

CIRCULAR DATED 9 SEPTEMBER 2016

**THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS OF SIM LIAN GROUP LIMITED (THE “COMPANY”) AND THE ADVICE OF PRICEWATERHOUSECOOPERS CORPORATE FINANCE PTE LTD TO THE INDEPENDENT DIRECTORS OF THE COMPANY. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.**

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

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of the Company, you should immediately forward this Circular to the purchaser, the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

**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 Circular.**



## **SIM LIAN GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200004760C)

### **CIRCULAR TO SHAREHOLDERS**

in relation to the

### **VOLUNTARY CONDITIONAL CASH OFFER**

by



## **OVERSEA-CHINESE BANKING CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 193200032W)

for and on behalf of

### **CORONATION 3G PTE. LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201620127W)

**to acquire all the issued and paid-up ordinary shares in the capital of the Company**

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

## **PricewaterhouseCoopers Corporate Finance Pte Ltd**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 197501605H)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT THE OFFER WILL REMAIN OPEN FOR ACCEPTANCE UNTIL 5.30 P.M. ON 26 SEPTEMBER 2016 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

THE CLOSING DATE OF THE OFFER HAS BEEN SUBSEQUENTLY EXTENDED IN THE UNCONDITIONAL OFFER ANNOUNCEMENT TO 5.30 P.M. ON 10 OCTOBER 2016 (THE “**FINAL CLOSING DATE**”). **THE OFFEROR HAS ANNOUNCED THAT IT HAS NO INTENTION OF EXTENDING THE OFFER BEYOND THE FINAL CLOSING DATE.**

THEREFORE, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY 5.30 P.M. ON 10 OCTOBER 2016. **ACCEPTANCES RECEIVED AFTER 5.30 P.M. ON THE FINAL CLOSING DATE WILL BE REJECTED.**



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## CORPORATE INFORMATION

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**Board of Directors** : Mr. Kuik Ah Han (*Executive Chairman*)  
Mr. Kuik Thiam Huat (*Non-Executive Deputy Chairman*)  
Mr. Kuik Sin Pin (*Group Chief Executive Officer*)  
Mr. Kuik Sing Beng (*Executive Director*)  
Dr. Sim Loo Lee (*Non-Executive, Lead Independent Director*)  
Mr. Tan Hong Bak (*Non-Executive, Independent Director*)  
Mr. Robson Lee Teck Leng (*Non-Executive, Independent Director*)

**Company Secretaries** : Ang Lay Hua  
Zalili Yunus

**Registered Office** : Sim Lian Group Limited  
205 Upper Bukit Timah Road  
#02-01 Sim Lian  
Singapore 588181

**Share Registrar and Transfer Office** : Boardroom Corporate & Advisory Services Pte. Ltd.,  
a member of Boardroom Limited  
50 Raffles Place  
#32-01  
Singapore Land Tower  
Singapore 048623

**Independent Financial Adviser to the Independent Directors in respect of the Offer** : PricewaterhouseCoopers Corporate Finance Pte Ltd  
8 Cross Street  
PWC Building  
#17-00  
Singapore 048424

**Legal Adviser to the Company in respect of the Offer** : Gibson, Dunn & Crutcher LLP  
One Raffles Quay  
North Tower  
#37-01  
Singapore 048583

**Joint Auditors of the Company** : Deloitte & Touche LLP  
6 Shenton Way  
OUE Downtown 2  
#33-00  
Singapore 068809

Partner-in-charge: Lee Boon Teck  
(*appointed on 27 October 2015*)

UHY Lee Seng Chan & Co  
6001 Beach Road  
#14-01  
Golden Mile Tower  
Singapore 199589

Partner-in-charge: Tan Guek Kee  
(*appointed on 27 October 2015*)

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## CORPORATE INFORMATION

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**Independent  
Valuers of the  
Company**

: CBRE Pte. Ltd.  
6 Battery Road #32-01  
Singapore 049909

Chambers Valuers & Property Consultants Pte. Ltd.  
21 Bukit Batok Crescent  
#26-80/81/82/83 WCEGA Tower  
Singapore 658065

Chesterton Singapore Pte. Ltd.  
3 Phillip Street  
#08-04 Royal Group Building  
Singapore 048693

DTZ Australia (NSW) Pty Limited (t/as Cushman and Wakefield)  
Level 3  
111 Coventry Street  
South Melbourne VIC 3205

Jones Lang LaSalle Property Consultants Pte Ltd  
9 Raffles Place  
#39-00 Republic Plaza  
Singapore 048619

Jones Lang LaSalle Advisory Services Pty Limited  
GPO Box 3140 Melbourne VIC 3001  
Level 40 101 Collins Street Melbourne VIC 3000

Knight Frank Pte Ltd  
16 Raffles Quay  
#30-01 Hong Leong Building  
Singapore 048581

LDS International Property Consultant Sdn Bhd  
Suite 8-13-2, Level 13, Menara Mutiara Bangsar  
Jalan Liku, off Jalan Bangsar  
59100 Kuala Lumpur, Malaysia

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout this Circular:

<b>“Accepting Shareholder”</b>	:	Has the meaning given in Section 2.4 of this Circular
<b>“Adjusted Offer Price”</b>	:	Has the meaning given in Section 2.4(b) of this Circular
<b>“Auditors”</b>	:	Deloitte
<b>“Books Closure Date”</b>	:	Has the meaning given in Section 2.4(a) of this Circular
<b>“Business Day”</b>	:	Means a day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular dated 9 September 2016 issued by the Company to Shareholders in relation to the Offer
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Commencement Date”</b>	:	29 August 2016, being the date of despatch of the Offer Document
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore
<b>“Company” or “SLG”</b>	:	Sim Lian Group Limited
<b>“Constitution”</b>	:	The constitution of the Company, as amended and updated from time to time
<b>“Controlling Shareholders”</b>	:	The controlling shareholders of the Offeror, namely, KAH, LAK, KTH, KAC and KCM
<b>“CPF”</b>	:	The Central Provident Fund
<b>“CPF Agent Banks”</b>	:	The agent banks included and as defined under the CPFIS
<b>“CPFIS”</b>	:	The Central Provident Fund Investment Scheme
<b>“CPFIS Investors”</b>	:	Investors who have purchased Shares using their monies pursuant to CPFIS
<b>“Deloitte”</b>	:	Deloitte & Touche LLP
<b>“Directors”</b>	:	The directors of the Company (including the Independent Directors) as at the Latest Practicable Date

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## DEFINITIONS

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<b>“Dissenting Shareholders”</b>	:	Shareholders who have not accepted the Offer
<b>“Distributions”</b>	:	Has the meaning given in Section 2.3(c) of this Circular
<b>“Encumbrances”</b>	:	Has the meaning given in Section 2.3(b) of this Circular
<b>“FAA”</b>	:	Form of Acceptance and Authorisation, which is applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of the Offer Document
<b>“Final Closing Date”</b>	:	5.30 p.m. on 10 October 2016 as stated in the Unconditional Offer Announcement
<b>“Final Day Rule”</b>	:	Has the meaning given in Section 2.7(b) of this Circular
<b>“First Closing Date”</b>	:	5.30 p.m. on 26 September 2016, as originally set out in the Offer Document, before the Offer turned unconditional in all respects
<b>“FAT”</b>	:	Form of Acceptance and Transfer, which is applicable to Shareholders whose Offer Shares are held in scrip form and which forms part of the Offer Document
<b>“FY”</b>	:	Financial year ending or ended 30 June
<b>“Group”</b>	:	The Company, its subsidiaries and associated companies
<b>“IFA”</b>	:	PricewaterhouseCoopers Corporate Finance Pte Ltd, the independent financial adviser to the Independent Directors in respect of the Offer
<b>“IFA Letter”</b>	:	Has the meaning given in Section 7.1 of this Circular
<b>“Independent Directors”</b>	:	The Directors of the Company who are considered independent for the purposes of making the recommendation to Shareholders in respect of the Offer, namely Dr. Sim Loo Lee, Mr. Tan Hong Bak and Mr. Robson Lee Teck Leng
<b>“Irrevocable Undertakings”</b>	:	Has the meaning given in Section 4.1 of this Circular
<b>“KAC”</b>	:	Mr. Kuik Ah Chong, brother of KAH
<b>“KAH”</b>	:	Mr. Kuik Ah Han, Executive Chairman of the Company
<b>“KCM”</b>	:	Mdm. Kuik Chim Mui, sister of KAH

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## DEFINITIONS

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<b>“KSB”</b>	:	Mr. Kuik Sing Beng, Executive Director of the Company and son of KAH and LAK
<b>“KSL”</b>	:	Ms. Kuik Sin Leng, daughter of KAH and LAK
<b>“KSP”</b>	:	Mr. Kuik Sin Pin, Group Chief Executive Officer of the Company and son of KAH and LAK
<b>“KSPG”</b>	:	Mr. Kuik Sin Pheng, sole director of the Offeror and son of KAH and LAK
<b>“KTH”</b>	:	Mr. Kuik Thiam Huat, Non-Executive Deputy Chairman of the Company and brother of KAH
<b>“Kuik Family”</b>	:	KAH, LAK, KTH, KAC, KCM, KSP, KSB, KSL and KSPG
<b>“LAK”</b>	:	Mdm. Lim Ah Kie, spouse of KAH
<b>“Latest Practicable Date”</b>	:	2 September 2016, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading of securities
<b>“OCBC”</b>	:	Oversea-Chinese Banking Corporation Limited, the Offeror’s financial adviser
<b>“Offer”</b>	:	The voluntary conditional cash offer made by OCBC, for and on behalf of the Offeror, to acquire all the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
<b>“Offer Announcement”</b>	:	The announcement of the Offer released by OCBC, for and on behalf of the Offeror, on the Offer Announcement Date
<b>“Offer Announcement Date”</b>	:	8 August 2016, being the date of the Offer Announcement
<b>“Offer Document”</b>	:	The offer document dated 29 August 2016 issued by OCBC, for and on behalf of the Offeror, to Shareholders
<b>“Offer Price”</b>	:	S\$1.08 in cash for each Offer Share
<b>“Offer Shares”</b>	:	All the Shares to which the Offer relates, as more particularly defined in Section 2.2 of this Circular
<b>“Offeror”</b>	:	Coronation 3G Pte. Ltd.



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## DEFINITIONS

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<b>“Overseas Shareholders”</b>	:	Has the meaning given in Section 9.1 of this Circular
<b>“Register”</b>	:	The register of holders of Shares, as maintained by the Registrar
<b>“Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<b>“Relevant Persons”</b>	:	Has the meaning given in Paragraph 5.1 of Appendix II of this Circular
<b>“Rule 22.6 Period”</b>	:	Has the meaning given in Section 2.7(a) of this Circular
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	The holders of Offer Shares, including persons whose Offer Shares are deposited with CDP
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company
<b>“Shut-Off Notice”</b>	:	Has the meaning given in Section 2.7(a) of this Circular
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“SLH”</b>	:	Sim Lian Holdings Pte Ltd
<b>“SRS Investors”</b>	:	Investors who purchase Shares pursuant to the Supplementary Retirement Scheme
<b>“Statements of Prospects”</b>	:	Has the meaning given in Paragraph 4.6 of Appendix II of this Circular
<b>“Substantial Shareholder”</b>	:	A person (including a corporation) who has an interest in not less than 5 per cent. of the issued voting Shares of the Company
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
<b>“Unconditional Offer Announcement”</b>	:	Announcement by OCBC, for and on behalf of the Offeror, that the Offer has become unconditional in all respects on the Unconditional Offer Announcement Date
<b>“Unconditional Offer Announcement Date”</b>	:	5 September 2016, being the date of the Unconditional Offer Announcement
<b>“Undertaking Parties”</b>	:	Has the meaning given in Section 4.1 of this Circular

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## DEFINITIONS

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<b>“Valued Properties”</b>	:	The development and leasehold properties of the Group for which copies of the valuation certificates are set out in Appendix X of this Circular
<b>“Waiver”</b>	:	Has the meaning given in Section 4.2 of this Circular
<b>“90 per cent. Acceptance Condition”</b>	:	Has the meaning given in Section 2.5 of this Circular
<b>“%” or “per cent.”</b>	:	Percentage or per centum

The term **“acting in concert”** shall have the meaning given in the Code, and references to **“concert parties”** shall be construed accordingly.

The term **“associated company”** shall have the meaning given in the Listing Manual.

The terms **“depositor”**, **“depository agent”** and **“depository register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“subsidiaries”** and **“related corporations”** shall have the meanings ascribed to them respectively in the Companies Act.

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

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

Any discrepancies in this Circular between the listed amounts and the total thereof are due to rounding. Accordingly, figures may have been adjusted to ensure that totals reflect an arithmetic aggregation of the figures that precede them.

Any reference in this Circular 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, the SFA or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall have the meaning assigned to it under the Companies Act, the Code, the Listing Manual, the SFA or any such statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

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

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

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

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## SUMMARY TIMETABLE

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Date of despatch of Offer Document	:	29 August 2016
Date of despatch of Circular	:	9 September 2016
Final Closing Date	:	5.30 p.m. on 10 October 2016
Date of settlement of consideration for valid acceptances of the Offer	:	Within seven (7) Business Days after (a) the Offer becomes or is declared unconditional in all respects; or (b) the date of receipt of each valid acceptance where such acceptance is tendered after the Offer has become or has been declared unconditional in all respects.

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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### SIM LIAN GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200004760C)

#### Board of Directors:

Mr. Kuik Ah Han (*Executive Chairman*)  
Mr. Kuik Thiam Huat (*Non-Executive Deputy Chairman*)  
Mr. Kuik Sin Pin (*Group Chief Executive Officer*)  
Mr. Kuik Sing Beng (*Executive Director*)  
Dr. Sim Loo Lee (*Non-Executive, Lead Independent Director*)  
Mr. Tan Hong Bak (*Non-Executive, Independent Director*)  
Mr. Robson Lee Teck Leng (*Non-Executive, Independent Director*)

#### Registered Office:

205 Upper Bukit Timah Road  
#02-01 Sim Lian  
Singapore 588181

9 September 2016

To: The Shareholders of the Company

Dear Sir/Madam

### VOLUNTARY CONDITIONAL CASH OFFER BY THE OFFEROR FOR THE OFFER SHARES

#### 1. BACKGROUND

- 1.1 Offer Announcement.** On 8 August 2016, OCBC announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of the Company.

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

- 1.2 Offer Document.** Shareholders should have received a copy of the Offer Document, setting out, *inter alia*, the terms and conditions of the Offer. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

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

- 1.3 Offer Declared Unconditional.** On 5 September 2016, OCBC announced, for and on behalf of the Offeror, that the Offer had become unconditional in all respects and that the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer and proceed to delist the Company from the SGX-ST.

- 1.4 Purpose of this Circular.** Notwithstanding that the Offer was declared unconditional in all respects before the date of this Circular, the Directors wish to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors. The IFA has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. **Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept the Offer.**

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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### 2. THE OFFER

Based on the information set out in the Offer Document, OCBC has, for and on behalf of the Offeror, offered to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT. The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below:

**2.1 Offer Price.** As set out in the Offer Document, the Offer is made on the following basis:

**For each Offer Share: S\$1.08 in cash.**

**Shareholders should note that the Offeror has stated that the Offer Price is final and will not be revised.**

**2.2 Offer Shares.** The Offer is extended to all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror as at the Offer Announcement Date, but including Shares owned, controlled or agreed to be acquired by Concert Parties (all such Shares subject to the Offer, the “**Offer Shares**”).

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

- (a) fully paid;
- (b) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (the “**Encumbrances**”); and
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (the “**Distributions**”) declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

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

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

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or

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

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

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which, when taken together with the Shares acquired or agreed to be acquired from the Commencement Date, will result in the Offeror holding such number of Shares carrying not less than 90 per cent. of the total number of Shares in issue (other than treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date).

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

On 5 September 2016, OCBC announced for and on behalf of the Offeror that as at 5.00 p.m. on 5 September 2016, the total number of: (a) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties; and (b) valid acceptances of the Offer, amount to 906,270,500 Shares, representing approximately 90.10 per cent. of the Shares in issue as at such date.

**Accordingly, as mentioned in the Unconditional Offer Announcement, OCBC announced for and on behalf of the Offeror that the Offer has become unconditional in all respects on 5 September 2016.**

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

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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### 2.7 Duration of the Offer.

- (a) **Offer to Remain Open for fourteen (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 fourteen (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 fourteen (14) days’ notice in writing (the “**Shut-Off Notice**”) that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

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

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

The Offeror has stated in the Unconditional Offer Announcement that in accordance with Rule 22.6 of the Code, as the Offer has become unconditional as to acceptances, the Offer will remain open for acceptance for not less than fourteen (14) days after the date on which the Offer would otherwise have closed. **Accordingly, the Offer will remain open for acceptance until 5.30 p.m. on the Final Closing Date (being fourteen (14) days after the First Closing Date).**

**The Offeror has no intention of extending the Offer beyond the Final Closing Date. Accordingly, the Offer will not be open for acceptance beyond 5.30 p.m. on the Final Closing Date. Acceptances received after 5.30 p.m. on the Final Closing Date will be rejected.**

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

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

- (c) **Revision.** The Offeror will not revise the Offer Price. However, pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least fourteen (14) days from the date of despatch of the written notification of the



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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

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

**2.9 Procedures for Acceptance.** The procedures for the acceptance of the Offer are set out in Appendix 2 of the Offer Document.

### 3. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

**3.1** Information on the Offeror and its Concert Parties as set out in Section 6 of the Offer Document, is reproduced below. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the Offer Document.

#### **“6. INFORMATION ON THE OFFEROR**

**6.1 Introduction.** *The Offeror is a private company limited by shares incorporated in the Republic of Singapore on 22 July 2016. Its principal activity is that of investment holding.*

*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 Offeror has an issued and paid-up share capital of S\$100.00 divided into 100 ordinary shares. The shareholders of the Offeror are the Controlling Shareholders and their shareholdings in the Offeror are as set out below:*

No.	Controlling Shareholder	No. of shares in the issued share capital of the Offeror	Percentage of issued shares in the Offeror (%)
1.	KAH	40	40.00
2.	LAK	22	22.00
3.	KTH	16	16.00
4.	KAC	11	11.00
5.	KCM	11	11.00

**6.3 Sole director of the Offeror.** *As at the Latest Practicable Date, the sole director of the Offeror is KSPG. KSPG is the son of KAH and LAK, and the nephew of KTH, KAC and KCM.”*

**3.2** Appendix 3 to the Offer Document sets out certain additional information of the Offeror, which is reproduced in Appendix III of this Circular.

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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### 4. IRREVOCABLE UNDERTAKINGS

- 4.1 Undertaking Parties.** As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from SLH and the Kuik Family (collectively, the “**Undertaking Parties**”), pursuant to which the Undertaking Parties have undertaken to accept the Offer in respect of all Shares held by each of them (the “**Irrevocable Undertakings**”) prior to and up to the close of the Offer. As at the Latest Practicable Date, the Undertaking Parties hold in aggregate 808,307,091 Shares, representing approximately 80.36 per cent. of the total number of Shares.
- 4.2 Waiver of Consideration.** In addition, pursuant to the terms of the Irrevocable Undertakings, each of the Undertaking Parties, save for KSP, KSB, KSL and KSPG, will also waive the receipt of part or all of the consideration payable to them for Shares tendered in acceptance of the Offer (the “**Waiver**”). The SIC has confirmed that the subscription of shares in the Offeror by the Controlling Shareholders and the Waiver do not constitute a special deal.
- 4.3 Further details.** The Irrevocable Undertakings shall lapse on the date on which the Offer closes, lapses or is withdrawn. Further details of the Irrevocable Undertakings and the Waiver are set out in Appendix 7 to the Offer Document.

### 5. OFFEROR’S RATIONALE AND INTENTIONS

- 5.1 General.** The full text of the rationale for the Offer and the future plans for the Company as set out in Sections 9 and 10 of the Offer Document has been extracted from the Offer Document and reproduced below. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the Offer Document. Shareholders are advised to read these pages carefully.

#### **“9. RATIONALE FOR THE OFFER**

- 9.1 Compelling Premium.** *The Shares have not transacted at or above the Offer Price since the Company’s listing in 2000. The Offer provides an opportunity for Shareholders who wish to realise their investment in the Shares to do so in cash, at a compelling premium over the prevailing market prices prior to the Announcement Date and without incurring brokerage fees.*

#### **9.2 Low Trading Liquidity**

- 9.2.1** *The trading volume of the Shares has been generally low, with an average daily trading volume<sup>1</sup> of approximately 294,423 Shares, 149,377 Shares and 125,517 Shares during the one (1)-month period, three (3)-month period and six (6)-month period up to and including the Last Trading Day. Each of these represents less than 0.03 per cent. of the total number of Shares for any of the aforementioned relevant periods.*

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<sup>1</sup> The average daily trading volume is computed based on the total trading volume for all the trading days on which there was trading in Shares on the SGX-ST for the relevant period immediately prior to and including the Last Trading Day, divided by the total number of days on which there was trading in Shares on the SGX-ST.

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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

**9.3 Unlikely to Require Access to Equity Capital Markets.** Since 2007, the Company has not carried out any exercise to raise equity capital on the SGX-ST. The Company is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

### **10. THE OFFEROR'S INTENTIONS FOR THE COMPANY**

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

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

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

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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

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

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

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

**5.2 Offeror’s intention to exercise its right of compulsory acquisition.** Shareholders should note that the Offeror has also stated in the Unconditional Offer Announcement that it does not intend to preserve the listing status of the Company. Further, the Offeror does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, amongst other things, less than 10 per cent. of the Shares (excluding treasury shares) are held in public hands and, accordingly, there may not be a market for the Shares on the SGX-ST upon the close of the Offer.

As set out in the Unconditional Offer Announcement, the Offeror is entitled and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders at the Offer Price and proceed to delist the Company from the SGX-ST. **Shareholders who are in doubt about their position are advised to seek their own independent professional advice.**

## **6. DIRECTORS’ INTERESTS AND INTENTIONS**

**6.1 Interests in Offer Shares.** Details of the Directors, including *inter alia*, the Directors’ direct and deemed interests in the Offer Shares as at the Latest Practicable Date, are set out in Appendix II to this Circular.

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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**6.2 Intentions with regard to the Offer.** All Directors who have interests in the Offer Shares, being Dr. Sim Loo Lee, as well as the Directors who are also part of the Undertaking Parties, being KAH, KTH, KSP, and KSB intend to accept the Offer in relation to their respective beneficial holdings of the Offer Shares.

**6.3 Interests in shares of the Offeror.** Save for KAH and KTH, none of the Directors are directly or indirectly interested in any (a) equity share capital, or (b) convertible securities, warrants, options or derivatives of the Offeror.

### **7. ADVICE AND RECOMMENDATIONS**

**7.1 General.** Shareholders should read and carefully consider the recommendations of the Independent Directors and the advice of the IFA to the Independent Directors dated 9 September 2016 (the “**IFA Letter**”) before deciding whether to accept or reject the Offer.

**7.2 Independence of Directors.** Save for KAH, KTH, KSP and KSB who have been exempted by the SIC from the requirement to make a recommendation to the Shareholders on the Offer, all of the Directors consider themselves to be independent for the purposes of making a recommendation on the Offer.

**7.3 Advice of the IFA to the Independent Directors.** The Independent Directors have carefully considered the advice of the IFA in respect of the Offer, which is set out in Appendix I of this Circular. The IFA’s advice in respect of the Offer, as extracted from Section 11 of the IFA Letter, is set out below and should be read in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

#### **“11. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE OFFER**

*In arriving at our recommendation in respect of the Offer to the Independent Directors, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Offer. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.*

*We set out the following key factors that we consider to be pertinent in our assessment of the fairness of the Offer:*

- (a) The Offer Price represents a discount of 6.23% to the unaudited NAV per Share of the Group as at 30 June 2016;*
- (b) The Offer Price represents a discount of 21.80% to the RNAV per Share of the Group as at 30 June 2016;*
- (c) The discount to the RNAV implied by the Offer Price of 21.80% is close to the mean and median of the historical average Share price to the NAV per Share for the relevant periods from 11 November 2013 to the Latest Practicable Date.*

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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- (d) *The P/E multiple implied by the Offer Price is within the range and above the median, but below the mean of the P/E multiples of the Comparable Companies;*
- (e) *The EV/EBITDA multiple as implied by the Offer Price is within the range but below the mean and median of the EV/EBITDA multiples of the Comparable Companies;*
- (f) *The P/NAV multiple as implied by the Offer Price is within the range and above the median, but below the mean of the P/NAV multiples of the Comparable Companies;*
- (g) *The P/RNAV multiple as implied by the Offer Price is within the range but below the mean and median of the P/NAV multiples of the Comparable Companies;*
- (h) *The P/NAV and P/RNAV ratios implied by the Offer Price are within the range but are both below the median and mean of the corresponding P/NAV ratios of the Selected Successful Delisting/Privatisation Transactions;*
- (i) *The P/NAV ratio implied by the Offer Price is within the range and above the median and mean of the corresponding P/NAV ratios of the Selected Comparable Transactions; and*
- (j) *The P/RNAV ratio implied by the Offer Price is within the range and slightly above the mean but is below the median of the corresponding P/RNAV ratios of the Selected Comparable Transactions.*

*We set out the other key factors that we consider to be pertinent in our assessment of the Offer:*

- (a) *The Offer Price represents a premium of S\$0.380 (or 54.3%) and S\$0.130 (or 13.7%) above the lowest transacted price and the highest transacted price of the Shares for the entire period since 11 August 2015 and up to the Offer Announcement Date;*
- (b) *Since 10 August 2016 (first Market Day after the Offer Announcement Date and lifting of the trading halt) and up to the Latest Practicable Date, the Shares have been trading close to the Offer Price of between S\$1.065 and S\$1.070. As at the Latest Practicable Date, the Offer Price represents a slight premium of S\$0.010 (or 0.93%) above the last transacted price of the Shares of S\$1.070;*
- (c) *The Offer Price represents a premium of approximately 14.9%, 16.6%, 19.5%, 21.3% and 23.0% to the Last Trading Day prior to the Offer Announcement Date and the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date respectively;*
- (d) *The Shares have generally outperformed the STI over the 12-month preceding the Offer Announcement Date and up to and including the Latest Practicable Date;*
- (e) *Over the 12-month period prior to the Offer Announcement Date, both the average daily trading value as a percentage of its market capitalisation and the average daily trading volume as a percentage of its total Shares outstanding are low;*



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- (f) *For the 12-month period preceding the Offer Announcement Date, the Company's average daily trading value as a percentage of its market capitalisation, as well as the average daily trading volume as a percentage of its total Shares outstanding, are below the median and mean of the liquidity measure of SGX Mainboard listed companies between S\$900 million and S\$1,100 million;*
- (g) *The premium implied by the Offer Price over the last transacted price on the Last Trading Day, VWAP for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date of the Shares is within the range but below the median and mean of the corresponding premia/(discounts) of the Selected Successful Delisting/Privatisation Transactions;*
- (h) *The premium implied by the Offer Price over the last transacted price on the Last Trading Day, VWAP for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date of the Shares is within the range but below the median and mean of the corresponding premia of the Selected Comparable Transactions;*
- (i) *The Company had declared dividends over the last three financial years, with dividend payout ratios of between 22% to 30% pursuant to its dividend policy, although we note that the quantum of dividends paid by the Company in any year would depend on various factors, including but not limited to, the financial performance of the Group, working capital requirements and projected capital expenditure plans;*
- (j) *The Offer Price is final and will not be revised;*
- (k) *The Offeror and parties acting in concert with it have already secured holdings of an aggregate of 906,270,500 Shares (including valid acceptances of the Offer), representing approximately 90.10% of the total number of issued Shares as at the date of the Unconditional Offer Announcement and the Directors have confirmed that there is no alternative offer or proposal received from any third party;*
- (l) *The Free Float Requirement is not met as at the date of the Unconditional Offer Announcement and the SGX-ST will suspend the trading of the Shares at the close of the Offer. The Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for the trading suspension of the Shares to be lifted; and*
- (m) *Pursuant to the Unconditional Offer Announcement, as the Offeror had acquired not less than 90% of the total number of issued Shares (excluding treasury Shares) other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date, the Offeror is entitled and intends to exercise its right of compulsory acquisition.*

***Based on our analysis including the qualifications made therein, we are of the opinion that, on balance, the Offer is NOT FAIR BUT REASONABLE, from a financial point of view, in the context of a non-change of control transaction.***

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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

- (a) That the Offer Price is at a discount of 21.80% to the RNAV per Share of the Group as at 30 June 2016;*
- (b) That the various valuation multiples implied by the Offer Price are generally lower than the historical traded multiples of the Comparable Companies; and*
- (c) That the NAV and RNAV ratios implied by the Offer Price are below the median and mean of the corresponding ratios of the Selected Successful Delisting/Privatisation Transactions and Selected Comparable Transactions.*

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

- (a) As at the date of the Unconditional Offer Announcement, the Offer has become unconditional in all respects and the Offeror and parties acting in concert with it have already secured holdings of approximately 90.10% of the total number of issued Shares (including valid acceptances of the Offer), making the likelihood of a competing offer from any third party remote;*
- (b) As the Offer has become unconditional in all respects, the Offeror is entitled and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore to acquire all the remaining Shares from Shareholders who have not accepted the Offer by the close of the Offer;*
- (c) The Offeror has stated that it does not intend to revise the Offer Price. The Share price appears to be supported by the Offer as at the Latest Practicable Date. In addition, SGX-ST will suspend the trading of the Shares at the close of the Offer as the Free Float Requirement is no longer satisfied; and*
- (d) While the premium implied by the Offer Price over the historical traded prices of the Shares are not attractive as compared to the Selected Successful Delisting/Privatisation Transactions, given the above circumstance and in view of the fact of the low trading liquidity of the Shares and that the Offer Price is at a premium above the historical traded price of the Shares over the last 12 months prior to the Offer Announcement Date, the Offer provides Shareholders with an opportunity to realise their investment in the Shares at the Offer Price, which is at a premium to recent Share prices and may otherwise not be available given the low trading liquidity.*

*Accordingly, on the balance of the above factors that we have taken into consideration, we advise that the Independent Directors recommend the Shareholders to **ACCEPT** the Offer. Alternatively, such Shareholders should consider selling their Shares in the open market if they are able to obtain a price higher than the Offer Price (after deducting related expenses). The Independent Directors may also wish to consider highlighting that as at the date of the Unconditional Offer Announcement, the Free Float Requirement of the Company is no longer satisfied and that the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for*



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*the trading suspension of the Shares to be lifted. As such, the trading of the Shares will be suspended after the close of the Offer. Shareholders who do not accept the Offer by the close of the Offer should note that the Offeror is entitled and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore.”*

- 7.4 Recommendation of the Independent Directors.** The Independent Directors, having reviewed and carefully considered the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, **CONCUR** with the advice of the IFA in respect of the Offer.

**Accordingly, the Independent Directors recommend Shareholders to ACCEPT the Offer** or sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting related expenses).

**SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX I OF THIS CIRCULAR CAREFULLY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER.**

**SHAREHOLDERS SHOULD NOTE THAT THE OPINION AND ADVICE OF THE IFA SHOULD NOT BE RELIED UPON BY ANY SHAREHOLDER AS THE SOLE BASIS FOR DECIDING WHETHER OR NOT TO ACCEPT THE OFFER.**

In rendering the advice and the recommendation above, both the IFA and the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific individual circumstances should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

### **8. ACTION TO BE TAKEN BY SHAREHOLDERS**

As stated in the Unconditional Offer Announcement, Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on 10 October 2016. Shareholders who wish to accept the Offer should refer to Appendix 2 of the Offer Document which sets out the procedures for acceptance of the Offer.

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

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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### 9. OVERSEAS SHAREHOLDERS

- 9.1 Availability of Offer.** The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or in the records of CDP (as the case may be) (the “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdiction. Overseas Shareholders should refer to Section 14 of the Offer Document which is reproduced below. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the Offer Document.

#### “14. OVERSEAS SHAREHOLDERS

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

**14.2 Copies of the Offer Document.** *Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents, during normal business hours up to the Closing Date from Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a scrip holder) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) write to the Offeror at Coronation 3G Pte. Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a scrip holder) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road Post Office P.O. Box 1984, Singapore 903934, to request for this Offer Document, the Relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.*

**14.3 Overseas Jurisdiction.** *It is the responsibility of an Overseas Shareholder who wishes to (i) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas*

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*Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including OCBC Bank, CDP and the Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any exercise of the compulsory acquisition rights described in **Section 10.3** of the Letter to Shareholders in this Offer Document. In (i) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and OCBC Bank that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdiction.*

**14.4 Notice.** *The Offeror and OCBC Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all 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.”*

**9.2 Copies of Circular.** This Circular may not be sent to Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date, from the offices of the Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or make a request to the Registrar for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

### **10. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS**

CPFIS Investors and SRS Investors should refer to Section 15 of the Offer Document which is reproduced below. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the Offer Document.

#### **“15. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS**

*CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.*

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## LETTER TO THE SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

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

### 11. RESPONSIBILITY STATEMENTS

The Directors (including any Director who may have delegated detailed supervision of this Circular), collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than the letter from the Auditors and the IFA Letter respectively), and confirm after making all reasonable enquiries that, as at the Latest Practicable Date, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Offer, the Company and its subsidiaries, and the Directors are not aware of any fact the omission of which would make any statement in this Circular misleading.

The recommendation of the Independent Directors set out in Section 7.4 of this Circular is the sole responsibility of the Independent Directors.

In respect of Appendices I to X to this Circular, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including information extracted from the Offer Document), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully,  
For and on behalf of the Board of Directors  
**SIM LIAN GROUP LIMITED**

**Tan Hong Bak**  
Independent and Non-Executive Director,  
Chairman of the Audit Committee

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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9 September 2016

The Independent Directors  
Sim Lian Group Limited  
205 Upper Bukit Timah Road  
#02-01 Sim Lian  
Singapore 588181

Dear Sirs / Madam

### **VOLUNTARY CONDITIONAL CASH OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED, FOR AND ON BEHALF OF CORONATION 3G PTE. LTD., FOR THE OFFER SHARES OF SIM LIAN GROUP LIMITED**

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#### **1. INTRODUCTION**

On 8 August 2016 (the “**Offer Announcement Date**”), Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**”) announced, for and on behalf of Coronation 3G Pte. Ltd. (the “**Offeror**”), that the Offeror intends to make a voluntary conditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of Sim Lian Group Limited (the “**Company**”), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror as at the date of the Offer (the “**Offer Shares**”) in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Singapore Code on Take-overs and Mergers (“**Code**”).

The Offer is subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been validly withdrawn) pursuant to the Offer or otherwise acquiring or agreeing to acquire the Shares from the date of despatch of the Offer Document (the “**Commencement Date**”) other than through valid acceptances of the Offer in respect of not less than 90% of the total number of Shares in issue as at the close of the Offer (other than treasury Shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date) (the “**90% Acceptance Condition**”). The Offer is made at the final offer price of S\$1.08 in cash for each Offer Share (the “**Offer Price**”).

On 29 August 2016, the formal Offer was made by OCBC Bank, for and on behalf of the Offeror, for the Offer Shares, subject to the terms and conditions as set out in the Offer Document. The Offer Document, the FAA and the FAT were despatched to Shareholders on 29 August 2016.

On 5 September, OCBC Bank announced, for and on behalf of the Offeror, that the Offeror had received valid acceptances of 906,170,187 Offer Shares as at 5.00 p.m. (Singapore time) on 5 September 2016. As a result, as at 5 September 2016, based on publicly available information, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (including valid acceptances of the Offer) was an aggregate of 906,270,500 Shares, representing approximately 90.10% of the total number of issued Shares. Accordingly, the

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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90% Acceptance Condition had been fulfilled and the Offer had become unconditional as to acceptances and had been declared unconditional in all respects (“**Unconditional Offer Announcement**”).

As a result of the valid acceptances of the Offer, the Company had announced on 6 September 2016 that the number of Shares in public hands is less than 10% of the issued Shares (excluding treasury Shares). Under Rule 723 of the Listing Manual, to maintain its listing status on the SGX-ST, the Company must ensure that at least 10% of the total issued Shares is at all times held by the public Shareholders (“**Free Float Requirement**”). As a result, as at 6 September 2016, based on publicly available information, the shareholding in the Company held in public hands is less than 10% of the issued Shares, and accordingly, the Free Float Requirement is no longer satisfied.

In connection with the Offer, the Company has appointed PricewaterhouseCoopers Corporate Finance Pte Ltd (“**PwCCF**”) as the Independent Financial Adviser (“**IFA**”) to the directors of the Company who are considered independent (“**Independent Directors**”) for the purpose of making a recommendation to the Shareholders in relation to the Offer.

The Securities Industry Council (“**SIC**”) has ruled that (a) Mr. Kuik Ah Han, who is the Executive Chairman of the Company; (b) Mr. Kuik Thiam Huat, who is the Non-Executive Deputy Chairman of the Company; (c) Mr. Kuik Sin Pin, who is the Group Chief Executive Officer of the Company; and (d) Mr. Kuik Sing Beng, who is the Executive Director of the Company, are exempted from the requirements to make a recommendation to the Shareholders on the Offer as they face irreconcilable conflicts of interest in doing so, being parties acting in concert with the Offeror. The Company has confirmed to us that the remaining Directors, namely Dr. Sim Loo Lee, Mr. Tan Hong Bak and Mr. Lee Teck Leng Robson are deemed to be independent in respect of the Offer (“**Independent Directors**”).

This letter (“**IFA Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer. This IFA Letter forms part of the Circular to Shareholders dated 9 September 2016 (the “**Circular**”) which provides, *inter alia*, the details of the Offer and the recommendations of the Independent Directors thereon.

## 2. TERMS OF REFERENCE

We have confined our evaluation of the Offer solely from a financial point of view on the bases set out herein.

We have relied upon and assumed, *inter alia*, the accuracy, adequacy and completeness of all publicly available information or information provided to or discussed with us by the Company or otherwise reviewed by or for us. We have not independently verified such information or its accuracy, adequacy or completeness. We do not represent or warrant, expressly or impliedly, and do not accept any responsibility for the accuracy, completeness or adequacy of such information. We have not conducted any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Company, the Offeror (and parties acting in concert with them) or any other relevant party to the Offer under any applicable laws relating to bankruptcy, insolvency



## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

or similar matters. We are not legal, regulatory or tax experts. We are the financial advisers only and have relied on, without independent verification, the assessments made by advisers to the Company with respect to such issues. We have nevertheless made reasonable enquiries and exercised reasonable judgement as we deemed necessary or appropriate in assessing such information and we are not aware of any reason to doubt the reliability of the information.

We have not made any independent evaluation or appraisal of the assets or liabilities (including without limitation, real properties) of the Company or its subsidiaries and its associated companies (the “**Group**”). We have, however, been provided with the property valuation reports, summaries and/or valuation certificates (the “**Valuation Certificates**”) of the development properties of the Group by the following independent valuers appointed by the Company (the “**Valuers**”) in connection with the Offer:

<b>Valuers for the development properties</b>	
<b>Property</b>	<b>Valuer</b>
Property held by Sim Lian (Starlight) Pte. Ltd. – Executive Condominium (“ <b>EC</b> ”) project at Choa Chu Kang Drive, Singapore (“ <b>Wandervale</b> ”)	Jones Lang LaSalle Property Consultants Pte Ltd (“ <b>JLL-SG</b> ”)
Property held by Sim Lian (Anchorvale) Pte. Ltd. – EC project at Anchorvale Crescent, Singapore (“ <b>Treasure Crest</b> ”)	JLL-SG
Property held by Sim Lian JV (BP) Pte. Ltd. – Residential condominium project at Jelebu Road, Singapore (“ <b>Hillion Residences</b> ”)	CBRE Pte. Ltd. (“ <b>CBRE</b> ”)
Property held by Sim Lian JV (Vision) Pte. Ltd. – Commercial project at Venture Avenue, Singapore (“ <b>Vision Exchange</b> ”)	JLL-SG
Developer owned parcels of KL Trillion – Residential-cum-commercial development at 338 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan KL, Malaysia (“ <b>KL Trillion</b> ”)	LDS International Property Consultant Sdn Bhd (“ <b>LDS</b> ”)

In addition, we have also been provided with the Valuation Certificates of the leasehold properties and investment properties of the Group by the following independent Valuers appointed by the Company in connection with the year-end reporting of the financial results of the Group for the financial year ended 30 June 2016 (“**FY2016**”):

## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

Valuers	
Property	Valuer
Leasehold properties in Singapore	JLL-SG; Knight Frank Pte Ltd (" <b>Knight Frank</b> "); Chambers Valuers & Property Consultants Pte Ltd (" <b>Chambers</b> "); and Chesterton Singapore Pte. Ltd. (" <b>Chesterton</b> ")
Investment properties in Singapore	CBRE; Knight Frank; and Chambers
Investment properties in Australia	Jones Lang LaSalle Advisory Services Pty Limited (" <b>JLL-AU</b> "); and DTZ Australia (NSW) Pty Limited (t/as Cushman and Wakefield) (" <b>C&amp;W</b> ")

The Valuation Certificates are set out in Appendix X to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on these Valuation Certificates for such asset appraisal and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to inquire about the basis of the valuations contained in the Valuation Certificates or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including the Code.

In addition, we have assumed that the Offer will be consummated in accordance with the terms set forth in the Offer Document without any waiver, amendment or delay of any terms or conditions and that no conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer. We have further assumed, *inter alia*, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained and that no delays, limitations, conditions or restrictions will be imposed that would have any material adverse effect on the Company or on the contemplated benefits of the Offer.

Our opinion as set out in this IFA Letter is based upon prevailing market, economic, industry, monetary and other conditions (if applicable) and the information made available to us as of 2 September 2016 (the "**Latest Practicable Date**"). Developments after the Latest Practicable Date may affect the contents of this IFA Letter and we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect the contents of this IFA Letter. Our opinion is limited to the fairness and reasonableness, from a financial point of view, of the Offer. We express no opinion as to the fairness and reasonableness of the Offer to, or any consideration received in connection therewith by, the holders of any class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Offer.



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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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We have not been requested to, and we do not, express any opinion on the structure of the Offer, the specific amount of the Offer Price, or any other aspects of the Offer, or to provide services other than the delivery of this IFA Letter. We were not involved in negotiations pertaining to the Offer nor were we involved in the deliberation leading up to the decision to put forth the Offer to the Shareholders. We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Shares and/or any other alternative transaction.

Our terms of reference also do not require us to evaluate or comment on the rationale for, risks and/or merits of the Offer or the future prospects and earnings potential of the Company or the Group, nor do our terms of reference require us to evaluate or comment on the merits of the statements or opinions stated in any research reports on the Company, including any other reports issued by any other party. We have accordingly not made such evaluation or comments. Such evaluation or comments, if any, remains the sole responsibility of the Directors, although we may draw upon their views to the extent deemed necessary or appropriate by us in arriving at our opinion as set out in this IFA Letter. In addition, our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects, earnings potential and/or financial position of the Company and/or the Group. The Independent Directors may wish to advise Shareholders to take note of any announcement relevant to their consideration of the Offer, which may be released by the Company after the Offer Document LPD.

The Directors have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information in connection with the Company, the Offer and the Circular has been disclosed to us, that such information constitutes a full and true disclosure in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group as stated in the Circular to be incomplete, inaccurate or misleading in any material respect. The Directors have jointly and severally accepted the responsibility for the accuracy and completeness of such information. We have relied upon such confirmation by the Directors and the accuracy and completeness of all information given to us by the Directors and/or management of the Company and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent and warrant, expressly or impliedly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

We have relied upon the assurances of the Directors that the Circular has been approved by the Directors (including those who may have delegated detailed supervision of the Circular) who collectively and individually accept full responsibility for the accuracy of the information given in the Circular (other than this IFA Letter and information extracted *in toto* from the Offer Document) and confirm after making all reasonable enquiries that, as at the Latest Practicable Date, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Group in the context of the Offer and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading in any material respect. For the purposes of providing this IFA Letter and our evaluation of the Offer from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company or any part or division of any of the foregoing.

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situation, tax position, risk profile, tax status or positions or particular needs and constraints or other particular circumstances of any Shareholder and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Independent Directors. As each Shareholder would have different investment objectives and profiles, the Independent Directors may wish to advise any Shareholder who may require specific advice in relation to his specific investment portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional adviser immediately.

This IFA Letter is addressed to the Independent Directors and is for their benefit in connection with and for the purpose of their consideration of the Offer. However, the recommendations made by them shall remain the responsibility of the Independent Directors. This IFA Letter is not addressed to and may not be relied upon by any third party including, without limitation, Shareholders of the Company, employees or creditors of the Company. This IFA Letter does not constitute, and should not be relied on, as advice or a recommendation to, or confer any rights or remedies upon, any Shareholders as to how such person should deal with their Shares in relation to the Offer or any matter related thereto.

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

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

### 3. THE OFFER

The following paragraphs have been extracted from Section 2 of the Offer Document and are set out in italics. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.**

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 2. TERMS OF THE OFFER

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

**For each Offer Share: S\$1.08 in cash.**

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

- 2.2 **Offer Shares.** The Offer is extended to all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror as at the Announcement Date, but including Shares owned, controlled or agreed to be acquired by Concert Parties (all such Shares subject to the Offer, the “**Offer Shares**”).

- 2.3 **The Offeror and Aggregate Holding.** The Offeror is a private company limited by shares formed by a group of individuals comprising KAH, LAK, KTH, KAC and KCM (collectively, the “**Controlling Shareholders**”) to make the Offer. Further information on the Offeror is set out in **Section 6** of the Letter to Shareholders and **Appendix 3** to this Offer Document. As at the Latest Practicable Date:

2.3.1 the Offeror does not own any Shares; and

2.3.2 based on the latest information available to the Offeror, the Concert Parties own, control or have agreed to acquire 830,921,087 Shares in aggregate, representing approximately 82.61 per cent. of the Shares.

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

2.4.1 fully paid;

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

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

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

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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

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

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

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

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Shares which, when taken together with the Shares acquired or agreed to be acquired from the Commencement Date, will result in the Offeror holding such number of Shares carrying not less than 90 per cent. of the total number of Shares in issue (other than treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date)

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

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### Adjustment for Distributions

We note that on 25 August 2016, in connection with the announcement of the Group's unaudited financial results for FY2016, the Company had proposed a first and final dividend of S\$0.015 per Share for the full year ended 30 June 2016 ("**Final Dividend**"). The proposed Final Dividend will be tabled for approval at the Company's upcoming annual general meeting ("**AGM**"). Shareholders should take note of any announcements that would be made by the Company on the notice of the AGM, and if approved, the books closure date and the payment date of the Final Dividend.

### Unconditional Offer

Pursuant to the Unconditional Offer Announcement, OCBC Bank announced for and on behalf of the Offeror that as at 5.00 p.m. on 5 September 2016, the total number of: (a) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties; and (b) valid acceptances of the Offer, was an aggregate of 906,270,500 Shares, representing approximately 90.10% of the issued Shares. **Accordingly, the Offer has become unconditional in all respects on 5 September 2016.**

## 4. DETAILS OF THE OFFER

Please refer to Appendix 1 to the Offer Document for details of the Offer 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.

### Final Closing Date and Shut-Off Notice

Pursuant to the Unconditional Offer Announcement, in accordance with Rule 22.6 of the Code, as the Offer has become unconditional as to acceptances, the Offer will remain open for acceptance for not less than fourteen (14) days after the date on which the Offer would otherwise have closed. **Accordingly, the Offer will remain open for acceptance until 5.30 p.m. on 10 October 2016 ("Final Closing Date").**

**The Offeror has no intention of extending the Offer beyond the Final Closing Date. Accordingly, the Offer will not be open for acceptance beyond 5.30 p.m. on the Final Closing Date. Acceptances received after 5.30 p.m. on the Final Closing Date will be rejected.**

## 5. INFORMATION ON THE COMPANY

Please refer to Section 7 and Appendix 4 of the Offer Document for information and further disclosures on the Company.

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 6. INFORMATION ON THE OFFEROR

Please refer to Section 6 and Appendix 3 of the Offer Document for information and further disclosures on the Offeror.

### 7. IRREVOCABLE UNDERTAKINGS

The following paragraphs have been extracted from Section 8 of the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.**

<b>8.</b>	<b><i>IRREVOCABLE UNDERTAKINGS</i></b>
<b>8.1</b>	<b><i>Undertaking Parties.</i></b> <i>As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from SLH and the Kuik Family (collectively, the “Undertaking Parties”), pursuant to which the Undertaking Parties have undertaken to accept the Offer in respect of all Shares held by each of them (the “Irrevocable Undertakings”) prior to and up to the close of the Offer. As at the Latest Practicable Date, the Undertaking Parties hold in aggregate 808,307,091 Shares, representing approximately 80.36 per cent. of the total number of Shares.</i>
<b>8.2</b>	<b><i>Waiver of Consideration.</i></b> <i>In addition, pursuant to the terms of the Irrevocable Undertakings, each of the Undertaking Parties, save for KSP, KSB, KSL and KSPG, will also waive the receipt of part or all of the consideration payable to them for Shares tendered in acceptance of the Offer (the “Waiver”). The SIC has confirmed that the subscription of shares in the Offeror by the Controlling Shareholders and the Waiver do not constitute a special deal.</i>
<b>8.3</b>	<b><i>Further Details.</i></b> <i>The Irrevocable Undertakings shall lapse on the date on which the Offer closes, lapses or is withdrawn. Further details of the Irrevocable Undertakings and the Waiver are set out in <b>Appendix 7</b> to this Offer Document.</i>

### 8. RATIONALE FOR THE OFFER

The following paragraphs have been extracted from Section 9 of the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.**

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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 9. **RATIONALE FOR THE OFFER**

**9.1 *Compelling Premium.*** *The Shares have not transacted at or above the Offer Price since the Company's listing in 2000. The Offer provides an opportunity for Shareholders who wish to realise their investment in the Shares to do so in cash, at a compelling premium over the prevailing market prices prior to the Announcement Date and without incurring brokerage fees.*

#### **9.2 *Low Trading Liquidity***

**9.2.1** *The trading volume of the Shares has been generally low, with an average daily trading volume<sup>2</sup> of approximately 294,423 Shares, 149,377 Shares and 125,517 Shares during the one (1)-month period, three (3)-month period and six (6)-month period up to and including the Last Trading Day. Each of these represents less than 0.03 per cent. of the total number of Shares for any of the aforementioned relevant periods.*

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

**9.3 *Unlikely to Require Access to Equity Capital Markets.*** *Since 2007, the Company has not carried out any exercise to raise equity capital on the SGX-ST. The Company is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.*

<sup>2</sup> The average daily trading volume is computed based on the total trading volume for all the trading days on which there was trading in Shares on the SGX-ST for the relevant period immediately prior to and including the Last Trading Day, divided by the total number of days on which there was trading in Shares on the SGX-ST.

### 9. **THE OFFEROR'S INTENTIONS FOR THE COMPANY**

The following paragraphs have been extracted from Section 10 of the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.**

#### **10. *OFFEROR'S INTENTIONS FOR THE COMPANY***

**10.1** *The Offeror's Future Plans for the Company.* *The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the*



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## APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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*Company and its subsidiaries, other than in the ordinary course of business. However, the board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which it may regard to be in the interest of the Offeror.*

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

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

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

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



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

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

### **Exercise Right of Compulsory Acquisition**

Pursuant to the Unconditional Offer Announcement, as the Offeror has received valid acceptances which, when taken together with the Shares acquired or agreed to be acquired from the Commencement Date, is not less than 90% of the total number of issued Shares (excluding treasury Shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), **the Offer is entitled and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore.**

### **10. FINANCIAL ASSESSMENT OF THE OFFER**

For the purpose of our analyses in this IFA Letter, we wish to highlight the following dates:

- (a) 4 August 2016 (the “**Last Trading Day**”), being the last full Market Day immediately prior to the Offer Announcement Date;
- (b) 8 August 2016, being the date that OCBC Bank announced, for and on behalf of Coronation 3G Pte. Ltd., that the Offeror intends to make a voluntary conditional cash offer for all the Shares in the capital of the Company (the “**Offer Announcement Date**”);
- (c) 2 September 2016, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), save that where parts of the Offer Document (including the letter from OCBC Bank to the Shareholders in the Offer Document) are reproduced, references to the “Latest Practicable Date” in such reproduction shall mean the Offer Document LPD; and
- (d) 5 September 2016, being the date of the Unconditional Offer Announcement subsequent to the Latest Practicable Date.

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In the course of our evaluation of whether the Offer is fair and reasonable from a financial point of view, we have considered the following factors based on publicly available information and information made available to us by the Company as of the Latest Practicable Date:

- (a) Historical share price performance of the Shares;
- (b) Historical share price performance relative to market index;
- (c) Liquidity analysis;
- (d) Net asset value (“NAV”) and Revalued net asset value (“RNAV”) of the Group;
- (e) Historical NAV per Share of the Group relative to the Share Prices;
- (f) Valuation multiples of selected listed companies which are broadly comparable with the Group;
- (g) Recent selected successful privatisation take-over transactions on the SGX-ST;
- (h) Recent selected take-over transactions of companies on the SGX-ST whose businesses are broadly comparable with the Group;
- (i) Historical dividend yield of the Company; and
- (j) Other relevant considerations in relation to the Offer which may have a significant bearing on our evaluation.

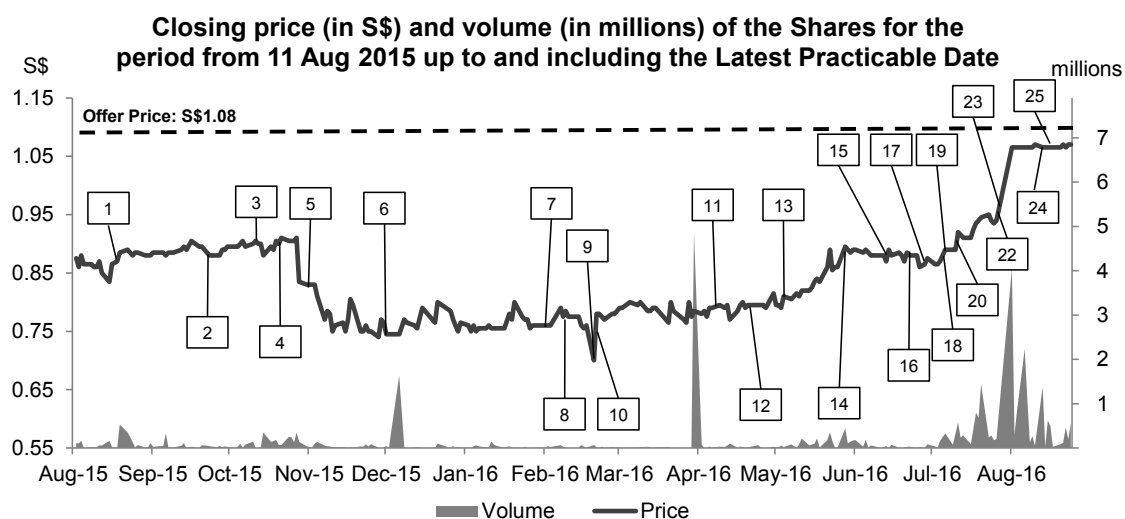
**The figures and underlying financial data used in our analyses in this section of this IFA Letter have been extracted from, amongst others, Bloomberg L.P., Capital IQ, SGX-ST, the publicly available financial information of the Company and relevant public documents of the Company covered by those sources as at the Latest Practicable Date. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and make no representations or warranties, express or implied, on the accuracy or completeness or adequacy of such information. We note that the accounting standards used by the respective Comparable Companies may be different. The differences between the accounting standards used by the Company and the Comparable Companies may therefore render comparisons between these companies less useful than if they all used the same accounting standards.**

### 10.1 Historical share price performance of the Shares

In assessing the reasonableness of the Offer Price from a financial point of view, we have taken into consideration the historical share price performance and trading volume of the Company over a reasonable period of time, based on the assumption that the stock market provides an efficient mechanism by which such price expectations may be expressed. We wish to highlight that under ordinary circumstances, the market valuation of shares traded on a recognised stock exchange may be affected by, *inter alia*, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time. **Therefore, this analysis serves as an illustrative guide only.**

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We set out a chart below which shows the trend of the daily closing prices and the volume traded for the Shares from 11 August 2015 (being the 12-month period preceding the Offer Announcement Date) and up to and including the Latest Practicable Date:



Source: Bloomberg L.P., The Company's SGX-ST announcements

A summary of the salient announcements on key corporate developments by the Company during the 12-month period preceding the Offer Announcement Date and up to and including the Latest Practicable Date is set out below:

No.	Date	Event Description
1	27 August 2015	The Company announced its full year unaudited financial results for the period ended 30 June 2015.  The Company announced a final dividend of S\$0.0728 per Share.
2	2 October 2015	Ms Kuik Sin Leng will step down as Executive Director of the Company and its subsidiaries with effect from 2 October 2015. However, Ms Kuik Sin Leng will remain with the Company till 31 December 2015 to assist in the transition of her duties.
3	22 October 2015	The Board of Directors of the Company announced that based on a preliminary review of the unaudited management accounts of the Group, the Group is expected to record a significant reduction in profit before income tax and a net loss for the quarter ended 30 September 2015, as compared with the same period end 30 September 2014.  The significant reduction in profit before income tax and net loss are mainly attributable to loss on foreign exchange during the quarter ended 30 September 2015 as well as lower revenue following the adoption of INT FRS 115 with effect from 1 July 2010.

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No.	Date	Event Description
4	28 October 2015	The Company announced the proposed acquisition of Lara Village Shopping Centre, a freehold investment grade neighbourhood shopping centre located in Victoria, Australia for a total consideration of AUD30.2 million.
5	11 November 2015	The Company announced its first quarter unaudited financial results for the period ended 30 September 2015.
6	11 December 2015	The Company announced proposed acquisition of two investment grade retail properties, Woolworths Shopping Centre and Masters Home Improvement Everton Park located at Queensland, Australia at a total consideration of AUD70 million.
7	12 February 2016	The Company announced its second quarter/half yearly unaudited financial results for the period ended 31 December 2015.
8	17 February 2016	The Company announced that they will be launching Wandervale EC on 18 February 2016 with the application period till 28 February 2016. The balloting and booking date of the 534-unit EC is 5 March 2016.
9	28 February 2016	The Company announced that Wandervale is more than 40% oversubscribed and the application period closes on 28 February 2016. Competitively priced at approximately S\$750 to S\$770 per square foot ("psf") on average, Wandervale showflat saw more than 5,000 visitors days with potential homebuyers attracted by its ideal location, spacious units and overall design of the project.
10	2 March 2016	The Company announced that Wandervale EC's average price of S\$755 psf ahead of the balloting and booking on 5 March 2016 at the showflat.
11	19 April 2016	The Company provided a sales update whereby approximately 60% of the 534 unit Wandervale EC has been booked as at 19 April 2016 despite the challenging economic environment.
12	3 May 2016	The Company announced that approximately 200,000 square feet ("sq ft") of office space across the top eight floors at Vision Exchange will be launched for lease. Located in the Jurong Lake District which consists of two complementary precincts - Jurong Gateway and Lakeside, Vision Exchange presents an attractive business address.
13	13 May 2016	The Company announced its third quarter/nine-months unaudited financial results for the period ended 31 March 2016.

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No.	Date	Event Description
14	7 June 2016	The Company announced that the acquisition of two investment grade retail properties, Woolworths Shopping Centre and Masters Home Improvement Everton Park located at Queensland, Australia has been completed on 7 June 2016.
15	28 June 2016	The Company announced that they will be launching Treasure Crest, a 504-unit EC on 1 July 2016. The 99-year leasehold development, which sits on a site of approximately 187,831.13 sq ft, features 84 three-bedroom units, 364 three-bedroom premium units and 56 four-bedroom units across eight residential blocks of 15 storeys each.
16	30 June 2016	The Company announced the proposed acquisition of Dalyellup Shopping Centre, a freehold investment grade neighbourhood shopping centre located in Dalyellup, Western Australia at a total consideration of AUD31.56 million.
17	7 July 2016	The Company announced Treasure Chest has received 800 e-applications for the 504 units available. The development is approximately 60% oversubscribed as of 7 July 2016. The balloting and booking date for the EC is 16 July 2016.
18	13 July 2016	The Company announced that the average price for Treasure Crest is S\$742 psf, making it amongst the most competitively priced ECs currently available in the market today. The 504-unit development is more than 113% oversubscribed, having received a total of 1,077 e-applications within the 10-day e-application period which ended on 10 July 2016.
19	14 July 2016	The Company announced that the acquisition of Dalyellup Shopping Centre has been completed on 14 July 2016.
20	18 July 2016	The Company announced that more than 70% of units at Treasure Crest EC were snapped up within the first two days of booking over the past weekend.
21	5 August 2016	The Company requested for a trading halt.
22	8 August 2016	The Company announced the Offer by OCBC Bank, for and on behalf of the Offeror.
23	9 August 2016	The Company requested for the lifting of the trading halt.
24	25 August 2016	The Company announced its full year unaudited financial results for the full year ended 30 June 2016. The Company announced a proposed Final Dividend of S\$0.015 per Share.

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No.	Date	Event Description
25	29 August 2016	The Company announced that, pursuant to the Offer, the Offer Document has been despatched to all Shareholders by OCBC Bank, for and on behalf of the Offeror.
<b><i>Subsequent to the Latest Practicable Date</i></b>		
	5 September 2016	The Company announced the Unconditional Offer Announcement by OCBC Bank, for and on behalf of the Offeror.

Source: The Company's SGX-ST announcements

Based on the analysis above, we note the following:

- (a) Over the 12-month period preceding the Offer Announcement Date and up to the Offer Announcement Date, the closing prices of the Shares have been in the range of a low of S\$0.700 to a high of S\$0.950. The Offer Price represents a premium of S\$0.380 (or 54.3%) and S\$0.130 (or 13.7%) above the lowest transacted price and the highest transacted price of the Shares, respectively. The closing prices of the Shares had been below the Offer Price for the entire period since 11 August 2015 and up to the Offer Announcement Date;
- (b) Since 10 August 2016 (first Market Day after the Offer Announcement Date and lifting of the trading halt) and up to the Latest Practicable Date, the Shares has been trading close to the Offer Price of between S\$1.065 and S\$1.070. The Offer appears to serve as a catalyst for the closing prices of the Shares to move to its 12-month high up to the Latest Practicable Date;
- (c) Prior to the Offer Announcement Date, the closing price of the Shares on the Last Trading Day was S\$0.940. On 10 August 2016 (being the first Market Day after the Offer Announcement Date and the lifting of the trading halt), the price of the Shares rose to close at S\$1.065; and
- (d) The Offer Price represents a slight premium of S\$0.010 (or 0.93%) above the last transacted price of the Shares of S\$1.070 as at the Latest Practicable Date.

We have sought to benchmark the Offer Price against the VWAP of the Shares for selected reference periods. The table below shows the premium of the Offer Price over the last transacted price, as well as the 1-month, 3-month, 6-month and 12-month period VWAP preceding the Offer Announcement Date.

We have made reasonable enquiries and Management has confirmed to us that they are not aware of any information not previously announced concerning the Company which, if known, might otherwise explain such variances in the price and trading volume.

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The Company	Last Trading Day prior to Offer Announcement Date	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP
Benchmark price per Share (S\$)	0.940	0.926	0.904	0.890	0.878
Offer Price as a premium over the benchmark price	14.9%	16.6%	19.5%	21.3%	23.0%

Source: Bloomberg L.P.

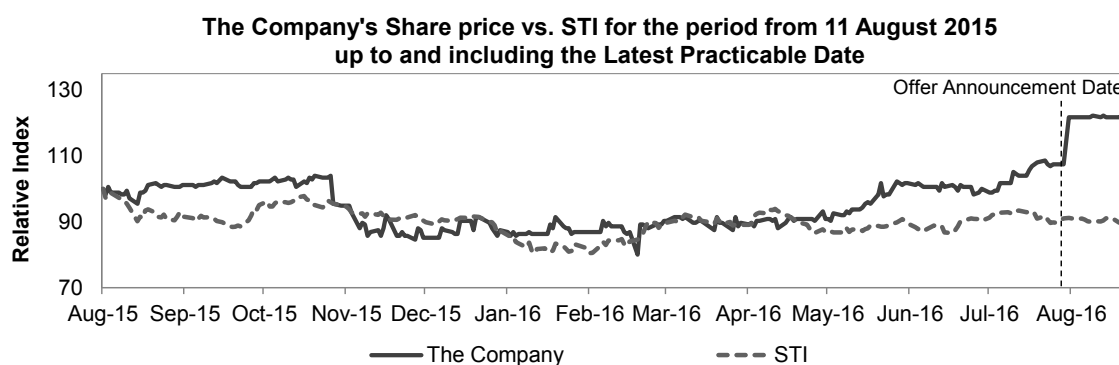
We note the following:

- The Offer Price represents a premium of approximately 14.9% to the closing price of S\$0.940 per Share as at the Last Trading Day; and
- The Offer Price represents a premium of approximately 16.6%, 19.5%, 21.3%, and 23.0% above the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date, respectively.

**The market prices of the Shares have shown appreciable differences before and after the Offer Announcement Date. As such, Shareholders should note that there is no assurance that the market prices of the Shares will continue to remain at the levels prevailing as at the Latest Practicable Date up to the close of the Offer. Shareholders should also note that past trading performance of the Shares should not be relied upon as an indication of its future trading performance.**

### 10.2 Historical share price performance relative to market index

To gauge the market price performance of the Shares vis-à-vis the general performance of the Singapore equity market, we have compared the market price movements of the Shares against the FTSE Straits Times Index (“STI”), which is a market capitalisation-weighted stock market index that is regarded as the benchmark index for the Singapore stock market based on the top 30 companies listed on the SGX Mainboard, for the 12-month period preceding the Offer Announcement Date and up to and including the Latest Practicable Date as illustrated below:



Source: Bloomberg L.P.

We note that the Shares had generally outperformed the STI over the 12-month period preceding the Offer Announcement Date and up to and including the Latest Practicable Date. In addition, the

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closing prices of the Shares appear to have been supported by the Offer subsequent to the Offer Announcement Date and up to the Latest Practicable Date.

**Shareholders should note that past trading performance of the Shares should not be relied upon as an indication of its future trading performance.**

### 10.3 Liquidity analysis

#### 10.3.1 Liquidity analysis of the Shares

We have also considered the historical trading volume and liquidity of the Shares for the 1-month, 3-month, 6-month and 12-month periods preceding 11 August 2015 (being the 12-month period preceding the Offer Announcement Date) and up to and including the Latest Practicable Date:

Reference Period	ADTValue (S\$) <sup>(1)</sup>	ADTVolume <sup>(2)</sup>	ADTValue / Market Cap <sup>(1)</sup>	ADTVolume / Shares Outstanding <sup>(2)</sup>
Last Trading Date	192,821	205,500	0.02%	0.02%
1M period prior to Offer Announcement Date	314,240	339,611	0.03%	0.03%
3M period prior to Offer Announcement Date	146,239	161,730	0.02%	0.02%
6M period prior to Offer Announcement Date	116,456	136,394	0.01%	0.01%
12M period prior to Offer Announcement Date	89,742	106,364	0.01%	0.01%
Latest Practicable Date	602,838	563,400	0.06%	0.06%
Period from Offer Announcement Date to Latest Practicable Date	766,835	719,672	0.07%	0.07%

Source: Bloomberg L.P.

**Notes:**

- (1) The average daily trading value (“ADTValue”) of Shares traded over the reference period divided by the market capitalisation of the Company on either the Last Trading Day or the Latest Practicable Date, where relevant.
- (2) The average daily trading volume (“ADTVolume”) of Shares traded over the reference period divided by the total number of Shares outstanding of the Company on either the Last Trading Day or the Latest Practicable Date, where relevant.

Based on the table above, we note the following:

- (a) Over the 1-year period prior to the Offer Announcement Date, both the average daily trading value as a percentage of its market capitalisation and the average daily trading volume as a percentage of its total Shares outstanding are low; and
- (b) During the period following the Offer Announcement Date and up to the Latest Practicable Date, both the average daily trading value as a percentage of its market capitalisation and the average daily trading volume as a percentage of its total Shares outstanding increased as compared to the 1-year period prior to the Offer Announcement Date.

Ordinarily, relative liquidity is one of the factors affecting the Share price performance at any given point in time. In benchmarking the Offer Price against the historical price of the Shares, we have also compared the relative liquidity of the Company’s Shares in relation to all the companies listed on SGX Mainboard (excluding the Company) with market capitalisation of between S\$900 million and S\$1,100 million as at the Offer Announcement Date.



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### 10.3.2 Liquidity analysis for the SGX Mainboard listed companies with market capitalisation of between S\$900 million and S\$1,100 million

Company Name	Percentage Free Float (%) <sup>(1)</sup>	12M ADTValue (\$) <sup>(2)</sup>	12M ADTVolume <sup>(3)</sup>	12M ADTValue / Market Cap <sup>(2)</sup>	12M ADTVolume / Shares Outstanding <sup>(3)</sup>
Far East Hospitality Trust	43.7	484,411	765,955	0.04%	0.04%
Frasers Hospitality Trust	39.5	162,657	212,756	0.02%	0.02%
China Jinjiang Environment	60.6	2,669,676	2,959,725	0.23%	0.25%
Yoma Strategic Hldgs Ltd	47.3	3,412,741	6,878,544	0.33%	0.40%
Frasers Commercial Trust	72.7	984,702	760,757	0.09%	0.10%
Lippo Malls Indonesia Retail	55.4	767,195	2,343,726	0.07%	0.08%
Keppel DC REIT	64.9	1,869,896	1,758,250	0.18%	0.20%
UOB-Kay Hian Holdings Ltd	29.6	81,824	59,393	0.01%	0.01%
First Real Estate Inv't Trust	65.2	601,843	487,990	0.06%	0.06%
Hong Leong Finance Ltd	69.6	76,303	33,047	0.01%	0.01%
CEFC International Ltd	27.8	531,492	1,570,356	0.06%	0.04%
Ascendas India Trust	69.9	603,217	678,604	0.06%	0.07%
Keppel Telecom & Transport	19.6	181,483	125,271	0.02%	0.02%
Pacific Century Region Devel	10.2	214,250	513,966	0.02%	0.02%
AIMS AMP Capital Industrial	70.1	583,332	426,424	0.06%	0.07%
<b>Min</b>	10.2	76,303	33,047	0.01%	0.01%
<b>Max</b>	72.7	3,412,741	6,878,544	0.33%	0.40%
<b>Median</b>	55.4	583,332	678,604	0.06%	0.06%
<b>Mean</b>	49.7	881,668	1,304,984	0.08%	0.09%
The Company on Last Trading Day	19.3 <sup>(4)</sup>	88,725	105,154	0.01%	0.01%
The Company on Latest Practicable Date	19.3 <sup>(4)</sup>	140,618	152,370	0.01%	0.02%

Source: Bloomberg L.P.

#### Notes:

- (1) Free float percentages are extracted from Bloomberg L.P.
- (2) 12-month average daily trading value ("12M ADTValue") traded leading up to and including the Offer Announcement Date, divided by market capitalisation as at the Offer Announcement Date.
- (3) 12-month average daily trading volume ("12M ADTVolume") traded leading up to and including the Offer Announcement Date, divided by the total number of shares outstanding as at the Offer Announcement Date.
- (4) Based on the free float of approximately 19.3% of the total number of Shares as disclosed in the Company's FY2015 Annual Report.

Based on the table above, we note that in the 12-month period preceding the Offer Announcement Date, the Company's average daily trading value as a percentage of its market capitalisation are below the median and mean of the liquidity measure of SGX Mainboard listed companies with market capitalisation between S\$900 million and S\$1,100 million. The average daily trading volume as a percentage of its total shares outstanding are also below the median and below the mean liquidity measure of SGX Mainboard listed companies with market capitalisation of between S\$900 million and S\$1,100 million.

**The trading volume of the Shares have shown appreciable differences before and after the Offer Announcement Date. As such, Shareholders should note that there is no assurance that the trading volume of the Shares will continue to remain at the levels prevailing as at the Latest Practicable Date up to the close of the Offer. Shareholders should also note that**

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past trading performance of the Shares should not be relied upon as an indication of its future trading performance.

As suggested by the analysis above, the trading of the Shares suffer from illiquid trading conditions and the historical market prices of the Shares do not serve as a meaningful reference point for comparison with the Offer Price. The past liquidity of the Shares should not be relied upon in any way as an indication of the future liquidity of the Shares.

### 10.4 NAV and RNAV of the Group

Given the asset intensive nature of the Company's property development business, we have considered both the NAV and the RNAV of the Group in assessing the financial terms of the Offer. Property development and investment companies are generally valued using an asset-based approach as their asset backings are perceived as providing support for the value of their shares.

#### 10.4.1 NAV of the Group

The main components of the unaudited financial position of the Group as at 30 June 2016 are set out below:

	Unaudited As at 30 June 2016 (S\$'000)
Non-current assets	685,441
Current assets	1,099,957
Non-current liabilities	289,150
Current liabilities	332,712
<b>Net assets</b>	<b>1,163,536</b>
<b>Total equity</b>	<b>1,163,536</b>
Non-controlling interests	5,048
<b>Equity/NAV attributable to the owners of the Company</b>	<b>1,158,488</b>
NAV attributable to Shareholders per Share (S\$)	1.1517
Gearing ratio - Net <sup>(1)</sup>	Net cash position

Source: The Company's announcement relating to the unaudited financial results for FY2016

**Note:**

- (1) Calculated as total net borrowings (total loans and borrowings less cash and cash equivalents) divided by total equity.

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As at 30 June 2016, the unaudited NAV attributable to owners of the Company and the resultant NAV per Share were approximately S\$1,158.5 million and S\$1.1517, respectively.

We note that the majority of the assets of the Group comprise mainly development properties (including joint ventures), property, plant and equipment (including leasehold properties) and investment properties (including joint ventures). These assets, which in aggregate accounted for S\$1,278.0 million, accounted for approximately 71.6 % of the total assets of the Group as at 30 June 2016. As an asset based company, it is relevant for the purpose of the Offer to assess the market valuation of these properties and their impact on the NAV of the Group. As such, we set out these classes of assets in greater detail below.

### *Development properties*

The development properties are held through wholly-owned subsidiaries and 50:50 joint ventures of the Company.

Development properties are properties held for development and sale in the ordinary course of business. They include completed properties and properties in the course of development. Development properties are stated at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

Cost comprises costs that relate directly to the development, such as acquisition costs, and related costs that are attributable to development activities and can be allocated to the development project, including attributable borrowings costs.

Development properties are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method. Progress billings not yet paid by customers are included within “trade and other receivables”. Development properties are stated at cost if their revenue is recognised based on completion of contract method.

We understand from the Management that the development properties are recognised at cost in the books of the joint ventures.

### *Leasehold properties*

The leasehold properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of assets, other than freehold land and properties under construction, over the estimated useful lives of the assets using the straight-line method.

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### *Investment properties*

Investment properties which are held by wholly-owned subsidiaries and 50:50 joint ventures of the Company are, according to the accounting policies of the Group, initially recognised at cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from the changes in the fair value of investment property are included in profit or loss for the period in which they arise.

For the purpose of reporting its unaudited FY2016 financial results, the Company had commissioned CBRE, Knight Frank, Chambers, JLL-AU and C&W to conduct a valuation exercise on its investment properties. We note that the investment properties were revalued by the independent Valuers using various valuation methodologies including, capitalisation, discounted cash flow, direct sales comparison, and residual land approaches, pursuant to the Valuation Certificates as at 30 June 2016. These fair values have been incorporated into the Group's unaudited FY2016 results as at 30 June 2016 in accordance with the Group's accounting policies.

As at 30 June 2016, the NAVs of the Group's investment properties are as follows:

Investment Properties	Title	Description	Unaudited NAV As at 30 June 2016 (S\$'000)
170 Upper Bukit Timah Road #10-04 Bukit Timah Shopping Centre Singapore 588179	Leasehold (999 years from 17 December 1883)	Shop unit	2,080
52 Hillview Terrace Singapore 669271	Freehold	Industrial terrace factory building	5,500
50 Margaret Street Sydney New South Wales 2000 Australia	Freehold	Commercial building	75,512
747 Tarneit Road Tarneit Victoria 3029 Australia	Freehold	Shopping centre and land	39,389
759 - 761 Deception Bay Road Rothwell Queensland 4022 Australia	Freehold	Shopping centre	24,179
6 Coltman Plaza Lucas Victoria 3350 Australia	Freehold	Shopping centre	23,125

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Investment Properties	Title	Description	Unaudited NAV As at 30 June 2016 (S\$'000)
61 Water Gum Drive Jordan Springs New South Wales 2747 Australia	Freehold	Shopping centre	29,569
275 Pacific Highway Lake Munmorah New South Wales 2259 Australia	Freehold	Shopping centre and land	34,139
59 Albany Highway Victoria Park Western Australia 6100 Australia	Freehold	Commercial Building	70,270
2-4 Waverley Road, Lara Village Victoria 3212 Australia	Freehold	Shopping centre	31,023
752 and 768 Stafford Road, Everton Park Queensland 4053 Australia	Freehold	Shopping centre	70,240
3 Ang Mo Kio Street 62 #03-14 Link@AMK Singapore 569139	Leasehold (60 years from 28 June 2011)	Factory unit	1,000
3 Ang Mo Kio Street 62 #03-15 Link@AMK Singapore 569139	Leasehold (60 years from 28 June 2011)	Factory unit	1,000
Property held by Sim Lian JV (BP Retail) Pte. Ltd. – Mall project at 17 Petir Road, Singapore ("Hillion Mall")	Leasehold (99 years from 4, January 2013)	Shopping centre (under construction)	141,290 <sup>(1)</sup>
<b>Total</b>			<b>548,316</b>

**Note:**

(1) The unaudited NAV amount is only in relation to the Company's proportionate stake.

### 10.4.2 RNAV of the Group

The fair values of the development properties and leasehold properties were not recorded in the NAV of the Group as at 30 June 2016 in accordance with the Group's accounting policies. As such, it is relevant to evaluate the RNAV of the Group.

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### *Development properties*

For the purpose of the Offer, the Company had commissioned JLL-SG, CBRE and LDS to conduct a valuation exercise on its material development properties. The development properties were revalued by the independent Valuers on an “as-is” basis of the whole development project using various valuation methodologies including, the residual value approach and direct comparison method, pursuant to the Valuation Certificates as at 30 June 2016. We set out below the market valuation for the Group’s development properties as at 30 June 2016:

<b>Development Properties</b>	<b>Unaudited NBV As at 30 June 2016 (S\$'000)</b>	<b>Market Valuation Amount (S\$'000)</b>
Wandervale	266,636	268,200 <sup>(1)</sup>
Treasure Crest	195,343	220,000 <sup>(1)</sup>
Hillion Residences	138,976 <sup>(2)</sup>	166,450 <sup>(2)</sup>
Vision Exchange	444,440 <sup>(2)</sup>	545,500 <sup>(2)</sup>
KL Trillion	127,113	238,151 <sup>(3)</sup>
<b>Total</b>	<b>1,172,508</b>	<b>1,438,301</b>

**Notes:**

- (1) We have not adjusted for the potential clawback by the Singapore government of Additional Buyer's Stamp Duty (“ABSD”) for Wandervale and Treasure Crest ECs. Under the ABSD rules, developers are given five years within which to complete a housing project and sell all units, otherwise, they must pay the ABSD, which was initially set at 10% of the site's purchase price, and subsequently raised to 15% percent on 12 January 2013. In this respect, based on the information provided by the Company, as at the Latest Practicable Date, Wandervale is approximately 81% sold with its ABSD deadline in September 2019 and Treasure Crest is approximately 89% sold with its ABSD deadline in February 2020.
- (2) The net book value and market valuation amount is only in relation to the Company's proportionate stake.
- (3) The market valuation amount is based on the foreign exchange rate of S\$1.00:RM\$2.9963 as at the Offer Announcement Date extracted from Bloomberg L.P.

### *Leasehold properties*

Leasehold properties are properties held for the Group's own use, rental or capital appreciation. Leasehold properties are measured at the lower of cost and net realisable value.

For the purpose of reporting its unaudited FY2016 financial results, the Company had commissioned JLL-SG, Knight Frank, Chambers and Chesterton to conduct a valuation exercise on its leasehold properties. We note that the leasehold properties were revalued by the

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independent Valuers using various valuation methodologies including, the direct sales comparison approach, pursuant to the Valuation Certificates as at 30 June 2016. We set out below the market valuation for the Group's leasehold properties as at 30 June 2016:

Leasehold Properties	Title	Description	Unaudited NBV As at 30 June 2016 (S\$'000)	Market Valuation Amount (S\$'000)
6 Tuas South Street 2 Singapore 638042	Leasehold (60 years from 18 August 1993)	Flatted factory with warehouse	7,786	21,000
18 Boon Lay Way #05-121 TradeHub 21 Singapore 609966	Leasehold (60 years from 10 December 2003)	A factory unit	779	750
18 Boon Lay Way #05-122 TradeHub 21 Singapore 609966	Leasehold (60 years from 10 December 2003)	A factory unit	580	750
24 Woodlands Walk Singapore 738389	Leasehold (30 years from 1 November 1995 with an option for a further term of 30 years)	Industrial factory building	3,678	7,370
Plot of land at Tampines Industrial Drive Singapore	Leasehold (20 years from 23 September 2015)	Industrial land for proposed industrial development	8,581	6,710
<b>Total</b>			<b>21,404</b>	<b>36,580</b>

### *Market values of unsold units of completed development projects*

As at 30 June 2016, the Group has various unsold units from its completed development projects ("Unsold Units"). These Unsold Units are classified as development property and accounted for at cost less accumulated depreciation and accumulated impairment losses. We understand from the Management that it is the Group's intention to sell these units and has appointed property agencies to market to prospective buyers. Subsequent to 30 June 2016 and up till the Latest Practicable Date, the Group had sold some of the Unsold Units. We further understand from the Management that the listing prices of the rest of the Unsold Units approximate their respective market values as follows:

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Unsold Units of completed development properties as at 30 June 2016	Description	Unaudited NBV As at 30 June 2016 (S\$'000)	Aggregate Market Value (S\$'000)
8 units (with an aggregate of 8,538 sq ft)	Design, Build and Sell Scheme project at Tampines, Singapore (Centrale 8)	4,030	5,236 (consisting actual – 3,116; unsold – 2,120)
4 units (with an aggregate of 4,047 sq ft)	EC project at Tampines, Singapore (The Tampines Trilliant)	2,493	3,468 (All unsold – 3,468)
Unsold Unit held by Sim Lian JV (Punggol Central) Pte. Ltd. – 1 unit (4,876 sq ft)	Private residential unit at Punggol, Singapore (A Treasure Trove)	1,328 <sup>(1)</sup>	1,450 <sup>(1)</sup> (Sold)
20 units (with an aggregate of 50,957 sq ft)	Mixed landed project at Johor, Malaysia (Desa Baiduri)	2,317	3,417 <sup>(2)</sup> (consisting actual – 935; unsold – 2,482)
<b>Total</b>		<b>10,168</b>	<b>13,571</b>

**Notes:**

- (1) The net book value & market value are only in relation to the Company's proportionate stake.  
(2) The market value amount is based on the foreign exchange rate of S\$1.00:RM\$2.9963 as at the Offer Announcement Date extracted from Bloomberg L.P.

Accordingly, we have also taken into account the revaluation surplus attributable to the above Unsold Units as compared to their corresponding unaudited NBVs as at 30 June 2016.

In view of the market valuation of the above properties, we have assessed the RNAV of the Group based on the unaudited NAV of the Group as at 30 June 2016 and after adjusting for the potential revaluation surpluses from the development properties, leasehold properties and the Unsold Units. We have also considered whether there is any potential tax liability on the revaluation surplus which may affect the NAV per Share for the purpose of evaluating against the Offer Price, especially if the development properties, leasehold properties and the Unsold Units were to be sold at the valuation amount. In a hypothetical scenario where the development properties, leasehold properties and the Unsold Units are sold, then the Group may incur potential tax liabilities of approximately S\$53.6 million on the revaluation surpluses attributable to the development properties and the Unsold Units, based on the corporate income tax rate of 17% in Singapore and 24% in Malaysia. In respect to the leasehold properties, we were informed by the Management that as these leasehold properties house the Group's construction division business and are held for long term investment purposes for their own use and the Group has no current plans to dispose of their interests in the leasehold properties, there may not be any potential tax liability which may arise from the revaluation surplus from the leasehold properties which may affect our evaluation of the NAV per Share against the Offer Price.



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### 10.4.3 Price-to-NAV (“P/NAV”) and Price-to-RNAV (“P/RNAV”) ratios of the Group implied by the Offer Price

The NAV based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

The Group’s property development division has significant development property projects under its wholly-owned subsidiaries and joint ventures. Revenue arising from such development projects are recognized based mostly on the completion of contract method. As a result, the Group had recorded fluctuations in the Group’s earnings over the past five financial years.

Accordingly, an assessment of the Offer Price based on the historical price-earnings ratio (“P/E”) implied by the Offer Price would not be a meaningful valuation metric. We have therefore based our evaluation of the Offer using the implied P/NAV and P/RNAV ratios of the Group.

We have evaluated the implied P/NAV ratio of the Group as ascribed by the Offer Price based on the Group’s: (i) latest unaudited NAV as at 30 June 2016; and (ii) RNAV as at 30 June 2016.

The Group’s unaudited NAV attributable to Shareholders as at 30 June 2016 was S\$1,158.5 million or S\$1.1517 per Share. The Offer Price thus values the Group on a P/NAV ratio of approximately **0.938 times**.

The Group’s RNAV as at 30 June 2016 was S\$1,389.2 million or S\$1.3810 per Share. The Offer Price values the Group on a P/RNAV ratio of approximately **0.782 times**.

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We set out below the computation of the RNAV figures:

Summary of RNAV calculations	(S\$'000)
The Group's unaudited NAV as at 30 June 2016	1,158,488
Add: Revaluation Surplus of development properties, leasehold properties and Unsold Units <sup>(1)(2)</sup>	230,690
The Group's RNAV as at 30 June 2016	1,389,178
RNAV per Share (S\$)	1.3810
Discount of the Offer Price to the RNAV per Share	21.80%

**Notes:**

- (1) The calculation of the revaluation surplus of any particular property is only in relation to the Company's proportionate stake and/or after excluding non-controlling interests.
- (2) After taking into account potential tax liabilities arising from the hypothetical sale of the development properties and Unsold Units as advised by the Management.

From the above, we note the following with regard to the asset backing of the Group:

- (i) The Offer Price represents a discount of 6.23% to the unaudited NAV per Share of the Group as at 30 June 2016; and
- (ii) The Offer Price represents a discount of 21.80% to the RNAV per Share of the Group as at 30 June 2016.

Save for the above revaluation of the properties by the Valuers, in our evaluation of the financial terms of the Offer, we have also considered whether there are any tangible assets which should be valued at an amount that is materially different from that which were recorded in the statement of financial position of the Group as at 30 June 2016, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV as at 30 June 2016.

In respect of the above, the Directors have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

- (a) save for the revaluation surpluses arising from the valuations of the development properties, leasehold properties and investment properties, there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 June 2016 which would have a material impact on the NAV of the Group;

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- (b) other than that already provided for or disclosed in the Group's financial statements as at 30 June 2016, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;
- (c) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (d) save as disclosed in the unaudited statement of financial position of the Group as at 30 June 2016, there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (e) save as disclosed, there are no material acquisitions and disposals of assets by the Group between 30 June 2016 and the Latest Practicable Date nor does the Group have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

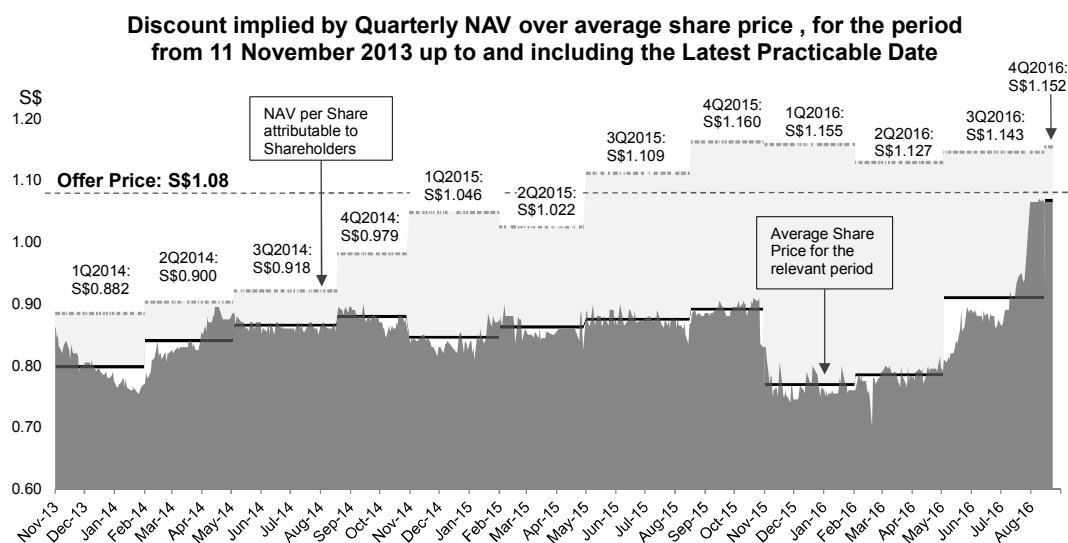
For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of the Company and the Group. We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Certificates for such asset appraisal and have not made any independent verification of the contents thereof.

The revised values of the investment properties are based on the valuations performed by the Valuers. We do not assume any responsibility to inquire about the basis of such valuations or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including Rule 26 of the Code.

### 10.5 Historical NAV per Share of the Group relative to the Share Prices

We have compared the discount of the average quarterly closing Share prices to the quarterly unaudited NAV per Share of the Group as reported by the Company, commencing from the unaudited financial statements for the three-month period ended 30 September 2013 announced on 11 November 2013 to the unaudited FY2016 financial statements (for the past 12 quarters preceding the Offer Announcement Date up to and including the Latest Practicable Date). We set out below a chart of the NAV attributable to Shareholders relative to the average quarterly closing Share prices for the corresponding periods:

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Source: Bloomberg L.P.

We observe the following regarding the Share price performance of the Company from 11 November 2013 to the Latest Practicable Date:

- The Shares have been trading at discounts below the respective NAV per Share for the relevant periods;
- The discount of the average Share price to the NAV per Share for each of the relevant periods are as follows:

Discount of average Share price to the NAV per Share for relevant periods	
Max	50.7%
Min	6.4%
Mean	22.1%
Median	21.4%
P/RNAV (as implied by the Offer Price)	21.8%

- The discount to the RNAV implied by the Offer Price of 21.80% is close to the mean and median of the average Share price to the NAV per Share for the relevant periods.

**Shareholders should note that the above computation is solely for illustration purposes as the NAV of the Company is not necessarily a realisable value given that the market value of the assets may vary depending on, amongst others, the prevailing market and economic conditions.**

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### 10.6 Valuation multiples of selected listed companies which are broadly comparable with the Group

For the purpose of assessing the Offer Price from a financial point of view, we have compared the implied multiples for the Offer against those of selected companies which we consider to be broadly comparable with the Group. As such, we have used the following broad criteria:

- (a) Similar companies that are principally engaged in the property development and/or property investment industry and the construction industry (excluding Real Estate Investment Trusts);
- (b) Companies listed on the SGX-ST; and
- (c) Companies with a market capitalisation of between S\$380 million to S\$2,300 million for a more meaningful comparison with the Group

(the “Comparable Companies”).

Based on the above mentioned criteria, we have identified 10 Comparable Companies.

We have had discussions with Management about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Capital IQ, publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The selected Comparable Companies’ accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Group.

**We wish to highlight that the Comparable Companies listed herewith are not exhaustive and to the best of our knowledge and belief, there are no publicly listed companies which may be considered directly comparable to the Company in terms of operations, market capitalisation, business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. Accordingly, any comparisons made with respect to the Comparable Companies can only serve as an illustrative guide.**

Brief descriptions of the Comparable Companies are set out as follows:

Description of Comparable Companies	
Company	Description
<b>GuocoLand Limited</b>	GuocoLand Limited, an investment holding company, engages in the development, investment, and management of various properties.
<b>Wheelock Properties (Singapore) Limited</b>	Wheelock Properties (Singapore) Limited owns, develops, constructs, manages, and sells residential, commercial, and retail properties principally in Singapore.

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Description of Comparable Companies	
Company	Description
<b>Wing Tai Holdings Limited</b>	Wing Tai Holdings Limited, an investment holding company, develops properties in Singapore, Malaysia, and the People's Republic of China.
<b>Bukit Sembawang Estates Limited</b>	Bukit Sembawang Estates Limited, an investment holding company, engages in the property development, investment, and other property-related activities in Singapore.
<b>Oxley Holdings Limited</b>	Oxley Holdings Limited, an investment holding company, develops and sells properties in Singapore.
<b>Fragrance Group Limited</b>	Fragrance Group Limited, an investment holding company, operates as a property developer in Singapore and Australia.
<b>GSH Corporation Limited</b>	GSH Corporation Limited, together with its subsidiaries, develops properties in Southeast Asia.
<b>Hong Fok Corporation Limited</b>	Hong Fok Corporation Limited, an investment holding company, engages in the investment, development, construction, and management of properties in Singapore and Hong Kong.
<b>Roxy-Pacific Holdings Limited</b>	Roxy-Pacific Holdings Limited, an investment holding company, invests in, develops, and sells residential and commercial, and hospital properties in Singapore.
<b>Chip Eng Seng Corporation Ltd</b>	Chip Eng Seng Corporation Ltd, an investment holding company, engages in the construction, property development and investments, and hospitality businesses primarily in Singapore, Australia, and Malaysia.

Source: Capital IQ

We have considered the following widely-used valuation multiples:

Valuation Multiple	Description
<b>P/E</b>	“P/E” or “price-to-earnings” multiple illustrates the ratio of the market price of a company's shares relative to its earnings per share. The P/E multiple is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to revenue recognition, depreciation and intangible assets.

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Valuation Multiple	Description
<b>EV/EBITDA</b>	<b>“EV”</b> or <b>“Enterprise Value”</b> is the sum of a company’s market capitalisation, minority interests, short-term and long-term debt less cash and cash equivalents. <b>“EBITDA”</b> stands for historical earnings before interest, tax, depreciation and amortisation expenses. The EV/EBITDA multiple compares the market value of a company’s business to its pre-tax operating cash flow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. However, unlike the P/E multiple, it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.
<b>P/NAV</b>	<b>“P/NAV”</b> is the ratio of the market capitalisation of a company relative to its net asset value. The P/NAV multiple is affected by differences in their respective accounting policies including their depreciation and asset valuation policies. The net asset value of a company provides an estimate of the value of a company assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, as well as any minority interests, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is backed by the assets of a company.

Source: Bloomberg L.P., PwCCF analysis

As disclosed in paragraph 10.4.3 of this IFA Letter, we note that asset-based companies such as those in the property development and property investment industry are typically valued on the basis of a P/NAV or P/RNAV ratio as they operate in an asset intensive industry and experience lumpy earnings throughout their investment and business cycles due to factors such as the timing of project completion, redevelopment of properties, the periodic revaluation of properties and the use of the percentage-of-completion and completion-of-contract methods. Notwithstanding the above, we have also presented the P/E and EV/EBITDA multiples for the Comparable Companies for illustrative purposes.

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For illustrative purposes only, the table below sets out the valuation multiples for the Comparable Companies as at the Offer Announcement Date:

Comparison of Valuation Metrics of Comparable Companies					
Company	Normalised Trailing 12M Net Income (S\$ mn)	Market Capitalisation as of Announcement Date (S\$ mn)	P/E (x)	EV/EBITDA (x)	P/NAV (x)
GuocoLand Limited <sup>(1)</sup>	184	2,278	12.4	15.9	0.7
Wheelock Properties (Singapore) Limited <sup>(2)</sup>	65	1,753	27.1	16.8	0.6
Wing Tai Holdings Limited <sup>(3)</sup>	128	1,360	10.6	11.2	0.4
Bukit Sembawang Estates Limited <sup>(4)</sup>	92	1,201	13.1	7.0	0.9
Oxley Holdings Limited <sup>(5)</sup>	221	1,142	5.2	10.9	2.1
Fragrance Group Limited <sup>(6)</sup>	18	1,128	63.9	71.8	1.1
GSH Corporation Limited <sup>(7)</sup>	14	690	49.4	31.6	1.9
Hong Fok Corporation Limited <sup>(8)</sup>	15	588	38.0	1738.4 <sup>(12)</sup>	0.4
Roxy-Pacific Holdings Limited <sup>(9)</sup>	41	549	13.3	18.4	1.2
Chip Eng Seng Corporation Ltd <sup>(10)</sup>	40	391	9.8	16.1	0.5
<b>Min</b>	14	391	5.2	7.0	0.4
<b>Max</b>	221	2,278	63.9	1738.4	2.1
<b>Median</b>	53	1,135	13.2	16.1	0.8
<b>Mean</b>	82	1,108	24.3	22.2	1.0
<b>The Company<sup>(11)</sup> (as implied by the Offer Price)</b>	69	1,086	<b>15.7</b>	<b>11.9</b>	<b>0.938</b> (P/NAV) <b>0.782</b> (P/RNAV)

Source: Bloomberg L.P.

### Notes:

- (1) GuocoLand Limited – Financial information reflects data for the last twelve months (“LTM”) ended 31 March 2016. EBITDA and net income figures have been adjusted for fair value gains on derivative financial instruments, fair value gains from investment properties, gains on disposal of interests in subsidiaries, gains on disposal of property, plant and equipment, gain on deemed disposal of interests in an associate, income from forfeiture of deposit, as well as loss on disposal of equity securities.
- (2) Wheelock Properties Singapore Limited – Financial information reflects data for the LTM ended 30 June 2016. EBITDA and net income figures have been adjusted for gain on disposal of property, plant and equipment, gain on disposal of investments, fair value loss on investment properties, write-back of diminution in value of development properties, exchange gains in fair value of forward exchange contracts and fair value hedges, as well as an exchange loss in realised forward exchange contracts.



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- (3) Wing Tai Holdings Limited – Financial information reflects data for the LTM ended 31 March 2016. EBITDA and net income figures have been adjusted for gain on disposal of property, plant and equipment, loss on disposal of a subsidiary company, fair value gains on investment properties, dilution loss on interest in an associated company, fair value gains on derivative financial instruments, write-off of property, plant and equipment as well as impairment loss on property, plant and equipment.
- (4) Bukit Sembawang Estates Limited – Financial information reflects data for the LTM ended 31 March 2016. No adjustments have been made to the EBITDA and net income figures.
- (5) Oxley Holdings Limited – Financial information reflects data for the LTM ended 31 March 2016. EBITDA and net income figures have been adjusted for gain on disposal of long-term investment, fair value gain on financial instruments, fair value loss arising on derivatives not in a designated hedge accounting relationship, as well as impairment loss on development properties.
- (6) Fragrance Group Limited – Financial information reflects data for the LTM ended 30 June 2016. EBITDA and net income figures have been adjusted for gain in fair value of held-for-trading investments, loss on disposal of held-for-trading investments, as well as fair value gain on investment property.
- (7) GSH Corporation Limited – Financial information reflects data for the LTM ended 30 June 2016. EBITDA and net income figures have been adjusted for gain in fair value of financial derivatives, gain on disposal of property, plant & equipment and gain in fair value of investment property.
- (8) Hong Fok Corporation Limited – Financial information reflects data for the LTM ended 30 June 2016. EBITDA and net income figures have been adjusted for gain in fair value of held-for-trading equity securities, gain on disposal of property, plant and equipment, loss on disposal of other assets, gain on disposal of subsidiaries, gain on revaluation of investment properties, as well as impairment on other assets.
- (9) Roxy-Pacific Holdings Limited – Financial information reflects data for the LTM ended 30 June 2016. EBITDA and net income figures have been adjusted for gain in investment properties, loss on currency interest rate swap, as well as impairment of investment in associates.
- (10) Chip Eng Seng Corporation Ltd – Financial information reflects data for the LTM ended 31 March 2016. EBITDA and net income figures have been adjusted for government grants, gain on disposal of property, plant and equipment, as well as disposal of show units.
- (11) The Company – Financial information reflects data for the FY ended 30 June 2016. EBITDA and net income figures have been adjusted for gain on disposal of property, plant and equipment, change in fair value of derivative financial instruments, and change in fair value of investment properties.
- (12) Excluded as statistical outlier in the median and mean computations.

Based on the above, we note the following:

- (a) The P/E multiple of 15.7 times implied by the Offer Price is within the range of the corresponding P/E multiples of Comparable Companies from 5.2 times to 63.9 times and above the median of 13.2 times of the P/E multiples of Comparable Companies, but below the mean of 24.3 times of the P/E multiples of Comparable Companies;
- (b) The EV/EBITDA multiple of 11.9 times implied by the Offer Price is within the range of the corresponding EV/EBITDA multiples of the Comparable Companies from 7.0 times to 1,738.4 times, but below the median of 16.1 times and the mean of 22.2 times of the corresponding EV/EBITDA multiples of the Comparable Companies;

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- (c) The P/NAV multiple of 0.938 times implied by the Offer Price is within the range of the corresponding P/NAV multiples of the Comparable Companies from 0.4 times to 2.1 times and above the median of 0.8 times of the P/NAV multiples, but below the mean of 1.0 times the P/NAV multiples of the Comparable Companies; and
- (d) The P/RNAV multiple of 0.782 times implied by the Offer Price is within the range of the corresponding P/NAV multiples of the Comparable Companies from 0.4 times to 2.1 times, but below the median and mean of 0.8 times and 1.0 times of the corresponding P/NAV multiples of the Comparable Companies respectively.

**Shareholders should note that any comparison made with respect to the Comparable Companies merely serve to provide an illustrative perceived market valuation of the Company as at the Latest Practicable Date.**

### **10.7 Recent selected successful privatisation take-over transactions on the SGX-ST**

As stated in the Offer Document, we note that, in the event that the Company does not meet the free float requirement pursuant to the Rule 723 of the Listing Manual, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted, and, if and when entitled, the Offeror intends to exercise its rights of compulsory acquisition pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore.

We have referred to voluntary general offers (“**VGO**”) and mandatory general offers (“**MGO**”) where the offeror had majority control (owning 50% or more of the issued shares in the target company as at the date of the offer announcement) and the offer resulted in a successful privatisation and delisting of the target company (“**Selected Successful Delisting/Privatisation Transactions**”). This resulting premium/(discount) analysis serves as a general indication of the relevant premium/(discount) that an offeror would have to pay to acquire the level of acceptances required to delist and privatise the target company without having regard to their specific industry characteristics or other considerations.

**We wish to highlight that the target companies set out under the Selected Successful Delisting/Privatisation Transactions are not directly comparable to the Company in terms of operations, market capitalisation, business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. Each of the Selected Successful Delisting/Privatisation Transactions must be considered on its own commercial and financial merits. We also wish to highlight that the list of Selected Successful Delisting/Privatisation Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.**

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Details of the Selected Successful Delisting/Privatisation Transactions announced from 1 January 2014 up to the Latest Practicable Date are set out as follows:

					Premium/(discount) of offer price over/(to):						
Announced Date	Company	Note	Type	% owned at offer	Last transacted price (%) <sup>(1)</sup>	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)	NAV/ Share (x)	
16-May-16	Eu Yan Sang International Ltd	(2)	VGO	63%	2.56	8.50	16.50	24.74	22.45	1.70	
09-May-16	China Merchants Holdings	(3)	VGO	78%	22.90	21.80	25.30	20.20	8.00	1.08	
27-Apr-16	Indiabulls Properties	(4)	MGO	51%	25.00	26.90	26.30	25.60	21.40	0.15	
07-Mar-16	OSIM International Limited	(5)	VGO	69%	27.00	40.90	42.50	16.70	(2.20)	2.60	
25-Feb-16	Xinren Aluminium Holdings Limited	(6)	VGO	75%	31.30	49.60	50.00	48.50	36.10	1.80	
24-Feb-16	China YongSheng Limited	(7)	VGO	68%	52.40	67.40	62.40	56.90	34.50	0.70	
23-Dec-15	Interplex Holdings Ltd	(8)	VGO	58%	15.50	11.10	13.10	16.50	11.40	1.73	
22-Dec-15	Li Heng Chemical Fibre	(9)	VGO	81%	115.10	100.80	104.50	60.30	58.70	0.40	
06-Nov-15	Tiger Airways Holdings Limited	(10)	VGO	56%	45.20	48.50	56.30	50.00	46.10	5.37	
01-Sep-15	Chosen Holdings Limited	(11)	VGO	51%	21.20	26.30	27.00	33.30	38.70	1.00	
17-Aug-15	Lizhong Wheel Group Limited	(12)	VGO	69%	96.08	87.27	79.21	92.31	96.08	0.83	
23-Jan-15	Keppel Land Ltd.	(13)	VGO	55%	20.00	25.00	28.80	28.20	29.60	0.88	
14-Jan-15	Popular Holdings Limited	(14)	VGO	61%	39.10	39.70	37.30	32.20	28.50	1.15	
03-Oct-14	UE E&C Ltd.	(15)	VGO	74%	(2.30)	2.70	5.00	(2.90)	6.90	1.30	
04-Nov-14	Forterra Trust	(16)	MGO	52%	32.35	51.10	49.70	39.80	25.07	0.58	
17-Nov-14	euNetworks Group Limited	(17)	MGO/VD	57%	32.60	58.40	69.20	101.20	95.37	1.60	
14-Nov-14	ECS Holdings Limited	(18)	VGO	90%	11.50	8.97	11.48	9.32	7.09	0.64	
25-Sep-14	Lee Kim Tah Holdings Limited	(19)	VGO	86%	6.40	11.80	12.30	13.50	15.02	1.04	
14-Apr-14	Capitamalls Asia Ltd.	(20)	VGO	70%	30.20	34.40	32.80	27.60	24.30	1.19	
24-Feb-14	Singapore Land Ltd.	(21)	VGO	80%	11.20	16.90	13.90	11.00	7.85	0.72	
06-Jan-14	Superbowl Holdings Limited	(22)	VGO	72%	15.40	34.90	41.20	45.00	52.00	2.12	
		Min			(2.3)	2.7	5.0	(2.9)	(2.2)	0.15	
		Max			115.1	100.8	104.5	101.2	96.1	5.37	
		Median			25.0	34.4	32.8	28.2	25.1	1.08	
		Mean			31.0	36.8	38.3	35.7	31.6	1.36	
08-Aug-16	The Company (Implied by the Offer Price)					14.9	16.6	19.5	21.3	23.0	0.938
											(P/NAV)
											0.782
											(P/RNAV)

Source: Bloomberg L.P., respective companies' filings

### Notes:

- (1) Last transacted price is calculated based on the last price on either the last trading day or unaffected date as defined in the respective circulars.
- (2) On 16 May 2016, Credit Suisse (Singapore) Limited announced, for and on behalf of the Righteous Crane Holding Pte. Ltd., to acquire all the shares, other than those shares owned, controlled or agreed to be acquired by the offeror as at the date of the offer. The market premia is calculated based on S\$0.585 per share. The time reference for calculation of premia is 9 May 2016, being the last full trading day of the company prior to the date of the offer announcement. NAV per share is as at 31 March 2016.
- (3) On 9 May 2016, DBS Bank Ltd announced, for and on behalf of Easton Overseas Limited, a voluntary conditional cash offer and to acquire the convertible bonds, other than those already owned, controlled or agreed to be acquired by the offeror. The market premia is calculated based on S\$0.83 per share. The time reference for calculation of premia is 5 May 2015, being the last full trading day of the company prior to the date of the offer announcement. NAV per share is as at 31 March 2016.
- (4) On the 27 April 2016, Deloitte & Touche Corporate Finance Pte Ltd, for and on behalf of Grapene Limited, announced, *inter alia*, a mandatory conditional cash offer to acquire all the offer units being all the units not already owned, controlled or agreed to be acquired by the offeror, its related corporations or their respective nominees. The market premia is calculated based on S\$0.200 per unit. The time reference for calculation of premia is 27 April 2016, being the last full trading day of the company prior to the date of the offer announcement. NAV per unit is as at 31 March 2016.

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- (5) On 7 March 2016, Credit Suisse (Singapore) Limited announced, for and on behalf of Vision Three Pte. Ltd., a voluntary unconditional cash offer of S\$1.321 per offer share for all the issued ordinary shares in the capital of OSIM International Ltd, other than those held in treasury and those already owned, controlled, or agreed to be acquired by the offeror as at the date of the offer and for all the outstanding principal amount of the convertible bonds. On 5 April 2016, Credit Suisse announced, for and on behalf of the offeror, which the offeror is revising the original offer price to S\$1.392 per offer share and the revised offer price for the convertible bonds will be the conversion ratio multiplied by S\$1.39 for one offer share. The market premia is calculated based on S\$1.1 per share. The time reference for calculation of premia is 29 February 2015, being the day shares and convertible bonds were unaffected by the offer and the convertible bonds offer. NAV per share is as at 31 December 2015.
- (6) 25 February 2016, DBS Bank Ltd announced, for and on behalf of Merit Stand Inc., *inter alia*, a voluntary conditional cash offer for all the issued shares other than those already owned, controlled or agreed to be acquired by the offeror. The market premia is calculated based on S\$0.457 per share. The time reference for calculation of premia is 24 February 2016, being the last full trading day of the company prior to the date of the offer announcement. NAV per share is as at 31 December 2015.
- (7) On 24 February 2016, CIMB Bank Berhad announced, for and on behalf of Torrington Place Pte. Ltd, a voluntary conditional cash offer for all the shares in the capital of the company. The market premia is calculated based on S\$0.021 per share. The time reference for calculation of premia is 23 February 2016, being the last full trading day of the company prior to the date of the offer announcement. NAV per share is as at 31 December 2015.
- (8) On 23 December 2015, DBS Bank Ltd announced, for and on behalf of Slater Pte. Limited, a pre-conditional offer for all the shares in accordance with Rule 15 of the Code subject to the fulfilment or waiver of certain pre-conditions to the making of the Offer. On the 29 February 2016, DBS announced that all the pre-conditions have been fulfilled and accordingly, DBS announced on the same day, for and on behalf of the offeror, the offeror's firm intention to make the offer. The market premia is calculated based on S\$0.710 per share. The time reference for calculation of premia is 22 December 2015, being the last full trading day of the company prior to the date of the offer announcement. NAV per share is as at 31 December 2015.
- (9) On 22 December 2015, Provenance Capital Pte Ltd announced, for and on behalf of Precious Joy Management Limited, a voluntary unconditional general offer for the shares other than those shares held, directly or indirectly by the offeror and parties acting in concert with it, as at the offer announcement date. The market premia is calculated based on S\$0.465 per share. The time reference for calculation of premia is 21 December 2015, being the last full trading day of the company prior to the date of the offer announcement. NAV per share is as at 30 September 2015.
- (10) On 6 November 2015, DBS Bank Ltd announced for and on behalf of Singapore Airlines Limited, a voluntary conditional general offer for all the issued ordinary shares in the capital of Tiger Airways Holdings Limited and the perpetual convertible capital securities issued by tiger airways, other than those already owned or agreed to be acquired by the offeror as at the date of the offer. On 4 January 2016, DBS announced, for and on behalf of the offeror, that the offeror has revised the offer price to the final offer price of S\$0.45 in cash for each offer share. The market premia is calculated based on S\$0.31 per share. The time reference for calculation of premia is 5 November 2015, being the day shares and convertible bonds were unaffected by the offer and the convertible bonds offer. NAV per share is as at 30 September 2015.
- (11) On 1 September 2015, Southshore Pte. Ltd. announced, *inter alia*, that it intends to acquire all the issued and paid-up ordinary shares (excluding treasury shares) in the capital of Chosen Holdings Limited, other than those already owned, controlled or agreed to be acquired by the offeror as at the date of the offer. The market premia is calculated based on S\$0.198 per share. The time reference for calculation of premia is 31 August 2015, being the last full day of trading in the shares prior to the offer announcement date. NAV per share is as at 30 June 2015.
- (12) On 17 August 2015, DBS Bank Ltd announced, for and on behalf of Berkley International Limited, that the offeror intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of the company, other than those shares held, directly or indirectly, by the offeror. The market premia is calculated based on S\$0.255 per share. The time reference for calculation of premia is 6 August 2015, being last trading day prior to the offer announcement date. NAV per share is as at 30 June 2015.

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- (13) On 23 January 2015, DBS Bank Ltd announced for and on behalf of Keppel Corporation Limited, a voluntary unconditional cash for all the issued ordinary shares (excluding treasury shares) in the capital of Keppel Land Limited. In addition, an offer has been made to the bondholders to acquire the convertible bonds, other than those already owned, controlled or agreed to be acquired by the offeror. The market premia is calculated based on S\$3.65 per share. The time reference for calculation of premia is 20 January 2015, being the day shares and convertible bonds were unaffected by the offer and the convertible bonds offer. NAV per share is as at 31 December 2014.
- (14) On 14 January 2015, CIMB Bank Berhad, Singapore Branch announced for and on behalf of Grand Apex Holdings Pte. Ltd., a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of the company other than those shares owned, controlled or agreed to be acquired, directly or indirectly by the offeror as at the date of the offer. The market premia is calculated based on S\$0.230 per share. The time reference for calculation of premia is 13 January 2015, being the market day on which the shares were last traded prior to the offer announcement date. NAV per share is as at 31 October 2014.
- (15) On 3 October 2014, DMG & Partners Securities Pte Ltd announced for and on behalf of Universal EC Investments Pte. Ltd., a voluntary conditional offer for all the issued and paid-up ordinary shares in the capital of UE E&C Ltd. On 15 October 2014, DMG announced, for and on behalf of the offeror, that the due diligence pre-condition had been satisfied. On 28 November 2014, UEL announced that it had obtained the approval of the shareholders of UEL for the UEL resolution. Accordingly, the pre-conditions were fulfilled as at 28 November 2014 and further to the satisfaction of the pre-conditions, DMG announced on the same day, for and on behalf of the offeror, the offeror's firm intention to make the offer. The market premia is calculated based on S\$1.28 per share. The time reference for calculation of premia is 30 September 2014, being the market day on which the shares were last traded prior to the offer announcement date. NAV per share is as at 30 September 2014.
- (16) On 4 November 2014, Credit Suisse (Singapore) Limited announced for and on behalf of New Precise Holdings Limited, a mandatory conditional cash offer to acquire all the offer units, at a price of S\$1.85 per offer unit. On 24 November 2014, Credit Suisse, for and on behalf of New Precise Holdings Limited, announced that the offeror acquired an additional 53,889,162 units by way of a number of married trades on the SGX-ST at S\$2.25 per unit. As a result of the Market Purchase, the total number of units owned by the offeror comprises 51.76% of the total number of issued units and 51.26% of the maximum potential total units in Forterra. In accordance with Rule 14.3 of the Code, the offer price has been revised to S\$2.25 in cash for calculation of premia is 21 November each offer unit. The market premia is calculated based on S\$1.700 per unit. The time reference 2014, being the market day on which the units were last traded prior to the offer announcement date. NAV per unit is as at 30 September 2014.
- (17) On 17 November 2014, J.P. Morgan (S.E.A.) Limited announced, for and on behalf of the offeror that the offeror has entered into unconditional purchase agreements with each of Fortress Partners Offshore Securities LLC, Fortress Partners Securities LLC and Mackenzie Cundill Recovery Fund, for the acquisition of an aggregate of 75,765,004 shares, representing 17.32% of the total issued shares. On 11 February 2015, the company and the offeror jointly announced that the offeror had presented to the directors a formal proposal to seek the delisting of the company pursuant to Rules 1307 and 1308 of the SGX-ST Listing Manual Section B: Rules of Catalist. The market premia is calculated based on S\$0.875 per share. The time reference for calculation of premia is 14 Nov 2014, being last traded day prior to the release of the offer announcement. NAV per share is as at 30 September 2014.
- (18) On 14 November 2014, United Overseas Bank Limited announced for and on behalf of VST Holdings Limited, a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of ECS Holdings Limited other than those already owned or agreed to be acquired by the offeror as at the date of the offer. The market premia is calculated based on S\$0.61 per share. The time reference for calculation of premia is 22 September 2014, being the market day before trading in the shares were halted due to the loss of public float, and trading in the shares was subsequently suspended on 25 September 2014. NAV per share is as at 30 September 2014.
- (19) On 25 September 2014, Oversea-Chinese Banking Corporation Limited announced for and on behalf of Lee Kim Tah Investments Pte Ltd, a voluntary conditional cash offer for all the issued ordinary shares in the capital of Lee Kim Tah Holdings Limited, including all the 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 as at the announcement date. The market premia is calculated based on S\$1.015 per share. The time reference for calculation of premia is 24 September 2014, being the market day on which the shares were last traded prior to the offer announcement date. NAV per share is as at 30 June 2014.

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- (20) On 14 April 2014, Credit Suisse (Singapore) Limited and Morgan Stanley Asia (Singapore) Pte. announced for and on behalf of Sound Investment Holdings Pte. Ltd., a voluntary conditional cash offer for all the remaining shares in the capital of Capitalmalls Asia Limited at a price of S\$2.221 in cash per offer share. On 16 May 2014, Credit Suisse and Morgan Stanley, for and on behalf of the offeror, issued an announcement that the offeror has revised the offer price to S\$2.35. The market premia is calculated based on S\$1.805 per share. The time reference for calculation of premia is 11 April 2014, being the last full trading day of the Shares on the SGX-ST immediately preceding the offer announcement date. NAV per share is as at 31 March 2014.
- (21) On 24 February 2014, United Overseas Bank Limited announced for and on behalf of UIC Enterprise Pte Ltd, a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of Singapore Land Limited. The market premia is calculated based on S\$8.45 per share. The time reference for calculation of premia is 19 February 2014, being the market day on which the shares were last traded prior to the offer announcement date. NAV per share is as at 31 December 2013.
- (22) On 7 October 2013, Maybank Kim Eng Securities Pte Ltd. announced on behalf of Hiap Hoe Strategic Pte Ltd, that HHS intends to make a voluntary conditional offer to acquire all the issued and paid up ordinary shares in the capital of the company, and the making of this offer and posting of the offer document is subject to certain pre-conditions agreed by the directors of HHS at a general meeting. On 6 January 2014, MKES announced that the EGM of HHS held on 6 January 2014, the pre-condition was satisfied and HHS announced a voluntary conditional cash offer for all the issued shares of SuperBowl Holdings Limited. The market premia are calculated based on the offer price of S\$0.75 per share. The time reference for calculation of premia is 1 October 2013, being the last trading day on which shares were traded prior to the pre-conditional offer announcement. NAV per share is as at 30 September 2013.

Based on the information above, we note the following:

- (a) The premium of the Offer Price over the last transacted price on the Last Trading Day of 14.9% is within the range of the corresponding premia/(discounts) of Selected Successful Delisting/Privatisation Transactions from (2.3%) to 115.1% but below the median and mean of 25.0% and 31.0% respectively;
- (b) The premium of the Offer Price over the 1-month VWAP of 16.6% is within the range of the corresponding premia of Selected Successful Delisting/Privatisation Transactions from 2.7% to 100.8%, but below the median and mean of 34.4% and 36.8% respectively;
- (c) The premium of the Offer Price over the 3-month VWAP of 19.5% is within the range of the corresponding premia of Selected Successful Delisting/Privatisation Transactions from 5.0% to 104.5% but below the median and mean of 32.8% and 38.3% respectively;
- (d) The premium of the Offer Price over the 6-month VWAP of 21.3% is within the range of the corresponding premia/(discounts) of Selected Successful Delisting/Privatisation Transactions from (2.9%) to 101.2% but below the median and the mean of 28.2% of 35.7% respectively;
- (e) The premium of the Offer Price over the 12-month VWAP of 23.0% is within the range of the corresponding premia/(discounts) of Selected Successful Delisting/Privatisation Transactions from (2.2%) to 96.1% but below the median and mean of 25.1% and 31.6% respectively;
- (f) The P/NAV ratio of 0.938 times is within the range of the corresponding P/NAV ratios of Selected Successful Delisting/Privatisation Transactions from 0.15 times to 5.37 times but is below the median and mean of 1.08 times and 1.36 times respectively; and



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- (g) The P/RNAV ratio of 0.782 times is within the range of the corresponding P/NAV ratios of Selected Successful Delisting/Privatisation Transactions from 0.15 times to 5.37 times but is below the median and mean of 1.08 times and 1.36 times respectively.

**We wish to highlight that market conditions of the Singapore capital markets based on the STI have been relatively volatile in recent months. As such, we have referenced the 12-month VWAP in our analysis to represent a longer view of the market for the consideration of Shareholders.**

Shareholders should note that the level of premium/(discount) an offeror would normally pay in any particular delisting and privatisation transaction depends on, *inter alia*, factors such as potential synergy that the offeror can gain by acquiring the target company, the significance of the cash reserves, the trading liquidity of the target company's shares, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profile of the target company's business and assets, size of consideration and existing and desired level of control in the target company. Therefore, the comparison of the Offer with the Selected Successful Delisting/Privatisation Transactions set out above is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

### **10.8 Recent selected take-over transactions of companies on the SGX-ST whose businesses are broadly comparable with the Group**

We have also compared the Offer with selected take-over offers for target companies whose businesses are broadly similar to the Group. This analysis serves as a general indication of the relevant premium/(discount) that offerors have paid in the property development industry without having regard to their specific transaction rationale, offeror's intention or other considerations.

Such take-over offers would include VGO, MGO and voluntary delistings ("VD") where the target company operates in the property development industry ("**Selected Comparable Transactions**").

**We wish to highlight that the target companies set out under the section are not directly comparable to the Company in terms of market capitalisation, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. Each of the Selected Comparable Transactions must be considered on its own commercial and financial merits. We also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.**



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Details of the Selected Comparable Transactions announced from 1 January 2014 up to the Latest Practicable Date are set out as follows:

Announced Date	Company	Note	Type	% owned at offer	Last transacted price (%) <sup>(1)</sup>	Premium/(discount) of offer price over/(to):						NAV/ Share (x)	RNAV/ Share (x)
						1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)				
27-Apr-16	Indiabulls Properties	(2)	MGO	51%	25.00	26.90	26.30	25.60	21.40			0.15	0.18
14-Oct-15	Starland Holdings Limited	(3)	MGO	83%	24.90	45.70	60.50	73.50	136.00			0.86	0.47
22-Sep-15	Eastern Holdings Ltd	(4)	VD	65%	30.40	37.10	35.10	32.50	22.00			1.18	0.82
23-Jan-15	Keppel Land Ltd.	(5)	VGO	55%	20.00	25.00	28.80	28.20	29.60			0.88	0.81
12-Jan-15	LCD Global Investments Ltd.	(6)	VGO	32%	10.00	11.50	13.40	13.40	41.00			1.22	1.22
04-Nov-14	Forterra Trust	(7)	MGO	52%	32.35	51.10	49.70	39.80	25.07			0.58	0.58
25-Sep-14	Lee Kim Tah Holdings Limited	(8)	VGO	86%	6.40	11.80	12.30	13.50	15.02			1.04	0.94
14-Apr-14	Capitamalls Asia Ltd.	(9)	VGO	70%	30.20	34.40	32.80	27.60	24.30			1.19	0.83
24-Feb-14	Singapore Land Ltd.	(10)	VGO	80%	11.20	16.90	13.90	11.00	7.85			0.72	0.72
					Min	6.4	11.5	12.3	11.0			0.15	0.18
					Max	32.4	51.1	60.5	73.5			1.22	1.22
					Median	24.9	26.9	28.8	27.6			0.88	0.81
					Mean	21.2	28.9	30.3	29.5			0.87	0.73
<b>08-Aug-16 The Company (Implied by the Offer Price)</b>						14.9	16.6	19.5	21.3	23.0		<b>0.938</b>	<b>0.782</b>

### Notes:

- (1) Last transacted price is calculated based on the last price on either the last trading day or unaffected date as defined in the respective circulars.
- (2) On the 27 April 2016, Deloitte & Touche Corporate Finance Pte Ltd, for and on behalf of Grapene Limited, announced, *inter alia*, a mandatory conditional cash offer to acquire all the offer units being all the units not already owned, controlled or agreed to be acquired by the offeror, its related corporations or their respective nominees. The market premia is calculated based on S\$0.200 per unit. The time reference for calculation of premia is 27 April 2016, being the last full trading day of the company prior to the date of the offer announcement. NAV per unit is as at 31 March 2016.
- (3) On 14 October 2015, UOB Kay Hian Private Limited announced, for and on behalf of the GRP Chongqing Land Pte. Ltd., *inter alia*, that: (a) the offeror had entered into a conditional sale and purchase agreement with the vendors and the beneficial owners, pursuant to which the vendors had agreed to sell, and the offeror had agreed to purchase, an aggregate of 120,000,000 shares or such other number of shares, representing approximately 82.91% of the total issued shares, at a price of approximately S\$0.236 per sale share; (b) completion of the acquisition was subject to the approval of the shareholders of GRP having been obtained for the transactions contemplated in the SPA upon the terms and conditions set out in the SPA; and (c) the offeror was required and intended to, upon satisfaction of the condition precedent, in accordance with Section 139 of the SFA and Rule 14 of the Code, make the offer for the offer shares. On the offer announcement date, UOBKH announced, for and on behalf of the offeror, *inter alia*, that on 13 January 2016, the shareholders of GRP had approved, *inter alia*, the acquisition and the making of the offer; and the offeror's firm intention to make the offer. The market premia is calculated based on S\$0.189 per share. The time reference for calculation of premia is 14 October 2015, being the last traded day prior to the pre-conditional offer announcement. NAV & RNAV per share is as at 30 September 2015.
- (4) On the Announcement Date, Eastern Holdings Ltd. and MBT Enterprises Pte. Ltd. jointly announced that the offeror had presented to the Board the Delisting Proposal to seek the voluntary delisting of the company from the Official List of the SGXST pursuant to Rules 1307 and 1309 of the Listing Manual. Under the terms of the delisting proposal, the offeror will make the exit offer to acquire all the shares in connection with the delisting and on the terms and subject to the conditions set out in the exit offer letter, as such exit offer may be amended, extended and revised from time to time by the offeror at S\$0.425 in cash for each share tendered in acceptance of the exit offer. NAV & RNAV per share is as at 30 September 2015.
- (5) On 23 January 2015, DBS Bank Ltd announced for and on behalf of Keppel Corporation Limited, a voluntary unconditional cash for all the issued ordinary shares (excluding treasury shares) in the capital of Keppel Land Limited.

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In addition, an offer has been made to the bondholders to acquire the convertible bonds, other than those already owned, controlled or agreed to be acquired by the offeror. The market premia is calculated based on S\$3.65 per share. The time reference for calculation of premia is 20 January 2015, being the day shares and convertible bonds were unaffected by the offer and the convertible bonds offer. NAV & RNAV per share is as at 31 December 2014.

- (6) On 12 January 2015, DBS Bank Ltd made the offer announcement, for and on behalf of the AF Global Pte. Ltd. in relation to the voluntary conditional cash offer for all the issued and paid-up shares (excluding treasury shares) in the capital of LCD Global Investments Pte. Ltd., other than those already owned, controlled or agreed to be acquired by the offeror and the offeror's relevant concert parties. On 14 January 2015, the company announced the cancellation of the rights issue. On the same day, DBS Bank, for and on behalf of the offeror, announced, *inter alia*, the offer price for the offer shares shall be S\$0.33 for each offer share. On 4 February 2015, DBS Bank, for and on behalf of the offeror, announced, *inter alia*, that the offer had become and was declared unconditional in all respects. The market premia is calculated based on S\$0.30 per share. The time reference for calculation of premia is 9 January 2015, being the last trading day prior to the offer announcement date. NAV & RNAV per share is as at 30 September 2014.
- (7) On 4 November 2014, Credit Suisse (Singapore) Limited announced for and on behalf of New Precise Holdings Limited, a mandatory conditional cash offer to acquire all the offer units, at a price of S\$1.85 per Offer Unit. On 24 November 2014, Credit Suisse, for and on behalf of New Precise Holdings Limited, announced that the offeror acquired an additional 53,889,162 units by way of a number of married trades on the SGX-ST at S\$2.25 per unit. As a result of the market purchase, the total number of units owned by the offeror comprises 51.76% of the total number of issued units and 51.26% of the maximum potential total units in Forterra. In accordance with Rule 14.3 of the Code, the offer price has been revised to S\$2.25 in cash for calculation of premia is 21 November each offer unit. The market premia is calculated based on S\$1.700 per unit. The time reference 2014, being the market day on which the units were last traded prior to the offer announcement date. NAV per unit is as at 30 September 2014.
- (8) On 25 September 2014, Oversea-Chinese Banking Corporation Limited announced for and on behalf of Lee Kim Tah Investments Pte Ltd, a voluntary conditional cash offer for all the issued ordinary shares in the capital of Lee Kim Tah Holdings Limited, including all the 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 as at the announcement date. The market premia is calculated based on S\$1.015 per share. The time reference for calculation of premia is 24 September 2014, being the market day on which the shares were last traded prior to the offer announcement date. NAV per share is as at 30 June 2014.
- (9) On 14 April 2014, Credit Suisse (Singapore) Limited and Morgan Stanley Asia (Singapore) Pte. announced for and on behalf of Sound Investment Holdings Pte. Ltd., a voluntary conditional cash offer for all the remaining shares in the capital of Capitalmalls Asia Limited at a price of S\$2.221 in cash per offer share. On 16 May 2014, Credit Suisse and Morgan Stanley, for and on behalf of the offeror, issued an announcement that the offeror has revised the offer price to S\$2.35. The market premia is calculated based on S\$1.805 per share. The time reference for calculation of premia is 11 April 2014, being the last full trading day of the shares on the SGX-ST immediately preceding the offer announcement date. NAV per share is as at 31 March 2014.
- (10) On 24 February 2014, United Overseas Bank Limited announced for and on behalf of UIC Enterprise Pte Ltd, a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of Singapore Land Limited. The market premia is calculated based on S\$8.45 per share. The time reference for calculation of premia is 19 February 2014, being the market day on which the shares were last traded prior to the offer announcement date. NAV per share is as at 31 December 2013.

Based on the information above, we note the following:

- (a) The premium of the Offer Price over the last transacted price on the Last Trading Day of 14.9% is within the range of the corresponding premia of Selected Comparable Transactions from 6.4% to 32.4% but below the median and mean of 24.9% and 21.2% respectively;

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- (b) The premium of the Offer Price over the 1-month VWAP of 16.6% is within the range of the corresponding premia of Selected Comparable Transactions from 11.5% to 51.1%, but below the median and mean of 26.9% and 28.9% respectively;
- (c) The premium of the Offer Price over the 3-month VWAP of 19.5% is within the range of the corresponding premia of Selected Comparable Transactions from 12.3% to 60.5% but below the median and mean of 28.8% and 30.3% respectively;
- (d) The premium of the Offer Price over the 6-month VWAP of 21.3% is within the range of the corresponding premia of Selected Comparable Transactions from 11.0% to 73.5% but below the median and the mean of 27.6% of 29.5% respectively;
- (e) The premium of the Offer Price over the 12-month VWAP of 23.0% is within the range of the corresponding premia of Selected Comparable Transactions from 7.9% to 136.0% but below the median and mean of 24.3% and 35.8% respectively;
- (f) The P/NAV ratio of 0.938 times is within the range of the corresponding P/NAV ratios of Selected Comparable Transactions from 0.15 times to 1.22 times and above the median and mean of 0.88 times and 0.87 times respectively; and
- (g) The P/RNAV ratio of 0.782 times is within the range of the corresponding P/RNAV ratios of Selected Comparable Transactions from 0.18 times to 1.22 times and slightly above the mean of 0.73 times, but is below the median of 0.81 times.

**Shareholders should note that the level of premium (if any) an offeror would normally pay in any particular transaction in the property development industry depends on, *inter alia*, factors such as potential synergy that the offeror can gain by acquiring the target company, the significance of the cash reserves, the trading liquidity of the target company's shares, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profile of the target company's business and assets, size of consideration and existing and desired level of control in the target company. Therefore, the comparison of the Offer with the Selected Comparable Transactions set out above is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.**

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### 10.9 Historical dividend yield of the Company

We set out below information on the dividend per Share declared by the Company in respect of the last three financial years:

Dividends declared	FY2014	FY2015	Unaudited FY2016
Dividends per Share (S\$)	0.046	0.0728	0.015
Dividend payout ratio <sup>(1)</sup>	27%	30%	22%
Average Share Price <sup>(2)</sup>	0.852	0.862	0.825
Dividend yield <sup>(3)</sup>	5.4%	8.4%	1.8%
Dividend yield (implied by the offer price)	4.3%	6.7%	1.4%

Source: Bloomberg L.P., PwCCF analysis

**Notes:**

- (1) Computed based on dividends divided by the profit attributable to owners of the Company for the respective financial year
- (2) Average daily closing price of the Shares for each respective financial year; and
- (3) Computed based on dividends per Share divided by the average Share price.

Based on the above, we note that over the last three financial years, the Company had regularly declared annual dividends of S\$0.046 in FY2014, S\$0.0728 in FY2015 & S\$0.015 in FY2016, representing dividend yields of between 1.8% and 8.4% per annum.

The Directors have confirmed that the Company has a dividend policy to distribute not less than 20% of its aggregated consolidated net profit after tax for each financial year and that they will recommend future dividend payouts after taking into consideration the Company's cash and financial position, financial performance of the Group, working capital requirements and projected capital expenditure plans. The absolute amount of such future dividends is dependent on the level of the Group's future earnings, which had recorded fluctuations in the past, due to, *inter alia*, accounting policies such as the completion of contract method, government measures and operating environment relating to the property market in Singapore.

As disclosed in the Company's financial results for FY2016 announced on 25 August 2016, the Company has proposed a Final Dividend of S\$0.015 per Share. The proposed Final Dividend will be tabled for approval at the Company's upcoming AGM. Shareholders should take note of any announcements that would be made by the Company on the notice of the AGM, and if approved, the books closure date and the payment date of the Final Dividend. **Shareholders are to take note of the disclosure in paragraph 3 of this IFA Letter and Section 2.5 of the Offer Document with respect the Final Dividend pursuant to the terms of the Offer.**

**We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy. There is no assurance that the Company will continue to pay dividends in future and/or maintain the level of dividends paid in the past periods.**

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### 10.10 Other relevant considerations in relation to the Offer which may have a significant bearing on our evaluation

#### 10.10.1 Final Offer Price

Pursuant to the Offer Announcement, the Offeror has announced that it does not intend to revise the Offer Price. Shareholders should note that the Offer Price of S\$1.08 per Share is final and will not be revised.

#### 10.10.2 No extension of the Closing Date

Pursuant to the Unconditional Offer Announcement, the Offeror has also given the Shut-Off Notice for the Offer to close at 5.30 p.m. (Singapore time) on 10 October 2016 in accordance with Rule 22.3 of the Code.

**The Offeror has no intention of extending the Offer beyond the Final Closing Date. Accordingly, the Offer will not be open for acceptance beyond 5.30 p.m. on the Final Closing Date. Acceptances received after 5.30 p.m. on the Final Closing Date will be rejected.**

#### 10.10.3 Irrevocable Undertakings

We note that the Undertaking Parties, namely, SLH and the Kuik Family, have irrevocably undertaken to accept the Offer in relation to their aggregate 808,307,091 Shares, representing approximately 80.36% of the total Shares outstanding as at the Offer Announcement Date.

Pursuant to the Irrevocable Undertakings, each of the Undertaking Parties, save for Mr. Kuik Sin Pin, Mr. Kuik Sing Beng, Ms. Kuik Sin Leng and Mr. Kuik Sin Pheng, has waived his/her right to receive any consideration payable to him/her for the acceptance of his/her Offer Shares ("**Waiver**"). SIC has confirmed that the subscription of shares in the Offeror by the Controlling Shareholders and the Waiver do not constitute a special deal for the purposes of the Code.

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

#### 10.10.4 Unconditional Offer

Pursuant to the Unconditional Offer Announcement, OCBC Bank announced for and on behalf of the Offeror that as at 5.00 p.m. on 5 September 2016, the total number of: (a) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties; and (b) valid acceptances of the Offer, was an aggregate of 906,270,500 Shares, representing approximately 90.10% of the issued Shares. **Accordingly, the Offer has become unconditional in all respects.**

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### 10.10.5 Listing Status of the Company and Compulsory Acquisition

#### *Listing Status of the Company*

Under Rule 1105 of the Listing Manual, in the event the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90% of the Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST at the close of the Offer.

In addition, under Rule 723 of the Listing Manual, to maintain its listing status on the SGX-ST, the Company must ensure that at least 10% of the total issued Shares is at all times held by the public Shareholders. Pursuant to Rule 724(1) of the Listing Manual, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares on the SGX-ST.

As stated in the Offer Document, in the event the Company does not meet the Free Float Requirements of the Listing Manual, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension of the Shares by the SGX-ST to be lifted.

Pursuant to the Unconditional Announcement, as a result of the valid acceptances of the Offer, the Company had announced on 6 September 2016 that the number of Shares in public hands is less than 10% of the issued Shares (excluding treasury Shares). As a result, as at 6 September 2016, based on publicly available information, the shareholding in the Company held in public hands is less than 10% of the issued Shares, and accordingly, the Free Float Requirement is no longer satisfied. In accordance with Rule 1303(1) of the Listing Manual, the SGX-ST will suspend the trading of the Shares at the close of the Offer.

#### *Compulsory Acquisition*

As stated in the Offer Document, pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore in the event that the Offeror acquires not less than 90% of the total number of issued Shares (excluding treasury Shares) as at the final closing date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Offer Price.

Pursuant to the Unconditional Offer Announcement, as the Offeror has received valid acceptances which, when taken together with the Shares acquired or agreed to be acquired from the Commencement Date, is not less than 90% of the total number of issued Shares (excluding treasury Shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), **the Offer is entitled and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore to compulsorily acquire all the Shares not acquired under the Offer at the Offer Price for each Share. The Offeror will then proceed to delist the Company from the SGX-ST.**

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In addition, pursuant to Section 215(3) of the Companies Act, Chapter 50 of Singapore, the Shareholders who have not accepted the Offer will have the right to require the Offeror to acquire their Shares at the Offer Price. As the Offeror will be proceeding to compulsorily acquire the Shares of such Shareholders, such Shareholders need not take any action in relation to their right under Section 215(3) of the Companies Act, Chapter 50 of Singapore. Such Shareholders who wish to exercise such a right or who are in doubt about their position are advised to seek their own independent legal advice.

In respect of valid acceptances of the Offer on or after the date of the Unconditional Offer Announcement, but before the Final Closing Date, the relevant amounts for the Offer Shares validly tendered in acceptance of the Offer will be despatched within seven business days of the Offeror's receipt of such valid acceptances. Please refer to Appendix 1 to the Offer Document for details of the Offer on the settlement of the consideration of the Offer.

### 10.10.6 Absence of alternative offers from third parties

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

The likelihood of a competing offer from any third party is also remote given that the Offer has become unconditional in all respects and the Offeror and parties acting in concert with it have already secured holdings of approximately 90.10% of the total number of issued Shares as at the date of the Unconditional Offer Announcement.

### 10.10.7 Statements of Prospects

We note that the Company had, in each of the three announcements of its unaudited results of the Company for the first quarter and the three-month period ended 30 September 2015 ("**1Q2016**"), the second quarter and the six-month period ended 31 December 2015 ("**2Q2016**"), and the third quarter and the nine-month period ended 31 March 2016 ("**3Q2016**"), on 11 November 2015, 12 February 2016 and 13 May 2016 respectively, included a commentary on the Group's prospects which we reproduce in italics below:

*"The Group expects to achieve a set of profitable operating results for FY2016."*

The above commentaries were not made in connection with the Offer. However, the commentaries made in the 1Q2016, 2Q2016 and 3Q2016 results announcements constitute statements of prospects (the "Statement of Prospects") pursuant to the Code. Accordingly, pursuant to the Code, the above Statements of Prospects were commented on by the auditors of the Company and by us. The auditors of the Company had opined that the Statements of Prospects in so far as the accounting policies and calculations are concerned, are properly prepared on the bases and assumptions, and in all material respects, are consistent with the accounting policies normally



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adopted by the Group. On our part, we are of the view that the Statements of Prospects had been issued by the Board of Directors of the Company after due and careful enquiry. Please refer to the letter from the auditors and our letter on the Statements of Prospects as set out in Appendices VI and VII, respectively to the Circular.

### 10.10.8 Unaudited FY2016 results announcement

The Company had, in its results announcement dated 25 August 2016 in relation to the FY2016 results, disclosed that the Group is facing a challenging operating environment. We note that the Group had stated a commentary which we reproduce in italics below:

*“With the property cooling and loan restriction measures still in effect since June 2013 and the expected global slow growth, the Group expects the operating environment for property market to continue to be challenging.”*

### 10.10.9 Directors' intention in relation to the Offer

As set out in Section 6 of the Circular, other than Mr. Kuik Ah Han, Mr. Kuik Thiam Huat, Mr. Kuik Sin Pin and Mr. Kuik Sing Beng, who have given the Irrevocable Undertakings to accept the Offer, the other Director, namely, Dr. Sim Loo Lee who holds Shares in the Company, has informed the Company that she intends to accept, or procure the acceptance of, the Offer in respect of her interest (whether direct or deemed) in the Shares. Dr. Sim holds, directly and indirectly, an aggregate of 450,000 Shares, representing 0.045% of the total issued Shares as at the Latest Practicable Date.

## 11. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer to the Independent Directors, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Offer. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out the following key factors that we consider to be pertinent in our assessment of the fairness of the Offer:

- (a) The Offer Price represents a discount of 6.23% to the unaudited NAV per Share of the Group as at 30 June 2016;
- (b) The Offer Price represents a discount of 21.80% to the RNAV per Share of the Group as at 30 June 2016;
- (c) The discount to the RNAV implied by the Offer Price of 21.80% is close to the mean and median of the historical average Share price to the NAV per Share for the relevant periods from 11 November 2013 to the Latest Practicable Date.

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- (d) The P/E multiple implied by the Offer Price is within the range and above the median, but below the mean of the P/E multiples of the Comparable Companies;
- (e) The EV/EBITDA multiple as implied by the Offer Price is within the range but below the mean and median of the EV/EBITDA multiples of the Comparable Companies;
- (f) The P/NAV multiple as implied by the Offer Price is within the range and above the median, but below the mean of the P/NAV multiples of the Comparable Companies;
- (g) The P/RNAV multiple as implied by the Offer Price is within the range but below the mean and median of the P/NAV multiples of the Comparable Companies;
- (h) The P/NAV and P/RNAV ratios implied by the Offer Price are within the range but are both below the median and mean of the corresponding P/NAV ratios of the Selected Successful Delisting/Privatisation Transactions;
- (i) The P/NAV ratio implied by the Offer Price is within the range and above the median and mean of the corresponding P/NAV ratios of the Selected Comparable Transactions; and
- (j) The P/RNAV ratio implied by the Offer Price is within the range and slightly above the mean but is below the median of the corresponding P/RNAV ratios of the Selected Comparable Transactions.

We set out the other key factors that we consider to be pertinent in our assessment of the Offer:

- (a) The Offer Price represents a premium of S\$0.380 (or 54.3%) and S\$0.130 (or 13.7%) above the lowest transacted price and the highest transacted price of the Shares for the entire period since 11 August 2015 and up to the Offer Announcement Date;
- (b) Since 10 August 2016 (first Market Day after the Offer Announcement Date and lifting of the trading halt) and up to the Latest Practicable Date, the Shares have been trading close to the Offer Price of between S\$1.065 and S\$1.070. As at the Latest Practicable Date, the Offer Price represents a slight premium of S\$0.010 (or 0.93%) above the last transacted price of the Shares of S\$1.070;
- (c) The Offer Price represents a premium of approximately 14.9%, 16.6%, 19.5%, 21.3% and 23.0% to the Last Trading Day prior to the Offer Announcement Date and the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date respectively;
- (d) The Shares have generally outperformed the STI over the 12-month preceding the Offer Announcement Date and up to and including the Latest Practicable Date;

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- (e) Over the 12-month period prior to the Offer Announcement Date, both the average daily trading value as a percentage of its market capitalisation and the average daily trading volume as a percentage of its total Shares outstanding are low;
- (f) For the 12-month period preceding the Offer Announcement Date, the Company's average daily trading value as a percentage of its market capitalisation, as well as the average daily trading volume as a percentage of its total Shares outstanding, are below the median and mean of the liquidity measure of SGX Mainboard listed companies between S\$900 million and S\$1,100 million;
- (g) The premium implied by the Offer Price over the last transacted price on the Last Trading Day, VWAP for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date of the Shares is within the range but below the median and mean of the corresponding premia/(discounts) of the Selected Successful Delisting/Privatisation Transactions;
- (h) The premium implied by the Offer Price over the last transacted price on the Last Trading Day, VWAP for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date of the Shares is within the range but below the median and mean of the corresponding premia of the Selected Comparable Transactions;
- (i) The Company had declared dividends over the last three financial years, with dividend payout ratios of between 22% to 30% pursuant to its dividend policy, although we note that the quantum of dividends paid by the Company in any year would depend on various factors, including but not limited to, the financial performance of the Group, working capital requirements and projected capital expenditure plans;
- (j) The Offer Price is final and will not be revised;
- (k) The Offeror and parties acting in concert with it have already secured holdings of an aggregate of 906,270,500 Shares (including valid acceptances of the Offer), representing approximately 90.10% of the total number of issued Shares as at the date of the Unconditional Offer Announcement and the Directors have confirmed that there is no alternative offer or proposal received from any third party;
- (l) The Free Float Requirement is not met as at the date of the Unconditional Offer Announcement and the SGX-ST will suspend the trading of the Shares at the close of the Offer. The Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for the trading suspension of the Shares to be lifted; and
- (m) Pursuant to the Unconditional Offer Announcement, as the Offeror had acquired not less than 90% of the total number of issued Shares (excluding treasury Shares) other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date, the Offeror is entitled and intends to exercise its right of compulsory acquisition.

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**Based on our analysis including the qualifications made therein, we are of the opinion that, on balance, the Offer is NOT FAIR BUT REASONABLE, from a financial point of view, in the context of a non-change of control transaction.**

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

- (a) That the Offer Price is at a discount of 21.80% to the RNAV per Share of the Group as at 30 June 2016;
- (b) That the various valuation multiples implied by the Offer Price are generally lower than the historical traded multiples of the Comparable Companies; and
- (c) That the NAV and RNAV ratios implied by the Offer Price are below the median and mean of the corresponding ratios of the Selected Successful Delisting/Privatisation Transactions and Selected Comparable Transactions.

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

- (a) As at the date of the Unconditional Offer Announcement, the Offer has become unconditional in all respects and the Offeror and parties acting in concert with it have already secured holdings of approximately 90.10% of the total number of issued Shares (including valid acceptances of the Offer), making the likelihood of a competing offer from any third party remote;
- (b) As the Offer has become unconditional in all respects, the Offeror is entitled and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore to acquire all the remaining Shares from Shareholders who have not accepted the Offer by the close of the Offer;
- (c) The Offeror has stated that it does not intend to revise the Offer Price. The Share price appears to be supported by the Offer as at the Latest Practicable Date. In addition, SGX-ST will suspend the trading of the Shares at the close of the Offer as the Free Float Requirement is no longer satisfied; and
- (d) While the premium implied by the Offer Price over the historical traded prices of the Shares are not attractive as compared to the Selected Successful Delisting/Privatisation Transactions, given the above circumstance and in view of the fact of the low trading liquidity of the Shares and that the Offer Price is at a premium above the historical traded price of the Shares over the last 12 months prior to the Offer Announcement Date, the Offer provides Shareholders with an opportunity to realise their investment in the Shares at the Offer Price, which is at a premium to recent Share prices and may otherwise not be available given the low trading liquidity.

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Accordingly, on the balance of the above factors that we have taken into consideration, we advise that the Independent Directors recommend the Shareholders to **ACCEPT** the Offer. Alternatively, such Shareholders should consider selling their Shares in the open market if they are able to obtain a price higher than the Offer Price (after deducting related expenses). The Independent Directors may also wish to consider highlighting that as at the date of the Unconditional Offer Announcement, the Free Float Requirement of the Company is no longer satisfied and that the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for the trading suspension of the Shares to be lifted. As such, the trading of the Shares will be suspended after the close of the Offer. Shareholders who do not accept the Offer by the close of the Offer should note that the Offeror is entitled and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore.

For the purposes of providing this letter and our evaluation of whether the Offer is fair and reasonable from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company, the Group, or any part or division of any of the foregoing. We are not required to express, and we do not express, an opinion on the future growth prospects and earnings potential of the Company.

Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinion also does not incorporate an assessment of the price at which the Shares may trade following the success or failure of the Offer. Such factors (including the aforesaid illustrations) are beyond the ambit of our review and do not fall within our terms of reference in connection with the Offer.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Shareholders and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors. As each Shareholder would have different objectives and profiles, we recommend that any individual Shareholder who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Shareholders should note that trading of the Shares are subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, save as highlighted about in this IFA Letter, our advice on the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established beyond the Latest Practicable Date.

This IFA Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Offer. The recommendation made by the Independent Directors to the Shareholders in relation to the Offer remains the responsibility of the Independent Directors.

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

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

Yours faithfully

For and on behalf of

**PricewaterhouseCoopers Corporate Finance Pte Ltd**

Ling Tok Hong

Managing Director

## APPENDIX II – ADDITIONAL GENERAL INFORMATION

### 1. DIRECTORS

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

Name	Address	Description
Mr. Kuik Ah Han	205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181	<i>Executive Chairman</i>
Mr. Kuik Thiam Huat	205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181	<i>Non-Executive Deputy Chairman</i>
Mr. Kuik Sin Pin	205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181	<i>Group Chief Executive Officer</i>
Mr. Kuik Sing Beng	205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181	<i>Executive Director</i>
Dr. Sim Loo Lee	205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181	<i>Non-Executive, Lead Independent Director</i>
Mr. Tan Hong Bak	205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181	<i>Non-Executive, Independent Director</i>
Mr. Robson Lee Teck Leng	205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181	<i>Non-Executive, Independent Director</i>

### 2. PRINCIPAL ACTIVITIES

The Company is a public company limited by shares incorporated in Singapore and has been listed on the Main Board of the SGX-ST since 2000. Its principal activity is that of investment holding. The Company has a broad portfolio of residential, commercial, industrial, retail and mixed-use developments. It has launched twenty-four (24) development projects to date, including three (3) projects in Malaysia. The Company also has a property investment portfolio of two (2) freehold commercial properties and nine (9) investment-grade neighbourhood shopping centres in Australia. Its portfolio of projects in Singapore include *The Tampines Trilliant*, *The Premiere @ Tampines*, *Parc Vera*, *Clover by the Park*, *Waterview*, *Parc Lumiere* and *The Lincoln Residences*. Projects in Malaysia are *Taman Bukit Bayu*, and mixed-use developments, *KL Trillion* and *Desa Baiduri*.

### 3. SHARE CAPITAL

- 3.1 Issued Share Capital.** The Company has only one class of shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$155,181,186 comprising 1,005,890,466 Shares (excluding treasury shares). The Company does not hold any treasury shares. The Shares are quoted and listed on the

## APPENDIX II – ADDITIONAL GENERAL INFORMATION

Mainboard of the SGX-ST. The Company does not have any outstanding instruments convertible into, rights to subscribe for, or options in respect of, Shares or securities which carry voting rights in the Company as at the Latest Practicable Date.

**3.2 Rights of Shareholders in respect of Capital, Dividends and Voting.** The rights of Shareholders in respect of capital, dividends and voting as contained in the Constitution are set out in Appendix IV to this Circular.

**3.3 Number of Shares Issued.** No new Shares were allotted and issued during the period commencing from the end of the last financial year up to the Latest Practicable Date.

**3.4 Outstanding Instruments Convertible into Shares.** As at the Latest Practicable Date there are no outstanding instruments convertible into, rights to subscribe for, or options in respect of, securities being offered for or which carry voting rights affecting the Shares.

### 4. FINANCIAL INFORMATION

**4.1 Consolidated Income Statements.** A summary of the audited consolidated income statements of the Group for the past three (3) financial years ended 30 June 2013, 30 June 2014 and 30 June 2015, and the unaudited consolidated income statements of the Group for FY2016, is set out below. The following summary should be read together with the audited consolidated financial statements for the relevant financial periods and related notes thereto, which are available on the website of the Company at [www.simlian.com.sg](http://www.simlian.com.sg). The audited consolidated financial statements of the Group for FY2015 and the unaudited consolidated financial statements of the Group for FY2016, are set out in Appendices VIII and IX to this Circular respectively.

(S\$'000)	FY2013	Audited FY2014	FY2015	Unaudited FY2016
Revenue	742,247	714,663	1,193,233	570,917
Exceptional items	—	—	—	—
Profit/(Loss) before taxation	194,804	200,097	279,906	86,231
Profit/(Loss) after taxation	167,939	171,809	241,248	70,946
Attributable to:				
Owners of the Company	166,852	170,980	240,365	68,794
Non-controlling interests	1,087	829	883	2,152
Earnings per Share <sup>(1)</sup>				
– Basic (cents)	17.24	17.00	23.90	6.84
– Diluted (cents)	17.24	17.00	23.90	6.84
Net dividend per Share (cents)	4.60	4.60	7.28	1.50

**Note(s):**

- (1) Earnings per share for FY2013 is calculated based on the profit attributable to owners of the Company divided by the weighted average number of shares of 967,900,129 after the allotment of 80,153,024 new shares to eligible shareholders who have elected to participate in the Scrip Dividend Scheme in FY2013.



## APPENDIX II – ADDITIONAL GENERAL INFORMATION

**4.2 Consolidated Statements of Financial Position.** A summary of the audited consolidated statement of financial position of the Group as at 30 June 2015 and the unaudited consolidated statement of financial position of the Group as at 30 June 2016 is set out below. The following summary should be read together with the audited consolidated financial statements for the financial year ended 30 June 2015 and the unaudited consolidated financial statements of the Group for the financial year ended 30 June 2016 and the related notes thereto, which are respectively set out in Appendices VIII and IX to this Circular.

(S\$'000)	Audited as at 30 June 2015	Unaudited as at 30 June 2016
Non-current assets	606,499	685,441
Current assets	1,041,726	1,099,957
Non-current liabilities	112,982	289,150
Current liabilities	364,757	332,712
<b>Net assets</b>	<b>1,170,486</b>	<b>1,163,536</b>
Share capital	155,181	155,181
Reserves & Retained earnings	1,011,633	1,003,307
Non-controlling interests	3,672	5,048
<b>Total equity</b>	<b>1,170,486</b>	<b>1,163,536</b>

**4.3 Material Changes in Financial Position.** Save as disclosed in this Circular, the Offer Document and publicly available information on the Company, there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 30 June 2015, being the date of the last published audited financial statements of the Company were made up.

**4.4 Significant Accounting Policies.** A summary of the significant accounting policies of the Group is set out in the notes to the audited consolidated financial statements of the Group for FY2015, a copy of which is attached as Appendix VIII to this Circular. Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2015, there are no significant accounting policies or any matter from such notes, which are of any major relevance for the interpretation of the accounts of the Group referred to in the Appendices.

**4.5 No Change in Accounting Policies.** There is no change in the accounting policies of the Group which would cause the financial information disclosed in the Appendices not to be comparable to a material extent.

## APPENDIX II – ADDITIONAL GENERAL INFORMATION

**4.6 Statements of Prospects.** The following statement set out in italics below (the “**Statements of Prospects**”) has been extracted from Paragraph 10 of the Company’s financial results announcements for 1Q2016, 2Q2016 and 3Q2016 and must be read in the context of this document:

*“The Group expects to achieve a set of profitable operating results for FY2016.”*

Shareholders should note that the Directors have set out in Appendix V to this Circular, the bases and assumptions for the Statements of Prospects. The Auditors and the IFA have each issued a letter in relation to the Statements of Prospects, which are set out in Appendix VI and Appendix VII to this Circular respectively. Shareholders are urged to read Appendix V, Appendix VI and Appendix VII carefully.

## 5. DISCLOSURE OF INTERESTS

**5.1 Interests and Dealings in Shares and Convertible Securities.** The number of Shares owned, controlled or agreed to be acquired by (a) the Offeror, (b) OCBC, (c) LAK, (d) KAC, (e) KCM, (f) KSL, (g) KSPG, (h) SLH, (i) Mdm. Lim Ching Mei (together, the “**Relevant Persons**” and each a “**Relevant Person**”) and (j) the Directors as at the Latest Practicable Date are set out in the following table:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Relevant Persons</b>						
Offeror	—	—	—	—	—	—
OCBC	—	—	—	—	—	—
LAK <sup>(2)</sup>	103,598,077	10.30	566,624,738	56.33	670,222,815	66.63
KAC	32,746,000	3.26	—	—	32,746,000	3.26
KCM	33,000,000	3.28	—	—	33,000,000	3.28
KSL	1,700,000	0.17	—	—	1,700,000	0.17
KSPG	12,433,875	1.24	—	—	12,433,875	1.24
SLH	552,163,285	54.89	—	—	552,163,285	54.89
Lim Ching Mei <sup>(3)</sup>	769,000	0.08	3,021,999	0.30	3,790,999	0.38
<b>Directors</b>						
KAH <sup>(4)</sup>	14,461,453	1.44	655,761,362	65.19	670,222,815	66.63
KTH	42,500,000	4.23	—	—	42,500,000	4.23
KSP	12,682,402	1.26	—	—	12,682,402	1.26
KSB <sup>(5)</sup>	3,021,999	0.30	769,000	0.08	3,790,999	0.38
Dr. Sim Loo Lee	450,000	0.04	—	—	450,000	0.04
Tan Hong Bak	—	—	—	—	—	—
Robson Lee Teck Leng	—	—	—	—	—	—

## APPENDIX II – ADDITIONAL GENERAL INFORMATION

### Notes:

- (1) Based on 1,005,890,466 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.
- (2) LAK is deemed interested in 566,624,738 Shares comprising 552,163,285 Shares held by SLH and 14,461,453 Shares held by her spouse, KAH.
- (3) Mdm. Lim Ching Mei is the spouse of KSB, and is deemed to be interested in the 3,021,999 Shares held by KSB.
- (4) KAH is deemed interested in 655,761,362 Shares comprising 103,598,077 Shares held by his spouse, LAK and 552,163,285 Shares held by SLH in which LAK is deemed to have an interest.
- (5) KSB is deemed to have an interest in 769,000 Shares held by his spouse, Mdm. Lim Ching Mei.

Further, none of the Relevant Persons and Directors has dealt for value in any (i) Shares, (ii) other securities which carry voting rights in the Company or (iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in the Company during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

**5.2 Interests of the IFA in Shares.** None of the IFA or funds whose investments are managed by the IFA on a discretionary basis owns or controls any (i) Shares, (ii) other securities which carry voting rights in the Company or (iii) convertible securities, warrants, options or derivatives of the Company as at the Latest Practicable Date.

**5.3 Dealings in Shares by the IFA.** None of the IFA or funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the (i) Shares, (ii) other securities which carry voting rights in the Company or (iii) convertible securities, warrants, options or derivatives of the Company during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

**5.4 Interests and Dealings of the Company in the Offeror.** The Company is not directly or indirectly interested in any (i) equity share capital, or (ii) convertible securities, warrants, options or derivatives of the Offeror as at the Latest Practicable Date. Further, neither the Company nor its subsidiaries has dealt for value in any shares, or any convertible securities, warrants, options or derivatives of the Offeror, during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

**5.5 Interests of Directors in the Offeror.** As at the Latest Practicable Date, the following Directors have interests in the Offeror:

Relevant Persons	Direct Interest No. of Shares	% <sup>(1)</sup>	Deemed Interest No. of Shares	% <sup>(1)</sup>
KAH	40	40	22 <sup>(2)</sup>	22
KTH	16	16	—	—

### Notes:

- (1) Based on 100 shares in issue as at 29 August 2016.
- (2) KAH is deemed interested in 22 shares held by his spouse, LAK.

Save as disclosed above and in this Circular, as at the Latest Practicable Date, none of the Directors has any direct or deemed interests in the Offeror.

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION

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**5.6 Dealings of the Directors in the Offeror.** Save as disclosed below, none of the Directors has dealt for value in the shares of the Offeror during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

Name	Date	No. of Shares Acquired	No. of Shares Sold	Transaction Price per Share (S\$)
KAH	22 July 2016	40	–	S\$1.00
KTH	22 July 2016	16	–	S\$1.00

**5.7 Directors' Service Contracts.**

- (a) As at the Latest Practicable Date, there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries which have more than twelve (12) months to run and which are not terminable by the employing company within the next twelve (12) months without paying any compensation.
- (b) There are no such service contracts entered into or amended between any Director or proposed director with the Company or any of its subsidiaries during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

**5.8 Arrangements Affecting Directors.**

- (a) There are no payments or other benefits which will be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.
- (b) There are no arrangements or agreements made between any Director and any other person in connection with, or conditional upon the outcome of, the Offer.
- (c) None of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

## 6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in the Company's announcements and annual reports, neither the Company nor its subsidiaries has entered into any material contract (not being a contract entered into in the ordinary course of business) with interested persons<sup>(1)</sup> during the period commencing three (3) years prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION

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### Notes:

- (1) An interested person, as defined in the Note on Rule 24.6 read with the Note on Rule 23.12 of the Code, is:
- (a) a director, chief executive officer or Substantial Shareholder of the company;
  - (b) the immediate family of a director, the chief executive officer or a Substantial Shareholder (being an individual) of the company;
  - (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary;
  - (d) any company in which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family together (directly or indirectly) have an interest of 30% or more;
  - (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or
  - (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

## 7. MATERIAL LITIGATION

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

## 8. MARKET QUOTATION

The table below sets out the highest, lowest and last transacted prices and trading volume of the Shares on the SGX-ST on a monthly basis for each of the six (6) calendar months preceding the Offer Announcement Date (beginning from February 2016) and ending on the Latest Practicable Date:

Month	Highest Closing Price (S\$)	Lowest Closing Price (S\$)	Last Transacted Price as at Last Market Day (S\$)	Total Volume Traded ('000)
February 2016	0.790	0.700	0.700	406.9
March 2016	0.800	0.765	0.785	242.3
April 2016	0.800	0.765	0.795	5,293.3
May 2016	0.890	0.790	0.890	1,594.0
June 2016	0.895	0.855	0.885	1,681.4
July 2016	0.945	0.860	0.945	5,610.7
August 2016 (up to the Latest Practicable Date)	1.070	0.935	1.070	13,854.4

Source: Bloomberg

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION

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### Highest and Lowest Prices

The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg) during the period commencing between the start of the six (6) months preceding the Offer Announcement Date and ending on the Latest Practicable Date are as follows:

Highest closing price	:	S\$1.070 on 19 August 2016, 30 August 2016, 1 September 2016 and 2 September 2016
Lowest closing price	:	S\$0.700 on 29 February 2016

### 9. VALUATION ON PROPERTIES

The Company has commissioned independent valuations of the Valued Properties. Extracts of the valuation certificates are set out in Appendix X of this Circular.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation. Save for the sale of development properties and completed properties held for sale in the ordinary course of its business, the Group does not have any current plans for an imminent material disposal of the Group's properties as at the Latest Practicable Date. As such, no tax liabilities are likely to crystallise save in respect of the sale of development properties and completed properties held for sale in the ordinary course of its business.

### 10. GENERAL INFORMATION

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) PricewaterhouseCoopers Corporate Finance Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, its letters (as set out in Appendix I and Appendix VII to this Circular) and all references to them, in the form and context in which they appear in this Circular.
- (c) Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, its letter (as set out in Appendix VI to this Circular) and the reproduction of the auditors' report in relation to the audited consolidated financial statements of the Group for FY2015 (as set out in Appendix VIII to this Circular) and all references to it, in the form and context in which they appear in this Circular.
- (d) UHY Lee Seng Chan & Co has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the reproduction of the auditors' report in relation to the audited consolidated financial statements of the Group for FY2015 (as set out in Appendix VIII to this Circular) and all references to it, in the form and context in which they appear in this Circular.
- (e) Boardroom Corporate & Advisory Services Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, in the form and context in which they appear in this Circular.

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## APPENDIX II – ADDITIONAL GENERAL INFORMATION

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- (f) CBRE Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (g) Chambers Valuers & Property Consultants Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (h) Chesterton Singapore Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (i) DTZ Australia (NSW) Pty Limited (t/as Cushman and Wakefield) has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (j) Jones Lang LaSalle Property Consultants Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (k) Jones Lang LaSalle Advisory Services Pty Limited has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (l) Knight Frank Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (m) LDS International Property Consultant Sdn Bhd has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the valuation certificates (as set out in Appendix X), in the form and context in which they appear in this Circular.
- (n) Gibson, Dunn & Crutcher LLP has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, in the form and context in which they appear in this Circular.

### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2015, and the unaudited consolidated financial statements of the Group for FY2016;

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## **APPENDIX II – ADDITIONAL GENERAL INFORMATION**

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- (c) the IFA Letter as set out in Appendix I to this Circular;
- (d) the Statements of Prospects, the letter from the Auditors and the IFA as set out in Appendices V, VI and VII to this Circular respectively in relation to the Statements of Prospects;
- (e) the valuation certificates set out in Appendix X to this Circular; and
- (f) the letters of consent referred to in Paragraph 10 of Appendix II to this Circular.



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## APPENDIX III – ADDITIONAL INFORMATION ON THE OFFEROR

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### 1. DIRECTOR

The name, address and description of the sole director of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Kuik Sin Pheng	205 Upper Bukit Timah Road #04-01 Sim Lian Singapore 588181	Director

### 2. PRINCIPAL ACTIVITY AND SHARE CAPITAL

The Offeror is a private company limited by shares incorporated in the Republic of Singapore on 22 July 2016. Its principal activity is that of investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100.00 divided into 100 ordinary shares.

The shareholders of the Offeror are the Controlling Shareholders and their shareholdings in the Offeror are as set out below:

No.	Controlling Shareholder	No. of shares in the issued share capital of the Offeror	Percentage of issued shares in the Offeror (%)
1.	KAH	40	40.00
2.	LAK	22	22.00
3.	KTH	16	16.00
4.	KAC	11	11.00
5.	KCM	11	11.00

### 3. FINANCIAL SUMMARY

As the Offeror was incorporated on 22 July 2016, no audited financial statements of the Offeror have been prepared to date.

### 4. MATERIAL CHANGES IN FINANCIAL POSITION

Save for the Offeror making and financing the Offer, there have been no known material changes in the financial position of the Offeror since its incorporation.

### 5. REGISTERED OFFICE

The registered office of the Offeror is at 1 Marina Boulevard, #28-00 One Marina Boulevard Singapore 018989.

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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution, a copy of which is available for inspection at the registered office of the Company at 205 Upper Bukit Timah Road, #02-01 Sim Lian, Singapore 588181 during normal business hours for the period which the Offer remains open for acceptance.

The rights of Shareholders in respect of capital, dividends, and voting as set out in the Constitution are as follows:

**(i) The rights of Shareholders in respect of capital**

**ISSUE OF SHARES**

4. (A) *Subject to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that:–*

- (a) *No shares shall be issued to transfer a controlling interest in the Company without the specific prior approval of the Company in General Meeting; and*

*Complies with paragraph 1(1) of Appendix 5 Listing Manual*

- (b) *no shares shall be issued at a discount or options granted over unissued shares except in accordance with the Act.*

- (B) *The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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- (C) *Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.*
5. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting and as permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).*
- Complies with paragraph 1(8) of Appendix 5 Listing Manual*
- (B) *The Company may, notwithstanding Article 5(A) above, authorise the Directors not to offer new shares to members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.*
6. *The Company may exercise the power of paying commissions in respect of subscription for shares which is conferred by the Act to the full extent thereby permitted, Provided Always that the amount or rate of the commissions paid or agreed to be paid and the number of shares to be subscribed for absolutely shall be disclosed in the manner required by the Act, in the relevant prospectus, statement, circular or notice as the case may be. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful subject to disclosure of the amount or rate thereof in the manner required by the Act in the relevant prospectus, statement, circular or notice as the case may be.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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7. *Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.*
8. (A) *In the event of preference shares being issued, the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.* *Complies with paragraphs 1(3), 1(4) & 1(6) of Appendix 5 Listing Manual*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.* *Complies with paragraph 1(5) of Appendix 5 Listing Manual*

### VARIATION OF RIGHTS

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

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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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*a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.*

- (B) *The provisions in Article 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.*
- (C) *The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pad passe* therewith but in no respect in priority thereto.*
- Complies with paragraph 5 of Appendix 5 Listing Manual*

### ALTERATION OF SHARE CAPITAL

10. *The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.*
11. *The Company may by Ordinary Resolution:–*
- (A) *Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;*
- (B) *Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled;*
- (C) *Subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association; so however that the proportion of the amount paid to the amount unpaid (if any) on each sub-divided share is the same as on the original share from which it was derived; and the resolution whereby any share is sub-divided being otherwise permitted to determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred, qualified or other special rights, or be subject to any such restrictions, as the Company has then the authority to attach to unissued or new shares; and/or*
- (D) *Subject to the provisions of the Statutes, convert or exchange any class of shares into or for any other class of shares.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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12. *The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner permitted, and with, and subject to, any incident authorised, and consent or confirmation required, by law.*

### SHARE CERTIFICATES

13. (A) *Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.*
- (B) *The provisions in this Article and in Articles 14 to 17 (so far as they are applicable) shall not apply to transfer of book-entry securities.*
14. (A) *The Company shall not be bound to register more than three persons as the holder of a share except in the case of executors or administrators of the estate of a deceased member.* *Complies with paragraph 4(4) of Appendix 5 Listing Manual*
- (B) *In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.*
15. *Every person whose name is entered as a member in the Register of Members shall (in the case of a transfer of shares) be entitled, within fifteen market days after the date of lodgement of any transfer, or (subject to the provisions of the Statutes) such longer period of time as may be approved by the stock exchange upon which the shares in the Company may be listed, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.* *Complies with paragraph 2 of Appendix 5 Listing Manual*
16. (A) *Where a member transfers part only of the shares comprised in a certificate or where a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the member shall pay (in the case of sub-division) a maximum fee of S\$2.00 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares in the Company may be listed, Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.* *Complies with paragraph 2 of Appendix 5 Listing Manual*



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*(B) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.*

17. *Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any stock exchange upon which the shares in the Company may be listed or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$1.00 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.*
- Complies with paragraph 1(10) of Appendix 5 Listing Manual*

### STOCK

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

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### CAPITALISATION OF PROFITS AND RESERVES

134. *The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts as representing profits available for distribution under the provisions of the Statutes or, pursuant to Sections 69 or 70 of the Act, the Company's share premium account or capital redemption reserve, by appropriating such sum to the persons registered as the holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares or (subject to any special rights previously conferred on any shares or class of shares for the time being issued) unissued shares of any other class not being redeemable shares, for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

#### (ii) The rights of Shareholders in respect of dividends

### CALLS ON SHARES

18. *The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*
19. *Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.*



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20. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.*
21. *Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
22. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.*
23. *The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.*
- Complies with paragraph 1(7) of Appendix 5 Listing Manual*

### **FORFEITURE AND LIEN**

24. *if a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*
25. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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26. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.*
27. *A share so made forfeit or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorise some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.*
28. *A member whose shares have been made forfeit or surrendered shall cease to be a member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.*
29. *The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.*
30. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.*
- Complies with paragraph 3(1) of Appendix 5 Listing Manual*

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31. *The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser.*
32. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*
- Complies with paragraph 3(2) of Appendix 5 Listing Manual*

### TRANSMISSION OF SHARES

38. *In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*
39. *Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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40. *Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.*
41. *There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 as the Directors may from time to time require or prescribe.*

### **DIVIDENDS**

123. *The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.*
124. *If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
125. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.*
126. *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes or, pursuant to Section 69 of the Act and in the form of stock dividends, out of the share premium account. Any dividend unclaimed after six (6) years from the date of declaration shall be made forfeit and revert to the Company.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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127. *No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.*
128. (A) *The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same,*
129. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
- 129A. (A) *Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
- (i) *the basis of any such allotment shall be determined by the Directors;*
- (ii) *the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article 129A;*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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- (iii) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and*
- (iv) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “Elected Ordinary Shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Articles to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (a) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.*
- (B) (i) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article 129A shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*



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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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- (ii) *The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (A) of this Article 129A, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members) and to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article 129A, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Article 129A shall be read and construed to such determination.*
- (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article 129A, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
- (E) *Notwithstanding the foregoing provisions of this Article 129A, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article 129A in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (A) of this Article 129A.*



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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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130. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
131. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.*
132. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
133. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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### (iii) The rights of Shareholders in respect of voting

#### NOTICE OF GENERAL MEETINGS

49. *Any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:*
- (A) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and*
- (B) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right;*
- Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any stock exchange upon which the shares in the Company may be listed.*
50. *(A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*
- (C) In the case of any General Meeting at which business other than routine business ("special business") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*
- Complies with paragraph 7 of Appendix 5 Listing Manual*
- Complies with paragraph 7 of Appendix 5 Listing Manual*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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51. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:–*
- (A) declaring dividends;*
  - (B) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
  - (C) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
  - (D) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
  - (E) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
  - (F) fixing the remuneration of the Directors proposed to be passed under Article 77.*
52. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

### **PROCEEDINGS AT GENERAL MEETINGS**

53. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
54. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two members present in person or by proxy.*
55. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days’ notice appoint.*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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56. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
57. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
58. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
59. *At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:–*
- (A) the chairman of the meeting; or*
  - (B) not less than two members present in person or by proxy and entitled to vote; or*
  - (C) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as the case may be not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or*
  - (D) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any number or combination of such members or proxies, holding or representing as the case may be shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right,*

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

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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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

### VOTES OF MEMBERS

63. *Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every member who is present in person or by proxy shall have one vote, the chairman of the meeting to determine which proxy shall be entitled to vote where a member is represented by two proxies, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a member, or attend, vote or act at any meeting of the Company.*
64. *In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.*
- Complies with paragraph 8(5) of Appendix 5 Listing Manual*
- Complies with paragraph 8(2) of Appendix 5 Listing Manual*

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## APPENDIX IV – EXTRACTS FROM THE COMPANY'S CONSTITUTION

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65. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company.*
66. *No member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum payable by him to the Company in respect of such shares remains unpaid.* *Complies with paragraph 8(1) of Appendix 5 Listing Manual*
67. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
68. *On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
69. (A) *A member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting, provided that if a member shall nominate two proxies then the member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.*
- (B) *A proxy need not be a member of the Company.* *Complies with paragraph 8(3) of Appendix 5 Listing Manual*
70. (A) *An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve and:–*
- (a) *in the case of an individual member, shall be signed by the member or his attorney duly authorised in writing; and*
- (b) *in the case of a member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorised officer of the corporation.*



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## APPENDIX IV – EXTRACTS FROM THE COMPANY’S CONSTITUTION

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

71. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.*

72. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the meeting.*

*Complies with paragraph 8(4) of Appendix 5 Listing Manual*

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

### **CORPORATIONS ACTING BY REPRESENTATIVES**

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

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## APPENDIX V – STATEMENTS OF PROSPECTS

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The Company made the following statement in each of the announcements of the unaudited results of the Company for 1Q2016, 2Q2016 and 3Q2016 on 11 November 2015, 12 February 2016 and 13 May 2016 (together, the “**Relevant Announcements**”) respectively:

*“The Group expects to achieve a set of profitable operating results for FY2016.”*

The statements made in the Relevant Announcements, for which the Directors are solely responsible, were made not in connection with the Offer. The statements were made on bases consistent with the accounting policies normally adopted by the Group and were prepared based on the following assumptions and/or information available as at the respective dates they were made:

- (a) There will be no significant changes in existing political, economic, legal or social conditions and regulations and fiscal measures in Singapore and in countries in which the Group conducts its business that will adversely affect the Group.
- (b) There will be no significant changes to the Group structure or the existing principal activities of the Group or in their principal sources of revenue.
- (c) There will be no material changes in the competitive environment in which the Group operates.
- (d) There will be no material changes in the accounting policies of the Group.
- (e) There will be no material changes in the bases or rates of taxation, provident fund contributions and government levies from those prevailing and which may affect the Group’s financial performance or condition.
- (f) There will be no significant changes in inflation rates.
- (g) There will be no material changes in interest rates from those prevailing at the date of the Statements of Prospects.
- (h) There will be no significant changes to the major foreign currency exchange rates that will adversely affect the Group’s results.
- (i) It is assumed that there will be no material impairment charge against the carrying value of the Group’s assets or inventory holding.
- (j) There will be no requirement for material additional provisions to be made in respect of the liabilities of the Group.
- (k) There will be no major disposals of the Group’s property, plant and equipment.
- (l) There will be no major acquisitions of assets by the Group, save for those acquisitions carried out in the ordinary course of business.
- (m) There will be no material exceptional item or expense item.
- (n) No material fair value changes are expected for the Group’s financial instruments.



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## APPENDIX V – STATEMENTS OF PROSPECTS

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- (o) There will be no adverse changes to the tax legislations of the countries in which the Group has operations.
- (p) There will be no legal litigation that results in claims against the Group which has not been duly provided for.
- (q) There will be no material adverse effect from any changes in the economic position of the Group, its contractors and sub-contractors and its customers.
- (r) There will be no material change to the project schedules for ongoing properties under development.
- (s) There will be no material change to the prevailing occupancy and rental rates of the Group's investment properties in Singapore and Australia, and there will be no payment defaults and/or premature termination of the existing tenancy agreements.
- (t) The major cost components of the Group comprise of direct construction costs, property maintenance costs, marketing and selling expenses, staff costs and other overheads. It is assumed that there will be no material change in the cost structure of the Group and the prevailing market trends which may materially affect the cost structure of the Group.
- (u) There will be no material adverse changes to the fair value of the existing investment properties held by the Group as at the date of the Statements of Prospects.
- (v) The forecasted revenue is based on the existing property portfolio of the Group, comprising mainly development properties and investment properties. This takes into account the percentage of completion and completion of contract method.
- (w) There will be no material changes to the relationships the Group has with major clients and customers which may affect the Group's construction activities.
- (x) There will be no material adverse changes to the costs of suppliers and sub-contractors, labour costs and other construction related costs from those then prevailing. It is assumed that there will be no material adverse impact to the construction projects arising from changes in the construction cost structure and/or construction schedules.

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## APPENDIX VI – LETTER FROM THE AUDITORS IN RELATION TO THE STATEMENTS OF PROSPECTS

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The Board of Directors  
Sim Lian Group Limited  
205 Upper Bukit Timah Road  
#02-01  
Singapore 588181

Dear Sirs,

**Statements of Prospects of Sim Lian Group Limited and its subsidiaries for the financial year ended 30 June 2016**

We have provided this letter solely to the Directors of Sim Lian Group Limited (the “Company”) for inclusion in the circular to be issued in connection with the voluntary conditional cash offer by Oversea-Chinese Banking Corporation Limited for and on behalf of Coronation 3G Pte. Ltd. (“Offeror”) to acquire all the issued ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror.

The Company made the following statement in each of the announcements (“Statements of Prospects”) of the unaudited results of the Company for 1Q2016, 2Q2016 and 3Q2016 on 11 November 2015, 12 February 2016 and 13 May 2016 (together, the “Relevant Announcements”) respectively:

“The Group expects to achieve a set of profitable operating results for FY2016.”

We have examined the Statements of Prospects in accordance with Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information.

The Directors are solely responsible for the Statements of Prospects, including the assumptions set out on Appendix V of the circular on which it is based.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described as part of the Statements of Prospects occur, actual results are still likely to be different from those projected which form the bases of the Statements of Prospects since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those projected for the purposes of the Statements of Prospects. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Statements of Prospects.

We note that at the time the Statements of Prospects were made, the following assessment have not been carried out as the assessments were performed at the financial year ended 30 June 2016:

- a. foreseeable losses assessment on the Group’s inventories consisting of properties under development and properties held for resale;
- b. impairment indicators assessment on the Group’s investments in joint ventures;
- c. provision for contract costs in respect of cost of work required to be carried out for the rectification of construction defects; and
- d. valuation of the Group’s investment properties.

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## **APPENDIX VI – LETTER FROM THE AUDITORS IN RELATION TO THE STATEMENTS OF PROSPECTS**

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Hence, we do not express an opinion on the potential impact arising from these assessments on the Statements of Prospects.

Except for the matters referred to in the above paragraph:

- a. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Statements of Prospects; and
- b. Further, in our opinion the Statements of Prospects, so far as the accounting policies and calculations are concerned, are properly prepared on the basis of the assumptions.

Our work in connection with the Statements of Prospects has been undertaken solely for the purpose of reporting to the Directors under The Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore, and is not intended to be used or relied on for any other purpose.

Yours faithfully

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Singapore

9 September 2016

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## APPENDIX VII – LETTER FROM THE IFA IN RELATION TO THE STATEMENTS OF PROSPECTS

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9 September 2016

The Board of Directors  
Sim Lian Group Limited  
205 Upper Bukit Timah Road  
#02-01 Sim Lian  
Singapore 588181

Dear Sirs/Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED (“OCBC BANK”), FOR AND ON BEHALF OF CORONATION 3G PTE. LTD. (“OFFEROR”), FOR THE OFFER SHARES OF SIM LIAN GROUP LIMITED (“COMPANY”)**

This letter is prepared for inclusion in the circular to Shareholders dated 9 September 2016 (the “**Circular**”) issued by the Company to its shareholders in relation to the voluntary conditional cash offer (“**Offer**”) by OCBC Bank, for and on behalf of the Offeror, for all the issued and paid-up ordinary shares in the capital of the Company (“**Shares**”), other than those Shares already owned, controlled or agreed to be acquired by the Offeror and its concert parties (“**Offer Shares**”), conditional upon an acceptance level of 90% of the Offer Shares, in accordance with Section 139 of the Securities and Future Act, Chapter 289 of Singapore, and Rule 15 of the Singapore Code on Take-overs and Mergers (“**Code**”). Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meanings as defined in the Circular.

The statements of prospects below were issued by the Company in each of the three announcements of the unaudited results of the Company for the first quarter and the three-month period ended 30 September 2015, the second quarter and the six-month period ended 31 December 2015, and the third quarter and the nine-month period ended 31 March 2016, on 11 November 2015, 12 February 2016 and 13 May 2016, respectively (together, the “**Relevant Announcements**”):

*“The Group expects to achieve a set of profitable operating results for FY2016.”*

(the “**Statements of Prospects**”).

We have discussed the key bases and assumptions underlying the Statements of Prospects with the management of the Company as reproduced in Appendix V of the Circular. We have also considered the letter dated 9 September 2016 addressed to the Board by Deloitte & Touche LLP, the auditors of the Company, in relation to its review of the Statements of Prospects.

We have relied on the accuracy and completeness of all financial and other information discussed with us and assumed such accuracy and completeness for the purposes of providing this letter. We have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have not undertaken any independent evaluation or appraisal of any of the assets or liabilities of the Company or its subsidiaries for the purpose of this letter. Save as provided in this letter, we do not express any other opinion on the Statements of Prospects.

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## APPENDIX VII – LETTER FROM THE IFA IN RELATION TO THE STATEMENTS OF PROSPECTS

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Based on the above discussions with the management of the Company and having considered the letter dated 9 September 2016 from Deloitte & Touche LLP in relation to the Statements of Prospects, we are of the view that the Statements of Prospects (for which the Directors are solely responsible) had been issued by the Board after due and careful enquiry.

This letter is addressed to the Board for the sole purpose of complying with Rule 25 of The Singapore Code on Take-overs and Mergers, and we do not accept any responsibility to any other person (other than the Board) in respect of, arising from or in connection with this letter.

Yours faithfully  
For and on behalf of  
**PricewaterhouseCoopers Corporate Finance Pte Ltd**

Ling Tok Hong  
Managing Director

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## **APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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The information set out in this Appendix VIII is a reproduction of selected financial information extracted from the annual report of the Company for FY2015, and was not specifically prepared for inclusion in this Circular.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

### REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of Sim Lian Group Limited (the “Company” and collectively with its subsidiaries, the “Group”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended June 30, 2015.

#### 1 DIRECTORS

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

Mr. Kuik Ah Han  
Mr. Kuik Thiam Huat  
Mr. Kuik Sin Pin  
Mr. Kuik Sing Beng  
Ms. Kuik Sin Leng  
Dr. Sim Loo Lee  
Mr. Tan Hong Bak  
Mr. Robson Lee Teck Leng

#### 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

#### 3 DIRECTORS’ INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors’ shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

Name of directors and company in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
<b>The Company</b>	<b>Ordinary shares</b>			
Mr. Kuik Ah Han	9,696,150	9,696,150	655,761,362 <sup>(1)</sup>	655,761,362 <sup>(1)</sup>
Mr. Kuik Thiam Huat	42,500,000	42,500,000	-	-
Mr. Kuik Sin Pin	12,431,402	12,682,402	-	-
Mr. Kuik Sing Beng	2,942,000	2,942,000	848,999 <sup>(2)</sup>	848,999 <sup>(2)</sup>
Ms. Kuik Sin Leng	1,700,000	1,700,000	-	-
Dr. Sim Loo Lee	450,000	450,000	-	-



## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

SIM LIAN GROUP LIMITED  
Annual Report 2015

### REPORT OF THE DIRECTORS

#### 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

Shareholdings in the Company registered in the name of the above directors and shareholdings in which the above directors are deemed to have an interest at July 21, 2015 remain unchanged from the end of the financial year.

Name of directors and company in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
<b>Sim Lian Holdings Pte Ltd (holding company) <sup>(3)</sup></b>	<b>Ordinary shares</b>			
Mr. Kuik Ah Han	120,000	120,000	220,000 <sup>(4)</sup>	220,000 <sup>(4)</sup>
Mr. Kuik Thiam Huat	160,000	160,000	-	-
Mr. Kuik Sin Pin	70,000	70,000	-	-
Mr. Kuik Sing Beng	70,000	70,000	-	-
Ms. Kuik Sin Leng	70,000	70,000	-	-

<sup>(1)</sup> The 655,761,362 (June 30, 2014 : 655,761,362) shares at June 30, 2015 comprise 552,163,285 (June 30, 2014 : 552,163,285) shares held by the holding company and 103,598,077 (June 30, 2014 : 103,598,077) shares held by the spouse of Mr. Kuik Ah Han.

<sup>(2)</sup> The 848,999 (June 30, 2014 : 848,999) shares at June 30, 2015 comprise 79,999 (June 30, 2014 : 79,999) shares held by a nominee for the account of Mr. Kuik Sing Beng and 769,000 (June 30, 2014 : 769,000) shares held by the spouse of Mr. Kuik Sing Beng.

<sup>(3)</sup> At June 30, 2015, Sim Lian Holdings Pte Ltd held 54.89% (June 30, 2014 : 54.89%) of the shares in the Company.

<sup>(4)</sup> This is deemed interest in 220,000 shares held by the spouse of Mr. Kuik Ah Han at June 30, 2015 and 2014.

By virtue of Section 7 of the Act, Mr. Kuik Ah Han is deemed to have an interest in the ordinary shares of the Company's subsidiaries held directly or indirectly by the Company.

In addition, Mr. Kuik Ah Han is deemed to have an interest in the shares held directly or indirectly by Sim Lian Holdings Pte Ltd in the following related corporations:

	At beginning of financial year	At end of financial year
<b>Ordinary shares</b>		
Sim Lian Development Pte Ltd	2	2
Kuik Pte Ltd	1,000	1,000
SLH (Toa Payoh) Pte. Ltd.	1	1
Trio Link Development Pte. Ltd. (Liquidated)	650,000	-
3 Link Development Pte. Ltd. (Liquidated)	650,000	-
AMK Link Development Pte. Ltd.	550,000	550,000
Sim Lian Properties Pte Ltd	1,500,000	1,500,000
Chip Tiong Investment (Pte) Ltd.	5,231,246	5,231,246
Lee Meng (Pte) Ltd	1,160,000	1,160,000
Sim Lian JV (Punggol Central) Pte. Ltd.	774,465	774,465
Sim Lian JV (BP) Pte. Ltd.	774,465	774,465
Sim Lian JV (BP Retail) Pte. Ltd.	774,465	774,465

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

### 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	At beginning of financial year	At end of financial year
	Ordinary shares	
Sim Lian JV (Vision) Pte. Ltd.	774,465	774,465
Sim Lian JV (Axis) Pte. Ltd. (in process of striking off)	*	-
Sim Lian JV (Treasure) Pte. Ltd. (in process of striking off)	*	-

\* These two related corporations each had two issued and paid-up ordinary shares and the effective interest held by Sim Lian Holdings Pte Ltd in each of them was 77.45%.

### 4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the 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 except as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations. Significant transactions with the directors and corporations/persons related to directors are disclosed in Note 6 to the financial statements.

### 5 OPTIONS TO TAKE UP UNISSUED SHARES

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

### 6 OPTIONS EXERCISED

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

### 7 UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

### 8 AUDIT COMMITTEE

The Audit Committee of the Company, consisting of all non-executive and independent directors, is chaired by Mr. Tan Hong Bak, and includes Dr. Sim Loo Lee and Mr. Robson Lee Teck Leng. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal controls;
- b) the Group's financial and operating results and accounting policies;

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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SIM LIAN GROUP LIMITED  
Annual Report 2015

### REPORT OF THE DIRECTORS

#### 8 AUDIT COMMITTEE (Cont'd)

- c) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the board of directors of the Company and external auditors' report on those financial statements;
- d) the quarterly, half-yearly and annual announcements on the results and financial position of the Company and the Group;
- e) the co-operation and assistance given by management to the Group's external and internal auditors; and
- f) the re-appointment of the external auditors of the Company.

The Audit Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP and UHY Lee Seng Chan & Co for re-appointment as joint external auditors of the Company at the forthcoming AGM of the Company.

#### 9 AUDITORS

The joint auditors, Deloitte & Touche LLP and UHY Lee Seng Chan & Co, have expressed their willingness to accept re-appointment.

#### ON BEHALF OF THE DIRECTORS

.....  
Mr. Kuik Ah Han

.....  
Mr. Kuik Sin Pin

September 22, 2015

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## **APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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FULFILLING FIFTEEN

### **STATEMENT OF DIRECTORS**

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 50 to 123 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at June 30, 2015 and the financial performance, changes in equity, and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

#### **ON BEHALF OF THE DIRECTORS**

.....  
Mr. Kuik Ah Han

.....  
Mr. Kuik Sin Pin

September 22, 2015

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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SIM LIAN GROUP LIMITED  
*Annual Report 2015*

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIM LIAN GROUP LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of Sim Lian Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at June 30, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 123.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (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 financial statements 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 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 audit opinion.

### Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company 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 financial position of the Group and of the Company as at June 30, 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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FULFILLING FIFTEEN

### Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP  
Public Accountants  
and Chartered Accountants  
Singapore

UHY Lee Seng Chan & Co  
Public Accountants  
and Chartered Accountants  
Singapore

Seah Gek Choo  
Partner  
Appointed on October 28, 2010

Lee Sen Choon  
Partner  
Appointed on October 28, 2010

September 22, 2015

September 22, 2015

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

SIM LIAN GROUP LIMITED  
Annual Report 2015

### STATEMENTS OF FINANCIAL POSITION

June 30, 2015

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	167,396	329,061	30,516	133,127
Trade and other receivables	8	302,055	353,054	209	235
Inventories	10	4,964	4,549	-	-
Development properties	11	567,311	869,951	-	-
Total current assets		1,041,726	1,556,615	30,725	133,362
<b>Non-current assets</b>					
Subsidiaries	12	-	-	249,257	183,754
Joint ventures	13	268,156	212,632	-	-
Property, plant and equipment	14	21,572	18,978	-	-
Investment properties	15	305,090	241,025	-	-
Derivative financial instruments	16	823	-	-	-
Deferred tax assets	21	10,858	-	-	-
Total non-current assets		606,499	472,635	249,257	183,754
<b>Total assets</b>		<b>1,648,225</b>	<b>2,029,250</b>	<b>279,982</b>	<b>317,116</b>



## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank loans	17	21,498	196,599	-	-
Trade and other payables	18	212,459	643,620	617	87,602
Provisions	19	81,460	74,461	-	-
Current portion of finance leases	20	160	148	-	-
Income tax payable		49,180	43,815	31	86
Total current liabilities		364,757	958,643	648	87,688
<b>Non-current liabilities</b>					
Bank loans	17	107,533	74,676	-	-
Other payables	18	5,149	6,993	-	-
Finance leases	20	300	153	-	-
Deferred tax liabilities	21	-	898	1,403	1,029
Total non-current liabilities		112,982	82,720	1,403	1,029
<b>Capital and reserves</b>					
Share capital	22	155,181	155,181	155,181	155,181
Retained earnings		1,020,420	826,326	122,750	73,218
Other components of equity		(8,787)	2,772	-	-
Equity attributable to owners of the Company		1,166,814	984,279	277,931	228,399
Non-controlling interests		3,672	3,608	-	-
Total equity		1,170,486	987,887	277,931	228,399
<b>Total liabilities and equity</b>		<b>1,648,225</b>	<b>2,029,250</b>	<b>279,982</b>	<b>317,116</b>

See accompanying notes to financial statements.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

SIM LIAN GROUP LIMITED  
Annual Report 2015

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended June 30, 2015

	Note	2015 \$'000	2014 \$'000
<b>Revenue</b>	24	1,193,233	714,663
Contract costs		(906,139)	(481,926)
Raw materials and consumables		(15,615)	(16,962)
Property operating expense		(3,804)	(1,235)
Other operating income	25	8,024	7,686
Employee benefits expense	26	(21,198)	(18,087)
Depreciation expense	14(c)	(2,219)	(2,001)
Change in fair value of derivative financial instruments		(666)	-
Change in fair value of investment properties	15	8,169	(15,542)
Foreign exchange (losses) gains		(13,808)	348
Other operating expenses		(10,748)	(7,221)
Finance costs	27	(5,270)	(2,158)
Share of results of joint ventures, net of tax	13	49,947	22,532
<b>Profit before income tax</b>	28	279,906	200,097
Income tax expense	29	(38,658)	(28,288)
<b>Profit for the financial year</b>		<b>241,248</b>	<b>171,809</b>
Other comprehensive (loss) income:			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising from translation of foreign subsidiaries		(11,555)	261
<b>Other comprehensive (loss) income for the financial year, net of tax</b>		<b>(11,555)</b>	<b>261</b>
<b>Total comprehensive income for the financial year</b>		<b>229,693</b>	<b>172,070</b>

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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FULFILLING FIFTEEN

	Note	2015 \$'000	2014 \$'000
<b>Profit for the financial year attributable to:</b>			
Owners of the Company		240,365	170,980
Non-controlling interests		883	829
		241,248	171,809
<b>Total comprehensive income for the financial year attributable to:</b>			
Owners of the Company		228,806	171,242
Non-controlling interests		887	828
		229,693	172,070
<b>Earnings per share</b>			
Basic and diluted earnings per share (cents)	30	23.9	17.0

See accompanying notes to financial statements.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

SIM LIAN GROUP LIMITED  
Annual Report 2015

### STATEMENTS OF CHANGES IN EQUITY

Financial year ended June 30, 2015

			← Other components
	Share capital \$'000	Equity reserve \$'000	Asset revaluation reserve (Note 23) \$'000
<b>Group</b>			
Balance at July 1, 2013	155,181	(70)	2,405
Profit for the financial year	-	-	-
<b>Other comprehensive income</b>			
Foreign currency translation	-	-	-
Other comprehensive income for the financial year, net of tax	-	-	-
Total comprehensive income for the financial year	-	-	-
<b>Changes in ownership interests in subsidiary that do not result in a loss of control</b>			
Effects of changes in non-controlling interests in a subsidiary	-	(42)	-
Shares issued by a subsidiary to non-controlling interests	-	-	-
Total changes in ownership interests in subsidiary	-	(42)	-
<b>Contributions by and distributions to owners</b>			
Dividends paid to non-controlling interests	-	-	-
Dividends paid in cash (Note 32)	-	-	-
Total contributions by and distribution to owners	-	-	-
Balance at June 30, 2014	155,181	(112)	2,405
Balance at July 1, 2014	155,181	(112)	2,405
Profit for the financial year	-	-	-
<b>Other comprehensive loss</b>			
Foreign currency translation	-	-	-
Other comprehensive loss for the financial year, net of tax	-	-	-
Total comprehensive income for the financial year	-	-	-
<b>Contributions by and distributions to owners</b>			
Dividends paid to non-controlling interests	-	-	-
Dividends paid in cash (Note 32)	-	-	-
Total contributions by and distribution to owners	-	-	-
Balance at June 30, 2015	155,181	(112)	2,405

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

of equity →

	Foreign currency translation reserve \$'000	Retained earnings \$'000	Attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	217	701,617	859,350	3,177	862,527
	-	170,980	170,980	829	171,809
	262	-	262	(1)	261
	262	-	262	(1)	261
	262	170,980	171,242	828	172,070
	-	-	(42)	42	-
	-	-	-	50	50
	-	-	(42)	92	50
	-	-	-	(489)	(489)
	-	(46,271)	(46,271)	-	(46,271)
	-	(46,271)	(46,271)	(489)	(46,760)
	479	826,326	984,279	3,608	987,887
	479	826,326	984,279	3,608	987,887
	-	240,365	240,365	883	241,248
	(11,559)	-	(11,559)	4	(11,555)
	(11,559)	-	(11,559)	4	(11,555)
	(11,559)	240,365	228,806	887	229,693
	-	-	-	(823)	(823)
	-	(46,271)	(46,271)	-	(46,271)
	-	(46,271)	(46,271)	(823)	(47,094)
	(11,080)	1,020,420	1,166,814	3,672	1,170,486

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

SIM LIAN GROUP LIMITED  
Annual Report 2015

### STATEMENTS OF CHANGES IN EQUITY

Financial year ended June 30, 2015

	Share capital \$'000	Retained earnings \$'000	Total \$'000
<b>Company</b>			
Balance at July 1, 2013	155,181	50,938	206,119
Profit for the financial year, representing total comprehensive income for the financial year	-	68,551	68,551
<b>Contributions by and distributions to owners</b>			
Dividends paid in cash (Note 32)	-	(46,271)	(46,271)
Total contributions by and distributions to owners	-	(46,271)	(46,271)
Balance at June 30, 2014	155,181	73,218	228,399
Balance at July 1, 2014	155,181	73,218	228,399
Profit for the financial year, representing total comprehensive income for the financial year	-	95,803	95,803
<b>Contributions by and distributions to owners</b>			
Dividends paid in cash (Note 32)	-	(46,271)	(46,271)
Total contributions by and distributions to owners	-	(46,271)	(46,271)
<b>Balance at June 30, 2015</b>	155,181	122,750	277,931

See accompanying notes to financial statements.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

### CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended June 30, 2015

	2015 \$'000	2014 \$'000
<b>Operating activities</b>		
Profit before income tax and share of results of joint ventures, net of tax	229,959	177,565
Adjustments for:		
Provisions charged to profit or loss	18,201	5,424
Change in fair value of investment properties	(8,169)	15,542
Change in fair value of derivative financial instruments	666	-
Reversal of allowance for doubtful trade receivables	(29)	(36)
Bad trade and other receivables written off	29	68
Depreciation expense	2,219	2,001
Gain on disposal of property, plant and equipment	(256)	(246)
Interest expense	5,270	2,158
Interest income	(5,853)	(4,571)
Property, plant and equipment written off	6	2
Operating profit before movement in working capital	242,043	197,907
Trade and other receivables	34,664	(206,215)
Deposit and advance payment for land purchase	(350)	-
Inventories	(415)	(291)
Development properties	311,335	213,883
Trade and other payables	(432,056)	175,300
Provisions utilised	(11,131)	(5,164)
Cash generated from operations	144,090	375,420
Income tax paid	(49,630)	(13,333)
Interest paid	(5,806)	(5,905)
Interest received	3,254	3,294
Net cash from operating activities	91,908	359,476

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

SIM LIAN GROUP LIMITED  
Annual Report 2015

### CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended June 30, 2015

	2015 \$'000	2014 \$'000
<b>Investing activities</b>		
Purchase of property, plant and equipment (Note A)	(7,221)	(1,789)
Additions to investment properties	(87,215)	(240,981)
Investment in joint ventures	-	(1,337)
Loans to joint ventures	(5,035)	(6,565)
Repayments of loans from joint ventures	23,324	-
Proceeds from disposal of property, plant and equipment	259	246
Net cash used in investing activities	(75,888)	(250,426)
<b>Financing activities</b>		
Proceeds from shares issued by a subsidiary to non-controlling interests	-	50
Proceeds from bank loans	46,261	121,038
Repayment of bank loans	(174,650)	(197,347)
Dividends paid by the Company	(46,271)	(46,271)
Dividends paid to non-controlling interests of subsidiary	(823)	(489)
Repayment of finance lease liabilities	(184)	(148)
Net cash used in financing activities	(175,667)	(123,167)
Net decrease in cash and cash equivalents	(159,647)	(14,117)
Cash and cash equivalents at beginning of financial year	329,061	343,056
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,018)	122
<b>Cash and cash equivalents at end of financial year</b>	<b>167,396</b>	<b>329,061</b>

#### Note A

The Group acquired property, plant and equipment with aggregate cost of \$7,564,000 (2014 : \$1,964,000) of which \$343,000 (2014 : \$175,000) was acquired by means of finance leases. Cash payments of \$7,221,000 (2014 : \$1,789,000) were made to purchase property, plant and equipment.

See accompanying notes to financial statements.



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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 1 GENERAL

The Company (Registration No. 200004760C) is incorporated in Singapore with its principal place of business and registered office at 205 Upper Bukit Timah Road, #02-01, Singapore 588181. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The Company is a subsidiary of Sim Lian Holdings Pte Ltd. As at June 30, 2015, Sim Lian Holdings Pte Ltd held 54.89% (2014 : 54.89%) of the shares in the Company.

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

The principal activities of the subsidiaries and joint ventures are disclosed in Notes 12 and 13 to the financial statements respectively.

The financial statements were authorised for issue by the Board of Directors on September 22, 2015.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised in Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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SIM LIAN GROUP LIMITED  
Annual Report 2015

### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**ADOPTION OF NEW AND REVISED STANDARDS** - In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after July 1, 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as follows:

##### **New and revised standards on consolidation, joint arrangements, associates and disclosures**

In September 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising FRS 110 *Consolidated Financial Statements*, FRS 111 *Joint Arrangements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 27 (as revised in 2011) *Separate Financial Statements* and FRS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to FRS 110, FRS 111 and FRS 112 were issued to clarify certain transitional guidance on the first-time application of these standards.

In the current year, the Group has applied for the first time FRS 110, FRS 111, FRS 112, FRS 27 (as revised in 2011) and FRS 28 (as revised in 2011) together with the amendments to FRS 110, FRS 111 and FRS 112 regarding the transitional guidance.

The impact of the application of these standards is set out below.

##### **Impact of the application of FRS 110**

FRS 110 replaces the parts of FRS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and INT FRS 12 *Consolidation – Special Purpose Entities*. FRS 110 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) it has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in FRS 110 to explain when an investor has control over an investee. Some guidance included in FRS 110 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

Management reassessed the control conclusion for its investees on July 1, 2014 in accordance with FRS 110 and concluded that there is no other investee for which the Group has control over, other than those already accounted for as subsidiary as at July 1, 2014.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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FULFILLING FIFTEEN

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Impact of the application of FRS 111

FRS 111 replaces FRS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, INT FRS 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, has been incorporated in FRS 28 (as revised in 2011). FRS 111 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under FRS 111, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under FRS 111 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, FRS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under FRS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of FRS 111. The directors concluded that the Group's joint arrangements are classified as joint ventures under FRS 111 and therefore they continued to be accounted for using the equity method.

#### Impact of the application of FRS 112

FRS 112 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of FRS 112 has resulted in more extensive disclosures in the consolidated financial statements (please see Notes 3, 12, and 13 for details).

#### Amendments to FRS 110, FRS 112 and FRS 27 *Investment Entities*

The amendments to FRS 110 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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SIM LIAN GROUP LIMITED  
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### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to FRS 112 and FRS 27 to introduce new disclosure requirements for investment entities.

The above amendments do not have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

At the date of authorisation of these financial statements, the following new and revised FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*<sup>1</sup>
- FRS 115 *Revenue from Contracts with Customers*<sup>2</sup>
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*<sup>3</sup>
- Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*<sup>3</sup>

<sup>1</sup> Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

<sup>2</sup> Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

<sup>3</sup> Applies to annual periods beginning on or after January 1, 2016, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

#### **FRS 109 *Financial Instruments***

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group is currently estimating the effects of FRS 109 on its financial instruments in the period of initial adoption.

#### **FRS 115 Revenue from Contracts with Customers**

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

The Group is currently estimating the effects of FRS 115 on its revenue contracts in the period of initial adoption.

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#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### **Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative***

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

The Group is currently estimating the effects of Amendments to FRS 1 on its presentation of financial statements in the period of initial adoption.

##### **Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements***

FRS 27 requires an entity to account for its investments in subsidiaries, joint ventures and associates either at cost or in accordance with FRS 39 (or FRS 109 when effective). The amendments allow an additional option for an entity to account for these investees in its separate financial statements using the equity method as described in FRS 28. The accounting option must be applied by category of investments.

The Company accounts for its investments in subsidiaries at cost. Joint ventures are accounted using the equity method.

**BASIS OF CONSOLIDATION** - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in joint ventures and associates.

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### NOTES TO FINANCIAL STATEMENTS

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#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In the Company's financial statements, investments in subsidiaries and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

**BUSINESS COMBINATIONS** - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer are measured in accordance with FRS 102 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.



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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

**FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

#### **Financial assets**

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and fixed deposits that are subject to an insignificant risk of changes in value.

##### Loans and receivables

Trade receivables, loans and other receivables (excluding prepayments) that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### Derivative financial instruments

The Group enters into certain derivative financial instruments to manage its exposure to interest rate, including interest rate caps. Further details of derivative financial instruments are disclosed in Note 16.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Financial liabilities and equity instruments**

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial liabilities

##### Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables where the recognition of interest would be immaterial.

Interest-bearing bank loans are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at fair value through profit or loss, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

##### Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

CONSTRUCTION CONTRACTS - Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion of certified contract value of work performed to date relative to the estimated total contract value. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of construction contracts include costs that relate directly to the specific contract and costs that are attributable to contract activity and can be allocated to the contract. Such costs include but are not limited to material, labour, depreciation and hire of equipment, interest expense, subcontract cost and estimated costs of rectification and guarantee work, including expected warranty costs.

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#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**LEASES** - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

##### The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals arising under finance leases are recognised as expenses in the period in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**INVENTORIES** - Inventories are stated at the lower of cost (first-in, first-out method) and net realisable value. Cost includes all costs of purchase and other costs incurred to bring the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

**DEVELOPMENT PROPERTIES** - Development properties are properties held for development and sale in the ordinary course of business. They include completed properties and properties in the course of development. Development properties are stated at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

Cost comprises costs that relate directly to the development, such as acquisition costs, and related costs that are attributable to development activities and can be allocated to the development project, including attributable borrowings costs (see accounting policy for borrowing costs below).

Development properties are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method (see accounting policy for revenue recognition below). Progress billings not yet paid by customers are included within "trade and other receivables". Development properties are stated at cost if their revenue is recognised based on completion of contract method.

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FULFILLING FIFTEEN

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**INTERESTS IN JOINT VENTURE** - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

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#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

**PROPERTY, PLANT AND EQUIPMENT** - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, other than freehold land and properties under construction, over the estimated useful lives of the assets using the straight-line method, on the following bases:

Leasehold properties	-	1.9 to 7.3%
Plant and equipment	-	10.0 to 33.3%

Depreciation is not provided on properties under construction.

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an asset which is determined as the difference between the sale proceeds and the carrying amount of the asset is recognised in profit or loss for the period in which they arise.

**INVESTMENT PROPERTY** - Investment property which is property held to earn rentals and/or capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from the changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment of the Group up to the date of change in use, where the revaluation surplus is taken to the asset revaluation reserve.

**IMPAIRMENT OF NON-FINANCIAL ASSETS** - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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FULFILLING FIFTEEN

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss.

**PROVISIONS** - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**REVENUE RECOGNITION** - Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

- (i) Revenue and profits from construction contracts are recognised in accordance with the Group's accounting policy on construction contracts (see above).
- (ii) Revenue for sales of property under development is recognised when risks and rewards of ownership of the real estate is transferred to the buyer, which may be:
  - a) on a continuous transfer basis; or
  - b) at a single point of time (e.g. upon or after delivery).

Under (a), revenue is recognised based on the percentage of completion method when the transfer of significant risks and rewards of ownership occurs as construction progresses. Under the percentage of completion method, revenue and costs are recognised by reference to the stage of completion of the development activity at the end of the reporting period based on survey of work completed at the end of each reporting period performed by independent qualified surveyors. Profits are recognised only in respect of properties with finalised sales agreements. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Development properties are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Under (b), revenue is recognised when the transfer of risk and rewards of ownership coincides with the time when the development units are delivered to the purchasers, except for development units sold under deferred payment scheme where revenue and associated costs are recognised at delivery and credit risk is not significant. Any progress billings received for such property sales are included in "trade and other payables" as "monies received in advance". Any costs incurred in the development of such property are carried at cost as an asset on the statement of financial position.

- (iii) Sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recoveries of the consideration due, associated costs or the possible return of goods.
- (iv) Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate.
- (v) Dividend income from investments is recognised when the shareholder's right to receive the dividend is legally established.
- (vi) Maintenance service fee income from maintenance work which is short-term in nature is recognised when the service is completed.
- (vii) The Group's policy for recognition of rental income from operating leases is described above.

**BORROWING COSTS** - Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**RETIREMENT BENEFIT COSTS** - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**EMPLOYEE LEAVE ENTITLEMENT** - Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

**INCOME TAX** - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.



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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment property will be recovered entirely through sale.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** - The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity within the Group operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

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#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (foreign currency translation reserve).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences relating to that foreign operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have been previously attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. jointly controlled entities that do not result in the Group losing joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity (foreign currency translation reserve).

SEGMENT REPORTING - Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision makers who are responsible for allocation of resources and assessing performance of the operating segments.

#### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Critical judgements in applying the Group's accounting policies*

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that will have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

##### Revenue recognition policy

As described in Note 2 to the financial statements, the Group's policy on recognition of revenue in relation to sales of property under development which qualify as sales of goods depends on whether:

- there is continuous transfer of risk and rewards of ownership to the buyer of the property under development; or
- risk and rewards of ownership of the property transfer at a single point of time.

In determining the point of transfer of risk and rewards of ownership, the Group reviews the legal terms of the sales contracts together with the Accompanying Note to INT FRS 115 *Agreements for the Construction of Real Estate* that explains the application of the Interpretation to property development sales in Singapore.

Based on the judgement exercised, revenue of \$70,515,000 (2014 : \$341,478,000) was recognised during the financial year for agreements where there was continuous transfer of risk and rewards of ownership of the property sold, and revenue of \$843,818,000 (2014 : \$165,226,000) was recognised for agreements where risk and rewards of ownership were transferred at a single point of time during the financial year.

##### Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted.

##### Classification of joint arrangements

The Group's joint arrangements are incorporated as private companies whose legal form confers separation between the parties to the joint arrangements and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangements have rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, all the joint arrangements are classified as joint ventures of the Group.

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#### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the 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.

##### Construction contracts

The Group recognises contract revenue and contract costs using the percentage of completion method. The stage of completion is measured by reference to certification of value of work performed to date.

Significant assumptions are required in estimating the total contract costs which affect the contract costs recognised to date based on the percentage of completion. The measurement of contract revenue is affected by a variety of uncertainties that depend on the outcome of future events, including variation orders which may increase or decrease contract revenue. A variation is included in contract revenue to the extent that it will be recoverable from customers and the amount of revenue can be reliably measured.

The valuation of construction contracts and provision for contract costs can be subject to uncertainty in respect of variation works and estimation of future costs. The carrying amounts of assets and liabilities arising from construction contracts at the end of each reporting period are disclosed in Note 9 to the financial statements.

##### Deferred tax

Significant assumptions are involved in determining the provision for deferred tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's deferred tax is disclosed in Note 21 to the financial statements.

##### Provision for contract costs

Determining the provision for contract costs in respect of cost of work required to be carried out for the rectification of construction defects requires an assessment of the potential defects that could arise, the estimation of the timing of incurring such costs and of the future costs of carrying out such rectification works. In assessing the costs of rectification of potential defects that could arise, management considers actual defect costs incurred for comparable projects, adjusted for expected costs to be incurred for potential defects specific to each project. The carrying amount and the movements in the provision are disclosed in Note 19 to the financial statements.

##### Provision for foreseeable losses

Management reviews the development properties and construction contracts for foreseeable loss whenever there is an indication that the estimated selling prices or total contracted revenue are lower than the estimated total development cost or total contracted cost.

The estimated selling prices are based on recent selling prices for the development properties or comparable development properties and the prevailing property market conditions. The estimated development costs are based on contracted amounts, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The carrying amount of the development properties is disclosed in Note 11 to the financial statements.

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### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

In determining foreseeable losses on construction contract, the Group evaluates by relying on past experience and cost estimates. A considerable amount of estimate is required in assessing the cost estimates based on suppliers' quotation or engineers' estimates. The carrying amount of the construction contracts is disclosed in Note 9 to the financial statements.

#### Allowance for doubtful trade and other receivables

Management assesses at the end of each reporting period whether there is any objective evidence that receivables are impaired. Impairment loss is calculated based on a review of the current aging of existing receivables and historical collections experience. Such allowances are adjusted periodically to reflect the actual and anticipated payment default experience. As at June 30, 2015, allowance for doubtful trade and other receivables amounts to \$71,000 (2014 : \$100,000). The carrying amount of the trade and other receivables is disclosed in Note 8 to the financial statements.

#### Investment properties

The Group's investment properties are stated at estimated fair values, as accounted for by management based on independent external appraisals. The estimated fair values may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates such as overall market conditions require an assessment of factors not within management's control. As a result, actual results of operations and realisation of net assets may vary significantly from that estimated. The carrying amount of investment properties at the end of the reporting period and information about the valuation techniques and inputs used in determining the fair value of investment properties are disclosed in Note 15 to the financial statements.

### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

#### (a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Loans and receivables (including cash and cash equivalents)	580,816	795,794	80,936	181,375
Derivative financial instruments	823	-	-	-
<b>Financial liabilities</b>				
Amortised cost	240,441	388,181	617	87,602

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#### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

##### (b) Financial risk management policies and objectives

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects on the financial performance of the Group. The directors provide written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), credit risk, liquidity risk, cash flow interest rate risk, use of derivative financial instruments and investing excess cash. Such written policies are reviewed annually by the directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

##### (i) Foreign exchange risk management

The Group's exposure to foreign currency risk is primarily due to intercompany loans to its foreign subsidiaries and cash and bank balances. The Group has foreign subsidiaries whose net assets are exposed to currency translation risk. The Group uses derivative financial instruments to manage its exposure to foreign exchange risk as and when required.

The following significant monetary assets and liabilities (including intercompany balances) denominated in currencies other than the functional currencies of the respective entities expose the Group to foreign currency risk.

	Liabilities		Assets	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Group</b>				
Australian dollar	504	-	40,373	14,558
United States dollar	618	802	5,901	4,144
Singapore dollar	113,196	98,236	57	57
<b>Company</b>				
Australian dollar	-	-	238	2,100

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

#### (i) Foreign exchange risk management (Cont'd)

##### *Foreign currency sensitivity analysis*

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the relevant foreign currencies strengthen against the functional currency of each Group entity by 5% with all other variables, including tax rate, being held constant, profit or loss will increase (decrease) by:

	Australian dollar impact		United States dollar impact		Singapore dollar impact	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Group</b>						
Profit or loss	1,993	728	264	167	(5,657)	(4,909)
<b>Company</b>						
Profit or loss	12	105	-	-	-	-

The opposite applies if the relevant foreign currencies weaken against the functional currency of each Group entity by 5%.

#### (ii) Interest rate risk management

The Group's exposure to interest rate risk relates primarily to its variable rate debt obligations and loans to joint ventures. The interest rates for borrowings are indicated in Notes 17 and 20 to the financial statements. The interest rates for loans to joint ventures are disclosed in Note 13 to the financial statements. The Group manages interest cost by using a mixture of fixed and variable rate debts.

The Group may from time to time enter into interest rate caps to manage its exposures to interest rate risk. Further details of such instruments are disclosed in Note 16.

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June 30, 2015

#### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

##### (ii) Interest rate risk management (Cont'd)

The borrowing costs related to property development projects are capitalised as cost of property development (Note 11). All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The Company's exposure to interest rate risk relates primarily to advances to subsidiaries (Note 12) which bear variable interest rates.

##### **Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and on the assumption that the change took place at the beginning of the financial year and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the amount of interest capitalised as part of the Group's property development as at June 30, 2015 would have increased/decreased by Nil (2014 : \$748,000).

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the financial year ended June 30, 2015 would have increased/decreased by \$183,000 (2014 : \$305,000).

In addition, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's profit before tax for the financial year ended June 30, 2015 would have increased/decreased by \$231,000 (2014 : \$231,000).

##### (iii) Credit risk management

The Group has no significant concentration of credit risk with any single customer or group of customers. The Group's principal financial assets are cash and cash equivalents, and trade and other receivables and loans to joint ventures. The Company's principal financial assets are cash and cash equivalents, advances to subsidiaries, and trade and other receivables.



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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

#### (iii) Credit risk management (Cont'd)

Bank balances and fixed deposits are held with reputable financial institutions.

The Group's exposure to credit risk on receivables arising from the sale of property units is not significant as such payments are arranged through loans taken up by customers with reputable financial institutions or mortgage loans under the public housing schemes.

The Group carries out construction work for public and private sectors. Credit risks are taken into consideration in the decision to participate in tenders for construction contracts.

The Group monitors its potential losses on credit extended. In addition, rental deposits or banker guarantees are received as security from tenants of its investment properties. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment on the receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Management has considered the credit quality of advances to subsidiaries and loans to joint ventures and determined that the amounts are recoverable. Further details of credit risks on trade and other receivables are disclosed in Note 8.

#### (iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available. Undrawn facilities are disclosed in Note 17.

#### ***Liquidity risk analyses***

##### Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statements of financial position.

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#### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(iv) Liquidity risk management (Cont'd)

##### Non-derivative financial liabilities (Cont'd)

	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
<b>Group</b>						
<b>2015</b>						
Non-interest bearing	-	105,801	3,597	1,552	-	110,950
Finance leases (fixed rate)	4.7	174	327	-	(41)	460
Variable interest rate instruments	3.8	26,398	112,989	-	(10,356)	129,031
<b>2014</b>						
Non-interest bearing	-	109,612	4,640	2,353	-	116,605
Finance leases (fixed rate)	5.6	164	169	-	(32)	301
Variable interest rate instruments	2.7	203,827	80,691	-	(13,243)	271,275
<b>Company</b>						
<b>2015</b>						
Non-interest bearing	-	617	-	-	-	617
<b>2014</b>						
Non-interest bearing	-	87,602	-	-	-	87,602

If the full amount of the corporate guarantees in Note 33 is claimed by the counterparties to the guarantees, the maximum amount that the Company could be forced to settle is \$983,000 (2014 : \$1,593,000). Based on expectations at the end of the reporting period, management considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparties claiming under the guarantees which is a function of the likelihood that the financial receivables held by the counterparties which are guaranteed suffer credit losses.

The earliest period that the corporate guarantees could be called is within one year from June 30, 2015 (2014 : 0.5 year). Management considers that it is more likely than not that no amount will be payable under the arrangement.

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### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

#### (iv) Liquidity risk management (Cont'd)

##### Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
<b>Group</b>						
<b>2015</b>						
Non-interest bearing	-	349,532	-	-	-	349,532
Fixed interest rate instruments	1.0	65,749	-	-	(28)	65,721
Variable interest rate instruments	2.1	37,355	135,578	-	(7,370)	165,563
<b>2014</b>						
Non-interest bearing	-	358,696	-	-	-	358,696
Fixed interest rate instruments	0.9	254,562	-	-	(159)	254,403
Variable interest rate instruments	1.9	57,651	134,555	-	(9,511)	182,695

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#### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(iv) Liquidity risk management (Cont'd)

##### Non-derivative financial assets (Cont'd)

	Weighted average effective interest rate %	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
<b>Company</b>						
<b>2015</b>						
Non-interest bearing	-	3,703	3,919	-	-	7,622
Fixed interest rate instruments	1.4	27,030	-	-	(10)	27,020
Variable interest rate instruments	4.8	-	50,692	-	(4,398)	46,294
<b>2014</b>						
Non-interest bearing	-	1,065	1,721	-	-	2,786
Fixed interest rate instruments	0.9	132,404	-	-	(109)	132,295
Variable interest rate instruments	4.6	-	50,524	-	(4,230)	46,294

##### Derivative financial instrument

At the end of the reporting period, the Group's derivative financial instruments comprise interest rate caps which are settled on net basis. The details of these derivative financial instruments are disclosed in Note 16.

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### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(v) Fair values of financial assets and financial liabilities

Management considers that the carrying amounts of current financial assets and financial liabilities reported in the statements of financial position approximate their respective fair values.

The fair value of other classes of financial assets and financial liabilities are disclosed in their respective notes.

	Fair value hierarchy <sup>(1)</sup>			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
<b>2015</b>				
<b>Financial assets</b>				
Loans to joint ventures	-	128,958	-	128,958
<b>Financial liabilities</b>				
Bank loans	-	107,533	-	107,533
Trade and other payables	-	5,149	-	5,149
Finance leases	-	300	-	300
Total	-	112,982	-	112,982
<b>2014</b>				
<b>Financial assets</b>				
Loans to joint ventures	-	126,096	-	126,096
<b>Financial liabilities</b>				
Bank loans	-	74,676	-	74,676
Trade and other payables	-	6,993	-	6,993
Finance leases	-	153	-	153
Total	-	81,822	-	81,822

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#### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)

(v) Fair values of financial assets and financial liabilities (Cont'd)

	Fair value hierarchy <sup>(1)</sup>			Total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
<b>Company</b>				
<b>2015</b>				
<b>Financial assets</b>				
Advances to subsidiaries	-	50,213	-	50,213
<b>2014</b>				
<b>Financial assets</b>				
Advances to subsidiaries	-	48,015	-	48,015

<sup>(1)</sup> Excludes current financial assets and financial liabilities whose carrying amounts recorded at amortised cost approximate their fair values due to short term maturity of these financial instruments, where the effect of discounting is immaterial.

The Group's derivative financial instruments consisting of interest rate caps, are measured at fair value at the end of each reporting period, and are determined based on observable quoted market rates for equivalent instruments with the same quantum and maturity dates at the end of each reporting period. The fair value measurement of these derivative financial instruments as determined by management, are classified as Level 2 in the fair value hierarchy. The carrying amounts and further information of these derivative financial instruments are disclosed in Note 16.

The fair values of the financial assets and financial liabilities included in Level 2 above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

#### (c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Note 17, cash and cash equivalents as disclosed in Note 7 and equity attributable to owners of the Company, comprising issued capital, other components of equity and retained earnings as disclosed in the statement of changes in equity.

The Group reviews the capital structure on an annual basis. As a part of this review, the Group considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends and new share issues as well as issuance of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from the previous financial year.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Sim Lian Holdings Pte Ltd ("SLH"), incorporated in Singapore, which is also the ultimate holding company.

Related companies in these financial statements refer to members of the Company's group of companies.

Some of the Group's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with related companies are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions with holding company during the financial year, other than those disclosed elsewhere in the financial statements, include the following:

	Group	
	2015	2014
	\$'000	\$'000
Rental expense	1,335	1,271

### 6 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant transactions with related parties during the financial year, other than those disclosed elsewhere in the financial statements, include the following:

	Group	
	2015	2014
	\$'000	\$'000
Loan interest income from joint ventures	(3,765)	(2,612)
Construction revenue from joint ventures	(98,804)	(99,817)
Progress billings for properties under development:		
- to directors of the Company	(997)	(542)
- to a company in which certain directors of the Company have interests	(1,774)	-
Progress billings for completed properties:		
- to directors of the Company	(62)	(1,330)
- to directors of SLH	(22)	(962)
Construction revenue from fellow subsidiaries of SLH	(19,141)	(37,350)
Progress billings for properties purchased from a fellow subsidiary of SLH	1,017	565
Advisor fee paid to a director of the Company	250	-
Sales commission paid to a company in which a director of SLH has interest	46	151

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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#### 6 RELATED PARTY TRANSACTIONS (Cont'd)

##### *Compensation of directors and key management personnel*

The remuneration of directors and other key management during the financial year was as follows:

	Group	
	2015	2014
	\$'000	\$'000
Short-term benefits	9,874	11,496
Post-employment benefits	313	293
	<u>10,187</u>	<u>11,789</u>

The remuneration of directors and other key management is determined by the Compensation and Remuneration Committee having regards to the performance of individuals and market trends.

#### 7 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Fixed deposits	65,721	254,403	27,020	132,295
Cash on hand	59	42	-	-
Cash at banks	101,616	74,616	3,496	832
	<u>167,396</u>	<u>329,061</u>	<u>30,516</u>	<u>133,127</u>

Included in the cash and cash equivalents of the Group is an amount of \$11,531,000 (2014 : \$22,858,000) held under the Housing Developers (Project Account) Rules, withdrawals from which are restricted to payments for expenditure incurred on the development properties (Note 11).

Fixed deposits bear interest ranging from 0.05% to 5.00% (2014 : 0.05% to 2.87%) per annum and for a tenure of approximately 7 days to 6 months (2014 : 7 days to 3 months).



## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade receivables from:				
- Outside parties	209,488	234,152	-	-
- Joint ventures (Note 13)	28,631	26,935	-	-
- Directors of the Company (Note 6)	-	155	-	-
- Company in which certain directors of the Company have interests (Note 6)	1,178	6,454	-	-
- Director of SLH (Note 6)	-	112	-	-
	<u>239,297</u>	<u>267,808</u>	-	-
Gross amounts due from customers for contract work (Note 9)	9,218	8,900	-	-
Other receivables due from:				
- Outside parties	4,048	4,422	151	191
- Subsidiaries (Note 12)	-	-	56	42
- Joint ventures (Note 13)	38,124	59,760	-	-
- Directors of the Company (Note 6)	2	-	-	-
- Companies in which certain directors of the Company have interests (Note 6)	8	27	-	-
Deposits:				
- Outside parties	2,983	8,302	-	-
- Holding company (Note 5)	350	318	-	-
Tax paid in advance	7,038	2,562	-	-
Tax recoverable	60	84	-	-
Rental paid in advance	13	-	-	-
Prepayments	914	871	2	2
	<u>302,055</u>	<u>353,054</u>	<u>209</u>	<u>235</u>

Trade receivables include retention sums receivable on contract work amounting to \$2,685,000 (2014 : \$3,823,000) which are classified as current assets as they are expected to be realised in the normal operating cycle of construction projects.

Included in the Group's trade receivables are receivables from property development customers and construction contracts amounting to \$184,782,000 (2014 : \$214,761,000) and \$16,356,000 (2014 : \$12,222,000) respectively.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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#### 8 TRADE AND OTHER RECEIVABLES (Cont'd)

Included in other receivables from joint ventures is \$36,605,000 (2014 : \$56,599,000) which bears interest at a weighted average rate of 2.1% (2014 : 1.9%) per annum and is expected to be settled within the next 12 months. The remaining balance of other receivables from joint ventures is interest-free, unsecured and repayable on demand. Subsequent to the end of the reporting period, other receivables from joint ventures has been fully received.

Other receivables from outside parties are not past due and not impaired, and there has not been any significant change in credit quality. As at June 30, 2015, deposits to outside parties include \$350,000 (2014 : \$6,500,000) deposit placed for a land tender.

The average credit term for outside parties ranges from 14 days to 90 days (2014 : 14 days to 90 days). The trade receivables are non-interest bearing except for overdue trade receivables from property development customers. Interest on overdue trade receivables from property development customers is charged at 6.75% (2014 : 6.75%) per annum.

The related party balances are unsecured, interest-free and repayable on demand unless otherwise stated. The average credit term for trade receivables due from related parties ranges from 7 days to 30 days (2014 : 7 days to 30 days).

Included in the Group's trade receivable balances are debtors with a carrying amount of \$12,210,000 (2014 : \$7,637,000) which are past due at the end of the reporting period for which the Group has not provided for any impairment losses as there has not been any significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The table below is an analysis of trade receivables as at the end of the reporting period:

	Group	
	2015 \$'000	2014 \$'000
Not past due and not impaired <sup>(i)</sup>	227,087	260,171
Past due but not impaired <sup>(ii)</sup>	12,210	7,637
	239,297	267,808
Impaired receivables - individually assessed <sup>(iii)</sup>	71	100
Less: Allowance for impairment	(71)	(100)
	-	-
Total trade receivables, net	239,297	267,808

<sup>(i)</sup> There has not been any significant change in credit quality of these trade receivables that are not past due and not impaired.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 8 TRADE AND OTHER RECEIVABLES (Cont'd)

(ii) Aging of receivables that are past due but not impaired:

	Group	
	2015	2014
	\$'000	\$'000
< 3 months	10,047	5,197
3 months to 6 months	1,650	1,846
6 months to 12 months	218	248
> 12 months	295	346
	12,210	7,637

(iii) These amounts are stated before any deduction for impairment losses.

Movement in the allowance for impairment of doubtful trade and non-trade receivables:

	Group	
	2015	2014
	\$'000	\$'000
Balance at beginning of the financial year	100	136
Reversal recognised in profit or loss	(29)	(36)
Balance at end of the financial year	71	100

### 9 CONSTRUCTION CONTRACTS

	Group	
	2015	2014
	\$'000	\$'000
Aggregate amount of contract costs incurred plus recognised profits (less recognised losses to date)	295,761	335,167
Less: Progress billings	(293,136)	(326,267)
	2,625	8,900

Presented as:

Gross amounts due from customers for contract work included in trade and other receivables (Note 8)	9,218	8,900
Gross amounts due to customers for contract work included in trade and other payables (Note 18)	(6,593)	-
	2,625	8,900

The contract costs include the following:

Depreciation expense [Note 14(c)]	414	193
Employee benefits expense (Note 26)	39,421	29,922

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#### 10 INVENTORIES

	Group	
	2015	2014
	\$'000	\$'000
Goods held for sale	4,964	4,549

The cost of inventories recognised as an expense for the financial year amounted to \$16,933,000 (2014 : \$19,239,000).

#### 11 DEVELOPMENT PROPERTIES

	Group	
	2015	2014
	\$'000	\$'000
Completed development properties	20,709	209,034
Land for future development	1,478	1,678
<u>Uncompleted development properties</u>		
i) <i>Transfer of significant risks and rewards of ownership at completion</i>		
Costs incurred	545,124	529,921
ii) <i>Continuous transfer of significant risks and rewards of ownership as construction progresses</i>		
Costs incurred plus attributable profits	-	346,539
Less: Progress billings	-	(217,221)
	-	129,318
	567,311	869,951

The costs of development properties include the following:

	Group	
	2015	2014
	\$'000	\$'000
Depreciation expense [Note 14(c)]	11	26
Interest income from fixed deposits	(127)	(131)
Property tax expense	780	3,367
Employee benefits expense (Note 26)	617	9,068
Interest on bank loans (Note 27)	986	4,099

The weighted average rate of capitalisation of the interest expense for the financial year ended June 30, 2015 is 1.4% (2014 : 1.7%) per annum.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 11 DEVELOPMENT PROPERTIES (Cont'd)

Particulars of the development properties are set out below:

Description	Location	Tenure	Site area (square foot)	Gross floor area (square foot)	Approximate percentage of completion (%)	Expected date of completion
Residential development (The Lincoln Residences)	Surrey Road, Singapore	Freehold	51,636	144,580	100.0	Dec 2011 *
Residential development (Taman Bukit Bayu)	Senai-Kulai, Johor, Malaysia	Freehold	Approximately 530,000	Approximately 317,604	100.0	Jul 2012 *
Residential-cum- commercial Development (KL Trillion)	Kuala Lumpur, Malaysia	Freehold	Approximately 194,029	Approximately 1,333,088	Phase 1 – 88.9 Phase 2 – 68.5	Oct 2015 ** Jul 2016 **
Residential-cum- shop office (Desa Baiduri)	Senai-Kulai, Johor, Malaysia	Freehold	Approximately 1,283,931	Approximately 810,610	Phase 1 - 100.0 Phase 2 - 100.0	Sep 2013 * Aug 2014 *
Public residential development (Centrale 8 At Tampines)	Tampines Central 8, Singapore	Leasehold (103 years from Nov 3, 2010)	227,462	682,385	100.0	Jun 2014 *
Residential development (Parc Vera)	Hougang Avenue 7, Singapore	Leasehold (99 years from Dec 20, 2010)	168,246	471,088	100.0	Dec 2014 *
Executive condominium development (The Tampines Trilliant)	Tampines Central 7, Singapore	Leasehold (99 years from Jul 13, 2011)	236,806	710,417	100.0	Feb 2015 *
Executive condominium development (Wandervale)	Choa Chu Kang Drive, Singapore	Leasehold (99 years from Dec 8, 2014)	205,138	574,388	3.7	Sep 2018
Executive condominium development	Anchorvale Crescent, Singapore	Leasehold (99 years from May 5, 2015)	187,831	563,493	***	May 2019
Vacant land	Tarneit, Victoria, Australia	Freehold	Approximately 38,675	***	***	***

\* Actual date of completion

\*\* Estimated date of obtaining Certificate of Completion and Compliance

\*\*\* Under planning stage

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#### 12 SUBSIDIARIES

	Company	
	2015	2014
	\$'000	\$'000
Unquoted equity shares, at cost	21,046	21,046
Advances	228,211	162,708
	<u>249,257</u>	<u>183,754</u>

The advances due from subsidiaries are unsecured and not expected to be repaid within the next twelve months. The advances include an amount of \$46,294,000 (2014 : \$46,294,000) which bears variable interest rates and non-interest bearing advance of \$3,919,000 (2014 : \$1,721,000). The effective interest rate during the financial year was 4.75% (2014 : 4.56% to 4.61%) per annum. Management estimates that the carrying amounts of the advances approximate their fair values.

The settlement of the remaining advances is neither planned nor likely to occur in the foreseeable future and the amount is in substance a part of the Company's net investment in the subsidiaries. Accordingly, the balance is stated at cost.

The Company has not recognised any allowance for doubtful receivables as management is of the view that the advances due from subsidiaries are recoverable.

Details of the subsidiaries are set out below:

Name of subsidiary	Principal activity/ country of incorporation/ constitution and operations	Group's proportion of ownership interest and voting power held (%)	
		2015	2014
Sim Lian Construction Co. (Pte.) Ltd. <sup>(1)</sup>	Building construction and investment holding (Singapore)	100	100
Unigrade Trading Pte Ltd <sup>(2)</sup>	Trading of industrial and marine lubricants, leasing, manufacturing, trading and servicing of construction and industrial equipment and parts (Singapore)	100	100
Porta Pumper Pte Ltd <sup>(2)</sup>	Leasing of mobile sanitation facilities (Singapore)	100	100
Sim Lian Land Pte Ltd <sup>(2)</sup>	Investment holding (Singapore)	100	100
Geo-Tele Pte. Ltd. <sup>(2)</sup>	Property investment (Singapore)	80	80

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### 12 SUBSIDIARIES (Cont'd)

Name of subsidiary	Principal activity/ country of incorporation/ constitution and operations	Group's proportion of ownership interest and voting power held (%)	
		2015	2014
SLG Bersatu Sdn. Bhd. <sup>(3)</sup>	Property investment (Malaysia)	100	100
Perumahan SLG Central Sdn. Bhd. <sup>(3)</sup>	Property development (Malaysia)	100	100
Perumahan SLG Selatan Sdn. Bhd. <sup>(3)</sup>	Property development (Malaysia)	100	100
Perumahan SLG (Kulai) Sdn. Bhd. <sup>(3)</sup>	Property development (Malaysia)	100	100
Sim Lian (Quest) Pte. Ltd. <sup>(1)</sup>	Investment holding (Singapore)	100	100
Sim Lian (Quest II) Pte. Ltd. <sup>(1)</sup>	Investment holding (Singapore)	100	100
S&L City Builders Pte. Ltd. <sup>(1)</sup>	Building construction (Singapore)	100	100
<u>Directly held by Sim Lian Construction Co. (Pte.) Ltd.</u>			
Weldanpower Enterprises & Engineering Services Pte Ltd <sup>(2)</sup>	General engineering, construction and trading in construction materials (Singapore)	100	100
Sim Lian-Koru Bena JV Pte. Ltd. <sup>(2)</sup>	General builders and construction contractors (Singapore)	100	100
RCS Engineering Pte Ltd <sup>(2)</sup>	General engineering and construction works (Singapore)	52	52
SLC (M) Sdn. Bhd. <sup>(3)</sup>	Building construction (Malaysia)	100	100

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#### 12 SUBSIDIARIES (Cont'd)

Name of subsidiary	Principal activity/ country of incorporation/ constitution and operations	Group's proportion of ownership interest and voting power held (%)	
		2015	2014
<u>Directly held by RCS Engineering Pte Ltd</u>			
Qidong RCS Offshore Engineering Co., Ltd. <sup>(7)</sup>	Design, consultancy, installation, maintenance and related import and export sales of offshore module (People's Republic of China)	52	52
<u>Directly held by Sim Lian Land Pte Ltd</u>			
Sim Lian (East K) Pte. Ltd. <sup>(4)</sup>	In process of striking off (Singapore)	-	100
Sim Lian (Newton) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100
Sim Lian (Simei) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100
Sim Lian (Keng Lee) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100
Sim Lian (Bishan) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100
Sim Lian (Ubi) Pte. Ltd. <sup>(4)</sup>	In process of striking off (Singapore)	-	100
Sim Lian (Tampines One) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100
Sim Lian (Tampines Central) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100
Sim Lian (Tampines EC) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100



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### 12 SUBSIDIARIES (Cont'd)

Name of subsidiary	Principal activity/ country of incorporation/ constitution and operations	Group's proportion of ownership interest and voting power held (%)	
		2015	2014
<u>Directly held by Sim Lian Land Pte Ltd (Cont'd)</u>			
Sim Lian (Hougang) Pte. Ltd. <sup>(1)</sup>	Property development (Singapore)	100	100
Sim Lian (Focus) Pte. Ltd. <sup>(1)</sup>	Property development and investment holding (Singapore)	100	100
Sim Lian (Brilliant) Pte. Ltd. <sup>(1)</sup>	Property development and investment holding (Singapore)	100	100
Sim Lian (Starlight) Pte. Ltd. <sup>(1) (5)</sup>	Property development (Singapore)	100	-
Sim Lian (Anchorvale) Pte. Ltd. <sup>(5) (8)</sup>	Property development (Singapore)	100	-
<u>Directly or indirectly held by Sim Lian (Quest) Pte. Ltd.</u>			
Sim Lian Property Trust <sup>(8)</sup>	Investment holding (Singapore)	100	100
SLG Property Trust <sup>(8)</sup>	Investment holding (Australia)	100	100
SLG 50 Margaret Trust <sup>(6)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	100
SLG 59 Albany Trust <sup>(5) (6)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	-

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#### 12 SUBSIDIARIES (Cont'd)

Name of subsidiary	Principal activity/ country of incorporation/ constitution and operations	Group's proportion of ownership interest and voting power held (%)	
		2015	2014
<u>Directly or indirectly held by Sim Lian (Quest II) Pte. Ltd.</u>			
Sim Lian Property Trust II <sup>(8)</sup>	Investment holding (Singapore)	100	100
SLG Property Trust II <sup>(6) (9)</sup>	Investment holding (Australia)	100	100
SLG Tarneit Trust <sup>(6) (9)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	100
SLG Lucas Trust <sup>(6) (9)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	100
SLG Munmorah Trust <sup>(6) (9)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	100
SLG Jordan Springs Trust <sup>(6) (9)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	100
SLG Rothwell Trust <sup>(6) (9)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	100
<u>Directly held by Sim Lian (Brilliant) Pte. Ltd.</u>			
SLG Tarneit Trust I <sup>(8)</sup>	Development, investment, operation and management of real estate and real estate related assets (Australia)	100	100

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### 12 SUBSIDIARIES (Cont'd)

- <sup>(1)</sup> Audited by Deloitte & Touche LLP, Singapore.
- <sup>(2)</sup> Audited by UHY Lee Seng Chan & Co, Singapore.
- <sup>(3)</sup> Audited by Foo, Lee, An & Associates, Malaysia.
- <sup>(4)</sup> Not audited as the subsidiaries are in the process of striking off.
- <sup>(5)</sup> Incorporated/Constituted during the financial year.
- <sup>(6)</sup> Audited by Moore Stephens, Sydney, Australia.
- <sup>(7)</sup> Audited by Nantong Yangguang Accounting Firm Co., Ltd., People's Republic of China.
- <sup>(8)</sup> No statutory audit required, reviewed for consolidation purposes.
- <sup>(9)</sup> No statutory audit required for preceding financial year ended June 30, 2014, reviewed for consolidation purposes.

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Country of incorporation/ constitution and operations	Number of wholly-owned subsidiaries	
		2015	2014
Building construction	Malaysia	1	1
	Singapore	4	4
Property investment	Australia	7	6
	Malaysia	1	1
Property development	Australia	1	1
	Malaysia	3	3
	Singapore	11	11
Investment holding	Australia	2	2
	Singapore	6	6
Others	Singapore	2	2
		38	37

Principal activity	Country of incorporation and operations	Number of non wholly-owned subsidiaries	
		2015	2014
Building construction	Singapore	1	1
Others	Singapore	1	1
	People's Republic of China	1	1
		3	3

Management has assessed and is of the view that the non-controlling interests to the Group are not material.

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 13 JOINT VENTURES

	Group	
	2015	2014
	\$'000	\$'000
Unquoted equity shares, at cost	2,000	2,000
Loans to joint ventures	178,377	172,800
Share of results of joint ventures, net of tax	87,779	37,832
	<u>268,156</u>	<u>212,632</u>

Details of the joint ventures held by a subsidiary of the Company are set out below:

Name of joint venture	Principal activity/ country of incorporation and operations	Effective equity interest (%)	
		2015	2014
Sim Lian JV (Punggol Central) Pte. Ltd. ("SLJV")	Property development (Singapore)	50	50
Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")	Property development (Singapore)	50	50
Sim Lian JV (BP Retail) Pte. Ltd. ("RetailSPV")	Property development and investment holding (Singapore)	50	50
Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV")	Property development and investment holding (Singapore)	50	50
Sim Lian JV (Axis) Pte. Ltd.	In process of striking off (Singapore)	-	50
Sim Lian JV (Treasure) Pte. Ltd.	In process of striking off (Singapore)	-	50

The above joint ventures are audited by Deloitte & Touche LLP, Singapore and accounted for using the equity method in these consolidated financial statements.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

### 13 JOINT VENTURES (Cont'd)

Summarised financial information in respect of each of the Group's joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with FRSs.

	SLJV		ResiSPV		RetailSPV		VisionSPV	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	263,272	323,448	280,792	269,665	2,335	1,578	798,589	787,308
Non-current assets	95,167	93,274	-	-	244,976	264,907	1,568	1,330
Current liabilities	(140,222)	(319,021)	(17,593)	(6,309)	(181,784)	(3,889)	(191,676)	(93,783)
Non-current liabilities	-	(15,962)	(256,996)	(261,372)	(3,434)	(166,819)	(615,938)	(701,231)
Net assets (liabilities)	218,217	81,739	6,203	1,984	62,093	95,777	(7,457)	(6,376)

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	40,673	55,418	236	4,512	581	123	4,509	41,203
Current financial liabilities								
(excluding trade and other								
payables and provisions)	(73,209)	(299,885)	-	-	(176,942)	-	(112)	-
Non-current financial liabilities								
(excluding trade and other								
payables and provisions)	-	-	(255,930)	(261,171)	-	(166,819)	(615,938)	(701,231)

Revenue	429,492	270,486	55,982	37,285	-	-	-	-
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The profit for the year includes the following:

Interest income	1,893	1,971	5	9	-	-	13	2
Interest expense	(2,294)	(1,956)	(3)	(2)	-	-	(48)	(5,926)
Income tax (expense) credit	(30,080)	(11,149)	(850)	(872)	-	-	206	1,323

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#### 13 JOINT VENTURES (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net assets of the joint ventures	279,056	173,124
Proportion of the Group's ownership interest in the joint ventures (%)	50	50
	139,528	86,562
Other adjustments	(330)	(3)
Carrying amount of the Group's interest in the joint ventures	139,198	86,559

#### *Aggregate information of joint ventures that are not individually material*

	2015 \$'000	2014 \$'000
Group's share of profit (loss), representing total comprehensive profit (loss)	23	(12)
Aggregate carrying amount of the Group's interests in these joint ventures	-	(23)

The loans to the joint ventures include amounts of \$128,958,000 (2014 : \$126,096,000) which bear interest at a weighted average rate of 2.1% (2014 : 1.9%) per annum and is not expected to be repaid within the next twelve months. Included in the loans to the joint ventures is interest receivables amounting to \$5,996,000 (2014 : \$3,268,000). The remaining loans to joint ventures are non-interest bearing and stated at cost. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and the amount is in substance a part of the Group's net investment in the joint ventures.

Management estimates that the carrying amounts of the loans to the joint ventures approximate their fair values.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

### 14 PROPERTY, PLANT AND EQUIPMENT

	Properties under construction \$'000	Leasehold properties \$'000	Plant and equipment \$'000	Total \$'000
<b>Group</b>				
Cost:				
At July 1, 2013	735	17,260	21,541	39,536
Additions	565	-	1,399	1,964
Written off	-	-	(232)	(232)
Currency alignment	-	-	(2)	(2)
Disposals	-	-	(660)	(660)
At June 30, 2014	1,300	17,260	22,046	40,606
Additions	1,017	811	5,736	7,564
Transfer to investment properties (Note 15)	(2,317)	-	-	(2,317)
Written off	-	-	(648)	(648)
Currency alignment	-	-	(4)	(4)
Disposals	-	-	(1,067)	(1,067)
At June 30, 2015	-	18,071	26,063	44,134
Accumulated depreciation:				
At July 1, 2013	-	3,369	16,930	20,299
Depreciation	-	616	1,604	2,220
Written off	-	-	(230)	(230)
Currency alignment	-	-	(1)	(1)
Disposals	-	-	(660)	(660)
At June 30, 2014	-	3,985	17,643	21,628
Depreciation	-	631	2,013	2,644
Written off	-	-	(642)	(642)
Currency alignment	-	-	(4)	(4)
Disposals	-	-	(1,064)	(1,064)
At June 30, 2015	-	4,616	17,946	22,562
Carrying amount:				
At June 30, 2015	-	13,455	8,117	21,572
At June 30, 2014	1,300	13,275	4,403	18,978

- (a) The carrying amount of the Group's plant and equipment includes an amount of \$737,000 (2014 : \$408,000) in respect of assets held under finance leases (Note 20).

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June 30, 2015

#### 14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(b) Details of properties under construction and leasehold properties are as follows:

Location	Title	Description
6 Tuas South Street 2 Singapore 638042 <sup>(d) (i)</sup>	Leasehold (60 years from August 18, 1993)	Flatted factory with warehouse
18 Boon Lay Way #05-121 TradeHub 21 Singapore 609966 <sup>(ii) (d) (iii)</sup>	Leasehold (60 years from December 10, 2003)	A factory unit
18 Boon Lay Way #05-122 TradeHub 21 Singapore 609966 <sup>(d) (iii)</sup>	Leasehold (60 years from December 10, 2003)	A factory unit
24 Woodlands Walk Singapore 738389 <sup>(d) (iii)</sup>	Leasehold (30 years from November 1, 1995 with an option for a further term of 30 years)	Industrial factory building
3 Ang Mo Kio Street 62 #03-14 Link@AMK Singapore 569139 <sup>(i)</sup>	Leasehold (60 years from June 28, 2011)	A factory unit
3 Ang Mo Kio Street 62 #03-15 Link@AMK Singapore 569139 <sup>(i)</sup>	Leasehold (60 years from June 28, 2011)	A factory unit

<sup>(i)</sup> The properties were under construction during the preceding financial year ended June 30, 2014. The properties obtained Temporary Occupation Permit in November 2014 and were subsequently reclassified as investment properties following the change in intent of use of the said properties. Fair values of these properties at the date of transfer were determined to approximate the cost of \$2,317,000.

<sup>(ii)</sup> Acquired during the financial year ended June 30, 2015.

(c) Depreciation was charged as follows:

	Group	
	2015	2014
	\$'000	\$'000
Capitalised as cost of construction contracts (Note 9)	414	193
Capitalised as cost of development properties (Note 11)	11	26
Charged to profit or loss	2,219	2,001
Total depreciation during the financial year	2,644	2,220



## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (d) <sup>(i)</sup> The Group assessed impairment loss of the leasehold property at the end of each reporting period based on desktop valuation carried out by independent professional valuer, Chambers Valuers & Property Consultants Pte Ltd (2014 : Chambers Valuers & Property Consultants Pte Ltd) on the basis of open market value.
- <sup>(ii)</sup> The Group assessed impairment loss of the leasehold property at the end of each reporting period based on a valuation carried out by independent professional valuer, Chambers Valuers & Property Consultants Pte Ltd (2014 : CKS Property Consultants Pte Ltd) on the basis of open market value for existing use.
- <sup>(iii)</sup> The Group assessed impairment loss of the leasehold property at the end of each reporting period based on a valuation carried out by independent professional valuer, Chesterton Singapore Pte. Ltd. (2014 : Suntec Real Estate Consultants Pte Ltd) on the basis of open market value for existing use.

### 15 INVESTMENT PROPERTIES

	Group	
	2015	2014
	\$'000	\$'000
<b>At fair value</b>		
At beginning of the financial year	241,025	6,750
Additions	85,502	248,525
Change in fair value	8,169	(15,542)
Transfer from property, plant and equipment (Note 14)	2,317	-
Currency alignment	(31,923)	1,292
At end of the financial year	305,090	241,025

The fair values of the Group's investment properties at June 30, 2015 and 2014 have been determined on the basis of valuations carried out near or at the respective year end dates by independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The fair values of the Group's investment property portfolio are determined by external and independent valuers annually.

In estimating the fair value of the properties, the highest and best use of the investment properties as at the end of the reporting period is their current use. There has been no change to the valuation techniques for the respective investment properties during the year.

Certain of the investment properties above are mortgaged to banks as security for borrowings (Note 17).

Included in investment properties is \$5,831,000 (2014 : \$7,544,000) which remains payable as at June 30, 2015.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 15 INVESTMENT PROPERTIES (Cont'd)

The Group classifies fair value measurement of its investment properties using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement.

Details of the Group's investment properties and information about the fair value hierarchy as at June 30, 2014 and 2015 are as follows:

2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investment properties	-	-	305,090

2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investment properties	-	-	241,025

There were no transfers between the respective levels during the financial years ended June 30, 2014 and 2015.

The following table shows the significant unobservable inputs used in the valuation models for investment properties classified as level 3 in the fair value hierarchy:

Description	Valuation technique	Significant unobservable input(s)	Range	Fair value \$'000
Investment properties in Singapore	Direct comparison method	Price per square meter <sup>(1)</sup>	\$5,500 - \$13,000 (2014 : \$7,700 - \$11,400)	\$10,080 (2014 : \$7,130)
Investment properties in Australia	Capitalisation approach	Capitalisation rate <sup>(2)</sup>	6.75% - 8.00% (2014 : 7.25% - 8.00%)	\$295,010 (2014 : \$233,895)

<sup>(1)</sup> Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

<sup>(2)</sup> Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

The property rental income earned by the Group from its investment properties which are leased out under operating leases amounted to \$22,205,000 (2014 : \$6,673,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to \$3,834,000 (2014 : \$1,262,000).

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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FULFILLING FIFTEEN

### 15 INVESTMENT PROPERTIES (Cont'd)

Details of the investment properties are as follows:

Location	Title	Description
170 Upper Bukit Timah Road #10-04 Bukit Timah Shopping Centre Singapore 588179	Leasehold (999 years from December 17, 1883)	Shop unit
52 Hillview Terrace Singapore 669271	Freehold	Industrial terrace factory building
50 Margaret Street Sydney New South Wales 2000 Australia	Freehold	Commercial building
747 Tarneit Road Tarneit Victoria 3029 Australia	Freehold	Shopping centre
759 - 761 Deception Bay Road Rothwell Queensland 4022 Australia	Freehold	Shopping centre
6 Coltman Plaza Lucas Victoria 3350 Australia	Freehold	Shopping centre
61 Water Gum Drive Jordan Springs New South Wales 2747 Australia	Freehold	Shopping centre

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 15 INVESTMENT PROPERTIES (Cont'd)

Location	Title	Description
275 Pacific Highway Lake Munmorah New South Wales 2259 Australia	Freehold	Shopping centre and land
59 Albany Highway Victoria Park Western Australia 6100 Australia	Freehold	Commercial building
3 Ang Mo Kio Street 62 #03-14 Link@AMK Singapore 569139 <sup>(i)</sup>	Leasehold (60 years from June 28, 2011)	A factory unit
3 Ang Mo Kio Street 62 #03-15 Link@AMK Singapore 569139 <sup>(i)</sup>	Leasehold (60 years from June 28, 2011)	A factory unit

<sup>(i)</sup> The properties were transferred from property, plant and equipment (Note 14) during the financial year ended June 30, 2015.

#### 16 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2015		2014	
	Contract/ Notional Amounts \$'000	Assets \$'000	Contract/ Notional Amounts \$'000	Assets \$'000
Interest rate caps				
- Non-current	53,837	823	-	-

In 2015, interest cap contracts were entered into and the interest rates on the bank loans (Note 17) are capped at margin plus fixed rates of 2.75% per annum or 3.25% per annum. The interest rate caps mature on June 22, 2018, December 24, 2019 and December 24, 2021.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 17 BANK LOANS

	Group	
	2015	2014
	\$'000	\$'000
<b>Secured - at amortised cost</b>		
Short-term bank loans	21,498	47,056
Current portion of long-term bank loans	-	149,543
	21,498	196,599
Long-term bank loans	107,533	74,676
	129,031	271,275
	Group	
	2015	2014
	\$'000	\$'000

The borrowings are repayable:

On demand or within one year (shown under current liabilities)	21,498	196,599
In the second year	66,095	-
In the third year	41,438	74,676
	129,031	271,275

The bank loans are arranged at floating interest rates and therefore expose the Group to cash flow interest rate risk. The interest rates for the long-term bank loans are reset from 7 days to 3 months in both 2015 and 2014 based on changes to Swap Offer Rate or Bank Bill Swap Reference Rate. Management estimates that the carrying amount of the bank loans approximates their fair values as market interest rates are charged on the bank loans.

The weighted average effective interest rates paid were as follows:

	Group	
	2015	2014
	%	%
Short-term bank loans	4.3	4.4
Long-term bank loans	2.7	1.8

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### NOTES TO FINANCIAL STATEMENTS

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#### 17 BANK LOANS (Cont'd)

Details of the bank loans are set out below:

##### Loans secured against development and investment properties

The bank facilities secured against the investment properties (2014 : development properties and investment properties) including legal assignment of all rights, titles, interests and benefits under contracts in respect of the properties of the Group are as follows:

- (a) a short-term loan of \$20.4 million (2014 : \$47.1 million) repayable upon demand by the bank;
- (b) a loan of \$54.5 million (2014 : \$61.6 million) repayable in full on April 30, 2017;
- (c) a loan of \$11.6 million (2014 : \$13.1 million) repayable in full on June 26, 2017;
- (d) a loan of \$41.4 million (2014 : Nil) repayable in full on March 20, 2018;
- (e) in 2014, a loan of \$15.5 million repayable in full on December 31, 2014 or 6 months from the date of issuance of Temporary Occupation Permit ("TOP") of the development property at Tampines Central 8, whichever is earlier, was repaid in 2015;
- (f) in 2014, a loan of \$20.2 million repayable in full on June 30, 2015 or 6 months from the date of issuance of TOP of the development property at Hougang Avenue 7, whichever is earlier, was repaid in 2015;
- (g) in 2014, a loan of \$112.2 million repayable in full on December 31, 2015 or 6 months from the date of issuance of TOP of the development property at Tampines Central 7, whichever is earlier, was repaid in 2015; and
- (h) in 2014, a loan of \$1.6 million repayable in five consecutive quarterly principal repayments commencing from July 2013, was repaid in 2015.

In 2014, the bank facilities were supported by undertakings issued by the Company.

##### Loans secured against leasehold properties

- (a) a short-term loan of \$1.1 million (2014 : Nil) secured against the leasehold properties.

The bank facilities are secured on assets with the following carrying amounts:

	Group	
	2015	2014
	\$'000	\$'000
Development properties (costs plus attributable profits)	-	1,062,229
Leasehold properties	1,387	-
Investment properties	297,210	233,895

As at June 30, 2015, the Group had \$239.0 million (2014 : \$9.4 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### 18 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade payables due to:				
- Outside parties	68,434	79,399	-	-
- A key management personnel of the Company (Note 6)	60	66	-	-
- Company in which a director of the Company has interests (Note 6)	4	5	-	-
Gross amounts due to customers for contract work (Note 9)	6,593	-	-	-
Monies received in advance	100,065	534,008	-	-
Other payables due to:				
- Outside parties	12,934	12,774	65	65
- Subsidiaries (Note 12)	-	-	-	87,003
- Joint ventures (Note 13)	314	19	-	-
Accrued operating expenses	28,744	23,583	552	534
Accrued interest expenses	202	544	-	-
Deposits received:				
- Outside parties	243	200	-	-
- Company in which a director of the Company has interest (Note 6)	15	15	-	-
	217,608	650,613	617	87,602
Analysed as:				
Current	212,459	643,620	617	87,602
Non-current	5,149	6,993	-	-
	217,608	650,613	617	87,602

Included in the non-current trade and other payables are development costs and additions to an investment property amounting to \$670,000 (2014 : \$2,286,000) and \$3,622,000 (2014 : \$4,707,000) respectively payable to outside parties.

Management estimates that the carrying amounts of the non-current development costs and payable for additions to an investment property included in trade and other payables approximate their fair values.

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#### 19 PROVISIONS

Movement for provisions of the Group during the financial year is as follows:

	Group	
	2015	2014
	\$'000	\$'000
At beginning of the financial year	74,461	74,207
Additions during the financial year, net	18,201	5,424
Currency alignment	(71)	(6)
Utilised during the financial year	(11,131)	(5,164)
At end of the financial year	81,460	74,461

The provision for contract costs represents management's best estimate of the cost of work to be carried out for construction contracts and development properties during the warranty period based on the past experience and assessment for each project/development.

#### 20 FINANCE LEASES

	Group			
	Minimum lease payments		Present values of minimum lease payments	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Amounts payable under finance leases:				
Within 1 year	174	164	160	148
Within 2 to 5 years	327	169	300	153
	501	333	460	301
Less: Future finance charges	(41)	(32)		
Present values of lease obligations	460	301		
Less: Amount due for settlement within 12 months (shown under current liabilities)			(160)	(148)
Amount due for settlement after 12 months			300	153

The average effective interest rate is 4.7% (2014 : 5.6%) per annum. Interest rates are fixed at the contract date and thus expose the Group to fair value interest rate risk. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair values of the Group's lease obligations approximate their carrying amounts. The Group's obligations under finance lease are secured by the lessor's title to the leased assets.



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### 21 DEFERRED TAX

The following is the analysis of major deferred tax liabilities and assets recognised by the Group and the Company and the movements thereon, during the current and prior reporting periods:

	Recognition of profits on uncompleted projects \$'000	Accelerated tax depreciation \$'000	Provision \$'000	Others \$'000	Net \$'000
<b>Group</b>					
At July 1, 2013	22,498	173	(7,569)	1,243	16,345
(Credit) Charge to profit or loss (Note 29)	(11,008)	-	(5,089)	650	(15,447)
At June 30, 2014	11,490	173	(12,658)	1,893	898
(Credit) Charge to profit or loss (Note 29)	(11,490)	-	(1,190)	924	(11,756)
At June 30, 2015	-	173	(13,848)	2,817	(10,858)

**Unremitted foreign  
sourced income  
\$'000**

#### Company

At July 1, 2013	709
Charge to profit or loss	320
At June 30, 2014	1,029
Charge to profit or loss	374
At June 30, 2015	1,403

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for purposes of the statements of financial position:

	<b>Group 2015 \$'000</b>	<b>2014 \$'000</b>
Deferred tax liabilities	2,990	14,668
Deferred tax assets	(13,848)	(13,770)
	(10,858)	898

The Group has provisions for contract costs of \$81,460,000 (2014 : \$74,461,000) which can be claimed as tax-deductible expenditure when spent and the tax benefits of this can be used to offset against future taxable income. Should the relevant company not have taxable profits to offset against the expenditure in the relevant year of assessment, the tax-deductible expenditure can be used to offset taxable income of other entities within the Group provided conditions for such group relief are met. As at June 30, 2015, the Group had recognised a deferred tax asset of \$13,848,000 (2014 : \$12,658,000) based on management's assessment of the amount that can be reasonably recovered.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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#### 22 SHARE CAPITAL

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares		\$'000	\$'000

Issued and paid up:

Balance at beginning and at end of the financial year	1,005,890,466	1,005,890,466	155,181	155,181
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Fully paid ordinary shares, which have no par value, carry one vote per share with no restrictions and carry a right to dividends as and when declared by the Company.

#### 23 ASSET REVALUATION RESERVE

The asset revaluation reserve arose from the revaluation of freehold land and building immediately prior to the transfer to investment property due to the change in use. Where revalued land or buildings are sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

The revaluation reserves are not available for distribution to the company's shareholders.

#### 24 REVENUE

	Group	
	2015	2014
	\$'000	\$'000
Revenue from construction contracts	229,036	172,414
Revenue from property development	914,333	506,704
Sales of goods and construction materials	19,879	21,630
Rental income from investment properties	22,068	6,553
Leasing of mobile sanitation facilities and construction equipment	7,917	7,362
	<u>1,193,233</u>	<u>714,663</u>

#### 25 OTHER OPERATING INCOME

	Group	
	2015	2014
	\$'000	\$'000
Property rental income	423	475
Other rental income	193	402
Interest income	5,853	4,571
Gain on disposal of property, plant and equipment	256	246
Forfeiture fee income	635	407
Other sundry income	664	1,585
	<u>8,024</u>	<u>7,686</u>

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FULFILLING FIFTEEN

### 26 EMPLOYEE BENEFITS EXPENSE

	Group	
	2015	2014
	\$'000	\$'000
Total employee benefits expense	61,236	57,077
Less amounts capitalised as cost of:		
Construction contracts (Note 9)	(39,421)	(29,922)
Development properties (Note 11)	(617)	(9,068)
	21,198	18,087

The following were included in total employee benefits expense:

Costs of defined contribution	3,367	2,571
Directors' fees:		
- paid by the Company	469	454
Directors' remuneration:		
- paid by subsidiaries	8,515	10,432

### 27 FINANCE COSTS

	Group	
	2015	2014
	\$'000	\$'000
Interest on bank loans	6,248	6,249
Interest on obligation under finance leases	8	8
Total borrowing costs	6,256	6,257
Less amounts capitalised as cost of:		
Development properties (Note 11)	(986)	(4,099)
	5,270	2,158

### 28 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	Group	
	2015	2014
	\$'000	\$'000
Audit fees:		
Paid to auditors of the Company	250	262
Paid to other auditors	120	67
Non-audit fees:		
Paid to auditors of the Company	68	75

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

SIM LIAN GROUP LIMITED  
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### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 29 INCOME TAX EXPENSE

	Group	
	2015	2014
	\$'000	\$'000
Deferred tax (Note 21)	(11,919)	(16,002)
Underprovision for deferred tax in prior years (Note 21)	163	555
	(11,756)	(15,447)
Current tax	50,407	44,641
Under (Over) provision for current tax in prior years	7	(906)
	38,658	28,288

Domestic income tax is calculated at 17% (2014 : 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the financial year can be reconciled to the accounting profit as follows:

	Group	
	2015	2014
	\$'000	\$'000
Profit before income tax	279,906	200,097
Tax at statutory rate of 17% (2014 : 17%)	47,584	34,017
Tax effect of expenses that are not deductible in determining taxable profit	4,998	2,617
Tax effect of income that are not taxable in determining taxable profit	(8,724)	(1,255)
Under (Over) provision for current tax in prior years	7	(906)
Underprovision of deferred tax in prior years	163	555
Effect of previously unrecognised tax benefit now utilised	(1,190)	(5,089)
Tax exempt income	(558)	(826)
Effect of tax concessions	(1,286)	(579)
Different tax rates of subsidiaries operating in other jurisdictions	(1,668)	(199)
Others	(668)	(47)
	38,658	28,288

#### 30 EARNINGS PER SHARE

The basic earnings per share is calculated based on the Group's profit attributable to owners of the Company of \$240,365,000 (2014 : \$170,980,000) and the weighted average number of 1,005,890,466 (2014 : 1,005,890,466) ordinary shares.

The Company has not granted any options over its shares and consequently there is no dilution of earnings per share.

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## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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FULFILLING FIFTEEN

### 31 SEGMENT INFORMATION

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. Competitive, operating and financial risks related to each business and industry type are considered in determining whether the operating segments have similar economic characteristics. The Group's reportable segments under FRS 108 *Operating Segments* are set out below:

#### **Building construction**

General builders and construction contractors, general engineering and sale of construction materials.

#### **Property development**

Development of residential, industrial and commercial projects.

#### **Property investment**

Leasing of investment properties for rental income.

#### **Investment holding**

Investment in unquoted equity shares of subsidiaries.

#### **Others**

Comprise (1) trading of industrial and marine lubricants; (2) leasing, servicing and maintenance of construction and industrial equipments and parts; and (3) leasing, servicing and maintenance of mobile sanitation facilities.

Segment revenue represents revenue generated from external and internal customers. Inter-segment sales are charged at prevailing market prices. These transfers are eliminated on consolidation. Segment results represent the profit earned by each segment after allocating central administrative expense and finance costs. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources, the chief operating decision makers monitor the tangible and financial assets and liabilities attributable to each segment.

Other than income tax assets, all assets are allocated to reportable segments.

All liabilities are allocated to reportable segments other than income tax payable, deferred tax liabilities and finance leases.

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### 31 SEGMENT INFORMATION (Cont'd)

	Building construction \$'000	Property development \$'000	Property investment \$'000	Investment holding \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>2015</b>							
External customers	229,036	914,333	22,068	-	27,796	-	1,193,233
Inter-segment	97,645	-	-	-	3,734	(101,379)	-
	<u>326,681</u>	<u>914,333</u>	<u>22,068</u>	<u>-</u>	<u>31,530</u>	<u>(101,379)</u>	<u>1,193,233</u>

#### Results

Segment result	55,214	158,510	11,332	(906)	5,393	(5,451)	224,092
Depreciation expense	(921)	-	-	(143)	(1,155)	-	(2,219)
Change in fair value of derivative financial instrument	-	-	(666)	-	-	-	(666)
Change in fair value of investment properties	-	-	8,169	-	-	-	8,169
Share of results of joint ventures, net of tax	-	69,481	(19,557)	-	23	-	49,947
Interest income	425	1,678	177	3,549	24	-	5,853
Interest expense	(30)	(34)	(5,201)	-	(5)	-	(5,270)
Profit before income tax							<u>279,906</u>
Income tax expense							<u>(38,658)</u>
Profit for the financial year							<u>241,248</u>

#### 2014

External customers	172,414	506,704	6,553	-	28,992	-	714,663
Inter-segment	193,125	-	-	-	5,224	(198,349)	-
	<u>365,539</u>	<u>506,704</u>	<u>6,553</u>	<u>-</u>	<u>34,216</u>	<u>(198,349)</u>	<u>714,663</u>

#### Results

Segment result	60,612	123,996	4,235	1,854	4,863	(2,865)	192,695
Depreciation expense	(800)	-	-	(143)	(1,058)	-	(2,001)
Change in fair value of investment properties	-	-	(15,542)	-	-	-	(15,542)
Share of results of joint ventures, net of tax	-	22,571	(27)	-	(12)	-	22,532
Interest income	433	1,477	88	2,569	4	-	4,571
Interest expense	(3)	(18)	(2,132)	-	(5)	-	(2,158)
Profit before income tax							<u>200,097</u>
Income tax expense							<u>(28,288)</u>
Profit for the financial year							<u>171,809</u>

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

### 31 SEGMENT INFORMATION (Cont'd)

	Building construction \$'000	Property development \$'000	Property investment \$'000	Investment holding \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>2015</b>							
<b>Assets and liabilities</b>							
Segment assets	118,769	1,100,720	350,124	41,856	25,838	-	1,637,307
Unallocated assets							10,918
Total assets							<u>1,648,225</u>
Segment liabilities	157,369	129,537	136,454	629	4,110	-	428,099
Unallocated liabilities							49,640
Total liabilities							<u>477,739</u>
<b>Other information</b>							
Capital expenditure	5,879	8	1,017	-	660	-	7,564
Additions to investment properties	-	-	85,502	-	-	-	85,502
Provision for contract costs	15,728	2,473	-	-	-	-	18,201
<b>2014 (restated)</b>							
<b>Assets and liabilities</b>							
Segment assets <sup>(1)</sup>	147,256	1,393,024	297,212	168,090	23,584	-	2,029,166
Unallocated assets							84
Total assets							<u>2,029,250</u>
Segment liabilities	145,782	713,503	132,905	611	3,548	-	996,349
Unallocated liabilities							45,014
Total liabilities							<u>1,041,363</u>
<b>Other information</b>							
Capital expenditure	1,061	-	-	-	903	-	1,964
Additions to investment properties	-	-	248,525	-	-	-	248,525
Provision for contract costs	7,157	(1,733)	-	-	-	-	5,424

<sup>(1)</sup> Segment assets had been restated to present the Group's investment in joint ventures in the respective reportable segments for which the joint ventures have similar economic characteristics with. Investment in joint ventures was previously included in "investment holding".

## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

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June 30, 2015

#### 31 SEGMENT INFORMATION (Cont'd)

##### Geographical segments

The Group operates in three principal geographical areas – Australia, Malaysia and Singapore (country of domicile). The Group's revenue from external customers and information about its investment properties by geographical location are detailed below:

	Australia \$'000	Malaysia \$'000	Singapore \$'000	Total \$'000
<b>2015</b>				
Revenue	22,068	19,600	1,151,565	1,193,233
Investment properties	295,010	-	10,080	305,090
<b>2014</b>				
Revenue	6,553	16,763	691,347	714,663
Investment properties	233,895	-	7,130	241,025

The Group's other non-current assets are substantially located in Singapore.

##### Major customer information

The Group does not have revenue from transactions with a single customer amounting to 10% or more of the Group's total revenue, and accordingly, no information on major customer is presented.

#### 32 DIVIDENDS

During the financial year, the Company declared and paid the first and final one-tier tax exempt dividend of \$0.046 per ordinary share of the Company amounting to \$46,271,000 to its shareholders in respect of financial year ended June 30, 2014.

During the preceding financial year ended June 30, 2014, the Company declared a first and final one-tier tax exempt dividend of \$0.046 per ordinary share of the Company amounting to \$46,271,000 to its shareholders in respect of financial year ended June 30, 2013.

In respect of the current financial year, the directors propose that a tax exempt (one-tier) final dividend of \$0.0728 per share to be paid to shareholders. These dividends are subject to approval by shareholders at the forthcoming annual general meeting and has not been included as a liability in these financial statements. The estimated amount of dividends to be paid is \$73,229,000.



## APPENDIX VIII – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

FULFILLING FIFTEEN

### 33 CORPORATE GUARANTEES

	Company	
	2015	2014
	\$'000	\$'000
Corporate guarantees for credit facilities granted to subsidiaries		
- secured	983	-
- unsecured	-	1,593
	<u>983</u>	<u>1,593</u>

Management is of the opinion that the fair value of the above corporate guarantees is not material.

### 34 OPERATING LEASE ARRANGEMENTS

	Group	
	2015	2014
	\$'000	\$'000
<b>The Group as lessee</b>		
Minimum lease payments under operating leases (net of rebates) recognised as an expense in the financial year	<u>4,686</u>	<u>4,519</u>

The Group does not have any non-cancellable operating leases as at June 30, 2015 and 2014.

#### The Group as lessor

The Group rents out its investment properties in Singapore and Australia under operating leases. Property rental income earned from these properties during the year was \$22,205,000 (2014 : \$6,673,000) (Note 15).

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease receipts:

	2015	2014
	\$'000	\$'000
Within one year	22,974	19,711
In the second to fifth year	74,348	63,159
From sixth year onwards	193,362	213,186
	<u>290,684</u>	<u>296,056</u>

### 35 CAPITAL COMMITMENTS

Capital commitment contracted for at the end of the reporting period but not recognised in the financial statements is as follows:

	Group	
	2015	2014
	\$'000	\$'000
Property, plant and equipment	<u>5,974</u>	<u>2,957</u>

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## **APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016**

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The information set out in this Appendix IX is a reproduction of selected financial information extracted from the Full Year Financial Statement and Dividend Announcement, and was not specifically prepared for inclusion in this Circular.

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016



### SIM LIAN GROUP LIMITED

(Company Registration No. 200004760C)

#### Full Year Financial Statement and Dividend Announcement

#### PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

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

	Note	Group		
		Full year ended 30 June		Change
		2016	2015	
		S\$'000	S\$'000	%
<b>Revenue</b>	1	570,917	1,193,233	-52%
Other operating income	2	14,866	8,024	85%
Contract costs		(433,989)	(906,139)	-52%
Raw materials and consumables		(14,767)	(15,615)	-5%
Property operating expense		(7,759)	(3,804) *	104%
Employee benefits expense		(16,861)	(21,198)	-20%
Depreciation expense		(2,382)	(2,219)	7%
Change in fair value of derivative financial instruments		(1,060)	(666)	59%
Change in fair value of investment properties		2,863	8,169	-65%
Foreign exchange losses		(8,221)	(13,808)	-40%
Other operating expenses	3	(14,138)	(10,748)	32%
Profit from operations		89,469	235,229	-62%
Finance costs		(4,775)	(5,270)	-9%
Share of results of joint ventures, net of tax		1,537	49,947	-97%
<b>Profit before income tax</b>		86,231	279,906	-69%
Less: income tax expense	4	(15,285)	(38,658)	-60%
<b>Profit for the financial year</b>		70,946	241,248	-71%
Other comprehensive loss :				
<b>Item that may be reclassified subsequently to profit or loss:</b>				
Exchange differences arising from translation of foreign subsidiaries		(3,895)	(11,555)	-66%
<b>Other comprehensive loss for the financial year, net of tax</b>		(3,895)	(11,555)	-66%
<b>Total comprehensive income for the financial year</b>		<b>67,051</b>	<b>229,693</b>	-71%
Profit attributable to:				
Owners of the Company		68,794	240,365	-71%
Non-controlling interests		2,152	883	144%
<b>Profit for the financial year</b>		<b>70,946</b>	<b>241,248</b>	-71%
Total comprehensive income attributable to:				
Owners of the Company		64,903	228,806	-72%
Non-controlling interests		2,148	887	142%
<b>Total comprehensive income for the financial year</b>		<b>67,051</b>	<b>229,693</b>	-71%

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

	Group		
	Full year ended 30 June		Change
	2016	2015	
	S\$'000	S\$'000	%
<b>Note 1:</b>			
Revenue comprises the following:-			
Revenue from construction contracts	429,997	229,036	88%
Revenue from property development	86,608	914,333	-91%
Revenue from property investment	26,912	22,068	22%
Sales of goods and construction materials	19,020	19,879	-4%
Leasing of mobile sanitation facilities and construction equipment	8,380	7,917	6%
	570,917	1,193,233	-52%
<b>Note 2:</b>			
Other operating income comprises the following:-			
Rental income	1,923	616	212%
Interest income	7,104	5,853	21%
Gain on disposal of property, plant and equipment	109	256	-57%
Property outgoings recovery	4,042	2,038 *	98%
Other sundry income	1,688	1,299	30%
<b>Note 3:</b>			
Other operating expenses include:-			
Bad trade and other receivables written off	157	29	441%
Property expenses	3,362	3,212	5%
Management fee	3,118	2,409	29%
Marketing costs incurred for development properties	1,812	-	n/m
Reversal of allowance for doubtful trade receivables	(26)	(29)	-10%
<b>Note 4:</b>			
Income tax expense includes:-			
Under provision for tax in respect of prior periods	1,602	170	842%

n/m : not meaningful

\* In financial year ended 30 June 2015, property outgoings recovery was netted off against property operating expense.

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

	Note	Group		Company	
		As at 30-06-2016	As at 30-06-2015	As at 30-06-2016	As at 30-06-2015
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	5	324,209	167,396	41,902	30,516
Trade and other receivables	6	170,406	302,055	314	209
Inventories		3,872	4,964	-	-
Development properties		601,470	567,311	-	-
Total current assets		1,099,957	1,041,726	42,216	30,725
<b>Non-current assets:</b>					
Subsidiaries		-	-	299,441	249,257
Joint ventures	7	240,614	268,156	-	-
Property, plant and equipment	8	28,919	21,572	-	-
Investment properties	9	407,026	305,090	-	-
Derivative financial instruments		109	823	-	-
Deferred tax assets		8,773	10,858	-	-
Total non-current assets		685,441	606,499	299,441	249,257
<b>Total assets</b>		<b>1,785,398</b>	<b>1,648,225</b>	<b>341,657</b>	<b>279,982</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Bank loans	10	19,515	21,498	-	-
Trade and other payables	11	240,583	212,459	534	617
Provisions		66,170	81,460	-	-
Derivative financial instruments		294	-	294	-
Current portion of finance leases		147	160	-	-
Income tax payable	12	6,003	49,180	176	31
Total current liabilities		332,712	364,757	1,004	648
<b>Non-current liabilities:</b>					
Bank loans	10	285,878	107,533	-	-
Other payables		3,006	5,149	-	-
Derivative financial instruments		71	-	-	-
Finance leases		195	300	-	-
Deferred tax liabilities		-	-	1,763	1,403
Total non-current liabilities		289,150	112,982	1,763	1,403
<b>Capital and reserves:</b>					
Share capital		155,181	155,181	155,181	155,181
Retained earnings		1,015,985	1,020,420	183,709	122,750
Other components of equity		(12,678)	(8,787)	-	-
Equity attributable to owners of the Company		1,158,488	1,166,814	338,890	277,931
Non-controlling interests		5,048	3,672	-	-
Total equity		1,163,536	1,170,486	338,890	277,931
<b>Total liabilities and equity</b>		<b>1,785,398</b>	<b>1,648,225</b>	<b>341,657</b>	<b>279,982</b>

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## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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### Notes

5. Included in the cash and cash equivalents of the Group is an amount of \$12,901,000 (30 June 2015: \$11,531,000) held under the Housing Developers' (Project Account) Rules, withdrawals from which are restricted to payments for expenditure incurred on the property development projects.

The increase in cash and cash equivalents is mainly due to an increase in fixed deposits and progress billings received from the Group's several projects. The increase is offset by dividends paid to shareholders of the Company.

6. The decrease in trade and other receivables is mainly due to receipt of progress billings for projects which obtained Temporary Occupation Permit ("TOP") during prior financial years.
7. The decrease in joint ventures is mainly due to dividends received from a joint venture.
8. The increase in property, plant and equipment is mainly due to land and construction costs incurred in relation to a land parcel at Tampines Industrial Drive which is being developed for the Group's own use.
9. The increase in investment properties is mainly due to purchase of investment properties in Australia. Please refer to the Company's announcements dated 28 October 2015, 11 December 2015 and 7 June 2016.
10. The increase in bank loan is mainly due to drawdown of bank loans for a development project and purchase of investment properties.
11. The increase in trade and other payables is mainly due to increase in percentage of work done for the construction division and 5% booking fee received in respect of units in a development project (which revenue and related expenses are accounted for using the completion of contract method) launched during the financial year ended 30 June 2016 ("FY2016").
12. The decrease in income tax payable is mainly due to tax paid during FY2016.

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## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

#### Amount repayable in one year or less, or on demand

As at 30-06-2016		As at 30-06-2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
19,662	-	21,658	-

#### Amount repayable after one year

As at 30-06-2016		As at 30-06-2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
286,073	-	107,833	-

#### Details of any Collateral

The Group's borrowings are secured by the followings:-

- (i) legal mortgages on 12 (FY2015: 9) investment properties;
- (ii) legal mortgage on 1 development property;
- (iii) legal mortgage on 2 (FY2015: 2) leasehold properties;
- (iv) Assignment of rights, titles and interests of all agreements relating to 1 development property including sales and rental agreements; and
- (v) Undertaking provided by the Company for 1 development property.

Finance leases are secured by certain plant and equipment of the Group with carrying amount of \$608,000 (FY2015: \$737,000).

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

	Group	
	Full year ended 30 June	
	2016	2015
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax and share of results of joint ventures, net of tax	84,694	229,959
Adjustments for:		
(Reversal of provisions) Provisions charged to profit or loss	(10,074)	18,201
Change in fair value of investment properties	(2,863)	(8,169)
Reversal of allowance for doubtful trade receivables	(26)	(29)
Bad trade and other receivables written off	157	29
Depreciation expense	2,382	2,219
Gain on disposal of property, plant and equipment	(109)	(256)
Change in fair value of derivative financial instruments	1,060	666
Interest expense	4,775	5,270
Interest income	(7,104)	(5,853)
Property, plant and equipment written-off	2	6
Operating profit before movement in working capital	72,894	242,043
Trade and other receivables	94,711	34,664
Deposit and advance payment for land purchase	-	(350)
Deposit for investment property	(1,583)	-
Inventories	1,092	(415)
Development properties	(28,880)	311,335
Provisions utilised	(5,177)	(11,131)
Trade and other payables	27,902	(432,056)
Cash generated from operations	160,959	144,090
Income tax paid	(55,314)	(49,630)
Interest paid	(6,334)	(5,806)
Interest received	3,884	3,254
<b>Net cash from operating activities</b>	<b>103,195</b>	<b>91,908</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(9,903)	(7,221)
Additions to investment properties	(111,142)	(87,215)
Loans to joint ventures	(8,936)	(5,035)
Repayment of loan from a joint venture	36,375	23,324
Dividend received from a joint venture	41,500	-
Proceeds from disposal of property, plant and equipment	186	259
<b>Net cash used in investing activities</b>	<b>(51,920)</b>	<b>(75,888)</b>



## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

	Group	
	Full year ended 30 June	
	2016	2015
	S\$'000	S\$'000
<b>Financing activities</b>		
Proceeds from bank loans	231,581	46,261
Repayment of bank loans	(50,880)	(174,650)
Dividends paid by the Company	(73,229)	(46,271)
Dividends paid to non-controlling interests of subsidiary	(772)	(823)
Repayment of finance lease liabilities	(160)	(184)
<b>Net cash from (used in) financing activities</b>	<b>106,540</b>	<b>(175,667)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>157,815</b>	<b>(159,647)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>167,396</b>	<b>329,061</b>
<b>Effects of exchange rate changes on the balance of cash held in foreign currencies</b>	<b>(1,002)</b>	<b>(2,018)</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>324,209</b>	<b>167,396</b>

### Operating activities

The Group's net cash from operating activities for FY2016 was an inflow of \$103.2 million compared to \$91.9 million for the financial year ended 30 June 2015 ("FY2015").

### Financing activities

The Group's cash from financing activities was \$106.5 million in FY2016 compared to cash used in financing activities of \$175.7 million for FY2015.

# APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

	Other components of equity						Non - Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Equity Reserve S\$'000	Asset Revaluation Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Retained Earnings S\$'000	Attributable to Owners of the Company S\$'000		
Group								
Balance at 1/7/2014	155,181	(112)	2,405	479	826,326	984,279	3,608	987,887
Profit for the financial year	-	-	-	-	240,365	240,365	883	241,248
Other comprehensive income								
Foreign currency translation	-	-	-	(11,559)	-	(11,559)	4	(11,555)
Other comprehensive income for the financial year, net of tax	-	-	-	(11,559)	-	(11,559)	4	(11,555)
Total comprehensive income for the financial year	-	-	-	(11,559)	240,365	228,806	887	229,693
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(823)	(823)
Dividends paid in cash	-	-	-	-	(46,271)	(46,271)	-	(46,271)
Total contributions by and distributions to owners	-	-	-	-	(46,271)	(46,271)	(823)	(47,094)
Balance at 30/6/2015	155,181	(112)	2,405	(11,080)	1,020,420	1,166,814	3,672	1,170,486
Group								
Balance at 1/7/2015	155,181	(112)	2,405	(11,080)	1,020,420	1,166,814	3,672	1,170,486
Profit for the financial year	-	-	-	-	68,794	68,794	2,152	70,946
Other comprehensive income								
Foreign currency translation	-	-	-	(3,891)	-	(3,891)	(4)	(3,895)
Other comprehensive income for the financial year, net of tax	-	-	-	(3,891)	-	(3,891)	(4)	(3,895)
Total comprehensive income for the financial year	-	-	-	(3,891)	68,794	64,903	2,148	67,051
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(772)	(772)
Dividends paid in cash	-	-	-	-	(73,229)	(73,229)	-	(73,229)
Total contributions by and distributions to owners	-	-	-	-	(73,229)	(73,229)	(772)	(74,001)
Balance at 30/6/2016	155,181	(112)	2,405	(14,971)	1,015,985	1,158,488	5,048	1,163,536

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
<u>Company</u>			
Balance at 1/7/2014	155,181	73,218	228,399
Profit for the financial year, representing total comprehensive income for the financial year	-	95,803	95,803
<i>Contributions by and distributions to owners</i>			
Dividends paid in cash	-	(46,271)	(46,271)
Total contributions by and distributions to owners	-	(46,271)	(46,271)
<b>Balance at 30/6/2015</b>	<b>155,181</b>	<b>122,750</b>	<b>277,931</b>
Balance at 1/7/2015	155,181	122,750	277,931
Profit for the financial year, representing total comprehensive income for the financial year	-	134,188	134,188
<i>Contributions by and distributions to owners</i>			
Dividends paid in cash	-	(73,229)	(73,229)
Total contributions by and distributions to owners	-	(73,229)	(73,229)
<b>Balance at 30/6/2016</b>	<b>155,181</b>	<b>183,709</b>	<b>338,890</b>

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

	Group	
	Financial year ended 30 June 2016	2015
Balance as at 1 July and at 30 June	1,005,890,466	1,005,890,466

During FY2016, there were no changes in the Company's share capital.

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## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.**

	Group	
	As at	
	30-06-2016	30-06-2015
Total number of issued shares	1,005,890,466	1,005,890,466
Less: Treasury shares	-	-
<b>Total number of issued shares excluding treasury shares</b>	<b>1,005,890,466</b>	<b>1,005,890,466</b>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting year as those of the audited financial statements for FY2015.

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

Not applicable.

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

- (a) Based on the weighted average number of ordinary shares on issue; and  
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	Full year ended 30 June	
	2016	2015
Group profit attributable to owners of the Company (\$'000)	68,794	240,365
Weighted average number of shares	1,005,890,466	1,005,890,466
Basic and diluted earnings per share (cents)	6.84	23.90

Earnings per share is calculated based on the net profit attributable to owners of the Company divided by the weighted average number of 1,005,890,466 (FY2015: 1,005,890,466) shares.

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

	Group		Company	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
Net asset value per ordinary share (S\$)	1.15	1.16	0.34	0.28

Net asset value per share is calculated based on 1,005,890,466 ordinary shares in issue at the end of the current financial period (30 June 2015: 1,005,890,466).

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## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

### **Group Performance**

The Group recorded a profit before income tax of \$86.2 million in FY2016, 69% lower than the \$279.9 million recorded in FY2015, with revenue of \$570.9 million for FY2016 reflecting a 52% decrease from \$1,193.2 million in FY2015.

The property development division contributed \$86.6 million to the Group's revenue in FY2016, 91% lower than the \$914.3 million in FY2015. The decrease is mainly due to reduced contribution from the Group's development property which was completed in February 2015, whereby the revenue and related expenses are accounted for using completion of contract method.

The construction division contributed \$430.0 million to the Group's revenue, an increase of 88% from the \$229.0 million in FY2015. This higher revenue contribution from the construction division, mainly due to increase in percentage of work done in FY2016 as compared to FY2015.

The Group incurred contract costs of \$434.0 million, 52% lower than the \$906.1 million incurred in FY2015. The decrease in contract costs is in tandem with the decrease in revenue.

The increase in property operating expenses is mainly due the growth in the portfolio of investment properties in Australia over the past 2 years.

The decrease in employee benefits expense is mainly due to decrease in provision for profit sharing for the executive directors of the Company.

The Group recorded foreign exchange loss of \$8.2 million in FY2016, mainly due to the revaluation of intercompany balances which are not denominated in the functional currency of the respective subsidiaries.

The decrease in share of results of joint ventures is mainly due to the absence of contribution by a development project undertaken by a joint venture which obtained Temporary Occupation Permit in May 2015.

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

The current announced results are in line with the prospect commentary previously disclosed in the financial statement announcement for financial period ended 31 March 2016.

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

According to statistics released by Urban Redevelopment Authority ("URA"), prices of private residential properties decreased by 0.4% in the second quarter of 2016, compared to the decline of 0.7% in the first quarter of 2016. The sales volume of 2,256 private residential units in the second quarter of 2016 is higher than the 1,419 units sold by developers in the first quarter of 2016.

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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

Prices of office space decreased by 1.5% in the second quarter of 2016, compared to the decrease of 0.3% in the first quarter of 2016.

Rentals of retail space decreased by 3.5% in the second quarter of 2016, compared to the 1.9% decrease in the first quarter of 2016.

With the property cooling and loan restriction measures still in effect since June 2013 and the expected global slow growth, the Group expects the operating environment for property market to continue to be challenging.

In June 2016, the Group completed the acquisition of two investment grade retail properties, Woolworths Shopping Centre and Masters Home Improvement Everton Park located at Queensland, Australia for A\$70 million. The Group also announced the proposed acquisition of Dalyellup Shopping Centre, a freehold investment grade neighbourhood shopping centre located in Dalyellup, Western Australia, for A\$31.56 million, and the completion took place in July 2016.

Following the adoption of INT FRS 115 with effect from 1 July 2010, the Group expects greater fluctuations in our future earnings as most of the Group's ongoing projects (including those of our 50:50 joint ventures) are being accounted for using the completion of contract method.

**11 Dividend**

**(a) Current Financial Period**

Any dividend declared for the current financial period reported on ?

**Yes**

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Amount per share	:	\$ 0.015
Tax Rate	:	Tax exempt (1-Tier)

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

**Yes**

Name of Dividend	:	First & Final
Dividend Type	:	Cash
Dividend Amount per share	:	\$ 0.0728
Tax Rate	:	Tax exempt (1-Tier)

**(b) Date payable**

To be announced at a later date.

**(c) Books closure date**

To be announced at a later date.

**12 If no dividend has been declared (recommended), a statement to that effect**

Not applicable.

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

### PART 2 ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 13 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

30/6/2016	Building Construction \$'000	Property Development \$'000	Property Investment \$'000	Investment Holding \$'000	Others* \$'000	Eliminations \$'000	Group \$'000
<b>Revenue</b>							
External customers	429,997	86,608	26,912	-	27,400	-	570,917
Inter-segment	76,043	-	-	-	5,031	(81,074)	-
Total revenue	506,040	86,608	26,912	-	32,431	(81,074)	570,917
<b>Results</b>							
Segment result	36,721	10,850	17,028	653	5,096	12,596	82,944
Depreciation	(1,080)	(4)	-	(108)	(1,190)	-	(2,382)
Change in fair value of derivative financial instruments	-	-	(766)	(294)	-	-	(1,060)
Change in fair value of investment properties	-	-	2,863	-	-	-	2,863
Share of results of joint ventures, net of tax	-	5,066	(3,529)	-	-	-	1,537
Interest income	745	790	160	5,399	10	-	7,104
Interest expense	(193)	-	(4,582)	-	-	-	(4,775)
Profit before income tax							86,231
Less: income tax expense							(15,285)
Profit for the financial year							70,946
<b>Assets and Liabilities</b>							
Segment assets	250,148	883,971	459,702	155,652	27,118	-	1,776,591
Unallocated assets							8,807
Total assets							1,785,398
Segment liabilities	175,749	248,432	183,067	839	7,431	-	615,518
Unallocated liabilities							6,344
Total liabilities							621,862
<b>Other information</b>							
Capital expenditure	9,554	18	-	-	723	-	10,295
Reversal of provision for contract costs	(7,351)	(2,723)	-	-	-	-	(10,074)
Additions to investment properties	-	-	109,457	-	-	-	109,457



## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

- 13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Building Construction \$'000	Property Development \$'000	Property Investment \$'000	Investment Holding \$'000	Others* \$'000	Eliminations \$'000	Group \$'000
<u>30/6/2015</u>							
<b>Revenue</b>							
External customers	229,036	914,333	22,068	-	27,796	-	1,193,233
Inter-segment	97,645	-	-	-	3,734	(101,379)	-
Total revenue	326,681	914,333	22,068	-	31,530	(101,379)	1,193,233
<b>Results</b>							
Segment result	55,214	158,510	11,332	(906)	5,393	(5,451)	224,092
Depreciation	(921)	-	-	(143)	(1,155)	-	(2,219)
Change in fair value of derivative financial instruments	-	-	(666)	-	-	-	(666)
Change in fair value of investment properties	-	-	8,169	-	-	-	8,169
Share of results of joint ventures, net of tax	-	69,481	(19,557)	-	23	-	49,947
Interest income	425	1,678	177	3,549	24	-	5,853
Interest expense	(30)	(34)	(5,201)	-	(5)	-	(5,270)
Profit before income tax							279,906
Less: income tax expense							(38,658)
Profit for the financial year							241,248
<b>Assets and Liabilities</b>							
Segment assets	118,769	1,100,720	350,124	41,856	25,838	-	1,637,307
Unallocated assets							10,918
Total assets							1,648,225
Segment liabilities	157,369	129,537	136,454	629	4,110	-	428,099
Unallocated liabilities							49,640
Total liabilities							477,739
<b>Other information</b>							
Capital expenditure	5,879	8	1,017	-	660	-	7,564
Provision for contract costs	15,728	2,473	-	-	-	-	18,201
Additions to investment properties	-	-	85,502	-	-	-	85,502

\* Others comprise (1) trading of industrial and marine lubricants; (2) leasing, servicing and maintenance of construction and industrial equipment and parts; and (3) leasing, servicing and maintenance of mobile sanitation facilities.

### Geographical segments

	Singapore S\$'000	Australia S\$'000	Malaysia S\$'000	Total S\$'000
<u>30/6/2016</u>				
Revenue	471,366	26,912	72,639	570,917
Investment properties	9,580	397,445	-	407,025
<u>30/6/2015</u>				
Revenue	1,151,565	22,068	19,600	1,193,233
Investment properties	10,080	295,010	-	305,090

### Major customer information

The Group does not have revenue from transactions with a single customer amounting to 10% or more of the Group's total revenue, and accordingly, no information on major customer is presented.

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## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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- 14** In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above.

- 15** A breakdown of sales

	Group		
	S\$'000		% Change
	30/6/2016	30/6/2015	
(a) Sales reported for first half year	283,964	470,399	-40%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	39,772	97,987	-59%
(c) Sales reported for second half year	286,953	722,834	-60%
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	31,174	143,261	-78%

- 16** A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	30/6/2016	30/6/2015
	\$'000	\$'000
Ordinary	15,088	73,229
Preference	-	-
<b>Total</b>	<b>15,088</b>	<b>73,229</b>

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

### 17 Interested Person Transactions

Name of interested persons		Aggregate value of all interested person transactions for the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		\$'000	\$'000
Sim Lian Development Pte Ltd ("SLD")	Interest payable by Sim Lian JV (BP) Pte. Ltd. ("ResiSPV") to SLD	690	-
Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")	Interest payable by ResiSPV to Sim Lian Land Pte Ltd ("SLL")	1,380	-
Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")	Proportionate shareholder loans by SLL to ResiSPV	535 <sup>(i)</sup>	-
Sim Lian JV (BP Retail) Pte. Ltd. ("RetailSPV")	Proportionate shareholder loans by SLL to RetailSPV	8,401 <sup>(i)</sup>	-
Sim Lian Development Pte Ltd ("SLD")	Interest payable by Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV") to SLD	1,052	-
Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV")	Interest payable by VisionSPV to SLL	2,105	-
Sim Lian JV (Punggol Central) Pte. Ltd. ("SLJV")	Interest receivable on inter-joint venture loans to VisionSPV	1,228	-
Mr Kuik Thiam Huat	Non-executive deputy chairman of Sim Lian Group Limited as advisor to the Group's construction division	250	-
OrangeTee.Com Pte Ltd ("OTC")	Marketing commission as a joint agent		-
Sim Lian JV (BP Retail) Pte. Ltd. ("RetailSPV")	Variation orders for a cost plus construction contract awarded to Sim Lian Construction Co. (Pte.) Ltd. ("SLC")	-	12,432
Sim Lian Land Pte Ltd	Sale of motor vehicle to Ms. Kuik Sin Leng	147	-
Sim Lian Construction Co. (Pte.) Ltd. ("SLC")	Purchase of motor vehicle from Mr. Kuik Sin Pin	128	-
OrangeTee.Com Pte Ltd ("OTC")	Marketing commission and incentives	1,195	-
Sim Lian JV (Punggol Central) Pte. Ltd. ("SLJV")	Deployment charge from SLC	209	-
Sim Lian JV (BP) Pte. Ltd. ("ResiSPV")	Deployment charge from Sim Lian (Starlight) Pte. Ltd. ("Starlight")	187	-
Sim Lian JV (Vision) Pte. Ltd. ("VisionSPV")	Deployment charge from Starlight	275	-
		<b>17,782</b>	<b>12,432</b>

Note (i) Under Rule 916 (3) of the SGX Listing Manual, this transaction is not required to comply with Rule 906.

## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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**Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(11) of the Listing Manual, Sim Lian Group Limited (the "Company") confirms that persons occupying managerial position in the Company or any of its principal subsidiaries who are related to a director, chief executive officer or substantial shareholder of the Company in respect of the financial year ended 30 June 2016 are set out below:

Name	Age	Family relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Kuik Ah Han	70	<ul style="list-style-type: none"> <li>- Brother of Kuik Thiam Huat (Non-Executive Deputy Chairman);</li> <li>- Father of Kuik Sin Pin (Group Chief Executive Officer), and Kuik Sing Beng; and</li> <li>- Husband of Mdm Lim Ah Kie (Substantial Shareholder)</li> </ul>	<p>Executive Chairman of Sim Lian Group Limited since 2000.</p> <p>Steers the Group in strategic planning, direction setting and corporate development.</p>	No change.
Kuik Sin Pin	45	<ul style="list-style-type: none"> <li>- Son of Kuik Ah Han (Executive Chairman and Substantial Shareholder) and Mdm Lim Ah Kie (Substantial Shareholder);</li> <li>- Brother of Kuik Sing Beng ; and</li> <li>- Nephew of Kuik Thiam Huat (Non-Executive Deputy Chairman)</li> </ul>	<p>Executive Director of Sim Lian Group Limited since 2000.</p> <p>Deputy Managing Director of Sim Lian Group Limited from 2004 to end 2009.</p> <p>Group Chief Executive Officer of Sim Lian Group Limited since 1 January 2010.</p> <p>Responsible for the overall operations of the Group and for developing business opportunities.</p>	No change.

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## APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016

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**Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(11) of the Listing Manual, Sim Lian Group Limited (the "Company") confirms that persons occupying managerial position in the Company or any of its principal subsidiaries who are related to a director, chief executive officer or substantial shareholder of the Company in respect of the financial year ended 30 June 2016 are set out below:

Name	Age	Family relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Kuik Sing Beng	49	<ul style="list-style-type: none"> <li>- Son of Kuik Ah Han (Executive Chairman and Substantial Shareholder) and Mdm Lim Ah Kie (Substantial Shareholder);</li> <li>- Brother of Kuik Sin Pin (Group Chief Executive Officer); and</li> <li>- Nephew of Kuik Thiam Huat (Non-Executive Deputy Chairman)</li> </ul>	<p>Director of Sim Lian Group Limited (appointed on 25 Oct 2007)</p> <p>Manages the overall operations of the Property Development division. He also assists in the business development of the Group.</p>	No change.
Kuik Chim Mui	67	<ul style="list-style-type: none"> <li>- Sister of Kuik Ah Han (Executive Chairman and Substantial Shareholder) &amp; Kuik Thiam Huat (Non-Executive Deputy Chairman) and sister-in-law of Mdm Lim Ah Kie (Substantial Shareholder);</li> <li>- Aunt of Kuik Sin Pin (Group Chief Executive Officer), and Kuik Sing Beng.</li> </ul>	<p>Appointed as director of the 5 Malaysian subsidiaries with effect from 10 February 2010, namely:</p> <ol style="list-style-type: none"> <li>1) Perumahan SLG Central Sdn. Bhd.</li> <li>2) SLG Bersatu Sdn. Bhd.</li> <li>3) SLC (M) Sdn. Bhd.</li> <li>4) Perumahan SLG Selatan Sdn. Bhd.</li> <li>5) Perumahan SLG (Kulai) Sdn. Bhd.</li> </ol> <p>To strengthen and to oversee effective human resource and administrative functions of the Group's 5 subsidiaries in Malaysia.</p>	No change.

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## **APPENDIX IX – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2016**

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### **SIM LIAN GROUP LIMITED**

(Company Registration No. 200004760C)

#### **CONFIRMATION BY THE BOARD PURSUANT TO RULE 720(1) OF THE SGX-ST LISTING MANUAL**

We, Kuik Sin Pin and Kuik Sing Beng, being two Directors of Sim Lian Group Limited (“the Company”) do hereby confirm that the Company has procured undertakings from the Company’s directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

On behalf of the Board of Directors

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**Kuik Sin Pin**  
Group Chief Executive Officer

25 August 2016

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**Kuik Sing Beng**  
Executive Director

## APPENDIX X – VALUATION CERTIFICATES

# CBRE

CBRE Pte. Ltd.

6 Battery Road #32-01  
Singapore 049909

T (65) 6224 8181  
F (65) 6225 1987

[www.cbre.com.sg](http://www.cbre.com.sg)

Co. Reg. No.: 197701161R  
Agency Licence No.: L30021631

### Valuation Certificate – Hillion Residences

**Property:** 8, 10 & 12 Jelubu Road, Hillion Residences, Singapore  
**Client:** Sim Lian Group Limited  
**Purpose:** Voluntary Conditional Cash Offer for Sim Lian Group Limited  
**Interest Valued:** Leasehold for a term of 99 years commencing from 4 January 2013. Balance term of about 96.0 years.  
**Basis of Valuation:** (a) As-is "Site Value" of Hillion Residences taking into account cost incurred as at 30 June 2016  
(b) Value of the 244 unsold units within Hillion Residences, assuming satisfactory completion  
**Legal Description:** Lot 1665M of Mukim 14  
**Registered Owner:** Sim Lian JV (BP) Pte. Ltd. and Sim Lian JV (BP Retail) Pte. Ltd. as tenants-in-common in unequal shares of 542/1000 and 458/1000 respectively  
**Land Area:** 18,954.5 sq m (subject to survey)  
**2014 Master Plan Zoning:** Commercial & Residential with plot ratio 3.0  
**Proposed Development:** The proposed mixed use development will comprise the Hillion Mall (retail component) and Hillion Residences (residential component). This development will be integrated with a bus interchange. In this current valuation exercise, we have been instructed to value the as-is "site value" of the Hillion Residences taking into account cost incurred as at 30 June 2016 and the value of the 244 unsold units, assuming satisfactory completion, within this mixed use development. Hillion Mall does not form part of this valuation.  
Hillion Residences, upon completion, will comprise three tower blocks; one block of 22-storey and two blocks of 23-storey, accommodating a total of 546 apartment units built above the two-storey podium which accommodates the bus interchange and retail space on two basement levels, 1st and 2nd storey and car parking for the residential development on the 3rd and 4th storey. Basement 2 within Hillion Mall will have direct link to the underground passageway leading to Basement 3 of the Bukit Panjang MRT Station. The development will have a total of about 764 car park lots.  
The construction of the integrated development commenced in January 2013. Hillion Residences is expected to complete in November 2017 whilst Hillion Mall will be completed earlier, around January 2017.  
**Proposed Gross Floor Area (GFA):** 37,529.6 sq m (403,964.4 sq ft), including Additional Balcony GFA  
**Proposed Net Floor Area:** 34,848 sq m (375,100 sq ft)  
**Valuation Approaches:** Direct Comparison Method  
**Material Date of Valuation:** 30 June 2016  
**Assessed Value:**  

<b>Residual Site Value:</b>	<b>\$5276,900,000</b>
<b>Add: Cost Incurred as at 30 June 2016 (as advised):</b>	<b>\$556,000,000</b>
<b>As-is Value as at 30 June 2016:</b>	<b>\$5332,900,000</b>

(Three Hundred Thirty Two Million Nine Hundred Thousand Dollars)

**244 Unsold Units at Hillion Residences, assuming satisfactory completion - \$5190,900,000**  
(One Hundred Ninety Million Nine Hundred Thousand Dollars)

Note: Values stated above have been rounded off

#### Assumptions, Disclaimers, Limitations & Qualifications:

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the valuation report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within the report. Reliance on the valuation report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

**Prepared By:**

CBRE Pte. Ltd.

**Per:** Li Hiaw Ho DipUrbVal (Auck) SNZPI FSISV  
Appraiser's Licence, No. AD041-2445  
Advisor  
Valuation & Advisory Services

**Per:** Sim Hwee Yan BSc (Est. Mgt) Hons FSISV  
Appraiser's Licence, No. AD041-2004155J  
Executive Director  
Valuation & Advisory Services

## APPENDIX X – VALUATION CERTIFICATES



**LDS INTERNATIONAL**

**PROPERTY CONSULTANT SDN BHD** (1070005-V)

Registered Valuers, Property Managers & Estate Agents ■ International Property Consultants VE (1) 0297



GST Regn No. : 000560746496

### VALUATION CERTIFICATE

Date	: 24 August 2016
Our Reference	: VG 16-044
Valuation Prepared for	: Sim Lian Group Limited
Purpose of Valuation	: Voluntary Conditional General Offer for the Sim Lian Group Limited
Date of Inspection	: 13 July 2016
Address of Property	: KL Trillion, 338 Jalan Tun Razak, 50400 Kuala Lumpur
Type of Property	: Integrated Development on Commercial land comprising Podium Retail, Signature Offices, Corporate Office Tower, Car Park parcels, 2 Blocks of Service Apartments with a floor dedicated for recreational facilities and covered car parks for residents.
Brief Description	: The property is located on the north-eastern side of Jalan Tun Razak, north-east of Kuala Lumpur city's General Post Office. Further to the south is the busy intersection of Jalan Ampang with Jalan Tun Razak and nearby to the south-west is the Ampang Park LRT station. To the south-west is the world renowned KLCC complex. The land is a roughly pentangular-shaped lot that is elongated in a north-west to south-east alignment. The lot is commercial building land approved for an integrated Commercial cum Residential complex as described above and under "Description of Development". At the date of valuation, Phase 1 comprising commercial units was completed and occupied while construction works for Phase 2, the service apartments are still ongoing.
Legal Description	: Lot 919, Section 88A, Bandar Kuala Lumpur, held under land title Geran 75607.
Tenure	: Freehold.
Registered Owner(s)	: SLG Bersatu Sdn Bhd (680547-H).
Land Area	: 15,809 sq metres (170,167 sq feet).
Total Unsold Areas	: 106,589.84 sq metres (1,147,321 sq feet).
Completion Date	: Phase 1 – 21 October 2015 (CCC or Certificate of Completion & Compliance issued). Phase 2 – Targeted end of October 2016 (anticipated issue of CCC).
Planning Approval	: The development of the land for 3 Blocks of Buildings and a 5 storey Podium was approved by Jabatan Rekabentuk Bandar dan Bangunan, Dewan Bandaraya Kuala Lumpur on 10 April 2013 and again on 14 March 2014 for amendments submitted.

Suite 8-13-2, Level 13, Menara Mutiara Bangsar, Jalan Liku, off Jalan Bangsar, 59100 Kuala Lumpur.

Tel : 03-2282 7564, Fax : 03-2284 0339

email : lds\_intctr@hotmail.com



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## APPENDIX X – VALUATION CERTIFICATES

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Description of Development	: Phase 1
	1) One (1) 34 storey Office Block – 216 units (160 units sold) plus 10 commercial spaces;
	2) 5 storey Podium – 10 units Shops and 40 units Offices above and 5 units of retail spaces;
	3) Car parks – 5 upper floors plus 2 basements;
	4) Common supporting facilities.
	Phase 2
	1) Two (2) 40 storey Service Apartment Blocks – 184 units each block (42 units in Block B sold);
	2) Recreational facilities.
Basis of Valuation	: 1) As is Value of the Whole Development (taking into consideration 2 Service Apartment Blocks still to be completed).
	2) Gross Development Value of the 454 Unsold Units/Parcels as described above ASSUMING THEY ARE PUT ON THE MARKET ENBLOC.
Methods of Valuation	: Residual Value Method and Direct Comparison Method.
Valuation	:

Taking into consideration the above and the prevailing market conditions, we are of the opinion that the market values of the property, subject to vacant possession and the title is free from all encumbrances are as follows :-

Material Date of Valuation

30 June 2016

1) As is Value (Whole Development)

Market Value

**RM713,572,500**

**(Ringgit Malaysia Seven Hundred Thirteen Million Five Hundred and Seventy Two Thousand Five Hundred).**

*Subject to the Satisfactory Completion and Issue of Certificate of Completion & Compliance*

2) Gross Development Value (454 Unsold Units/Parcels inclusive of commercial car park parcels)

Market Value

**RM774,266,400**

**(Ringgit Malaysia Seven Hundred Seventy Four Million Two Hundred and Sixty Six Thousand Four Hundred).**

LDS International Property Consultant Sdn Bhd

*16-044VG-KL Trillion Valn Certificate 160827*

## APPENDIX X – VALUATION CERTIFICATES



Jones Lang LaSalle Property Consultants Pte Ltd  
Jones Lang LaSalle Property Management Pte Ltd  
9 Raffles Place, #39-00 Republic Plaza Singapore 048619  
tel +65 6220 3888 fax +65 6438 3360

Company Reg No. 198004794D CEA Licence No. L3007326E  
Company Reg No. 197600508N

Your Ref : -  
Our Ref : TKC:JY/PSE/GSH/LLX:aa/nn:160406, 160407,  
160409 and 160415



Valuation (Land & Building)

Sim Lian Group Limited  
205 Upper Bukit Timah Road #02-01  
Singapore 588181

By Hand

Attention: Board of Directors

September 1, 2016

Dear Sirs,

### VALUATION OF:-

- (1) TREASURE CREST (PROPERTY KNOWN AS 'TC')  
LOT 2811X MUKIM 21 LOCATED ALONG ANCHORVALE CRESCENT  
(CURRENTLY KNOWN AS 50, 52, 54, 56, 58, 60, 62 AND 66 ANCHORVALE CRESCENT  
SINGAPORE 554629/30/31/32/33/14/15/17)
- (2) VISION EXCHANGE (PROPERTY KNOWN AS 'VE')  
LOT 8819V MUKIM 5 LOCATED ALONG VENTURE AVENUE/JURONG EAST STREET 11  
KNOWN AS VISION EXCHANGE SINGAPORE 608526
- (3) WANDERVALE (PROPERTY KNOWN AS 'W')  
LOT 3607X MUKIM 11 LOCATED ALONG CHOA CHU KANG AVENUE 3  
(CURRENTLY KNOWN AS 351, 353, 355, 357, 359, 361, 363, 365 AND 367 CHOA CHU KANG  
AVENUE 3 SINGAPORE 689879/80/81/82/83/84/85/86/87)
- (4) (PROPERTY KNOWN AS 'T')  
LOT 2985M MUKIM 29 LOCATED ALONG TAMPINES INDUSTRIAL DRIVE SINGAPORE

We have been instructed by the Board of Directors of Sim Lian Group Limited to determine the market value of 4 development site as at June 30, 2016.

We have prepared a valuation summary in accordance with the instructions of the Board of Directors for the voluntary conditional general offer for the issued and paid-up ordinary shares in Sim Lian Group Limited by Oversea-Chinese Banking Corporation Limited, for and on behalf of Coronation 3G Pte. Ltd.

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

### RELIANCE ON THIS LETTER

The opinion of value contained in this letter is not a guarantee or prediction but is based on the information obtained from reliable and reputable agencies and sources, the Board of Directors and other related parties. Whilst Jones Lang LaSalle Property Consultants Pte Ltd has endeavoured to obtain accurate information, it has not independently verified all the information provided by the Board of Directors or other reliable and reputable agencies.

The methodologies used in valuing the 4 development sites namely, the Direct Comparison Method and Residual Approach to determine the market value of the 4 Properties as a development site, are based on our professional opinion and estimates of the current results and are not guarantees or predictions. The valuation methodologies are summarised in this letter.

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## APPENDIX X – VALUATION CERTIFICATES

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Page 2

Sim Lian Group Limited

Valuation of:-

- (1) **Treasure Crest (Property known as 'TC')**  
Lot 2811X Mukim 21 located along Anchorvale Crescent (currently known as 50, 52, 54, 56, 58, 60, 62 and 66 Anchorvale Crescent Singapore 554629/30/31/32/33/14/15/17)
- (2) **Vision Exchange (Property known as 'VE')**  
Lot 8819V Mukim 5 located along Venture Avenue/Jurong East Street 11 known as Vision Exchange Singapore 608526
- (3) **Wandervale (Property known as 'W')**  
Lot 3607X Mukim 11 located along Choa Chu Kang Avenue 3 (currently known as 351, 353, 355, 357, 359, 361, 363, 365 and 367 Choa Chu Kang Avenue 3 Singapore 689879/80/81/82/83/84/85/86/87)
- (4) **(Property known as 'T')**  
Lot 2985M Mukim 29 located along Tampines Industrial Drive Singapore

September 1, 2016

### RELIANCE ON THIS LETTER (CONT'D)

The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. Every Shareholder who intends to make a decision concerning the Offer should understand the assumptions and methodologies made in the letter to appreciate the context in which the values are arrived at and also carry out their independent assessment with regards to the Offer. We do not take any responsibility for any decision made by the Shareholders.

We have not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is made on the basis that the aforesaid conditions and surveys are satisfactory.

### VALUATION RATIONALE

The valuation of 4 development sites is assessed based on the market value for its use as a development site.

### VALUATION METHODOLOGIES

In arriving at our opinion of market value, we have adopted the direct comparison method and residual approach.

#### Direct Comparison Method

Our valuation is based on direct comparison with recent transactions of comparable land sales in vicinity and elsewhere.

In arriving at our valuation figure, we have taken into consideration the prevailing market conditions and have made due adjustments for differences between the Property and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting its value.

#### Residual Approach

The residual approach entails the determination of the gross development value (GDV) of the subject development from which the developer's profit, marketing/legal fees, construction cost, financing cost, GST, professional fees, holding cost for the land, stamp duties and legal fees for the land and property tax are deducted to arrive at the residual land value.

...../Page 3

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## APPENDIX X – VALUATION CERTIFICATES

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Page 3

Sim Lian Group Limited

Valuation of:-

- (1) Treasure Crest (Property known as 'TC')  
Lot 2811X Mukim 21 located along Anchorvale Crescent (currently known as 50, 52, 54, 56, 58, 60, 62 and 66 Anchorvale Crescent Singapore 554629/30/31/32/33/14/15/17)
- (2) Vision Exchange (Property known as 'VE')  
Lot 8819V Mukim 5 located along Venture Avenue/Jurong East Street 11 known as Vision Exchange Singapore 608526
- (3) Wandervale (Property known as 'W')  
Lot 3607X Mukim 11 located along Choa Chu Kang Avenue 3 (currently known as 351, 353, 355, 357, 359, 361, 363, 365 and 367 Choa Chu Kang Avenue 3 Singapore 689879/80/81/82/83/84/85/86/87)
- (4) (Property known as 'T')  
Lot 2985M Mukim 29 located along Tampines Industrial Drive Singapore

September 1, 2016

### OPINION OF VALUE

A summary of our valuation and details relating to the 4 development sites is set out in the following pages.

### DISCLAIMER

We have prepared this valuation summary which appears in the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the valuation summary. We do not make any warranty or representation as to the accuracy of the information in any part of the Circular other than as expressly made or given in this valuation summary.

Jones Lang LaSalle has relied upon the data supplied by the Board of Directors and other related parties which we assume to be true and accurate. Jones Lang LaSalle takes no responsibility for inaccurate data supplied by the client and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the development sites and are not a related corporation of nor do we have a relationship with the Board of Directors, adviser or other party/parties whom we are contracting with. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

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## APPENDIX X – VALUATION CERTIFICATES

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Page 4

Sim Lian Group Limited

Valuation of:-

- (1) **Treasure Crest (Property known as 'TC')**  
Lot 2811X Mukim 21 located along Anchorvale Crescent (currently known as 50, 52, 54, 56, 58, 60, 62 and 66 Anchorvale Crescent Singapore 554629/30/31/32/33/14/15/17)
- (2) **Vision Exchange (Property known as 'VE')**  
Lot 8819V Mukim 5 located along Venture Avenue/Jurong East Street 11 known as Vision Exchange Singapore 608526
- (3) **Wandervale (Property known as 'W')**  
Lot 3607X Mukim 11 located along Choa Chu Kang Avenue 3 (currently known as 351, 353, 355, 357, 359, 361, 363, 365 and 367 Choa Chu Kang Avenue 3 Singapore 689879/80/81/82/83/84/85/86/87)
- (4) **(Property known as 'T')**  
Lot 2985M Mukim 29 located along Tampines Industrial Drive Singapore

September 1, 2016

### DISCLAIMER (CONT'D)

This letter is governed by, and construed in accordance with Singapore law, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. This letter has been produced for the benefit of the Independent Directors and may be relied upon by the Board of Director, and the Independent Financial Adviser ("IFA") for the sole purposes of the IFA's Letter to be included in the Circular. No other person shall be entitled to rely, reproduce, disseminate or quote this letter (or any part thereof) for any other purposes at any time and in any manner except with our prior written consent in each specific case.

We hereby certify that our valuers undertaking these valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

We have enclosed the general principles adopted in the preparation of this valuation summary.

Yours faithfully,

**JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD**

A handwritten signature in black ink, appearing to read 'Tan Keng Chiam', is written over a horizontal line.

Tan Keng Chiam  
B.Sc. (Est. Mgt.) MSISV, MRICS  
Appraiser Licence No: AD041-2004796D  
Regional Director

## APPENDIX X – VALUATION CERTIFICATES



### 1.0 SUMMARY OF VALUES

The following table summaries the values of the 4 Properties.

S/No	Property Interests	Gross Development Value (Unsold units) (SGD)	Market Value (as-is where is for the whole development) (SGD)
1.	<b><u>Treasure Crest (Property known as 'TC')</u></b> Lot 2811X Mukim 21 located along Anchorvale Crescent (currently known as 50, 52, 54, 56, 58, 60, 62 and 66 Anchorvale Crescent Singapore 544629/30/31/32/33/14/15/17)	\$418,160,000/- (504 units)	\$220,000,000/-
2.	<b><u>Vision Exchange (Property known as 'VE')</u></b> Lot 8819V Mukim 5 located along Venture Avenue/Jurong East Street 11 known as Vision Exchange Singapore 608526	\$787,748,000/- (414 units)	\$1,091,000,000/-
3.	<b><u>Wandervale (Property known as 'W')</u></b> Lot 3607X Mukim 11 located along Choa Chu Kang Avenue 3 (currently known as 351, 353, 355, 357, 359, 361, 363, 365 and 367 Choa Chu Kang Avenue 3 Singapore 689879/80/81/82/83/84/85/86/87)	\$226,395,000/- (278 units)	\$268,200,000/-
4.	<b><u>(Property known as 'T')</u></b> Lot 2985M Mukim 29 located along Tampines Industrial Drive Singapore	NA	\$6,710,000/-

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## APPENDIX X – VALUATION CERTIFICATES

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### 2.0 VALUATION SUMMARY OF TREASURE CREST

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Address of Property	: Lot 2811X Mukim 21 located along Anchorvale Crescent (currently known as 50, 52, 54, 56, 58, 60, 62 and 66 Anchorvale Crescent collectively known as Treasure Crest (Property known as 'TC') Singapore 544629/30/31/32/33/14/15/17)
Purpose of Valuation	: For the voluntary conditional general offer for the issued and paid-up ordinary shares in Sim Lian Group Limited by Oversea-Chinese Banking Corporation Limited, for and on behalf of Coronation 3G Pte. Ltd.
Registered Proprietor	: Sim Lian (Anchorvale) Pte. Ltd.
Legal Description (for the entire development)	: Lot 2811X Mukim 21
Site Area (for the entire development)	: 17,450.1 sq.m.
Tenure	: 99 years lease commencing from May 5, 2015
Location	: TC is located along Anchorvale Crescent and is approximately 16 km from the city centre at Collyer Quay. It is situated near the town centre of Sengkang New Town.

The immediate vicinity is predominantly residential and civic/community in nature. Residential developments in the vicinity include Housing and Development Board (HDB) flats, condominiums/executive condominiums such as Lush Acres, Riverbank @ Fernvale, Bellewaters, The Vales and Rivertrees Residences (which are currently under-construction). Other civic/community/institutions nearby include Anchorvale Community Club, Sengkang General Hospital (under-construction), Compassvale Primary/Secondary School and Nan Chiau Primary/High Schools, amongst others.

Public transport facilities are located along Anchorvale Street. The Cheng Lim LRT Station is located within walking distance. Accessibility to other parts of the island is facilitated by the Tampines Expressway (TPE).

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## APPENDIX X – VALUATION CERTIFICATES

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### 2.0 VALUATION SUMMARY OF TREASURE CREST (CONT'D)

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Description of the Property	: A residential development site for an executive condominium with communal facilities.  TC, upon completion will comprise a total of 504 apartment units housed within 8 blocks of 15-storey residential flats. Recreational facilities to be provided within the development will include lap pool, garden cabanas, outdoor lounge, jacuzzi alcove spa, aqua massage spa, heated dip pool, water deck with foot reflexology path, children's waterplay pool, children's playground, poolside party room, event deck, lobby garden courtyard, gourmet BBQ dining pavilion, outdoor shower, reading garden, recreational tennis courts and clubhouse with wellness gym room, function room, reading room and changing rooms.  As at June 30, 2016, all the 504 residential units remain unsold. According to the Interim Certificate No. 11 dated July 1, 2016, the value of works done over the total contract sum as provided is estimated at 15.76%.  The proposed development is currently developed up to 5-storey as at the date of inspection on August 25, 2016.
Proposed Gross Floor Area (for the entire development)	: Approximately 57,459.1 sq.m. (including additional gross floor area of approximately 5,188.42 sq.m. for balconies)
Provisional Strata Floor Area (subject to survey upon issuance of Strata Certificates of Title)	: Entire development: approximately 52,322 sq.m. 504 Unsold units: approximately 52,322 sq.m.
Expected Date of Temporary Occupation Permit (TOP)	: 1st Quarter 2019
Master Plan Zoning (2014 Edition)	: Residential with a plot ratio of 3.0.
Planning Application	: Written permission was granted on January 15, 2016 vide URA reference no. ES20150730R0184 for the proposed erection of an executive condominium housing development comprising of 8 blocks of 15-storey residential flats (Total: 504 units) with basement carparks and communal facilities. The gross plot ratio is approximately 3.29.



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## APPENDIX X – VALUATION CERTIFICATES

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### 2.0 VALUATION SUMMARY OF TREASURE CREST (CONT'D)

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Basis of Valuation : 1) Market value (as-is where is for the entire development)  
No unit was sold as at June 30, 2016. We have taken into consideration 430 apartment units that were sold from July 16, 2016 to August 18, 2016. We have assumed a drop out rate of approximately 10% and have considered this in our valuation.

2) Gross Development Value of the 504 unsold units

Methods of Valuation : Direct Comparison Method and Residual Approach

Opinion of Values as at June 30, 2016

^ Market Value (as-is where is for the entire development) : S\$220,000,000/-

Gross Development Value of the 504 unsold units : S\$418,160,000/- (subject to satisfactory completion in accordance to the written permission on the date of valuation)

^ Market Value of TC as a development site with written permission granted for the proposed erection of an executive housing development comprising 8 blocks of 15-storey residential flats (Total: 504 units) with basement carpark and communal facilities, including differential premium of S\$14,643,797/- (already paid) and including the value of work done totaling S\$21,271,800/-.

A handwritten signature in black ink, appearing to be 'TKC', is written over a horizontal line.

Tan Keng Chiam  
B.Sc. (Est. Mgt.) MSISV, MRICS  
Appraiser Licence No: AD041-2004796D  
Regional Director  
**JONES LANG LASALLE**

## APPENDIX X – VALUATION CERTIFICATES



### 2.0 VALUATION SUMMARY OF VISION EXCHANGE

Address of Property	:	Lot 8819V Mukim 5 located along Venture Avenue/Jurong East Street 11 known as Vision Exchange (Property known as 'VE') Singapore 608526
Purpose of Valuation	:	For the voluntary conditional general offer for the issued and paid-up ordinary shares in Sim Lian Group Limited by Oversea-Chinese Banking Corporation Limited, for and on behalf of Coronation 3G Pte. Ltd.
Registered Proprietor	:	Sim Lian JV (Vision) Pte Ltd
Legal Description (for entire development)	:	Lot 8819V Mukim 5
Site Area (for the entire development)	:	11,528.9 sq.m.
Tenure	:	99 years lease commencing from June 10, 2013
Location	:	<p>VE is located at the junction of Venture Avenue and Jurong East Street 11. It is approximately 16.5 km from the city centre at Collyer Quay.</p> <p>Developments in the vicinity include the IMM Building, JCube, Westgate, JEM and Big Box. Other prominent development in the vicinity include Creative Resource, The Synergy, Acer Building, German Centre, iQuest @ IBP, MiWorld and Icon @ IBP amongst many others.</p> <p>This area is well served by the major arterial roads and expressways linking this area to the air/sea ports and the causeways at Woodlands and Tuas.</p> <p>The Jurong East MRT Station and Jurong East Temporary Bus Interchange are within walking distance from VE.</p>
Description of Property	:	<p>VE, upon completion, will comprise of a 25-storey office tower with retail podium and 1 basement. The 1st and 2nd storey will comprise restaurant and medical suite, 3rd and 4th storey will comprise carpark, 5th storey will comprise landscaped deck and 6th to 25th storeys will comprises offices. There will be a total of 740 units comprising 47 restaurant units, 53 medical suites and 640 office units.</p> <p>As at June 30 2016, a total of 326 units comprising 47 medical suites, 46 restaurants and 233 offices were sold and a total of 414 units comprising 6 medical suites, 1 restaurant, 407 offices remain unsold. According to the Interim Certificate dated June 13, 2016, the value of work done over the total contract sum as provided is estimated at 62.20%.</p> <p>The proposed development is currently developed up to 25-storey as at the date of inspection on August 25, 2016.</p>

## APPENDIX X – VALUATION CERTIFICATES



### 2.0 VALUATION SUMMARY OF VISION EXCHANGE (CONT'D)

Proposed Gross Floor Area (for the entire development) (Approximate)	:	Medical Suite	-	3,146.39 sq.m.
		Restaurant	-	3,072.96 sq.m.
		Office	-	58,342.49 sq.m.
		<b>Total</b>	-	<b>64,561.84 sq.m.</b>

Provisional Strata Floor Area (subject to survey upon issuance of Strata Certificates of Title) (Approximate)	:		<b>Total of Entire Development</b>	<b>Total of Unsold Units</b>
		Medical Suite	2,484 sq.m.	333 sq.m.
		Restaurant	2,426 sq.m.	69 sq.m.
		Office	46,060 sq.m.	31,288 sq.m.
		<b>Total</b>	<b>50,970 sq.m.</b>	<b>31,690 sq.m.</b>

Expected Date of Temporary  
Occupation Permit (TOP) :

Circa 1st Quarter 2017

Master Plan Zoning  
(2014 Edition) :

Commercial with a plot ratio of 5.6

Planning Application :

Written permission was granted on December 26, 2013 vide URA reference no. ES20130607R0212 for the proposed new erection of a 25-Storey office tower with retail podium and 1 basement on Lot 8819V Mukim 5 at Venture Avenue/Jurong East Street 11. The gross plot ratio is approximately 5.60.

Basis of Valuation :

- 1) Market value (as-is where is for the entire development)
- 2) Gross Development Value of the 414 unsold units

Methods of Valuation :

Direct Comparison Method and Residual Approach

Opinion of Values as at June 30, 2016

^ Market Value  
(as-is where is for the entire  
development) :

S\$1,091,000,000/-

Gross Development Value  
of the 414 unsold units :

S\$787,748,000/- (subject to satisfactory completion in  
accordance to the written permission on the date of  
valuation)

^ Market Value of VE as a development site with written permission granted for the proposed erection of a 25-storey office tower with retail podium and 1 basement on Lot 8819V Mukim 5 at Venture Avenue/Jurong East Street 11 including the value of work done totaling S\$106,420,246.73/-.

Tan Keng Chiam  
B.Sc. (Est. Mgt.) MSISV, MRICS  
Appraiser Licence No: AD041-2004796D  
Regional Director  
**JONES LANG LASALLE**

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## APPENDIX X – VALUATION CERTIFICATES

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### 2.0 VALUATION SUMMARY OF WANDERVALE

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Address of Property	: Lot 3607X Mukim 11 located along Choa Chu Kang Avenue 3 (currently known as 351, 353, 355, 357, 359, 361, 363, 365 and 367 Choa Chu Kang Avenue 3 collectively known as Wandervale (Property known as 'W') Singapore 689879/80/81/82/83/84/85/86/87
Purpose of Valuation	: For the voluntary conditional general offer for the issued and paid-up ordinary shares in Sim Lian Group Limited by Oversea-Chinese Banking Corporation Limited, for and on behalf of Coronation 3G Pte. Ltd.
Registered Proprietor	: Sim Lian (Starlight) Pte. Ltd.
Legal Description (for the entire development)	: Lot 3607X Mukim 11
Site Area (for the entire development)	: 19,058 sq.m.
Tenure	: 99 years lease commencing from December 8, 2014
Location	: W is located along Choa Chu Kang Avenue 3 and is approximately 19.6 km from the city centre at Collyer Quay.

The immediate vicinity is predominantly residential in nature, comprising mainly HDB flats within Choa Chu Kang and Teck Whye HDB Housing Estates, condominium/executive condominiums such as Mi Casa, The Rainforest, Palm Gardens, The Warren and Northvale. Other prominent developments in the vicinity include Lot One Shoppers' Mall, Choa Chu Kang Polyclinic, Chua Chu Kang Secondary School, Teck Whye Primary and Secondary Schools and Pioneer Junior College.

Public transport facilities are readily available along Choa Chu Kang Drive. The Choa Chu Kang LRT/MRT Stations and Bus Interchange are located approximately 600 m from W. In addition, the locality is well served by a good network of major roads and expressways. The Kranji Expressway (KJE) which links up with the Bukit Timah Expressway (BKE) and Pan-Island Expressway (PIE) has provided easy access to the city, Changi Airport and the Jurong Industrial Estate.

## APPENDIX X – VALUATION CERTIFICATES



### 2.0 VALUATION SUMMARY OF WANDERVALE (CONT'D)

Description of the Property	: A residential development site for an executive condominium with communal facilities.
	W, upon completion, will comprise a total of 534 apartment units housed within 9 blocks of 13/15/17-storey residential flats. Recreational facilities to be provided within the development will include tulip lounge, BBQ pavilion, alfresco lounge, outdoor fitness terrace, wander farm, gourmet BBQ dining pavilion, star-gazing lawn, lounge pool, sun deck and aqua deck, onsen spa pool, wellness spa pool, jacuzzi, wanderland maze with reflexology walk, lap pool, wellness gym pool, sensory playland, reading alcove, resting pavilion, adventure playland, kid's climbing wall, function room and reading room, changing/shower room and sauna, kid's water play, wading pool, wellness gym room and recreational tennis court.
	As at June 30, 2016, 278 of the total 534 units remain unsold. According to the Interim Certificate No. 14 dated July 19, 2016, the value of works done over the total contract sum as provided is estimated at 32.25%.
	The proposed development is currently developed up to part 9/13-storey as at the date of inspection on August 25, 2016.
Proposed Gross Floor Area (for the entire development)	: Approximately 58,698.64 sq.m. (including additional gross floor area of approximately 5,336.24 sq.m. for balconies)
Provisional Strata Floor Area (subject to survey upon issuance of Strata Certificates of Title)	: Entire development: approximately 54,152.00 sq.m. 278 Unsold units: approximately 27,940 sq.m.
Master Plan Zoning (2014 Edition)	: Residential with a plot ratio of 2.8
Expected Date of Temporary Occupation Permit (TOP)	: 1st Quarter 2019
Planning Application	: Written permission was granted on October 30, 2015 vide URA reference no. ES20150120R0166 for the proposed erection of 9 blocks of 13/15/17-storey executive condominium (Total: 534 units), comprising of basement carparks, communal facilities and swimming pool. The gross plot ratio is approximately 3.08.

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## APPENDIX X – VALUATION CERTIFICATES

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### 2.0 VALUATION SUMMARY OF WANDERVALE (CONT'D)

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Basis of Valuation : 1) Market value (as-is where is for the entire development)  
2) Gross Development Value of the 278 unsold units

Opinion of Values as at June 30, 2016

Methods of Valuation : Direct Comparison Method and Residual Approach

^ Market Value : S\$268,200,000/-  
(as-is where is for the entire development)

Gross Development Value of : S\$226,395,000/- (subject to satisfactorily completion in  
the 278 unsold units accordance to the written permission on the date of valuation)

^ Market Value of W as a development site and with written permission granted for the proposed erection of an executive housing development comprising 9 blocks of 13/15/17-storey residential flats (Total: 534 units), with basement car parks, communal facilities and swimming pool, including differential premium of S\$13,985,218/- (already paid) and value of work done totalling S\$43,709,103.35/-.

A handwritten signature in black ink, appearing to read 'Tan Keng Chiam', is written over a horizontal line.

Tan Keng Chiam  
B.Sc. (Est. Mgt.) MSISV, MRICS  
Appraiser Licence No: AD041-2004796D  
Regional Director  
**JONES LANG LASALLE**

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## APPENDIX X – VALUATION CERTIFICATES

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### 2.0 VALUATION SUMMARY OF TAMPINES

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Address of Property	: Lot 2985M Mukim 29 located along Tampines Industrial Drive Singapore (Property known as 'T')
Purpose of Valuation	: For the voluntary conditional general offer for the issued and paid-up ordinary shares in Sim Lian Group Limited by Oversea-Chinese Banking Corporation Limited, for and on behalf of Coronation 3G Pte. Ltd.
Registered Lessor	: Jurong Town Corporation
Registered Lessee	: Sim Lian Construction Co. (Pte.) Ltd.
Legal Description	: Lot 2985M Mukim 29
Site Area	: 5,686.3 sq.m.
Tenure	: 20 years lease commencing from September 23, 2015
Annual Land Rent Payable	: S\$12/- payable on 1st January of each year and thereafter on the 1st day of January of each such succeeding year (the payment of the annual rent is waived until such time as the Lessor may determine).
Location	: T is located along Tampines Industrial Drive. It is approximately 18 km from the city centre at Collyer Quay.  Developments within the vicinity comprise purpose built warehouse retail developments and purpose-built warehousing and logistics facilities. Prominent industrial developments in the locality include Courts MegaStore, Giant Hypermart, IKEA Tampines, Tampines Wafer Fab Park, T5 @ Tampines and Space @ Tampines. Other prominent developments include United World College of South East Asia (East Campus) and HDB Tampines and Pasir Ris Town.  Public transport facilities are readily available along Tampines Avenue 9 and Tampines Avenue 10. Accessibility to other parts of the island is facilitated by the Pan-Island Expressway (PIE) and Tampines Expressway (TPE).
Description of the Property	: A plot of industrial land for a proposed industrial development comprising of 1 block of 3-storey warehouse building and 1 block of single-storey warehouse building with part 3-storey ancillary office cum workshop. According to the Interim Certificate No. 3 dated July 5, 2016, the value of work done for the proposed development over the total contract sum is estimated at 27.3%.  The proposed development is currently developed up to the 3 level for the 3-storey of the warehouse and a portion of the 3rd level of the 3-storey ancillary office cum workshop as at the date of inspection on August 31, 2016.

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## APPENDIX X – VALUATION CERTIFICATES

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### 2.0 VALUATION SUMMARY OF TAMPINES (CONT'D)

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Proposed Gross Floor Area (for the entire development)	: Approximately 6,255 sq.m.
Master Plan Zoning (2014 Edition)	: Business 2 with a plot ratio of 1.4
Expected Date of Completion	: 4th Quarter 2016
Planning Application	: Written permission was granted on February 23, 2016 vide URA reference no. ES20160128R0155 for the proposed new erection of industrial development comprising of 1 block of 3-storey warehouse building and 1 block of single storey warehouse building with part 3 storey ancillary office cum workshop. The gross plot ratio is approximately 1.10.
Basis of Valuation	: Market value (as-is where is for the entire development)
Methods of Valuation	: Direct Comparison Method and Residual Approach
Opinion of Values as at June 30, 2016	
^ Market Value (as-is where is basis)	: S\$6,710,000/-

^ Market Value of T as a development site and with written permission granted for the erection of a proposed industrial development comprising of 1 block of 3-storey warehouse building and 1 block of single-storey warehouse building with part 3-storey ancillary office cum workshop and value of work done totaling S\$1,857,350/-.

A handwritten signature in black ink, appearing to read 'TKC', is written over a horizontal line.

Tan Keng Chiam  
B.Sc. (Est. Mgt.) MSISV, MRICS  
Appraiser Licence No: AD041-2004796D  
Regional Director  
**JONES LANG LASALLE**



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## APPENDIX X – VALUATION CERTIFICATES

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Jones Lang LaSalle

### GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

**1) VALUATION STANDARDS**

All work are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), subject to variations to meet local laws, customs, practices and market conditions.

**2) VALUATION BASIS**

Our valuations are made on the basis of Market Value, defined by the SISV as follows:

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

**3) CONFIDENTIALITY**

Our Valuations and Reports are confidential to the party to whom they are addressed or their other professional advisors for the specific purpose(s) to which they refer. No responsibility is accepted to any other parties and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which they will appear.

**4) SOURCE OF INFORMATION**

Where it is stated in the report that information has been supplied by the sources listed, this information is believed to be reliable and we shall not be responsible for its accuracy nor make any warranty or representation of the accuracy of the information. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities.

**5) DOCUMENTATION**

We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.

**6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS**

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plans (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

**7) TENANTS**

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

**8) STRUCTURAL SURVEYS**

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair are noted during the course of inspection, we are not able to give any assurance in respect of rot, termite or past infestation or other hidden defects.

**9) SITE CONDITIONS**

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

**10) OUTSTANDING DEBTS**

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

**11) INSURANCE VALUE**

Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purpose and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T. (goods and services tax) and, if applicable, compliance with current regulations and by-laws.

## APPENDIX X – VALUATION CERTIFICATES



**CHAMBERS VALUERS & PROPERTY CONSULTANTS PTE LTD** (Reg No. 198002959 D)  
21 Bukit Batok Crescent #26-80/81/82/83 WCEGA Tower Singapore 658065  
Email: valuation@chambersinternational.com.sg Website: www.chambersinternational.com.sg  
Tel : 6468 5100 Fax : 6468 5300

Our Reference : 2016/06-P074/PT

Date : 23 August 2016

Sim Lian Group Limited  
205 Upper Bukit Timah Road  
#02-01  
Singapore 588181

Dear Sirs,

### VALUATION CERTIFICATE FOR PROPERTY AT 6 TUAS SOUTH STREET 2 SINGAPORE 638042

This valuation is subject to the Limiting Conditions in "Appendix A" attached. It should not be used for any other purposes except for the specific purpose stated herein. Our valuation should be read together with our valuation report dated 23 August 2016.

- |                                |   |   |
|--------------------------------|---|---|
| 1. Address of Property         | : | 6 Tuas South Street 2 Singapore 638042  |
| 2. Purpose                     | : | For the voluntary conditional cash offer for Sim Lian Group Limited             |
| 3. Registered Proprietor       | : | Sim Lian Construction Co (Pte) Ltd  |
| 4. Property Type               | : | 3-storey intermediate factory   |
| 5. Tenure                      | : | Leasehold 60 years w.e.f 18 August 1993   |
| 6. Land Area                   | : | 7,678.7 square meters (approximately 82,654 square feet)                        |
| 7. Strata Floor Area           | : | Approximately 8,423.7 square metres (Approximately 90,672 square feet)          |
| 8. Date of our last Inspection | : | 23 August 2016 (internal)   |
| 9. Condition of Property       | : | Average   |
| 10. Open Market Value          | : | <b>S\$21,000,000</b> /- (With vacant possession and free from all encumbrances) |

Yours Faithfully

For and behalf of Chambers Valuers & Property Consultants Pte Ltd



Pearlynn Tay  
M.B.A  
B.Sc. (Estate Mgt)(Hons)  
Appraiser's Licence No : AD041-2007710E  
MSISV

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## APPENDIX X – VALUATION CERTIFICATES

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### APPENDIX A

#### LIMITING CONDITIONS

1. Our valuation report is strictly for the internal use of the client to whom the report is addressed to and for the specific purpose stated therein. We disclaim all responsibilities and accept no liability to any other parties.
2. All values quoted are in Singapore Dollars unless otherwise stated.
3. The instruction and the valuation assignment does not automatically bind the Appraiser to attendance in court or to appear in enquiry before any Government or statutory bodies in connection with the Valuation. Prior arrangement and agreement shall be made between the client and appraiser if such attendance or appearance is required.
4. We accept no responsibilities for any liability on the title and any existing liens, charges, caveats or encumbrances have been disregarded as subject property is valued assuming free from any encumbrances and the title to it is freely marketable, transferable and registerable.
5. No structural survey or inspection of other services has been conducted during the course of our inspection. We are not able to give assurance that the property is free from defects but will be presumed to be in good working order.
6. We have not arranged for any investigations to be carried out to determine the conditions of the mechanical and electrical services and the load bearing capacity of the soil, floors and foundation and are therefore unable to report that the property is free from risks in this respect.
7. Plans, drawings, sketches and photographs are included in the report to assist in visualising the property and we have not engaged the service of a Land Surveyor to conduct a survey.
8. The valuation report or any part thereof should not be reproduced without prior written consent of the Appraiser.
9. We have not done any title search due to time constraint and we have relied on the information stated in the valuation report that were supplied to us. Such information is presumed to be reliable and we accept no responsibilities and liability should it be proven otherwise.
10. We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained.

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## APPENDIX X – VALUATION CERTIFICATES

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### *Singapore Office*

Chesterton Singapore Pte Ltd  
Agency Licence No.: L3010559A  
Company Registration: 201319407N  
3 Phillip Street #08-04  
Royal Group Building  
Singapore 048693

The logo for Chestertons, featuring the word "CHESTERTONS" in a bold, sans-serif font. A vertical line is positioned to the right of the text, starting from the top of the 'S' and extending downwards.

19 August 2016

Ref No.: 16VAS011

**Sim Lian Group Limited**  
**205 Upper Bukit Timah Road**  
**#02-01**  
**Singapore 588181**

**Attn: The Board of Directors**

Dear Sirs/ Madam,

**Desktop Valuation of 24 Woodlands Walk, Singapore 738389 as at 30 June 2016**

### **1.0 Client Brief and Purpose of Valuation**

We have been instructed to perform a desktop revaluation of the property as at 30 June 2016 based on its existing use for voluntary conditional cash offer for Sim Lian Group Limited.

As this is a desktop revaluation, we have not inspected the property since our last inspection in June 2016. As advised by the client, there is no material and structural changes to the property as described in the last valuation report with inspection (dated 30 June 2016). Chestertons has assessed the property interest as independent international appraisers. We hereby certify that we have no undisclosed interest in the property and our employment and compensation are not contingent upon our findings and valuation.

### **2.0 Basis of Valuation**

The valuation is prepared in accordance with the International Valuation Standards Committee ('IVSC') definition of Market Value, which is:

"The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties has each acted knowledgeably, prudently and without compulsion." Additionally, our assessment will be on the basis of the existing use of the property only with appropriate approvals and licenses in place.

**CHESTERTONS**

### **3.0 Use of Valuation Report**

Neither the whole nor any part of the valuation certificate nor any reference thereto maybe included in any document, circular or statement without our written approval and of the form or context in which it appears.

This valuation has been prepared for the purpose stated above. It is for use of the Client and its Independent Financial Advisers (IFA) only and no responsibility is given to any third parties for the whole or part of its contents.

### **4.0 Assumptions and Limiting Conditions**

A list of major assumptions made in the valuation of the properties and the limiting conditions under which the opinion is given is detailed in the Addendum to this valuation certificate. It is a condition of the use of the valuation that the recipient of the certificate accepts these statements.

The Valuation Certificate included herein should be read in conjunction with the valuation report dated 30 June 2016, which detailed the basis under which the valuation has been prepared.

Yours sincerely  
For and on behalf of  
**CHESTERTON SINGAPORE PTE. LTD.**

  
**ELAINE CHOW**  
Executive Director, Research & Advisory  
Appraiser's Licence No. AD041-2006739I

## APPENDIX X – VALUATION CERTIFICATES


# CHESTERTONS

**VALUATION CERTIFICATE  
PREPARED IN CONNECTION WITH THE VOLUNTARY CONDITIONAL CASH OFFER  
FOR SIM LIAN GROUP LIMITED**

<b>Property</b>	24 Woodlands Walk Singapore 738389	
<b>Legal Description</b>	<b>Lot No</b>	<b>Area (Sq M)</b>
	Mk13-4762N	2,641.9 square metres
<b>2014 Master Plan Zoning</b>	Business 2 with plot ratio 2.5.	
<b>Registered Proprietor</b>	Porta Pumper Pte Ltd	
<b>Land Tenure</b>	30 years leasehold interest with effect from 1/11/1995	
<b>Purpose of Valuation</b>	Voluntary conditional cash offer for Sim Lian Group Limited	
<b>Interest Valued</b>	The existing land tenure is 30 years leasehold commencing from 1/11/1995 with a further term of 30 years (According to information provided).	
<b>Location</b>	<p>The subject property is located in a cul-de-sac at Woodlands Walk, in the northern part of Singapore, in the Woodlands Industrial Estate.</p> <p>Located in the vicinity is a mix of various industrial uses including construction companies, engineering firms, food companies and energy resources companies etc.</p> <p>The subject property is easily accessible to other parts of Singapore via the existing road networks, Bukit Timah Expressway, Seletar Expressway and the existing road networks.</p>	

## APPENDIX X – VALUATION CERTIFICATES

# CHESTERTONS

<b>Brief Description of Development</b>	<p>The subject property is an industrial property located at Woodlands Industrial Estate. Sited on the land is a 2-storey corner terrace factory constructed of reinforced concrete frame, floor and flat roof. According to information provided by Porta Pumper, the factory underwent some minor renovations-cum-repair works and repainting recently.</p> <p>The first floor of the factory is used as storage for the portable toilets. The washing bay is at its rear. The accommodation on the second floor includes a general office, meeting room, several partitioned rooms for managers, prayer room, store, recreation room and pantry. The toilets are located at both ends of the second level. The office is generally carpeted and is chilled by ceiling mounted air conditioners.</p> <p>The subject property is in an average condition at the time of inspection.</p>
<b>Gross Floor Area</b>	2,243.62 square metres (according to information provided )
<b>Valuation Approaches</b>	Direct Comparison Method
<b>Date of Valuation</b>	19 August 2016
<b>Open Market Value as at 30 June 2016</b>	<p>SGD \$7,370,000/-</p> <p>(Singapore Dollars Seven Million Three Hundred and Seventy Thousand Only )</p>
<div style="text-align: center;">  </div> <p> <b>Chow Yin Ling Elaine</b>  Appraiser's Licence No. AD041-2006739I  <b>CHESTERTON SINGAPORE PTE. LTD.</b>  Ref No: 16VAS011 </p> <p style="text-align: center;">This valuation certificate is subject to the attached assumptions, qualifications, limitations and disclaimers.</p>	

### Addendum I — *Statement of Assumptions and Limiting Conditions*

1. We have relied on information given by the Client and its representatives and have accepted advice given to us on such matters as land titles, easements, tenure, planning approvals, statutory notices, tenancy schedule, site and floor plans, building plans, floor areas, building design, building costs, operating and income statements and all other relevant matters. We have assumed the information given to us as correct and have not conducted independent checks to verify them, and no responsibility is assumed or implied by us. Interested parties are advised to seek further due diligence of qualified solicitors, engineers and other professionals as appropriate prior to making any legal, financial or other commitments. Should it be revealed that any information provided is inaccurate or misleading so that its use would affect the valuation, we seek to be informed of such discrepancies and accordingly reserve the right to amend our assessment.
2. The Property including its land titles, use rights and improvements is assumed to be transferable, marketable and free of any deed restrictions, easements, encumbrances or other impediments of an onerous nature that would affect the value of the Property. We have not conducted independent checks to verify and likewise advise interested parties to engage qualified solicitors to perform such checks and verifications as appropriate.
3. We have not considered the existence of potentially hazardous materials used in the construction or maintenance of the buildings, such as asbestos, urea formaldehyde foam insulation, or PCBs. We are thus unable to report that the Property is free from risk in this respect and have assumed that any investigation would not reveal the presence of hazardous materials. The valuers are not qualified to detect these substances and urge the Client to retain an expert in this field if desired. We have not investigated whether the site is or has been in the past contaminated and are therefore unable to warrant that the Property is free from any defect or risk in this respect. Our report is therefore based on the assumption that the land is not contaminated and any specialist investigation would not disclose the presence of any adverse conditions on the site or within the building.
4. In the course of the property inspection, particular investigation has not been made on environmental matters that are either an inherent feature of the Property itself or the surrounding area, which could impact on the property interest. Examples include the underground oil tanks, historic mining activity or electricity transmission equipment. We therefore value on the assumption that the Property is not affected by any such environmental matters.
5. No structural survey of the Property has been made by the valuers and no responsibility is assumed in connection with such matters. Sketches, pictures, maps and other exhibits are included to assist the Client in visualising the Property. It is assumed that the use of the land and premises is within the boundaries of the Property described and that there is no encroachment or trespass unless noted.
6. This Valuation Report is neither a structural survey nor a survey on the electrical and mechanical services in terms of both hardware and software. We therefore value on the assumption that the Property is of sound design and construction, and free from any inherent defect. No detailed inspection or tests have been carried out by us on any of the services or items of equipment; therefore, no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We express no opinion or advice upon the condition of uninspected parts and our report should not be read as making any implied representation or statement about such parts. We have



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## APPENDIX X – VALUATION CERTIFICATES

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assumed that the Property together with the services therein is in a good state of repair and condition and that there are no outstanding items of expenditure required.

7. We have not inspected any of the Property's city, local and private consents, licences, approvals, permits or certificates for its use and operations. It is assumed that the Property will be in full compliance with all applicable city, local and private codes, laws, consents, licences and regulations (including a fire certificate and relevant alcohol licences where appropriate), and that all licences, permits, certificates, franchises and so forth can be freely renewed and/or transferred to a purchaser. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.
8. All mortgages, liens, encumbrances, leases, servitudes, arrears and penalties have been disregarded unless specified otherwise.
9. Chestertons is not required to give testimony or attendance in court by reason of this economic and valuation study without previous arrangements and only when our standard per diem fees and travel costs are paid prior to the appearance.
10. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended that the reader contact Chestertons.
11. The quality of a property's on-site management has a direct effect on a property's economic viability and market value. The financial forecasts presented in this Valuation Report assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the forecast operating results.
12. The estimated operating results presented in this report are based on an evaluation of the current overall economy of the area and neither take into account nor make provision for the effect of any sharp rise or decline in local or economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the Property, it is expected that the prices of rooms, food, beverages and services will be adjusted to at least offset these advances. Chestertons does not warrant that the estimates will be attained, but they have been prepared on the basis of information obtained during the course of this study and are intended to reflect the expectations of typical investors.
13. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based upon numbers carried out to three or more decimal places. In the interest of simplicity, most numbers presented in this report have been rounded. Thus, these figures may be subject to small rounding errors in some cases.
14. Our valuation opinion is current as at the date of valuation. It is likely that the value assessed may be subjected to significant and unexpected changes over a relatively short period due to reasons including, but not limited to, the result of general market movements and/or other factors specific to the subject Property. We are not liable for any losses arising from any of such subsequent changes in value and neither do we accept any liability where our value opinion is relied upon after the expiration of three months from the date of valuation. We shall not be responsible for any delay to the performance of our valuation exercise, where matters beyond our control cause such delay.

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## APPENDIX X – VALUATION CERTIFICATES

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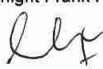


15. Valuing real estate is both a science and an art. Although this valuation employs various mathematical calculations, the final estimate is subjective and may be influenced by the consultant's experience and other factors not specifically set forth in this report.
16. It is assumed that the relationship between the currencies used in this report and other major world currencies remains constant as at the date of our fieldwork.
17. Whilst the information contained herein is believed to be correct, it is subject to change. Nothing contained herein is to be construed as a representation or warranty of any kind.
18. Until the time that all of our professional fees and other charges have been paid in full, the draft or final report, which is provided to you as a professional courtesy, remains the intellectual property of Chestertons and shall not be utilised in attempting to: a) obtain financial capital (whether debt or equity); b) further any litigation, mediation, or arbitration processes; or c) assist the Client in any cause, action or endeavour.
19. If Chestertons has not been paid in full for its outstanding professional fees and other charges, and the draft or final report is used in violation of this agreement, Chesterton will be entitled to seek injunctive relief, monetary damages, and the cost of attorney fees and collection expenses.
20. It is agreed that the liability of Chestertons, its employees and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations and conclusions expressed during this assignment will be rendered by the staff of Chestertons acting solely as employees and not as individuals. Any responsibility of Chestertons is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.
21. This assessment and study has been undertaken by Chestertons as an independent overseas consultant.
22. Throughout this report, 'Chestertons' refers to the trading name of Chesterton Singapore Pte Ltd (Business Registration Number 201319407N).

## APPENDIX X – VALUATION CERTIFICATES



### Valuation Certificate

Property	: 18 Boon Lay Way #05-121 & #05-122 "Tradehub 21" Singapore 609966																		
Client	: Sim Lian Group Limited																		
Purpose	: For the voluntary conditional cash offer for Sim Lian Group Limited																		
Type of property	: Two flatted factory units located on the 5th storey of a 10-storey ramp-up light industrial building within an industrial development known as "Tradehub 21".																		
Tenure	: Leasehold 60 years commencing 10 December 2003 (Balance of approximately 47.4 years as at 30 June 2016)																		
Basis of valuation	: Market value subject to existing use and with vacant possession																		
Registered owner	: RCS Engineering Pte Ltd																		
Master plan 2014	: "Business 1" with a gross plot ratio of 2.0																		
Brief description of development	: "Tradehub 21" is located on the northern side of Boon Lay Way and approximately 15.0 km from the City Centre.  It is an industrial development completed in two phases. Phase 1 comprises an 11-storey building with 10 ramp-up floors and 25 showroom units on the 1st storey. Phase 2 comprises 4 blocks of 2-storey terrace factory (Nos. 20, 22, 24 & 26), 1 block of 2-storey terrace factory with basement (No. 16), 1 block of 10-storey ramp up factory (No. 18) and 1 single storey block accommodating a total of 5 food and beverage units.																		
Legal description/strata floor area	: <table><tr><td></td><td>All of Mukim 5</td><td>Strata floor area</td></tr><tr><td></td><td><u>Unit No.</u></td><td><u>Strata Lot No.</u></td></tr><tr><td></td><td></td><td><u>(sm)</u></td></tr><tr><td></td><td>#05-121</td><td>U65095K</td></tr><tr><td></td><td>#05-122</td><td>U65089P</td></tr><tr><td></td><td>Total</td><td><u>270.0</u></td></tr></table>		All of Mukim 5	Strata floor area		<u>Unit No.</u>	<u>Strata Lot No.</u>			<u>(sm)</u>		#05-121	U65095K		#05-122	U65089P		Total	<u>270.0</u>
	All of Mukim 5	Strata floor area																	
	<u>Unit No.</u>	<u>Strata Lot No.</u>																	
		<u>(sm)</u>																	
	#05-121	U65095K																	
	#05-122	U65089P																	
	Total	<u>270.0</u>																	
Year of completion	: The Temporary Occupation Permit was issued on 7 August 2007.																		
Valuation approach	: Comparable Sales Method																		
Valuation date	: 30 June 2016																		
Market Value	: <table><tr><td><u>Unit No.</u></td><td><u>Market Value</u></td></tr><tr><td>#05-121</td><td>S\$ 750,000/-</td></tr><tr><td>#05-122</td><td>S\$ 750,000/-</td></tr><tr><td>Total</td><td><u>S\$1,500,000/-</u></td></tr></table> (Singapore Dollars One Million And Five Hundred Thousand Only)	<u>Unit No.</u>	<u>Market Value</u>	#05-121	S\$ 750,000/-	#05-122	S\$ 750,000/-	Total	<u>S\$1,500,000/-</u>										
<u>Unit No.</u>	<u>Market Value</u>																		
#05-121	S\$ 750,000/-																		
#05-122	S\$ 750,000/-																		
Total	<u>S\$1,500,000/-</u>																		
Assumptions, disclaimers, limitations & qualifications	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i>																		
Prepared by	: Knight Frank Pte Ltd   Chiam Tok Ling B.Sc.(Estate Management) MSISV Director, Valuation Appraiser's Licence No. AD 041-2004449G For and on behalf of Knight Frank Pte Ltd  Date of issue : 24 August 2016																		

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581  
Tel: (65) 6222 1333 Fax: (65) 6224 5843 Reg.No. 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg

Other Offices:

Knight Frank Estate Management Pte Ltd 160 Paya Lebar Road #05-05/06 Orion@Paya Lebar Singapore 409022  
Knight Frank Asset Management Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581  
KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373



## APPENDIX X – VALUATION CERTIFICATES

# CBRE

CBRE Pte. Ltd.


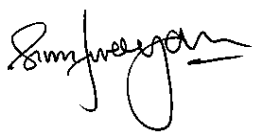
6 Battery Road #32-01  
Singapore 049909

T (65) 6224 8181  
F (65) 6225 1987

[www.cbre.com.sg](http://www.cbre.com.sg)

Co. Reg. No.: 197701161R  
Agency Licence No.: L30021631

### Valuation Certificate – Hillion Mall

<b>Property:</b>	17 Petir Road, Hillion Mall, Singapore 678278
<b>Client:</b>	Sim Lian Group Limited
<b>Purpose:</b>	Voluntary Conditional Cash Offer for Sim Lian Group Limited
<b>Interest Valued:</b>	Leasehold for a term of 99 years commencing from 4 January 2013. Balance term of about 96.0 years.
<b>Basis of Valuation:</b>	Value of Hillion Mall assuming satisfactory completion and subject to occupational arrangements
<b>Legal Description:</b>	Lot 1665M of Mukim 14
<b>Registered Owner:</b>	Sim Lian JV (BP) Pte. Ltd. and Sim Lian JV (BP Retail) Pte. Ltd. as tenants-in-common in unequal shares of 542/1000 and 458/1000 respectively
<b>Land Area:</b>	18,954.5 sq m (subject to survey)
<b>2014 Master Plan Zoning:</b>	Commercial & Residential with plot ratio 3.0
<b>Proposed Development:</b>	<p>The proposed mixed use development will comprise the Hillion Mall (retail component) and Hillion Residences (residential component). This development will be integrated with a bus interchange. In this current valuation exercise, we have been instructed to value the Hillion Mall, the retail component within the mixed use development only.</p> <p>We understand that upon completion, Hillion Mall will comprise retail space on two basement levels, 1st and 2nd storey. Basement 2 within Hillion Mall will have direct link to the underground passageway leading to Basement 3 of the Bukit Panjang MRT Station.</p> <p>Hillion Residences, the residential component, will comprise three tower blocks; one block of 22-storey and two blocks of 23-storey, accommodating a total of 546 apartment units built above the two-storey podium which accommodates the bus interchange and retail space on 1st and 2nd storey and car parking for the residential development on the 3rd and 4th storey. The development will have a total of about 764 car park lots.</p> <p>Hillion Residences does not form part of this valuation.</p> <p>The construction of the integrated development commenced in January 2013. The completion of the Hillion Mall is expected around January 2017 and that of the Hillion Residences around November 2017.</p>
<b>Proposed Gross Floor Area:</b>	20,493.7 sq m (220,592.1 sq ft) excluding proposed Community Facility GFA of 2,000.0 sq m (21,527.8 sq ft) and bus interchange
<b>Proposed Net Floor Area:</b>	16,201.0 sq m (174,406.0 sq ft)
<b>Valuation Approaches:</b>	Capitalisation Approach
<b>Material Date of Valuation:</b>	30 June 2016
<b>Assessed Value:</b>	Hillion Mall assuming satisfactory completion - S\$331,400,000 (Three Hundred Thirty One Million Four Hundred Thousand Dollars)
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications:</b>	<p><i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the valuation report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section located within the report. Reliance on the valuation report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i></p>
<b>Prepared By:</b>	CBRE Pte. Ltd.
	
<b>Per:</b> Li Hiaw Ho DipUrbVal (Auck) SNZPI FSISV Appraiser's Licence, No. AD041-2445 Advisor Valuation & Advisory Services	<b>Per:</b> Sim Hwee Yan BSc (Est. Mgt) Hons FSISV Appraiser's Licence, No. AD041-2004155J Executive Director Valuation & Advisory Services

## APPENDIX X – VALUATION CERTIFICATES



**CHAMBERS VALUERS & PROPERTY CONSULTANTS PTE LTD** (Reg No. 198002959 D)

21 Bukit Batok Crescent #26-80/81/82/83 WCEGA Tower Singapore 658065

Email: valuation@chambersinternational.com.sg Website: www.chambersinternational.com.sg

Tel : 6468 5100 Fax : 6468 5300

Our Reference : 2016/04-P041 /PT

Date : 23 August 2016

Sim Lian Group Limited  
205 Upper Bukit Timah Road  
#02-01  
Singapore 588181

Dear Sirs,

### **VALUATION CERTIFICATE FOR PROPERTY AT 52 HILLVIEW TERRACE SINGAPORE 669271**

This valuation is subject to the Limiting Conditions in "Appendix A" attached. It should not be used for any other purposes except for the specific purpose stated herein. Our valuation should be read together with our valuation report dated 23 August 2016.

- |   |   |  |
|---|---|--|
| 1. Address of Property                            | : | 52 Hillview Terrace Singapore 669271   |
| 2. Purpose  | : | For the voluntary conditional cash offer for Sim Lian Group Limited            |
| 3. Registered Proprietor                          | : | Sim Lian Construction Co (Pte) Ltd   |
| 4. Property Type                                  | : | 3-storey intermediate factory  |
| 5. Tenure   | : | Estate in Perpetuity   |
| 6. Land Area                                      | : | 441 square meters (4,747 square feet)  |
| 7. Floor Area                                     | : | Approximately 691.44 square metres<br>(Approximately 7,442 square feet)        |
| 8. Date of our last Inspection                    | : | 23 August 2016 (internal)  |
| 9. Condition of Property                          | : | Average  |
| 10. Open Market Value as at<br>As at 30 June 2016 | : | <b>S\$5,500,000</b> /- (With vacant possession and free from all encumbrances) |

Yours Faithfully

**For and behalf of Chambers Valuers & Property Consultants Pte Ltd**



Pearlynn Tay  
M.B.A  
B.Sc. (Estate Mgt)(Hons)  
Appraiser's Licence No : AD041-2007710E  
MSISV

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## APPENDIX X – VALUATION CERTIFICATES

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**CHAMBERS VALUERS AND PROPERTY CONSULTANTS PTE LTD**  
*52 Hillview Terrace Singapore 669271*

### APPENDIX A

#### LIMITING CONDITIONS

1. Our valuation report is strictly for the internal use of the client to whom the report is addressed to and for the specific purpose stated therein. We disclaim all responsibilities and accept no liability to any other parties.
2. All values quoted are in Singapore Dollars unless otherwise stated.
3. The instruction and the valuation assignment does not automatically bind the Appraiser to attendance in court or to appear in enquiry before any Government or statutory bodies in connection with the Valuation. Prior arrangement and agreement shall be made between the client and appraiser if such attendance or appearance is required.
4. We accept no responsibilities for any liability on the title and any existing liens, charges, caveats or encumbrances have been disregarded as subject property is valued assuming free from any encumbrances and the title to it is freely marketable, transferable and registerable.
5. No structural survey or inspection of other services has been conducted during the course of our inspection. We are not able to give assurance that the property is free from defects but will be presumed to be in good working order.
6. We have not arranged for any investigations to be carried out to determine the conditions of the mechanical and electrical services and the load bearing capacity of the soil, floors and foundation and are therefore unable to report that the property is free from risks in this respect.
7. Plans, drawings, sketches and photographs are included in the report to assist in visualising the property and we have not engaged the service of a Land Surveyor to conduct a survey.
8. The valuation report or any part thereof should not be reproduced without prior written consent of the Appraiser.
9. We have not done any title search due to time constraint and we have relied on the information stated in the valuation report that were supplied to us. Such information is presumed to be reliable and we accept no responsibilities and liability should it be proven otherwise.
10. We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained.



## APPENDIX X – VALUATION CERTIFICATES



**CHAMBERS VALUERS & PROPERTY CONSULTANTS PTE LTD** (Reg No. 198002959 D)

21 Bukit Batok Crescent #26-80/81/82/83 WCEGA Tower Singapore 658065

Email: valuation@chambersinternational.com.sg Website: www.chambersinternational.com.sg

Tel : 6468 5100 Fax : 6468 5300

Our Reference : 2016/06-P075/PT

Date : 23 August 2016

Sim Lian Group Limited  
205 Upper Bukit Timah Road  
#02-01  
Singapore 588181

Dear Sirs,

**CERTIFICATE OF UPDATE OF VALUATION OF PROPERTY AT  
170 UPPER BUKIT TIMAH ROAD #10-04  
BUKIT TIMAH SHOPPING CENTRE SINGAPORE 588179**

This valuation is subject to the Limiting Conditions in "Appendix A" attached. It should not be used for any other purposes except for the specific purpose stated herein. Our valuation should be read together with our valuation report dated 23 August 2016.

The current use of the property as an office is the highest and best use.

- |                                |   |  |
|--------------------------------|---|--|
| 1. Address of Property         | : | 170 Upper Bukit Timah Road #10-04<br>Bukit Timah Shopping Centre<br>Singapore 588179 |
| 2. Purpose                     | : | For the voluntary conditional cash offer for Sim Lian<br>Group Limited               |
| 3. Registered Proprietor       | : | Sim Lian Construction Co (Pte) Ltd   |
| 4. Property Type               | : | Office   |
| 5. Tenure                      | : | Leasehold 999 years w.e.f 17 Dec 1883  |
| 6. Strata Floor Area           | : | 161 square metres<br>(1,733 square feet)   |
| 7. Date of our last Inspection | : | 23 August 2016 (internal)  |
| 8. Condition of Property       | : | Above Average  |
| 9. Open Market Value           | : | <b>S\$2,080,000</b> /- (With vacant possession and free from<br>all encumbrances)    |

Yours Faithfully

**For and behalf of Chambers Valuers & Property Consultants Pte Ltd**



Pearlynn Tay

M.B.A

B.Sc. (Estate Mgt)(Hons)

Appraiser's Licence No : AD041-2007710E

MSISV

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## APPENDIX X – VALUATION CERTIFICATES

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### APPENDIX A

#### LIMITING CONDITIONS

1. Our valuation report is strictly for the internal use of the client to whom the report is addressed to and for the specific purpose stated therein. We disclaim all responsibilities and accept no liability to any other parties.
2. All values quoted are in Singapore Dollars unless otherwise stated.
3. The instruction and the valuation assignment does not automatically bind the Appraiser to attendance in court or to appear in enquiry before any Government or statutory bodies in connection with the Valuation. Prior arrangement and agreement shall be made between the client and appraiser if such attendance or appearance is required.
4. We accept no responsibilities for any liability on the title and any existing liens, charges, caveats or encumbrances have been disregarded as subject property is valued assuming free from any encumbrances and the title to it is freely marketable, transferable and registerable.
5. No structural survey or inspection of other services has been conducted during the course of our inspection. We are not able to give assurance that the property is free from defects but will be presumed to be in good working order.
6. We have not arranged for any investigations to be carried out to determine the conditions of the mechanical and electrical services and the load bearing capacity of the soil, floors and foundation and are therefore unable to report that the property is free from risks in this respect.
7. Plans, drawings, sketches and photographs are included in the report to assist in visualising the property and we have not engaged the service of a Land Surveyor to conduct a survey.
8. The valuation report or any part thereof should not be reproduced without prior written consent of the Appraiser.
9. We have not done any title search due to time constraint and we have relied on the information stated in the valuation report that were supplied to us. Such information is presumed to be reliable and we accept no responsibilities and liability should it be proven otherwise.
10. We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained.



## APPENDIX X – VALUATION CERTIFICATES



### Valuation Certificate

**Property** : 3 Ang Mo Kio Street 62  
#03-14 & #03-15 "Link@AMK"  
Singapore 569139

**Client** : Sim Lian Group Limited

**Purpose** : For the voluntary conditional cash offer for Sim Lian Group Limited

**Type of property** : Two ramp-up factory units (Type A1) located on the 3rd storey of an 8-storey ramp-up industrial development known as "Link@AMK".

**Tenure** : Leasehold 60 years commencing 28 June 2011  
(Balance of approximately 55.0 years as at 30 June 2016)

**Basis of valuation** : Market value subject to existing use and existing tenancies

**Registered owner** : RCS Engineering Pte Ltd

**Master plan 2014** : "Business 1" with a gross plot ratio of 2.5

**Brief description of development** : "Link@AMK" is located on the western side of Ang Mo Kio Street 62, off Ang Mo Kio Avenue 9, and approximately 14.0 km from the City Centre.

It is an industrial development which comprises an 8-storey ramp-up tower block, a 3-storey terrace block, a 3-storey terrace with private basement car park block and a 1-storey ancillary block. The development accommodates a total of 38 ground floor warehouse units, 238 direct access units and 28 exclusive 3-storey terrace units with roof. Access to the upper storeys of the tower block is via a direct ramp-up vehicular access, 2 passengers' lifts, 2 service-cum-fireman lifts, 2 goods lifts and concrete staircases. Access to the upper storeys of the terrace factories is via a passenger lift each and supplemented by concrete staircases. The subject property is located within the tower block.

Legal description/strata floor area	All of Mukim 18	
	Unit No.	Strata floor area (sqm)
	#03-14	U114180N 200.0
	#03-15	U114188T 200.0
	Total	400.0

**Year of completion** : The Temporary Occupation Permit was obtained on 21 November 2014 and Certificate of Statutory Completion was obtained on 15 June 2015.

**Valuation approach** : Comparable Sales Method

**Valuation date** : 30 June 2016

Market Value	Market Value	
	Unit No.	Market Value
	#03-14	S\$1,000,000/-
	#03-15	S\$1,000,000/-
	Total	S\$2,000,000/- (Singapore Dollars Two Million Only)

**Assumptions, disclaimers, limitations & qualifications** : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*

**Prepared by** : Knight Frank Pte Ltd

Chiam Tok Ling  
B.Sc.(Estate Management) MSISV  
Director, Valuation  
Appraiser's Licence No. AD 041-2004449G  
For and on behalf of Knight Frank Pte Ltd

Date of issue : 24 August 2016

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581  
Tel: (65) 6222 1333 Fax: (65) 6224 5843 Reg.No. 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg

Other Offices:

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Knight Frank Asset Management Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581  
KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373



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## APPENDIX X – VALUATION CERTIFICATES

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Jones Lang LaSalle Advisory Services Pty Limited  
ABN 56 003 262 600  
GPO Box 3140 Melbourne VIC 3001  
Level 40 101 Collins Street Melbourne VIC 3000  
tel +61 3 9672 6666 fax +61 3 9600 1715

5 September 2016

### Private & Confidential

Sim Lian Group Limited  
205 Upper Bukit Timah Road #02-01  
Singapore 588181

Attn: Board of Directors

### PROPERTY VALUATIONS – Rockworth Capital Partners Australian Retail Assets

#### 1. Instructions

In accordance with instructions dated 26 April 2016, Jones Lang LaSalle Advisory Services Pty Limited ("JLL") has undertaken a valuation of the Properties as at 30 June 2016. We provide this summary letter for inclusion in a Product Disclosure Statement (Offer Document). For further information, we refer the reader to our full valuation reports held by Rockworth Capital Partners Pte Ltd ("Rockworth Capital Partners").

#### 2. Properties

JLL has undertaken valuations of the following ("Properties") in accordance with our instructions:

Property	State
Coles Lara Village, Lara	Vic
Coltman Plaza, Lucas	Vic
Tarneit Gardens Shopping Centre and adjoining properties, Tarneit	Vic
Lake Munmorah Shopping Centre and adjoining land, Lake Munmorah	NSW
Jordan Springs Shopping Centre, Jordan Springs	NSW
Woolworths Rothwell, Rothwell	Qld
The Gateway Building, 59 Albany Highway, Victoria Park	WA

#### 3. Reliance on this Letter

This letter summarises our full valuation reports. This letter alone does not contain all of the data and supporting information which is included in our reports. For further information, we recommend the reader review the contents of the complete, self-contained reports held by Rockworth Capital Partners.

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## APPENDIX X – VALUATION CERTIFICATES

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### 4. Basis of Valuation

The purpose of the valuations was to assess the “market value” of the individual properties as that term is defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API):

*“Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”*

Included in our valuations are lessor-owned building fixtures, fittings, plant and equipment. Movable equipment, furniture, furnishings and tenant owned fit-out and improvements are excluded.

Our valuations are current as at the date of inspection / valuation only. The values as assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the Property). We do not accept liability for losses arising from such subsequent changes in values. Without limiting the generality of that statement, we do not assume any responsibility or accept any liability in circumstances where the valuations are relied upon more than 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations. However, it should be recognised that the Properties’ values are not assured for that 90 day period; our valuations always remain a valuation at the date of valuation only.

### 5. Brief Property Description

We provide a brief description of the properties as follows:

#### Coles Lara Village, Lara, Victoria



Coles Lara Village comprises a single level Neighbourhood Centre which commenced trading in 2014. The Centre is anchored by a Coles supermarket (including a Liquorland outlet) together with one large format retailer (The Reject Shop) in addition to nine specialty tenancies, two kiosks and a McDonald's pad site.

The total Gross Lettable Area (GLA) is approximately 6,116.70m<sup>2</sup> (excluding the pad site) in its current configuration as advised. Ancillary improvements comprise on grade parking for approximately 280 vehicles as advised and site landscaping.

The improvements are constructed upon an irregular shaped site designated 'Commercial 1' pursuant to the Geelong Planning Scheme. Total site area is 19,290m<sup>2</sup> (1.929Ha).

Coles Lara Village is located within the northern Geelong suburb of Lara, approximately 17 radial kilometres north of the Geelong CBD and 60 kilometres south of the Melbourne CBD.

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## APPENDIX X – VALUATION CERTIFICATES

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### Coltman Plaza, Lucas, Victoria



Coltman Plaza comprises a single level Neighbourhood Centre which commenced trading in 2014. The Centre is anchored by a Woolworths supermarket (including a BWS liquor outlet) together with one large format retailer (Pharmacy for Less), 11 specialty tenancies, two kiosks and two ATMs.

The total GLA is approximately 5,516.0m<sup>2</sup> in its current configuration as advised. Ancillary improvements comprise on grade parking for approximately 238 vehicles as advised and site landscaping.

The improvements are constructed upon a regular shaped site designated 'Urban Growth Zone – Schedule 1' pursuant to the Ballarat City Council Planning Scheme. Total site area is 16,810m<sup>2</sup> (1.681Ha).

Coltman Plaza is located at the western fringe of the City of Ballarat, which lies approximately 112 radial kilometres west of the Melbourne CBD.

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### Tarneit Gardens Shopping Centre and adjoining properties, Tarneit, Victoria



Tarneit Gardens Shopping Centre comprises a single level Neighbourhood Centre which commenced trading in December 2013. The Centre is anchored by a Woolworths supermarket (including a BWS liquor outlet) together with two large format retailers (The Reject Shop and Chemist Warehouse) in addition to 15 specialty tenancies, two kiosks and two ATMs.

The total GLA is approximately 6,419.4m<sup>2</sup> in its current configuration as advised. Ancillary improvements comprise on grade parking for approximately 283 vehicles as advised and site landscaping.

The improvements are constructed upon an irregular shaped site designated 'Commercial 1' pursuant to the Wyndham City Council Planning Scheme. Total site area is 21,320m<sup>2</sup> (2.132Ha).

The additional properties comprise a Woolworths Petrol pad site and seven vacant allotments situated adjacent to the Tarneit Gardens Shopping Centre.

Tarneit Gardens Shopping Centre is situated on the east side of Tarneit Road midway between its intersection with Leakes Road and Sayers Road, approximately 25 kilometres west of the Melbourne CBD.

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### Lake Munmorah Shopping Centre and adjoining land, Lake Munmorah, New South Wales



The property, known as Lake Munmorah Shopping Centre, is a Neighbourhood Centre anchored by a Woolworths supermarket, together with 13 specialty tenants, two kiosks, two ATMs, a medical centre and one pad-site tenancy occupied by Woolworths Petrol.

The Centre provides a total GLA of approximately 5,660.84m<sup>2</sup> (5,663.84m<sup>2</sup> including ATMs and Woolworths Petrol pad-site).

The Centre was developed by Fabcot Pty Ltd and was completed in 2013. The Centre provides a single level concrete building with at-grade car parking for approximately 326 vehicles.

The Centre also includes adjacent vacant land which is legally held under the same Lot and Deposited Plan. The north eastern quadrant of this Lot is described as being predominantly level, largely unimproved and generally cleared with natural vegetation. The south western quadrant of the land is improved with the aforementioned Lake Munmorah Shopping Centre.

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## APPENDIX X – VALUATION CERTIFICATES

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### Jordan Springs Shopping Centre, Jordan Springs, New South Wales



The property, known as Jordan Springs Shopping Centre, comprises a Neighbourhood Centre anchored by a Woolworths supermarket together with 17 specialty tenancies, one kiosk, two ATMs and gymnasium leased to Anytime Fitness.

The Centre provides a total GLA of approximately 6,247.90m<sup>2</sup> (6,245.90m<sup>2</sup> excluding ATMs) as well as at-grade car parking for approximately 295 vehicles.

Jordan Springs is a relatively new suburb located approximately 60 kilometres west of the Sydney CBD and approximately 7 kilometres north east of the Penrith CBD.

### Woolworths Rothwell, Rothwell, Queensland



Woolworths Rothwell comprises a single level Neighbourhood Centre which was completed in May 2014. The Centre is underpinned by Woolworths supermarket (including a BWS liquor outlet), together with a single large format retailer, Prices Plus, in addition to six specialty tenancies, a kiosk and a single ATM. Total GLA is approximately 4,965m<sup>2</sup>, as advised. Ancillary improvements comprise on grade parking for approximately 259 vehicles, as advised and basic landscaping to the property boundaries.

The improvements are constructed upon an irregular, battle-axe shaped site designated 'Centre Zone' pursuant to the Moreton Bay Regional Council Planning Scheme. Total site area is 20,090m<sup>2</sup> (2.009Ha).

Woolworths Rothwell is situated to the western alignment of Deception Bay Road; in the suburb of Rothwell, approximately 34 kilometres north of the Brisbane CBD.

### The Gateway Building, 59 Albany Highway, Victoria Park, Western Australia



The subject property comprises a relatively new suburban office building located in Victoria Park on Albany Highway adjoining The Causeway being the eastern entry point to the Perth Central Business District. The property was completed in 2010 and comprises a high quality office building with large floor plates that is 87% leased to an S&P/ASX 100 Index listed company set to expire in July 2022. Surrounding development comprises a mix of residential to the west and commercial/car yards to the south. The subject offers unrestricted views north over the Swan River towards the Perth CBD.

The property has a NLA capped at 12,813m<sup>2</sup> of which 847m<sup>2</sup> are ground floor retail/office. Car parking is provided with 339 secure car bays being accessible via Armagh Street.



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## APPENDIX X – VALUATION CERTIFICATES

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### 6. Valuation Rationale

In assessing the market value of the properties, we conducted various investigations including analysing available market evidence and we applied that analysis to the capitalisation of income, discounted cash flow and direct comparison approaches. In respect to properties which incorporate additional vacant land, we have adopted the direct comparison approach on the dollar rate per square metre of site area.

In relation to the DCF approach, we stress that the estimating of future rentals and values is a very problematic exercise, which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projections of key elements includes assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions, variation in any of which may significantly affect value.

### 7. Market Commentary

JLL Research have provided a market commentary within the individual valuation reports, which provides context on both national and local market conditions.

The reader of this letter should refer to the individual valuation reports for this information, we refer you to our full valuation reports held by Rockworth Capital Partners.

### 8. Rental and Sales Evidence Summary

The inclusion of all the sales and rental evidence considered for each individual property valued is not practical in this Summary Letter.

Analysis and application of market derived evidence considered for the Properties is as contained within the individual valuation reports. The reader of this letter should refer to the individual valuation reports for this information, in which case we refer you to our full valuation reports held by Rockworth Capital Partners.

### 9. Critical Assumptions

Our valuations are subject to Critical Assumptions, Conditions and Limitations as contained within and throughout the respective reports. For further information, we refer you to our full valuation reports held by Rockworth Capital Partners.

### 10. Valuation Summary

We provide a summary of each Property's valuation parameters as follows:

## APPENDIX X – VALUATION CERTIFICATES

### Valuation Summary

#### Coles Lara Village, Waverley Road, Lara, Victoria

##### Brief Description

Coles Lara Village comprises a single level Neighbourhood Centre which commenced trading in 2014. The Centre is anchored by a Coles supermarket (including a Liquorland outlet) together with one large format retailer (The Reject Shop) in addition to 9 specialty tenancies, two kiosks and a McDonald's pad site. The total Gross Lettable Area (GLA) is approximately 6,116.70m<sup>2</sup> (excluding the pad site) in its current configuration as advised. Ancillary improvements comprise on grade parking for approximately 280 vehicles as advised and site landscaping.

The improvements are constructed upon an irregular shaped site designated 'Commercial 1' pursuant to the Geelong Planning Scheme. Total site area is 19,290m<sup>2</sup> (1.929Ha).

Coles Lara Village is located within the northern Geelong suburb of Lara, approximately 17 radial kilometres north of the Geelong CBD and 60 kilometres south of the Melbourne CBD.



##### Summary

<b>Prepared for</b>	Sim Lian Group Limited.
<b>On Behalf of</b>	RCP Property Australia Pty Ltd (ACN 167 174 030) ATF SLG Lara Trust.
<b>Valuation Purpose</b>	Voluntary Conditional Cash Offer for the company.
<b>Date of Valuation</b>	30 June 2016
<b>Interest Valued</b>	100% freehold Interest
<b>Valuation Approach</b>	Capitalisation Approach and Discounted Cash Flow Approach
<b>Adopted Value</b>	<b>\$31,000,000 GST Exclusive (Thirty One Million Dollars)</b>

##### Valuation Summary

<b>Valuation (30 June 2016)</b>	<b>\$31,000,000</b>
<b>Lettable Area (GLA)</b>	6,116.7 m <sup>2</sup>
<b>Capitalisation Rate (Market)</b>	6.25%
<b>Target Internal Rate of Return (IRR)</b>	7.00%
<b>Terminal Capitalisation Rate</b>	6.50%
<b>Equivalent Yield</b>	6.42%
<b>Initial Yield (Passing)</b>	6.14%
<b>Initial Yield (Fully Leased)</b>	6.50%
<b>Resultant IRR (10 yr)</b>	6.62%
<b>Weighted Average Lease Term (Income)</b>	11.26 years
<b>Value \$/m<sup>2</sup> of GLA</b>	\$5,068

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## APPENDIX X – VALUATION CERTIFICATES

### Valuation Summary

#### Coltman Plaza, Lucas, Victoria

##### Brief Description

Coltman Plaza comprises a single level Neighbourhood Centre which commenced trading in 2014. The Centre is anchored by a Woolworths supermarket (including a BWS liquor outlet) together with one large format retailer (Pharmacy for Less), 11 specialty tenancies, two kiosks and two ATMs. The total Gross Lettable Area (GLA) is approximately 5,516.0m<sup>2</sup> in its current configuration as advised. Ancillary improvements comprise on grade parking for approximately 238 vehicles as advised and site landscaping.

The improvements are constructed upon a regular shaped site designated 'Urban Growth Zone – Schedule 1' pursuant to the Ballarat City Council Planning Scheme. Total site area is 16,810m<sup>2</sup> (1.681Ha).

Coltman Plaza is located at the western fringe of the City of Ballarat, which lies approximately 112 radial kilometres west of the Melbourne CBD.



##### Summary

<b>Prepared for</b>	Sim Lian Group Limited.
<b>On Behalf of</b>	RCP Property Australia Pty Ltd (ACN 167 174 030) ATF SLG Lucas Trust.
<b>Valuation Purpose</b>	Voluntary Conditional Cash Offer for the company.
<b>Date of Valuation</b>	30 June 2016
<b>Interest Valued</b>	100% freehold Interest
<b>Valuation Approach</b>	Capitalisation Approach and Discounted Cash Flow Approach
<b>Adopted Value</b>	<b>\$23,500,000 GST Exclusive (Twenty Three Million Five Hundred Thousand Dollars)</b>

##### Valuation Summary

<b>Valuation (30 June 2016)</b>	<b>\$23,500,000</b>
<b>Lettable Area (GLA)</b>	5,516.0 m <sup>2</sup>
<b>Capitalisation Rate (Market)</b>	6.75%
<b>Target Internal Rate of Return (IRR)</b>	7.00%
<b>Terminal Capitalisation Rate</b>	7.00%
<b>Equivalent Yield</b>	6.74%
<b>Initial Yield (Passing)</b>	6.06%
<b>Initial Yield (Fully Leased)</b>	6.97%
<b>Resultant IRR (10 yr)</b>	7.00%
<b>Weighted Average Lease Term (Income)</b>	14.99 years
<b>Value \$/m<sup>2</sup> of GLA</b>	\$4,260

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## APPENDIX X – VALUATION CERTIFICATES

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### Valuation Summary

#### Tarneit Gardens Shopping Centre, Tarneit Road, Tarneit, Victoria

##### Brief Description

Tarneit Gardens Shopping Centre comprises a single level Neighbourhood Centre which commenced trading in December 2013. The Centre is anchored by a Woolworths supermarket (including a BWS liquor outlet) together with two large format retailers (The Reject Shop and Chemist Warehouse) in addition to 15 specialty tenancies, two kiosks and two ATMs. The total Gross Lettable Area (GLA) is approximately 6,419.4m<sup>2</sup> in its current configuration as advised. Ancillary improvements comprise on grade parking for approximately 283 vehicles as advised and site landscaping.

The improvements are constructed upon an irregular shaped site designated 'Commercial 1' pursuant to the Wyndham City Council Planning Scheme. Total site area is 21,320m<sup>2</sup> (2.132Ha).

Tarneit Gardens Shopping Centre is situated on the east side of Tarneit Road midway between its intersection with Leakes Road and Sayers Road, approximately 25 kilometres west of the Melbourne CBD.



##### Summary

<b>Prepared for</b>	Sim Lian Group Limited.
<b>On Behalf of</b>	RCP Property Australia Pty Ltd (ACN 167 174 030) ATF SLG Tarneit Trust.
<b>Valuation Purpose</b>	Voluntary Conditional Cash Offer for the company.
<b>Date of Valuation</b>	30 June 2016
<b>Interest Valued</b>	100% freehold Interest
<b>Valuation Approach</b>	Capitalisation Approach and Discounted Cash Flow Approach
<b>Adopted Value</b>	<b>\$33,300,000 GST Exclusive (Thirty Three Million Three Hundred Thousand Dollars)</b>

##### Valuation Summary

<b>Valuation (30 June 2016)</b>	<b>\$33,300,000</b>
<b>Lettable Area (GLA)</b>	6,419.4 m <sup>2</sup>
<b>Capitalisation Rate (Market)</b>	6.50%
<b>Target Internal Rate of Return (IRR)</b>	7.00%
<b>Terminal Capitalisation Rate</b>	6.75%
<b>Equivalent Yield</b>	6.49%
<b>Initial Yield (Passing)</b>	6.40%
<b>Initial Yield (Fully Leased)</b>	6.58%
<b>Resultant IRR (10 yr)</b>	7.03%
<b>Weighted Average Lease Term (Income)</b>	16.25 years
<b>Value \$/m<sup>2</sup> of GLA</b>	\$5,187

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## APPENDIX X – VALUATION CERTIFICATES

### Valuation Summary

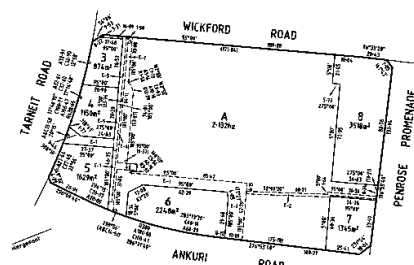
#### Woolworths Petrol and Vacant sites, adjacent Tarneit Gardens Shopping Centre, Tarneit, Victoria

##### Brief Description

The subject property comprises a Woolworths Petrol pad site and seven vacant allotments situated adjacent to the Tarneit Gardens Shopping Centre.

More particularly, the sites are adjacent to the Tarneit Gardens Shopping Centre. The sites are designated 'Commercial 1' pursuant to the Wyndham City Council Planning Scheme.

The sites are located within the suburb of Tarneit, approximately 25 kilometres west of the Melbourne CBD.



##### Summary

<b>Prepared for</b>	Sim Lian Group Limited.
<b>On Behalf of</b>	RCP Property Australia Pty Ltd (ACN 167 174 030) ATF SLG Tarneit Trust and SLG Tarneit Trust I.
<b>Valuation Purpose</b>	Voluntary Conditional Cash Offer for the company.
<b>Date of Valuation</b>	30 June 2016
<b>Interest Valued</b>	100% freehold Interest
<b>Valuation Approach</b>	Vacant Land - Direct Comparison Approach Woolworths Petrol – Capitalisation of Net Income Approach
<b>Adopted Value</b>	<b>\$8,120,000 GST Exclusive (Eight Million One Hundred and Twenty Thousand Dollars)</b>

##### Valuation Summary - Land

Lot	Plan	Ownership Entity	Site Area (m <sup>2</sup> )	Zone	Street Frontage	Adopted Rate (\$/m <sup>2</sup> )	Adopted Value
3	PS708625M	SLG Tarneit Trust	874.0	C1Z	Cnr Tarneit & Wickford Rd	\$475	\$415,000
4	PS708625M	SLG Tarneit Trust	1,150.0	C1Z	Tarneit Road	\$575	\$660,000
6	PS708625M	SLG Tarneit Trust I	2,248.0	C1Z	Ankuri Road	\$400	\$900,000
7	PS708625M	SLG Tarneit Trust I	1,345.0	C1Z	Cnr Ankuri & Penrose Pde	\$400	\$540,000
8	PS708625M	SLG Tarneit Trust	3,518.0	C1Z	Penrose Promenade	\$350	\$1,230,000
9	PS712945T	SLG Tarneit Trust	2,800.0	C1Z	Cnr Tarneit & Wickford Rd	\$350	\$980,000
10	PS712945T	SLG Tarneit Trust	6,500.0	C1Z	Wickford Road	\$350	\$2,275,000
							<b>\$7,000,000</b>

##### Valuation Summary – Woolworths Petrol

Lot	Plan	Ownership Entity	Site Area (m <sup>2</sup> )	Zone	Street Frontage	Net Rental (\$pa)	Adopted Cap Rate	Adopted Value
5	PS708625M	SLG Tarneit Trust	1,629.0	C1Z	Cnr Tarneit & Ankuri Rd	\$67,170	6.00%	\$1,120,000
								<b>\$1,120,000</b>

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## APPENDIX X – VALUATION CERTIFICATES

### Valuation Summary

#### Lake Munmorah Shopping Centre and Additional Land, 275 Pacific Highway, Lake Munmorah, NSW

##### Brief Description

The property, known as Lake Munmorah Shopping Centre, is a neighbourhood shopping centre anchored by a Woolworths supermarket, together with 13 specialty tenants, 2 kiosks, 2 ATMs, a medical centre and one pad-site tenancy occupied by Woolworths Petrol.

The Centre provides a total GLA of approximately 5,660.84m<sup>2</sup> (5,663.84m<sup>2</sup> including ATMs and Woolworths Petrol pad-site).

The Centre was developed by Fabcot Pty Ltd and was completed in 2013. The Centre provides a single level concrete building with at-grade car parking for approximately 326 vehicles.

Lake Munmorah Shopping Centre also includes adjacent vacant land which is legally held under the same Lot and Deposited Plan. We comment that the north eastern quadrant of this Lot forms the subject of this valuation and is described as being predominantly level, largely unimproved and generally cleared with natural vegetation. The south western quadrant of the land is improved with the Lake Munmorah Shopping Centre. These improvements do not form part of the valuation of the surplus land.

The subject land is zoned part Zone B2 Local Centre and part Zone E3 Environmental Management. We comment that the north western boundary is heavily vegetated and is zoned part E3 Environmental Management.

We are further advised by Rockworth Capital Partners Pte Ltd that the area of the developable/subject land totals approximately 28,165m<sup>2</sup>. We note this land has not been independently surveyed and as such should a formal survey reveal an inconsistency in total area we reserve the right to review our valuation.



##### Summary

<b>Prepared for</b>	Sim Lian Group Limited.
<b>On Behalf of</b>	SLG Lake Munmorah Trust.
<b>Valuation Purpose</b>	Voluntary Conditional Cash Offer for the company.
<b>Date of Valuation</b>	30 June 2016
<b>Interest Valued</b>	100% freehold Interest
<b>Valuation Approach</b>	Shopping Centre - Capitalisation Approach and Discounted Cash Flow Approach Additional Land - Direct Comparison Approach
<b>Adopted Value</b>	<b>Shopping Centre - \$29,000,000 GST Exclusive (Twenty Nine Million Dollars)</b> <b>Additional Land - \$5,600,000 GST Exclusive (Five Million Six Hundred Thousand Dollars)</b>

##### Valuation Summary – Main Centre

<b>Valuation (30 June 2016)</b>	<b>\$29,000,000</b>
<b>Lettable Area (GLA)</b>	5,660.8 m <sup>2</sup>
<b>Capitalisation Rate (Market)</b>	6.50%
<b>Target Internal Rate of Return (IRR)</b>	7.75%
<b>Terminal Capitalisation Rate</b>	6.75%
<b>Equivalent Yield</b>	6.59%
<b>Initial Yield (Passing)</b>	6.67%
<b>Initial Yield (Fully Leased)</b>	6.67%
<b>Resultant IRR (10 yr)</b>	8.00%
<b>Weighted Average Lease Term (Income)</b>	15.89 years
<b>Value \$/m<sup>2</sup> of GLA</b>	\$5,123

##### Valuation Summary – Additional Land

<b>Valuation (30 June 2016)</b>	<b>\$5,600,000</b>
<b>Site Area</b>	28,165 m <sup>2</sup>
<b>Adopted Value (\$/m<sup>2</sup> of Site Area)</b>	\$200

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## APPENDIX X – VALUATION CERTIFICATES

### Valuation Summary

#### Jordan Springs Shopping Centre, 61 Water Gum Drive, Jordan Springs, NSW

##### Brief Description

The property, known as Jordan Springs Shopping Centre, comprises a neighbourhood shopping centre anchored by a Woolworths supermarket together with 17 specialty tenancies, one kiosk, two ATMs and gymnasium leased to Anytime Fitness.

The Centre provides a total GLA of approximately 6,247.90m<sup>2</sup> (6,245.90m<sup>2</sup> excluding ATMs) as well as at-grade car parking for approximately 295 vehicles.

Jordan Springs is a relatively new suburb located approximately 60 kilometres west of the Sydney CBD and approximately 7 kilometres north east of the Penrith CBD.



##### Summary

<b>Prepared for</b>	Sim Lian Group Limited.
<b>On Behalf of</b>	SLG Jordan Springs Trust.
<b>Valuation Purpose</b>	Voluntary Conditional Cash Offer for the company.
<b>Date of Valuation</b>	30 June 2016
<b>Interest Valued</b>	100% freehold Interest
<b>Valuation Approach</b>	Capitalisation Approach and Discounted Cash Flow Approach
<b>Adopted Value</b>	<b>\$30,000,000 GST Exclusive (Thirty Million Dollars)</b>

##### Valuation Summary

<b>Valuation (30 June 2016)</b>	<b>\$30,000,000</b>
<b>Lettable Area (GLA)</b>	6,245.9 m <sup>2</sup>
<b>Capitalisation Rate (Market)</b>	6.25%
<b>Target Internal Rate of Return (IRR)</b>	7.75%
<b>Terminal Capitalisation Rate</b>	6.50%
<b>Equivalent Yield</b>	6.37%
<b>Initial Yield (Passing)</b>	6.54%
<b>Initial Yield (Fully Leased)</b>	6.54%
<b>Resultant IRR (10 yr)</b>	7.67%
<b>Weighted Average Lease Term (Income)</b>	16.24 years
<b>Value \$/m<sup>2</sup> of GLA</b>	<b>\$4,803</b>

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## APPENDIX X – VALUATION CERTIFICATES

### Valuation Summary

#### Woolworths Rothwell, 761 Deception Bay Road, Rothwell, Queensland

##### Brief Description

Woolworths Rothwell comprises a single level Neighbourhood Centre which was completed in May 2014. The Centre is underpinned by Woolworths supermarket (including a BWS liquor outlet), together with a single large format retailer, Prices Plus, in addition to 6 specialty tenancies, a kiosk and a single ATM. Total Gross Lettable Area (GLA) is approximately 4,965m<sup>2</sup>, as advised. Ancillary improvements comprise on grade parking for approximately 259 vehicles, as advised and basic landscaping to the property boundaries.

The improvements are constructed upon an irregular, battle-axe shaped site designated 'Centre Zone' pursuant to the Moreton Bay Regional Council Planning Scheme. Total site area is 20,090m<sup>2</sup> (2.009Ha).

Woolworths Rothwell is situated to the western alignment of Deception Bay Road; in the suburb of Rothwell, approximately 34 kilometres north of the Brisbane CBD.



##### Summary

Prepared for	Sim Lian Group Limited.
On Behalf of	RCP Property Australia ATF SLG Rothwell Trust.
Valuation Purpose	Voluntary Conditional Cash Offer for the company.
Date of Valuation	30 June 2016
Interest Valued	100% freehold Interest
Valuation Approach	Capitalisation Approach and Discounted Cash Flow Approach
Adopted Value	<b>\$24,500,000 GST Exclusive (Twenty Four Million Five Hundred Thousand Dollars)</b>

##### Valuation Summary

Valuation (30 June 2016)	<b>\$24,500,000</b>
Lettable Area (GLA)	4,965.0 m <sup>2</sup>
Capitalisation Rate (Market)	6.75%
Target Internal Rate of Return (IRR)	7.00%
Terminal Capitalisation Rate	7.00%
Equivalent Yield	6.84%
Initial Yield (Passing)	6.89%
Initial Yield (Fully Leased)	6.89%
Resultant IRR (10 yr)	6.77%
Weighted Average Lease Term (Income)	16.35 years
Value \$/m <sup>2</sup> of GLA	\$4,935

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## APPENDIX X – VALUATION CERTIFICATES

### Valuation Summary

#### The Gateway Building, 59 Albany Highway, Victoria Park, Western Australia

##### Brief Description

The subject property comprises a relatively new suburban office building located in Victoria Park on Albany Highway adjoining The Causeway being the eastern entry point to the Perth Central Business District. The property was completed in 2010 and comprises a high quality office building with large floor plates that is 87% leased to an S&P/ASX 100 Index listed company set to expire in July 2022. Surrounding development comprises a mix of residential to the west and commercial/car yards to the south. The subject offers unrestricted views north over the Swan River towards the Perth CBD.

The property has a NLA capped at 12,813m<sup>2</sup> of which 847m<sup>2</sup> are ground floor retail/office. Car parking is provided with 339 secure car bays being accessible via Armagh Street.



##### Summary

<b>Prepared for</b>	Sim Lian Group Limited.
<b>On Behalf of</b>	The Trust Company (Australia) Limited (ACN 000 000 993) as Trustee for the SLG 59 Albany Trust.
<b>Valuation Purpose</b>	Voluntary Conditional Cash Offer for the company.
<b>Date of Valuation</b>	30 June 2016
<b>Interest Valued</b>	100% freehold Interest
<b>Valuation Approach</b>	Capitalisation Approach and Discounted Cash Flow Approach
<b>Adopted Value</b>	<b>\$70,500,000 GST Exclusive (Seventy Million Five Hundred Thousand Dollars)</b>

##### Valuation Summary

<b>Valuation (30 June 2016)</b>	<b>\$70,500,000</b>
<b>Lettable Area (NLA)</b>	12,813.0 m <sup>2</sup>
<b>Capitalisation Rate (Market)</b>	8.00%
<b>Target Internal Rate of Return (IRR)</b>	8.75%
<b>Terminal Capitalisation Rate</b>	8.25%
<b>Equivalent Yield</b>	7.98%
<b>Initial Yield (Passing)</b>	8.91%
<b>Initial Yield (Fully Leased)</b>	9.19%
<b>Resultant IRR (10 yr)</b>	8.85%
<b>Weighted Average Lease Term (Income)</b>	5.42 years
<b>Value \$/m<sup>2</sup> of NLA</b>	<b>\$5,502</b>

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## APPENDIX X – VALUATION CERTIFICATES

### 11. Qualification

JLL has been engaged by Rockworth Capital Partners to provide valuations of the properties.

We consent to the inclusion of this summary letter in the Offer Document on the following conditions:

- This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity;
- JLL consents to the inclusion of this summary letter in the Offer Document, however has not been involved in the preparation of the Offer Document nor have we had regard to any material contained in the Offer Document. This letter does not take into account any matters concerning the investment opportunity contained in the Offer Document;
- JLL has not operated under an Australian financial services licence in providing this letter and makes no representation or recommendation to a prospective investor in relation to the valuation of the properties or the investment opportunity contained in the Offer Document;
- The formal valuations and this letter are strictly limited to the matters contained within them, and are not to be read as extending, by implication or otherwise, to any other matter in the Offer Document. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation;
- Neither this letter nor the full valuation reports may be reproduced in whole or in part without the prior written approval of JLL;
- JLL has prepared this letter solely in reliance upon the financial and other information (including market information and third party information) provided by the instructing party and has assumed that information is accurate, reliable and complete. We confirm that we have not tested the information in that respect;
- This summary letter is to be read in conjunction with our formal valuation reports of 30 June 2016 and is subject to the assumptions, limitations and disclaimers contained therein. We refer the reader to Rockworth Capital Partners to peruse a copy of the full reports;
- JLL has received a fee from Rockworth Capital Partners for the preparation of the valuation reports and this summary letter; and
- JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.

### 12. Valuer's Experience and Interest

The Valuer who prepared the valuation report for the respective properties, and their valuation experience, is summarised below.

Property	State	Valuer	Years of Experience
Coles Lara Village, Lara	Vic	Stephen Andrew	27
Coltman Plaza, Lucas			
Tarneit Gardens Shopping Centre, Tarneit			
Lake Munmorah Shopping Centre, Lake Munmorah	NSW	Katie Harrison	20
Jordan Springs Shopping Centre, Jordan Springs			
Woolworths Rothwell, Rothwell	QLD	Charles Chapman	11
The Gateway Building, 59 Albany Highway, Victoria Park	WA	David Ivey	11



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## APPENDIX X – VALUATION CERTIFICATES

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Each Valuer is authorised under the requirements of the Australian Property Institute to practise as a Valuer in the State the valuation was undertaken. Neither of the above named Valuers has a pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property.

### 13. Liability Disclaimer

This letter has been prepared subject to the conditions referred to in Section 11. Neither JLL nor any of its directors makes any representation in relation to the Offer Document nor accepts responsibility for any information or representation made in the Offer Document, other than this summary letter.

JLL was involved only in the preparation of this summary letter and the valuation reports referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in the Offer Document other than in respect of the valuation report and this summary letter.

Yours faithfully

**Jones Lang LaSalle Advisory Services Pty Limited**



**Stephen Andrew FAPI MRICS**

National Director

Institutional & Middle Markets - Victoria

Valuations & Advisory

Liability limited by a scheme approved under Professional Standards Legislation.



## APPENDIX X – VALUATION CERTIFICATES

Valuation Certificate

50 Margaret Street  
Sydney NSW 2000



### Valuation Certificate

#### Valuation Details

<b>Instructing Party:</b>	SLG 50 Margaret Trust
<b>Reliant Party(s) &amp; Purpose:</b>	Sim Lian Group Ltd for Voluntary Conditional Cash offer purposes We have been instructed to provide a market value only for the voluntary cash offer. We have not been provided with details of the Voluntary Offer and are unaware of any conditions in the Offer document. Our Market value stands in isolation of the document.
<b>Basis of Valuation:</b>	Market Value
<b>Instructions:</b>	We have been instructed to provide a Valuation Certificate subsequent to our brief report prepared 30 June 2016 by Rockworth Capital Partners Pte Ltd. Reference should be made to our current brief summary report date 30 June 2016 and our previous full report dated 30 June 2014, inclusive for full information relating to the asset. The valuation certificate is subject to the comments, terms and conditions within these reports.
<b>Interest Valued:</b>	Freehold subject to existing tenancies
<b>Date of Valuation:</b>	30 June 2016
<b>Date of Inspection:</b>	01 June 2016
<b>Registered Proprietor(s):</b>	Lot 1/DP571303: The Trust Company (Australia) Limited

#### Property Overview



<b>Planning Scheme:</b>	Sydney Local Environmental Plan 2012
<b>Zoning:</b>	B8 Metropolitan Centre
<b>Site Area:</b>	876.6 square metres
<b>Ecologically Sustainable Development (ESD):</b>	4 Star NABERS Energy rating 3 Star NABERS Water rating (Expiring 13 May 2016)
<b>Net Lettable Area:</b>	8,759.11 square metres

#### Brief Description:

The subject improvements comprise of a "B" grade (c. 1975) 17 level commercial property that contains a basement level car park, ground and mezzanine floor offices and 13 levels of office accommodation. It contains an NLA in its current configuration of 8,759.11 m<sup>2</sup> and has basement parking for 14 vehicles.

The subject property is located in the 'Financial Precinct' of the Sydney CBD on the northern side of Margaret Street and Bus Interchange, between York and George Street. The property is opposite to Wynyard Park and the Wynyard Railway Station and adjoins the "Met Centre" at 60 Margaret Street.

Tenancy Details		Income Summary	
<b>WALE (by Income):</b>	1.84 years	<b>Net Market Income:</b>	\$5,461,833
<b>WALE (by Area):</b>	1.80 years	<b>Net Passing Income (Fully Leased)</b>	\$5,441,483
<b>Current Vacancy:</b>	18%		

## APPENDIX X – VALUATION CERTIFICATES

Valuation Certificate | 50 Margaret Street  
Sydney NSW 2000



### Valuation Approach(s)

<b>Capitalisation Rate:</b>	6.75%	<b>Adopted Capital Value Rate:</b>	\$8,700 psm
Discounted Cash Flow Inputs		Discounted Cash Flow Outputs	
<b>Discount Rate:</b>	8.50%	<b>Net Present Value (net of costs):</b>	\$76,152,364
<b>Avg Growth Rate Office Gross</b>	4.12%	<b>Terminal value growth:</b>	2.84% pa
<b>Terminal Yield:</b>	7.50%	<b>Capital Expenditure (escalated):</b>	\$2,641,654
<b>Valuation Conclusions</b>			
Valuation Date			30 June 2016
Market Value excl. GST			\$76,300,000
Weighted Average Lease Expiry (by Income)			1.84 years
Passing Initial Yield			5.58%
Reversionary Yield			7.16%
Equivalent Yield			6.76%
Internal Rate of Return (inc. Capex)			8.47%
Improved Value psm			\$8,711

DTZ Australia (NSW) Pty Limited (t/as Cushman & Wakefield)

A handwritten signature in black ink, appearing to read 'A. Martin'.

Anthony E. Martin AAPI  
Certified Practising Valuer  
**Director - Valuation and Advisory**

IMPORTANT NOTE: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the brief report 111582 and full report 111142. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.

Liability limited by a scheme approved under Professional Standards Legislation.

## APPENDIX X – VALUATION CERTIFICATES

Valuation Certificate | Woolworths Everton Park  
768 Stafford Road, Everton Park QLD  
4053



### Valuation Certificate

#### Valuation Details

<b>Instructing Party:</b>	SLG Everton Park Trust
<b>Reliant Party(s) &amp; Purpose:</b>	Sim Lian Group Limited for Voluntary Conditional Cash Offer purposes We have been instructed to provide a market value only for the voluntary cash offer. We have not been provided with details of the Voluntary Offer and are unaware of any conditions in the Offer document. Our Market value stands in isolation of the document.
<b>Basis of Valuation:</b>	Market Value
<b>Instructions:</b>	We have been instructed to provide a Valuation Certificate subsequent to our brief summary report prepared 30 June 2016 by Rockworth Capital Partners Pte Ltd. Reference should be made to our current brief summary report dated 30 June 2016 and our previous full report dated 15 October 2015 for full information relating to the asset. The valuation certificate is subject to the comments, terms and conditions within these reports.
<b>Interest Valued:</b>	Freehold subject to existing tenancies
<b>Date of Valuation:</b>	30 June 2016
<b>Date of Inspection:</b>	25 August 2016
<b>Registered Proprietor(s):</b>	11/SP279290: RCP Property Australia Pty Ltd A.C.N. 167 174 030

#### Property Overview



<b>Planning Scheme:</b>	Brisbane City Plan 2014
<b>Zoning:</b>	DC 1 District Centre & HDR 1 High Density Residential (up to 8 storeys)
<b>Site Area:</b>	17,030 square metres
<b>Total GLAR:</b>	5,687 square metres
<b>Majors:</b>	4,012 square metres
<b>Specialties:</b>	1,675 square metres

#### Brief Description:

Everton Park Woolworths Shopping Centre is a recently constructed neighbourhood shopping centre anchored by a Woolworths supermarket in association with eleven (11) specialty stores, and level 1 office areas.

It is centrally located on the corner of Stafford Road and South Pine Road in the inner northern suburb of Everton Park, approximately 7 kilometres north of the Brisbane CBD and approximately 11.5 kilometres west of Brisbane airport.

Tenancy Details		Income Summary	
<b>WALE (by Income):</b>	12.99 years	<b>Major Tenants</b>	<b>Net Market Income:</b> \$1,988,033
<b>WALE (by Area):</b>	15.01 years		<b>Net Passing Income (Fully Leased)</b> \$2,020,222
<b>Current Vacancy:</b>	3%		

## APPENDIX X – VALUATION CERTIFICATES

Valuation Certificate | Woolworths Everton Park  
768 Stafford Road, Everton Park QLD  
4053



### Valuation Approach(s)

<b>Capitalisation Rate:</b>	5.75%	<b>Adopted Capital Value Rate:</b>	\$5,996 psm
Discounted Cash Flow Inputs		Discounted Cash Flow Outputs	
<b>Discount Rate:</b>	7.25%	<b>Net Present Value (net of costs):</b>	\$33,151,040
<b>Avg Growth Rate Retail Net</b>	3.74%	<b>Terminal value growth:</b>	2.37% pa
<b>Terminal Yield:</b>	6.00%	<b>Capital Expenditure (escalated):</b>	\$1,246,845
<b>Valuation Conclusions</b>			
Valuation Date			30 June 2016
Market Value excl. GST			\$33,800,000
Weighted Average Lease Expiry (by Income)			12.99 years
Passing Initial Yield			5.77%
Reversionary Yield			5.82%
Equivalent Yield			5.81%
Internal Rate of Return (inc. Capex)			6.99%
Improved Value psm			\$5,943

DTZ Australia (NSW) Pty Limited (t/as Cushman & Wakefield)

John Waugh FAPI  
Certified Practising Valuer  
QLD Registration No. 3722MR  
**National Head of Valuation Services**

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## APPENDIX X – VALUATION CERTIFICATES

Valuation Certificate

Masters Home Improvement Centre  
752 Stafford Road, Everton Park QLD  
4053



### Valuation Certificate

#### Valuation Details

<b>Instructing Party:</b>	SLG Everton Park Trust
<b>Reliant Party(s) &amp; Purpose:</b>	Sim Lian Group Limited for Voluntary Conditional Cash Offer purposes We have been instructed to provide a market value only for the voluntary cash offer. We have not been provided with details of the Voluntary Offer and are unaware of any conditions in the offer document. Our market value stands in isolation of the document.
<b>Basis of Valuation:</b>	Market Value
<b>Instructions:</b>	We have been instructed to provide a Valuation Certificate subsequent to our brief summary report prepared 30 June 2016 by Rockworth Capital Partners Pte Ltd. Reference should be made to our current brief summary report dated 30 June 2016 and our previous full report dated 15 October 2015 for full information relating to the asset. The valuation certificate is subject to the comments, terms and conditions within these reports.
<b>Interest Valued:</b>	Freehold subject to existing tenancies
<b>Date of Valuation:</b>	30 June 2016
<b>Date of Inspection:</b>	25 August 2016
<b>Registered Proprietor(s):</b>	12/SP279290: RCP Property Australia Pty Ltd A.C.N. 167 174 030

#### Property Overview



<b>Planning Scheme:</b>	Brisbane City Plan 2014
<b>Zoning:</b>	DC1 District Centre and HDR 1 High Density Residential
<b>Site Area:</b>	38,670 square metres
<b>Total GLAR:</b>	13,750 square metres

#### Brief Description:

Everton Park Masters Home Improvement Centre is a recently constructed concrete tilt slab bulky goods retail home improvement centre. The property is fully leased to Masters for a 15 year term plus option comprising 13,750 sqm of dedicated retail warehouse and at-grade car park containing 372 spaces.

It is centrally located on the corner of Stafford Road and South Pine Road in the inner northern suburb of Everton Park, approximately 7 kilometres north of the Brisbane CBD and approximately 11.5 kilometres west of Brisbane airport.

#### Major Issues:

The Masters business is owned by the Woolworths Group. Woolworths have announced the sale of the Masters business entity due to poor trading performance. It has been revealed in the press on 25 August that a consortium has purchased Masters real estate and that Masters stores will close by Christmas 2016. This is anecdotal information from the press only.

There have been no sales of Masters properties since the announcement of the proposed closure of the business earlier in the year. As such we are unaware of how the market will treat these investments and it is also not known what business if any will replace the Masters operation. The subject property has a valid lease for a remaining term of

## APPENDIX X – VALUATION CERTIFICATES

Valuation Certificate

Masters Home Improvement Centre  
752 Stafford Road, Everton Park QLD  
4053



14 years to Masters Home Improvement Australia Pty Limited backed by a guarantee from the Woolworths parent company. It is currently unknown how the market will accept the new product as an investment and what returns it would expect. Our current valuation has had regard for the current situation regarding the Masters entity however we cannot guarantee that when a Masters property does sell the market drivers will be different to the current yields being achieved for these properties. Due to the current unknowns and uncertainty this is a fundamental assumption of our assessment. If investment drivers do vary when sales of the product do occur we reserve the right to review our assessment.

Tenancy Details		Income Summary	
<b>WALE (by Income):</b>	14.17 years	<b>Net Market Income:</b>	\$2,169,623
<b>WALE (by Area):</b>	14.17 years	<b>Net Passing Income (Fully Leased)</b>	\$2,169,623
<b>Current Vacancy:</b>	0%		

### Valuation Approach(s)

<b>Capitalisation Rate:</b>	6.00%	<b>Adopted Capital Value Rate:</b>	\$2,604 psm
Discounted Cash Flow Inputs		Discounted Cash Flow Outputs	
<b>Discount Rate:</b>	6.50%	<b>Net Present Value (net of costs):</b>	\$37,648,631
<b>Avg Growth Rate Retail Net</b>	2.55%	<b>Terminal value growth:</b>	1.10% pa
<b>Terminal Yield:</b>	6.50%	<b>Capital Expenditure (escalated):</b>	\$1,589,762
<b>Valuation Conclusions</b>			
Valuation Date		30 June 2016	
<b>Market Value excl. GST</b>		<b>\$36,500,000</b>	
Weighted Average Lease Expiry (by Income)		14.17 years	
Passing Initial Yield		5.94%	
Reversionary Yield		5.94%	
Equivalent Yield		5.94%	
Internal Rate of Return (inc. Capex)		6.93%	
Improved Value psm		\$2,655	

DTZ Australia (NSW) Pty Limited (t/as Cushman & Wakefield)

John Waugh FAPI  
Certified Practising Valuer  
QLD Registration No. 3722MR  
National Head of Valuation Services

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