Singapore 409179.

DISCLOSURES OF HOLDINGS AND DEALINGS IN SHARES AND IRREVOCABLE UNDERTAKINGS

1. HOLDINGS OF SHARES

As at the Latest Practicable Date, based on information available to the Offeror, the details of the number of Shares held by the Relevant Persons are as follows:

Relevant Person	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Offeror	360,602,405 ⁽²⁾	71.34	–	–	360,602,405	71.34
Directors of the Offeror						
Lee Soon Teck	14,415,000	2.85	362,045,835 ⁽³⁾	71.63	376,460,835	74.48
Lee Yong Chuan Edwin	9,000,000	1.78	360,602,405 ⁽⁴⁾	71.34	369,602,405	73.12
Lee Siew Lian	13,000,000	2.57	361,162,405 ⁽⁵⁾	71.45	374,162,405	74.03
Lee Choi Seng	120,000	0.02	–	–	120,000	0.02
Concert Parties						
Lee Kim Tah Foundation	18,677,000	3.70	–	–	18,677,000	3.70
Lee Soon Kiat Holdings (Pte) Ltd.	15,280,000	3.02	–	–	15,280,000	3.02
Lois Lee Nee Tay Ngjat Fah	1,443,430	0.29	14,415,000 ⁽⁶⁾	2.85	15,858,430	3.14
Lee Mei Yin Jean	408,971	0.08	–	–	408,971	0.08
Estate of Mr Lee Soon Kiat, Deceased	581,914	0.12	375,882,405 ⁽⁷⁾	74.37	376,464,319	74.48
Lee Eng Joo Kevin	387,942	0.08	–	–	387,942	0.08
Lee Steven	387,942	0.08	–	–	387,942	0.08
Estate of Ms Lee Mei Yan Theresa, Deceased	412,942	0.08	–	–	412,942	0.08
Seah Peng Chua Arthur	560,000	0.11	13,000,000 ⁽⁸⁾	2.57	13,560,000	2.68
Audra Seah Li Khen	220,000	0.04	–	–	220,000	0.04
Jarrold Seah Chi Nam	85,000	0.02	–	–	85,000	0.02
Gordon Seah Chi Yean	1,010,942	0.20	–	–	1,010,942	0.20
Alan Lee Sian Ghee	9,971	n.m. ⁽⁹⁾	–	–	9,971	n.m. ⁽⁹⁾
Estate of Png Keow Ngoh, Deceased	173,971	0.03	–	–	173,971	0.03

Notes:

- (1) As a percentage of the total number of Shares in issue as at the Latest Practicable Date. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.
- (2) 100,000,000 Shares are held through BNP Paribas Nominees Singapore Pte. Ltd.
- (3) Lee Soon Teck's deemed interest arose through 360,602,405 Shares held by the Offeror and 1,443,430 Shares held by Lois Lee Nee Tay Ngjat Fah, his spouse.
- (4) Lee Yong Chuan Edwin's deemed interest arose through 360,602,405 Shares held by the Offeror.
- (5) Lee Siew Lian's deemed interest arose through 360,602,405 Shares held by the Offeror and 560,000 Shares held by Seah Peng Chua Arthur, her spouse.
- (6) Lois Lee Nee Tay Ngjat Fah's deemed interest arose through 14,415,000 Shares held by Lee Soon Teck, her spouse.
- (7) The deemed interest of the estate of Lee Soon Kiat arose through 15,280,000 Shares held by Lee Soon Kiat Holdings (Pte) Ltd. and 360,602,405 Shares held by the Offeror.
- (8) Seah Peng Chua Arthur is the spouse of Lee Siew Lian and is deemed to have an interest in the 13,000,000 Shares held by Lee Siew Lian.
- (9) Not meaningful.

2. OTHER ARRANGEMENTS

As at the Latest Practicable Date,

- (i) the Offeror has entered into share charge arrangements in relation to 145,000,000 Shares in which the Offeror has a direct interest, such Shares representing approximately 28.69 per cent. of the issued Shares, in connection with loan facilities granted to the Offeror; and
- (ii) Mr Lee Soon Teck has obtained a discharge of the share charge arrangements in relation to 3,800,000 Shares which were in place as at the Offer Announcement Date.

3. IRREVOCABLE UNDERTAKINGS

Details of the Undertaking Concert Parties and the number of Shares to be tendered in acceptance of the Offer by each Undertaking Concert Party pursuant to their respective Irrevocable Undertakings are as follows:

Name of Undertaking Concert Party	No. of Shares to be tendered in acceptance of the Offer	Total Percentage of Issued Shares⁽¹⁾
Lee Soon Kiat Holdings (Pte) Ltd.	15,280,000	3.02
Mr Lee Soon Teck	14,415,000	2.85
Ms Lois Lee Nee Tay Ngiat Fah	1,443,430	0.29
Mr Lee Yong Chuan Edwin	9,000,000	1.78
Ms Lee Mei Yin Jean	408,971	0.08
Estate of Mr Lee Soon Kiat, Deceased	581,914	0.12
Mr Lee Eng Joo Kevin	387,942	0.08
Mr Lee Steven	387,942	0.08
Mdm Lee Siew Lian	13,000,000	2.57
Mr Seah Peng Chua Arthur	560,000	0.11
Ms Audra Seah Li Khen	220,000	0.04
Mr Jarrod Seah Chi Nam	85,000	0.02
Mr Gordon Seah Chi Yean	1,010,942	0.20
Total	56,781,141	11.24

Note:

- (1) As a percentage of the total number of Shares in issue as at the Latest Practicable Date. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.

GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- 1.1 **No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror or any person acting in concert with the Offeror and (ii) any of the current or recent directors of LKTHL or any of the current or recent Shareholders having any connection with or dependence upon the Offer.
- 1.2 **Transfer of Shares.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Shares acquired pursuant to the Offer will be transferred to any other person. The Offeror, however reserves the right to transfer any of the Shares for the purpose of granting security in favour of financial institutions which have extended credit facilities to it.
- 1.3 **No Payment or Benefit to Directors of LKTHL.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of LKTHL or any of its related corporations as compensation for loss of office or otherwise in connection with the Offer.
- 1.4 **No Agreement Conditional Upon Outcome of Offer.** As at the Latest Practicable Date, save for the Irrevocable Undertakings, there is no agreement, arrangement or understanding between (i) the Offeror or any person acting in concert with the Offeror and (ii) any of the directors of LKTHL in connection with or conditional upon the outcome of the Offer or is otherwise connected with the Offer.
- 1.5 **Transfer Restrictions.** The memorandum and articles of association of LKTHL do not contain any restrictions on the right to transfer the Shares.
- 1.6 **Indemnity and Other Arrangements.** As at the Latest Practicable Date, save as disclosed in this Offer Document, neither the Offeror nor parties acting in concert with the Offeror has entered into any arrangement with any person of the kind referred to in Note 7 of Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, or whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.

2. GENERAL

- 2.1 **Costs and Expenses.** All costs and expenses of or incidental to the preparation and circulation of the Offer Document, the Relevant Forms of Acceptance (other than professional fees and other costs incurred or to be incurred by LKTHL relating to the Offer) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.
- 2.2 **Consent.** OCBC Bank, as financial adviser to the Offeror and Boardroom Corporate & Advisory Services Pte. Ltd. as the Registrar, have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion of their names and all references to their names in the form and context in which they appear in this Offer Document.

3. MARKET QUOTATIONS

- 3.1 **Closing Prices.** The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on (i) the last trading day of each of the six months preceding the Offer Announcement Date; (ii) the Last Trading Day; and (iii) the Latest Practicable Date and the corresponding premia based on the Offer Price of S\$1.08:

Date	Closing Price ⁽¹⁾ (S\$)	Premium/(Discount) (%) based on the Offer Price of S\$1.08 ⁽²⁾
31 March 2014	0.925	16.76
29 April 2014 ⁽³⁾	0.915	18.03
26 May 2014 ⁽⁴⁾	0.920	17.39
20 June 2014 ⁽⁵⁾	0.905	19.34
24 July 2014 ⁽⁶⁾	0.900	20.00
29 August 2014	0.965	11.92
24 September 2014 (the Last Trading Day)	1.015	6.40
10 October 2014 (the Latest Practicable Date)	1.090	(0.92)

Notes:

- (1) Source: Bloomberg L.P.
- (2) Percentages rounded to the nearest two decimal places.
- (3) Being the last trading day in April 2014 where the Shares were traded.
- (4) Being the last trading day in May 2014 where the Shares were traded.
- (5) Being the last trading day in June 2014 where the Shares were traded.
- (6) Being the last trading day in July 2014 where the Shares were traded.

- 3.2 **Highest and Lowest Prices.** The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) for the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date, and the corresponding premia based on the Offer Price of S\$1.08 are as follows:

- (i) **Highest closing price.** S\$1.090 per Share, transacted on 26, 29 and 30 September 2014 and 1, 3, 7, 8, 9 and 10 October 2014. The Offer Price of S\$1.08 represents a discount of 0.92 per cent. over the highest closing price.
- (ii) **Lowest closing price.** S\$0.890 per Share, transacted on 2 and 4 July 2014. The Offer Price of S\$1.08 represents a premium of 21.35 per cent. over the lowest closing price.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at 20 Jalan Afifi, #07-01 Certis CISCO Centre II, Singapore 409179 during normal business hours for the period for which the Offer remains open for acceptance:

- (i) the Offer Announcement;
- (ii) the letters of consent by OCBC Bank and the Registrar referred to in **paragraph 2.2** of this **Appendix 6**;
- (iii) the audited financial statements of the Offeror for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013;
- (iv) the Memorandum and Articles of Association of the Offeror; and
- (v) the Irrevocable Undertakings.

**AUDITED FINANCIAL STATEMENTS OF THE OFFEROR FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2013**

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg. No. 1981-01733-K)

(Incorporated in Singapore)

REPORTS AND FINANCIAL STATEMENTS TO 31 DECEMBER 2013

CONTENTS	PAGE NO.
Directors' Report	1 - 2
Statement by Directors	3
Independent Auditors' Report	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 31

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg. No. 1981-01733-K)

(Incorporated in Singapore)

DIRECTORS' REPORT

We, the undersigned directors of the Company, submit this annual report to the members together with the audited financial statements of the Company for the financial year ended 31 December 2013.

DIRECTORS

The directors in office at the date of this report are as follows :

Lee Soon Teck
 Lee Choi Seng
 Lee Siew Lian
 Lee Yong Chuan Edwin

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of beneficial interests of the directors who held office at the end of the financial year in the shares of the Company and its related corporations are as follows :

Name of directors	Ordinary shares of no par value			
	Direct interest		Deemed interest	
	At 01.01.2013	At 31.12.2013	At 01.01.2013	At 31.12.2013
Lee Soon Teck	4,506,246	4,506,246	448,306	448,306
Lee Siew Lian	-	-	6,349,964	6,349,964
Lee Choi Seng	315,433	315,433	-	-
Lee Yong Chuan Edwin	3,766,955	3,766,955	-	-

Interest in Lee Kim Tah Holdings Limited

Name of directors	Ordinary shares of no par value			
	Direct interest		Deemed interest	
	At 01.01.2013	At 31.12.2013	At 01.01.2013	At 31.12.2013
Lee Soon Teck	14,415,000	14,415,000	361,769,835	362,045,835
Lee Choi Seng	120,000	120,000	-	-
Lee Yong Chuan Edwin	9,000,000	9,000,000	360,326,405	360,602,405

Interest in Star Resources Pte Ltd

Name of directors	Ordinary shares of no par value			
	Direct interest		Deemed interest	
	At 01.01.2013	At 31.12.2013	At 01.01.2013	At 31.12.2013
Lee Soon Teck	-	-	2	2
Lee Siew Lian	-	-	2	2
Lee Yong Chuan Edwin	-	-	2	2

(Company Reg. No. 1981-01733-K)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

SHARE OPTIONS

During the financial year, there were :

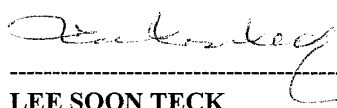
- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

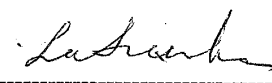
AUDITORS

The auditors, Jee Ah Chian & Company, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



LEE SOON TECK
Director



LEE SIEW LIAN
Director

Date : 08 April 2014

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg. No. 1981-01733-K)

(Incorporated in Singapore)

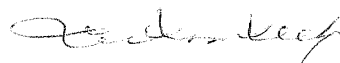
STATEMENT BY DIRECTORS

We, **LEE SOON TECK** and **LEE SIEW LIAN**, being the directors of **LEE KIM TAH INVESTMENTS PTE LTD**, do hereby state that, in the opinion of the directors :

- (a) the financial statements set out on pages 5 to 31 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2013 and of the results of the business, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and.
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on the date of this statement.

On behalf of the Board of Directors



LEE SOON TECK
Director



LEE SIEW LIAN
Director

Date : 08 April 2014

JEE AH CHIAN & COMPANY
Public Accountants and Chartered Accountants, Singapore
9 Kelantan Lane #06-01, Singapore 208628

Our Ref : SHK/LT/LLK/YC

Singapore : 08 April 2014

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LEE KIM TAH INVESTMENTS PTE LTD**

(Company Reg. No. 1981-01733-K)

Report on the Financial Statements

We have audited the accompanying financial statements of **LEE KIM TAH INVESTMENTS PTE LTD** (the Company) which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 31.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards, 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 profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

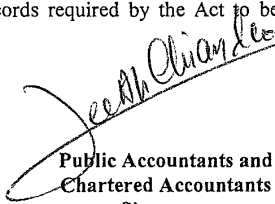
As stated in Note 6 to the financial statements, the Company has not prepared consolidated financial statements as the directors are of the opinion that there are no practical benefits to be derived from the preparation of consolidated financial statements. This is not in accordance with Financial Reporting Standard No. 27 on Consolidated and Separate Financial Statements and Section 201(3A) of the Singapore Companies Act, Cap. 50.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Company for the year ended on that date.

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 have been properly kept in accordance with the provisions of the Act.


Public Accountants and
Chartered Accountants
Singapore

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg No. 1981-01733-K)

(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 S\$	2012 S\$
ASSETS			
Non-current assets			
Plant and equipment	4	366,037	120,910
Financial assets, available-for-sale	5	6,452	6,452
Investment in subsidiaries	6	76,635,401	76,413,171
Amount due by subsidiary company	7	19,998	19,998
Other receivables	8	812,500	-
		<u>77,840,388</u>	<u>76,560,531</u>
Current assets			
Other receivables	8	33,573	100,038
Amount due by related parties	9	55,308	119,805
Bank balances		32,380	32,469
		<u>121,261</u>	<u>252,312</u>
Total assets		<u><u>77,961,649</u></u>	<u><u>76,812,843</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	22,476,190	22,476,190
Charity reserve		2,000,000	2,000,000
Fair value reserve		1,014	1,014
Accumulated profit		35,386,752	33,010,359
		<u>59,863,956</u>	<u>57,487,563</u>
Non-current liabilities			
Amount due to shareholder	11	358,177	358,177
Term loan (secured)	12	16,000,000	17,000,000
		<u>16,358,177</u>	<u>17,358,177</u>
Current liabilities			
Amount due to related party	9	74,177	38,319
Accruals		13,034	8,395
Bank overdraft	13	1,652,305	1,920,389
		<u>1,739,516</u>	<u>1,967,103</u>
Total equity and liabilities		<u><u>77,961,649</u></u>	<u><u>76,812,843</u></u>

The notes set out on pages 9 to 31 form part of these financial statements.

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg No. 1981-01733-K)

(Incorporated in Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 S\$	2012 S\$
Dividend incomes		5,405,250	5,032,984
Other income	14	12,833	6,325
Administrative expenses		(1,291,859)	(402,816)
Other operating expenses		(298,389)	(443,480)
Finance costs		(449,994)	(205,120)
Profit before tax	15	3,377,841	3,987,893
Income tax expense	16	-	-
Profit for the year		3,377,841	3,987,893
Other comprehensive income :			
Item that may be reclassified subsequently to profit or loss			
- Loss on fair value changes of financial assets, available-for-sale		-	(885)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,377,841	3,987,008

The notes set out on pages 9 to 31 form part of these financial statements.

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg No. 1981-01733-K)

(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Share capital S\$	Charity reserve S\$	Fair value reserve S\$	Accumulated profit S\$	Total S\$
Balance as at 1 January 2012	22,476,190	2,000,000	1,899	29,022,466	53,500,555
Total comprehensive income for the year	-	-	(885)	3,987,893	3,987,008
Balance as at 31 December 2012	22,476,190	2,000,000	1,014	33,010,359	57,487,563
Total comprehensive income for the year	-	-	-	3,377,841	3,377,841
Interim dividend paid S\$0.0421 (1-tier) per share	-	-	-	(1,001,448)	(1,001,448)
Balance as at 31 December 2013	22,476,190	2,000,000	1,014	35,386,752	59,863,956

The notes set out on pages 9 to 31 form part of these financial statements.

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg No. 1981-01733-K)

(Incorporated in Singapore)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 S\$	2012 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,377,841	3,987,893
Adjustments for :		
Provision for doubtful debts	95,182	151,006
Interest expense	449,994	205,120
Depreciation of plant and equipment	54,873	33,129
Loss on disposal of plant and equipment	-	2,891
Operating profit before working capital changes	3,977,890	4,380,039
Other receivables	(24,977)	(92,740)
Accruals	4,639	4,114
Cash generated from operations	3,957,552	4,291,413
Interest expense	(449,994)	(205,120)
Net cash generated from operating activities	3,507,558	4,086,293
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of plant and equipment	-	87,009
Purchase of plant and equipment	(300,000)	-
Additions to investment in subsidiaries	(222,230)	(18,182,594)
Net cash used in investing activities	(522,230)	(18,095,585)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due by related parties	64,497	(93,461)
Amount due to related party	35,858	10,986
Loan to shareholder	(816,240)	-
Amount due to shareholder	-	(503,680)
Dividend paid	(1,001,448)	-
Repayment of term loan	(1,000,000)	(3,000,000)
Term loan obtained	-	17,000,000
Net cash (used in) / generated from financing activities	(2,717,333)	13,413,845
Net increase / (decrease) in cash and cash equivalents	267,995	(595,447)
Cash and cash equivalents at beginning of the year	(1,887,920)	(1,292,473)
Cash and cash equivalents at end of the year (Note 17)	(1,619,925)	(1,887,920)

The notes set out on pages 9 to 31 form part of these financial statements.

LEE KIM TAH INVESTMENTS PTE LTD

(Company Reg. No. 1981-01733-K)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

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

1. GENERAL INFORMATION

LEE KIM TAH INVESTMENTS PTE LTD (the Company) is a limited liability company incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 20, Jalan Afifi #07-01 CERTIS CISCO CENTRE II, Singapore 409179.

The principal activity of the Company is that of an investments holding company.

The financial statements of the Company for the financial year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 08 April 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

There is a change in accounting estimate for the depreciation calculation for plant and equipment. The effect of the change will increase the profit before tax by S\$11,923.

(Company Reg. No. 1981-01733-K)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**2.3 Standards issued but not yet effective**

The Company has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36 Recoverable Amount Disclosures for Non-financial Assets	1 January 2014

Except for FRS 111, Revised FRS 28 and FRS 112, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 111, Revised FRS 28 and FRS 112 are described below.

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures are effective for financial periods beginning on or after 1 January 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of the arrangement whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

(Company Reg. No. 1981-01733-K)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Company when applied in 2014.

2.4 Functional and foreign currency

The Company's financial statements are presented in Singapore Dollar, which is the Company's functional currency.

Transactions in foreign currencies are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to initial recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the asset as follows :

Motor vehicles	-	10%
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The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

(Company Reg. No. 1981-01733-K)

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiary or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.7 Subsidiaries

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits its activities. The Company generally has such power when it directly or indirectly, holds more than 50% of the issued shares capital, or controls more than half of the voting power, or controls the composition of the Board of Directors.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

On disposal of investment in subsidiaries, the differences between net disposal proceeds and the carrying amounts of the investments are taken in the statement of comprehensive income.

(Company Reg. No. 1981-01733-K)

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(b) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(Company Reg. No. 1981-01733-K)

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(Company Reg. No. 1981-01733-K)

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Impairment of financial assets (cont'd)

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.10 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transactions costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(Company Reg. No. 1981-01733-K)

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and bank overdraft.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.15 Employee benefits

(a) *Defined contribution plans*

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

(Company Reg. No. 1981-01733-K)

2. SUMAMRY IGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised.

Dividend income

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

2.17 Income tax

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(Company Reg. No. 1981-01733-K)

2. SUMAMRY IGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Related parties

A related party is defined as follows :

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company;
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

The key management personnel are directors of the Company.

(Company Reg. No. 1981-01733-K)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumption when they occur.

(a) Fair value of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments at the end of the reporting period is described in more detail in Note 19.

(b) Impairment of loans and receivables

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 19 to the financial statements.

(c) Estimated useful lives of plant and equipment

The Company reviews the estimated useful lives of plant and equipment at the end of each reporting period. The estimated useful lives reflect the management estimate of the periods that the Company expects to derive economic benefits from the use of the Company's plant and equipment.

The carrying amounts of the Company's plant and equipment at the end of the reporting period are disclosed in Note 4.

(Company Reg. No. 1981-01733-K)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (cont'd)

(d) Fair value of financial assets available-for-sale

The fair value of the Company's quoted financial assets available-for-sale is determined by reference to their quoted market price at the end of the reporting period. If a quoted market price is not available, the fair value of the financial assets is estimated using valuation techniques. Valuation techniques include recent arm's length prices, comparisons to similar instruments for which market observable prices exist, valuation models or discounted cash flow techniques.

(e) Estimated impairment of investment and receivables from subsidiaries in the Company's financial statements

Investments in subsidiaries and receivables from subsidiary are tested for impairment whenever there is any objective evidence and indication that these assets may be impaired. The recoverable amounts of these assets have been determined based on value-in-use calculations. These calculations require the use of estimates.

(Company Reg. No. 1981-01733-K)

4. PLANT AND EQUIPMENT

	Motor vehicles S\$
2013	
At cost	
As at 01.01.2013	302,276
Addition	<u>300,000</u>
As at 31.12.2013	<u>602,276</u>
Accumulated depreciation	
As at 01.01.2013	181,366
Depreciation for the year	<u>54,873</u>
As at 31.12.2013	<u>236,239</u>
Net carrying amount	
At 31.12.2013	<u>366,037</u>
2012	
At cost	
As at 01.01.2012	476,276
Disposal	<u>(174,000)</u>
As at 31.12.2012	<u>302,276</u>
Accumulated depreciation	
As at 01.01.2012	232,337
Depreciation for the year	33,129
Disposal	<u>(84,100)</u>
As at 31.12.2012	<u>181,366</u>
Net carrying amount	
At 31.12.2012	<u>120,910</u>

(Company Reg. No. 1981-01733-K)

5. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	2013 S\$	2012 S\$
Quoted equity investments at fair value :		
Balance as at 01 January	6,452	7,337
Fair value loss recognised in other comprehensive income	-	(885)
Balance as at 31 December	<u>6,452</u>	<u>6,452</u>

The fair values of quoted equity investment are based on quoted market price at year end.

6. INVESTMENT IN SUBSIDIARIES

	2013 S\$	2012 S\$
Quoted shares at cost	76,635,399	76,413,169
Unquoted shares at cost	<u>2</u>	<u>2</u>
	<u>76,635,401</u>	<u>76,413,171</u>

The details of the subsidiaries are as follows :

Subsidiary companies	Principal activities	Place of incorporation and operation	Percentage of equity held		Cost of investments	
			2013	2012	2013 S\$	2012 S\$
Lee Kim Tah Holdings Limited	Investment holding	Singapore	71.34%	71.29%	76,635,399	76,413,169
Star Resources Pte Ltd	Assets investment and trading activities	Singapore	100%	100%	<u>2</u>	<u>2</u>
					<u>76,635,401</u>	<u>76,413,171</u>

The market value of quoted shares in subsidiary company is S\$331,754,213 (2012 : S\$288,261,124) as at 31 December.

No consolidated financial statements have been prepared as the directors are of the opinion that there are no practical benefits to be derived from the preparation of consolidated financial statements. The directors are cognisant of the fact that this is not in compliance with the Singapore Financial Reporting Standard No. 27 on Consolidated and Separate Financial Statements and Section 201(3A) of the Singapore Companies Act, Cap. 50.

7. AMOUNT DUE BY SUBSIDIARY COMPANY

The amount due by subsidiary company is unsecured, interest-free and has no fixed terms of repayment.

(Company Reg. No. 1981-01733-K)

8. OTHER RECEIVABLES

	2013 S\$	2012 S\$
Loan to third parties	264,688	249,366
Less : Allowance for doubtful debts *	<u>(246,188)</u>	<u>(151,006)</u>
	18,500	98,360
Loan to shareholder	816,240	-
Prepayments	<u>11,333</u>	<u>1,678</u>
	<u>846,073</u>	<u>100,038</u>

* Analysis of movement in allowance for doubtful debts.

	2013 S\$	2012 S\$
As at 01 January	151,006	-
Charge for the year	<u>95,182</u>	<u>151,006</u>
As at 31 December	<u>246,188</u>	<u>151,006</u>

Presented as :

Non-current assets

Loan to third parties	12,500**	-
Loan to shareholder	<u>800,000</u>	<u>-</u>
	<u>812,500</u>	<u>-</u>

Current assets

Loan to third parties	6,000**	98,360
Amount due by shareholder (current account)	16,240	-
Prepayments	<u>11,333</u>	<u>1,678</u>
	<u>33,573</u>	<u>100,038</u>
Total	<u>846,073</u>	<u>100,038</u>

Loan to shareholder is unsecured and interest-free and shall be repayable in 2016 and can be extended for a period of one year on year-to-year basis.

** Loan to third parties are unsecured and interest-free and is repayable by 40 monthly instalments commencing from 28 September 2013 with a monthly repayment of S\$500.

(Company Reg. No. 1981-01733-K)

9. AMOUNT DUE BY / (TO) RELATED PARTIES

The amount due by / (to) related parties is non-trade, unsecured, interest-free and is repayable on demand.

The amount due to related party which is not denominated in the functional currency of the Company is as follows :

	2013 S\$	2012 S\$
Australian Dollar	74,177	38,319

10. SHARE CAPITAL

	2013 S\$	2012 S\$
Issued and fully paid :		
23,787,362 (2012 : 23,787,362) ordinary shares	22,476,190	22,476,190

All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carry no right to fixed income. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The Company is not subject to externally imposed capital requirements. All shares rank equally with regards to the Company's residual assets.

11. AMOUNT DUE TO SHAREHOLDER

The amount due to shareholder is unsecured, interest-free and has no fixed terms of repayment.

12. TERM LOAN (SECURED)

	2013 S\$	2012 S\$
As at 01 January	17,000,000	3,000,000
Additions during the year	-	17,000,000
Repayment during the year	(1,000,000)	(3,000,000)
As at 31 December	16,000,000	17,000,000

The term loan is for a period of 5 years from 01 March 2011 to 01 March 2016.

The loan is secured by pledge of 100,000,000 (2012 : 100,000,000) share in SGX mainboard listed Lee Kim Tah Holdings Limited (LKTH) and jointly and severally guaranteed by the Company's directors.

Interest on loan is charged at 1.95% per annum above the one-month SIBOR and before 19 September 2012, interest is charged at 1% per annum above the one-month SIBOR.

Interest rates charged for the year ranging at 2.25625% to 2.30113% (2012 : 1.30690% to 2.26375%) per annum.

(Company Reg. No. 1981-01733-K)

13. BANK OVERDRAFT

The bank overdraft is :

- (a) secured by a pledge of 45,000,000 (2012 : 45,000,000) shares in SGX mainboard listed Lee Kim Tah Holdings Limited (LKTH) and
- (b) jointly and severally guaranteed by Lee Soon Teck and Edwin Lee Yong Chuan and to the extent of S\$8 million (2012 : S\$8 million).

14. OTHER INCOME

	2013 S\$	2012 S\$
Exchange gain	9,817	-
Special employment credit	3,016	1,325
SME cash grant	-	5,000
	<u>12,833</u>	<u>6,325</u>

15. PROFIT BEFORE TAX

	2013 S\$	2012 S\$
This is arrived at after charging / (crediting) :		
Depreciation of plant and equipment	54,873	33,129
Allowance for doubtful debts	95,182	151,006
Bank interest	77,588	80,168
Loss on disposal of plant and equipment	-	2,891
Exchange gain	(9,817)	-
Term loan interest	372,406	124,952
Dividend received from :		
- Other quoted investments	(354)	(253)
- Quoted subsidiary	(5,404,896)	(5,032,731)
Staff costs (exclude directors)		
- Salaries and bonus	123,727	93,686
- Employer's CPF contributions	11,981	8,666
	<u></u>	<u></u>

16. INCOME TAX EXPENSE

	2013 S\$	2012 S\$
Profit for the year	<u>3,377,841</u>	<u>3,987,893</u>
Tax at corporate tax rate of 17% (2012 : 17%)	574,233	677,942
Non-taxable income	<u>(574,233)</u>	<u>(677,942)</u>
	<u>-</u>	<u>-</u>

There is no provision for taxation as the Company has no chargeable income for the year.

(Company Reg. No. 1981-01733-K)

17. CASH AND CASH EQUIVALENTS

	2013 S\$	2012 S\$
Bank balances	32,380	32,469
Bank overdraft	<u>(1,652,305)</u>	<u>(1,920,389)</u>
	<u>(1,619,925)</u>	<u>(1,887,920)</u>

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, the following significant related party transaction carried out on terms agreed between the parties :

	2013 S\$	2012 S\$
Acquisition of motor vehicle from a related party	<u>300,000</u>	<u>-</u>

19. FINANCIAL INSTRUMENTS**(a) Categories of financial assets and liabilities**

The table below is an analysis of the carrying amounts of financial instruments by categories :

	Note	2013 S\$	2012 S\$
Available-for-sale financial assets			
Quoted equity investment	5	<u>6,452</u>	<u>6,452</u>
Loans and receivables			
Amount due by subsidiary company		19,998	19,998
Other receivables	8	834,740	98,360
Amount due by related parties		55,308	119,805
Bank balances		<u>32,380</u>	<u>32,469</u>
		<u>942,426</u>	<u>270,632</u>
Financial liabilities carried at amortised cost			
Amount due to shareholder		358,177	358,177
Term loan		16,000,000	17,000,000
Amount due to related party		74,177	38,319
Accruals		13,034	8,395
Bank overdraft		<u>1,652,305</u>	<u>1,920,389</u>
		<u>18,097,693</u>	<u>19,325,280</u>

(Company Reg. No. 1981-01733-K)

19. FINANCIAL INSTRUMENTS (cont'd)**(b) Fair value of financial instruments**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(i) Financial instruments carried at fair value

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels :

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy :

	Quoted prices in active markets for identical instruments (Level 1) S\$	Significant observable inputs other than quoted prices (Level 2) S\$	Significant unobservable inputs (Level 3) S\$	Total S\$
2013				
Financial assets:				
Available-for-sale financial assets (Note 5)				
- Quoted equity investments	6,452	-	-	6,452
2012				
Financial assets:				
Available-for-sale financial assets (Note 5)				
- Quoted equity investments	6,452	-	-	6,452

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years ended 2013 and 2012.

Determination of fair value

The fair value of quoted equity investments is determined by direct reference to their closing price in an active market at the end of the reporting period.

(Company Reg. No. 1981-01733-K)

19. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair value of financial instruments (cont'd)

(ii) *Financial instruments whose carrying amounts approximate fair value*

Management has determined that the carrying amounts of cash and cash equivalents, other receivables and accruals, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature or are re-priced frequently.

The fair value of floating rate term loans approximate its carrying value as it is based on floating interest rates and terms that continue to be available to the Company.

(iii) *Financial instruments whose carrying amounts are not reasonable approximation of fair value*

The fair values for the non-trade amounts due by subsidiary company, loan to shareholder, amount due to shareholder and amount due by / (to) related parties are not determined as the timing of the future cash flows arising from the amounts cannot be estimated reliably.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables, amounts due by subsidiary company and amount due by related parties. For all financial assets including bank balances, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

There is no significant concentration of credit risk.

(Company Reg. No. 1981-01733-K)

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company monitors and maintains a level of cash and bank balances deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The following table details the remaining contractual maturity for the Company's financial liabilities at the end of the reporting period. The table has been drawn up using undiscounted cash flows based on the earlier of the contractual date or when the Company is expected to pay. The table includes both principal and estimated interest cash flows.

	One year or less S\$	One to five years S\$	Over five years S\$	Total contractual undiscounted cash flow S\$
2013				
Non-derivative financial liabilities				
Amount due to shareholder	-	358,177	-	358,177
Term loan	-	16,797,292	-	16,797,292
Amount due to related party	74,177	-	-	74,177
Accruals	13,034	-	-	13,034
Bank overdraft	1,652,305	-	-	1,652,305
	<u>1,739,516</u>	<u>17,155,469</u>	<u>-</u>	<u>18,894,985</u>

2012**Non-derivative financial liabilities**

Amount due to shareholder	-	358,177	-	358,177
Term loan	-	18,217,532	-	18,217,532
Amount due to related party	38,319	-	-	38,319
Accruals	8,395	-	-	8,395
Bank overdraft	1,920,389	-	-	1,920,389
	<u>1,967,103</u>	<u>18,575,709</u>	<u>-</u>	<u>20,542,812</u>

(Company Reg. No. 1981-01733-K)

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its interest-bearing loans and borrowings. Interest rate risk is managed by the Company on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Sensitivity analysis for interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rate risk for financial instruments at the end of reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 100 basis point ("bp") change in the interest rates at the end of reporting period, with all other variables held constant.

	Profit before tax	
	100 bp increase S\$	100 bp decrease S\$
31 December 2013		
Term loan	(160,000)	160,000
Bank overdraft	(16,523)	16,523
	<u>(176,523)</u>	<u>176,523</u>
31 December 2012		
Term loan	(170,000)	170,000
Bank overdraft	(19,204)	19,204
	<u>(189,204)</u>	<u>189,204</u>

(Company Reg. No. 1981-01733-K)

21. CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings, other payables, other liabilities, less bank balances. Total capital includes equity attributable to equity holder of the Company.

	2013 S\$	2012 S\$
Net debt	18,065,313	19,292,811
Total capital	<u>59,863,956</u>	<u>57,487,563</u>
Capital and net debt	<u>77,979,269</u>	<u>76,780,374</u>
Gearing ratio	<u>23%</u>	<u>25%</u>

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