CIRCULAR DATED 19 OCTOBER 2016

THIS CIRCULAR IS ISSUED BY BRITISH AND MALAYAN TRUSTEES LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE AND RECOMMENDATION OF CIMB BANK BERHAD, SINGAPORE BRANCH, THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

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

If you have sold or transferred all your Shares (as defined herein), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

BRITISH AND MALAYAN TRUSTEES LIMITED

(Company Registration No.: 192400010M)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY UNCONDITIONAL CASH OFFER

by

EMERALD-HILL INVESTMENTS PTE LTD

(Company Registration No.: 200008532C)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by Emerald-Hill Investments Pte Ltd and parties acting or deemed to be acting in concert with it

Independent Financial Adviser to the Independent Directors

CIMB BANK BERHAD (13491-P)
SINGAPORE BRANCH
(Incorporated In Malaysia)

SHAREHOLDERS (AS DEFINED HEREIN) SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER (AS DEFINED HEREIN) AT 5.30 P.M. (SINGAPORE TIME) ON 9 NOVEMBER 2016 (WEDNESDAY).

ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

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"**3Q2016 Results**"	:	The unaudited financial statements of the Company for the third quarter and nine-month period ended 31 March 2016
"**Acquisition**"	:	The acquisition by the Purchaser, being the owner of the entire issued and paid-up share capital of the Offeror, of all the Sale Shares from the Vendor for an aggregate consideration of S$8,897,011.20, pursuant to the terms of the Share Purchase Agreement
"**Act**"	:	The Companies Act, Chapter 50 of Singapore
"**AGM**"	:	The annual general meeting of the Company to be held on 28 October 2016 at 2.30 p.m. and at any adjournment thereof
"**Annual Report**"	:	The annual report of the Company
"**Auditors**"	:	Ernst & Young LLP, the auditors of the Company
"**Board**"	:	The board of Directors
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 19 October 2016 from the Company containing, *inter alia*, the advice and recommendation of the IFA to the Independent Directors and the recommendation of the Independent Directors in relation to the Offer
"**Closing Date**"	:	5.30 p.m. (Singapore time) on 9 November 2016 (Wednesday), being the last day for the lodgement of acceptances of the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Company**"	:	British and Malayan Trustees Limited (Co. Reg. No. 192400010M), a public limited company incorporated in Singapore
"**Company Securities**"	:	(i) securities which are being offered for (i.e. the Shares); (ii) securities which carry voting rights in the Company; and (iii) convertible securities, warrants, options and Derivatives in respect of the Shares or securities which carry voting rights in the Company
"**Completion**"	:	Shall have the meaning ascribed to it in **paragraph 1.1** of the Letter to Shareholders in this Circular
"**Concert Parties**"	:	Parties acting or deemed to be acting in concert with the Offeror
"**Constitution**"	:	The constitution of the Company

"**Derivative**"	:	Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
"**Directors**"	:	The directors of the Company (including the Independent Directors) as at the Latest Practicable Date
"**FAA**"	:	Form of Acceptance and Authorisation for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
"**FAT**"	:	Form of Acceptance and Transfer for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
"**First Extension Announcement**"	:	The announcement of the extension of the Initial Long Stop Date made by the Offeror on the First Extension Announcement Date
"**First Extension Announcement Date**"	:	10 August 2016, being the date of the First Extension Announcement
"**First Extension Long Stop Date**"	:	Shall have the meaning ascribed to it in **paragraph 1.2** of the Letter to Shareholders in this Circular
"**Formal Offer Announcement**"	:	The announcement of the Offer made by the Offeror on the Formal Offer Announcement Date
"**Formal Offer Announcement Date**"	:	23 September 2016, being the date of the Formal Offer Announcement
"**FY**"	:	The financial year ended or ending, as the case may be, on 30 June of the relevant year
"**FY2016 Audited Results**"	:	The audited financial statements of the Company for FY2016
"**FY2016 Unaudited Results**"	:	The unaudited financial statements of the Company for FY2016
"**IFA**" or "**CIMB**"	:	CIMB Bank Berhad, Singapore Branch, the independent financial adviser to the Independent Directors in respect of the Offer
"**IFA Letter**"	:	The letter dated 19 October 2016 from the IFA addressed to the Independent Directors in respect of the Offer, as set out in **Appendix 1** to this Circular
"**Independent Directors**"	:	Ms. Roxanne Davies (also known as Ms. Davies Roxana), Mr. Nigel David Stead, Mr. Lee Boon Huat and Mr. James William Cox, being the Directors who are considered independent for the purposes of the Offer

"**Initial Long Stop Date**"	:	12 August 2016, or such later date as the Vendor and the Purchaser may agree in writing, being the last date on which the Pre-Conditions are to be fulfilled
"**Interested Person**"	:	As defined in the Note on Rule 24.6 of the Code and read with Note 1 on Rule 23.12 of the Code, an interested person is: (i) a director, chief executive officer, or substantial shareholder of the company; (ii) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (iii) 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; (iv) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30 per cent. or more; (v) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (vi) any company in which a substantial shareholder (being a company) and any of the companies listed in (v) above together (directly or indirectly) have an interest of 30 per cent. or more
"**Irrevocable Undertaking**"	:	The irrevocable undertaking provided by the Undertaking Shareholder to the Offeror, pursuant to which the Undertaking Shareholder has irrevocably and unconditionally undertaken to the Offeror not to accept the Offer in respect of all the Shares held by it
"**Latest Practicable Date**"	:	13 October 2016, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	The listing manual of the Main Board of the SGX-ST in force as at the Latest Practicable Date
"**MAS**"	:	Monetary Authority of Singapore
"**Offer**"	:	The mandatory unconditional cash offer made by 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

"**Offer Document**"	:	The document dated 12 October 2016, including the FAT and FAA accompanying the document, issued by the Offeror in respect of the Offer
"**Offer Price**"	:	S$2.36 in cash for each Offer Share
"**Offer Shares**"	:	All the remaining Shares that are not already owned, controlled, or agreed to be acquired by the Offeror and its Concert Parties
"**Offeror**"	:	Emerald-Hill Investments Pte Ltd (Co. Reg. No. 200008532C), a private limited company incorporated in the Republic of Singapore
"**Offeror Securities**"	:	(i) Offeror Shares, equity share capital of the Offeror and securities which carry voting rights in the Offeror; and (ii) convertible securities, warrants, options and Derivatives in respect of Offeror Shares, equity share capital of the Offeror and securities which carry voting rights in the Offeror
"**Offeror Shares**"	:	Issued ordinary shares in the capital of the Offeror
"**Overseas Shareholders**"	:	The Shareholders whose mailing addresses are outside of Singapore, as shown on the Register or, as the case may be, in the records of CDP
"**Pre-Conditional Offer Announcement**"	:	The announcement of the pre-conditional Offer made by the Offeror on the Pre-Conditional Offer Announcement Date
"**Pre-Conditional Offer Announcement Date**"	:	13 May 2016, being the date of the Pre-Conditional Offer Announcement
"**Pre-Conditions**"	:	Shall have the meaning ascribed to it in **paragraph 1.1** of the Letter to Shareholders in this Circular
"**Purchaser**"	:	The Nyalas Rubber Estates Limited (Co. Reg. No. 191000029D), a public limited company incorporated in Singapore
"**Register**"	:	The register of holders of Shares, as maintained by the Company
"**Sale Shares**"	:	An aggregate of 3,769,920 Shares representing approximately 43.05 per cent. of the Shares, being the subject of the Acquisition
"**Second Extension Announcement**"	:	The announcement of the extension of the First Extension Long Stop Date made by the Offeror on the Second Extension Announcement Date
"**Second Extension Announcement Date**"	:	26 August 2016, being the date of the Second Extension Announcement
"**Securities and Futures Act**"	:	The Securities and Futures Act, Chapter 289 of Singapore

"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Purchase Agreement**"	:	The conditional share purchase agreement dated 13 May 2016 entered into between the Purchaser and the Vendor in respect of the Acquisition
"**Shareholders**"	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company
"**SIC**"	:	The Securities Industry Council of Singapore
"**Statements of Prospects**"	:	Has the meaning ascribed to it in **paragraph 9.3** of **Appendix 2** to this Circular
"**Subject Property**"	:	The property referred to in the Valuation Report, as set out in **Appendix 9** to this Circular, in which the Company has an interest
"**Undertaking Shareholder**"	:	Estate of Sat Alsagoff, Deceased
"**Update Announcement**"	:	The announcement of the satisfaction of all the Pre-Conditions made by the Offeror on the Update Announcement Date
"**Update Announcement Date**"	:	16 September 2016, being the date of the Update Announcement
"**Valuation Report**"	:	The valuation report dated 10 August 2016 issued by the Valuer in respect of the Subject Property, as set out in **Appendix 9** to this Circular
"**Valuer**"	:	Edmund Tie & Company (SEA) Pte Ltd, being the independent professional valuer who prepared the Valuation Report
"**Vendor**"	:	BMT Investment Holdings Pte. Ltd. (Co. Reg. No. 200922484D), an exempt private limited company incorporated in the Republic of Singapore
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of Singapore
"**%**" or "**per cent.**"	:	Per centum or percentage

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

Depositor and Depository Register. The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

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

Number of Shares. In this Circular, unless otherwise stated, the total number of Shares is 8,758,080 Shares as at the Latest Practicable Date. All percentages calculated with reference to the Shares are rounded to the nearest two decimal places.

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

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

Related Corporation. The term "**related corporation**" shall have the meaning ascribed to it in Section 6 of the Act.

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

Shareholders. References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to Shareholders (including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST).

Statutes. 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 Act, the Securities and Futures Act, the Code, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the Securities and Futures Act, the Code, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary. The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Act.

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

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter, the 3Q2016 Results and related releases, the FY2016 Unaudited Results and related releases, the FY2016 Audited Results and related releases, the Annual Report for FY2016 and the Constitution are set out in this Circular within quotes and in italics, and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter, the 3Q2016 Results and related releases, the FY2016 Unaudited Results and related releases, the FY2016 Audited Results and related releases, the Annual Report for FY2016 and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

BRITISH AND MALAYAN TRUSTEES LIMITED

(Company Registration No.: 192400010M)
(Incorporated in Singapore)

Board of Directors:

Mr. Lee Yung Shih Colin (*Non-Executive Chairman*)
Ms. Roxanne Davies (also known as Ms. Davies Roxana) (*Non-Executive Director*)
Mr. Nigel David Stead (*Independent Non-Executive Director*)
Mr. Lee Boon Huat (*Independent Non-Executive Director*)
Mr. James William Cox (*Executive Director and Chief Executive Officer*)

Registered Office:

1 Coleman Street
#08-01, The Adelphi
Singapore 179803

19 October 2016

To: The Shareholders of British and Malayan Trustees Limited

Dear Sir/Madam

MANDATORY UNCONDITIONAL CASH OFFER BY EMERALD-HILL INVESTMENTS PTE LTD FOR BRITISH AND MALAYAN TRUSTEES LIMITED

1. INTRODUCTION

1.1 Pre-Conditional Offer Announcement. On the Pre-Conditional Offer Announcement Date, the Offeror, a wholly-owned subsidiary of the Purchaser, announced that it will make the Offer for the Offer Shares at the Offer Price in accordance with Section 139 of the Securities and Futures Act and Rule 14 of the Code, following completion of the Acquisition ("**Completion**"), which is subject to the fulfilment of the following conditions precedent specified in the Share Purchase Agreement (the "**Pre-Conditions**") on or before the Initial Long Stop Date:

(i) the grant of approval by the MAS for the Purchaser to purchase the Sale Shares from the Vendor pursuant to the Share Purchase Agreement; and

(ii) immediately thereafter, confirmation by the Company's Chief Executive Officer that there has been no fraud committed by the Company or any of its directors, officers or employees, or other event of a similar gravity, during the period commencing from the signing of the Share Purchase Agreement up to the date of Completion which is likely to result in MAS revoking or suspending the trust business licence issued to the Company and which the Chief Executive Officer of the Company, the Chairman of the Company and/or the Purchaser had no knowledge of as of the date of the Share Purchase Agreement.

1.2 Extension Announcements and Update Announcement. As disclosed in the First Extension Announcement, the Vendor and the Purchaser had, on the First Extension Announcement Date, agreed to extend the Initial Long Stop Date from 12 August 2016 to 26 August 2016, or such other date as the Vendor and the Purchaser may agree in writing (the "**First Extension Long Stop Date**").

As disclosed in the Second Extension Announcement, the First Extension Long Stop Date was subsequently extended by the Vendor and the Purchaser on the Second Extension Announcement Date from 26 August 2016 to 16 September 2016, or such other date as the Vendor and the Purchaser may agree in writing.

On the Update Announcement Date, the Offeror announced that all the Pre-Conditions to Completion have been fulfilled and that the Offer will not be made until Completion occurs.

1.3 **Formal Offer Announcement.** On the Formal Offer Announcement Date, the Offeror announced that Completion took place on 23 September 2016 pursuant to the terms of the Share Purchase Agreement. Further to Completion taking place, the Offeror announced on the same day its firm intention to make the Offer in accordance with Section 139 of the Securities and Futures Act and Rule 14 of the Code.

1.4 **Offer Document.** Shareholders should by now have received a copy of the Offer Document that contains the formal Offer by the Offeror to acquire all the Offer Shares, subject to the terms and conditions set out in the Offer Document. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

Copies of the Pre-Conditional Offer Announcement, the First Extension Announcement, the Second Extension Announcement, the Update Announcement, the Formal Offer Announcement and the Offer Document are available on the website of the SGX-ST at **www.sgx.com**.

1.5 **Circular.** The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice and recommendation of the IFA to the Independent Directors with regard to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix 1 to this Circular carefully and consider the recommendation of the Independent Directors and the advice and recommendation of the IFA to the Independent Directors before deciding whether or not to accept the Offer.

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

2. THE OFFER

As stated in the Offer Document, the Offeror has made the Offer for all the Offer Shares in accordance with Section 139 of the Securities and Futures Act and Rule 14 of the Code.

2.1 **Offer Price.** As stated in the Offer Document, the Offer Price for each Offer Share is as follows:

For each Offer Share: S$2.36 in cash.

The Offeror has no intention to revise the Offer Price.

2.2 **No Encumbrances.** As stated in the Offer Document, the Offer Shares will be acquired:

(i) fully paid;

(ii) free from any mortgage, debenture, lien, equities, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal, encumbrance, and any other third party right, condition or interest of any nature whatsoever; and

(iii) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

If any dividend, or other distribution or return of capital is announced, declared, paid or made on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.

2.3 Unconditional Offer. As stated in the Offer Document, the Offer is unconditional in all respects. **Therefore, the Offer is not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer**.

2.4 Warranty. As stated in the Offer Document, acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof: (a) fully-paid; (b) free from any mortgage, debenture, lien, equities, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal, encumbrance, and any other third party right, condition or interest of any nature whatsoever; and (c) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

2.5 Closing Date. As stated in the Offer Document, pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from 12 October 2016, being the date of despatch of the Offer Document.

Accordingly, Shareholders should note that the Offer will close at 5.30 p.m. on 9 November 2016. The Offeror has given notice that the Offer will not be extended, revised or open for acceptance beyond 5.30 p.m. on 9 November 2016, save that such notice shall not be capable of being enforced in a competitive situation.

2.6 Details of the Offer. Further details of the Offer are set out on pages 7 to 9 and Appendix I to the Offer Document including details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; (iv) the right of withdrawal of acceptances of the Offer; and (v) the procedures for acceptance of the Offer.

3. INFORMATION ON THE OFFEROR AND THE PURCHASER

3.1 Information on the Offeror and the Purchaser. The Offer Document sets out information on the Offeror and the Purchaser which has been extracted therefrom and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***5. INFORMATION ON THE OFFEROR AND THE PURCHASER***

5.1 The Offeror

The Offeror is an investment holding company incorporated in Singapore on 3 October 2000. The Offeror was previously a dormant company which is now being used as a special purpose vehicle by the Purchaser for the purpose of making the Offer.

The directors of the Offeror are Lee Yung-Shih Colin and Lee Chung-Shih Justin. The Purchaser is the owner of the entire issued and paid-up share capital of the Offeror.

Please refer to Appendix II to this Offer Document for additional information on the Offeror.

5.2 The Purchaser

The Purchaser is a company incorporated in Singapore on 6 May 1910. The Purchaser is in the business of production and sale of fresh oil palm fruit bunches, and is also a family investment holding company.

Please refer to Appendix III to this Offer Document for additional information on the Purchaser."

3.2 Further Information on the Offeror. Further information on the Offeror is set out in **Appendix 3** to this Circular.

4. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer has been extracted from the Offer Document and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. Shareholders are advised to read the extract below carefully.

"***7. RATIONALE FOR THE OFFER***

7.1 Fulfilment of Pre-Conditions

The Offer is made by the Offeror because the Pre-Conditions have been fulfilled and Completion has taken place.

7.2 Future plans for the Company

The Offeror presently 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 the employees of the Company, save in the ordinary course of business. However, the directors of the Offeror retain the flexibility at any time to consider any options in relation to the Company which may present themselves and which they may regard to be in the interests of the Offeror.

7.3 Compliance with the Code

As a result of the Completion of the Acquisition, the Offeror will, in accordance with Section 139 of the Securities and Futures Act and Rule 14 of the Code, be required to make the Offer.

7.4 Rationale for the Offer

The Purchaser is a family investment holding company with a diversified global investment portfolio. Taking into account the growth of financial services in Singapore, the Purchaser believes that the purchase of the Sale Shares will be a sound investment. As noted in Sections 7.1 and 7.3 above, given the fulfilment of the Pre-Conditions and Completion, the Offeror is required to make the Offer."

5. COMPULSORY ACQUISITION AND LISTING STATUS

The Offer Document sets out the intentions of the Offeror relating to its rights of compulsory acquisition in respect of the Company and the listing status of the Company which have been extracted therefrom and are reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***10. COMPULSORY ACQUISITION AND LISTING STATUS***

10.1 No compulsory acquisition

*Pursuant to Section 215(1) of the Companies Act, in the event the Offeror receives valid acceptances pursuant to the Offer or acquires Offer Shares from the date of despatch of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90% of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document, including the Sale Shares purchased from the Vendor under the Share Purchase Agreement), the Offeror would have the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at the Offer Price.*

The Offeror intends to preserve the listing status of the Company on the Mainboard of the SGX-ST. Accordingly, the Offeror does not intend to exercise any right of compulsory acquisition under Section 215(1) of the Companies Act.

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 and their respective nominees acquire, such number of Shares pursuant to the Offer, which, together with the Shares held by the Offeror, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares. ***Such Shareholders who wish to exercise such rights are advised to seek their own independent professional advice.***

The Shareholders should also note the Irrevocable Undertaking not to accept the Offer set out in Section 9.4 above.

10.2 Listing status and trading suspension

Pursuant to Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public. Under Rule 1105 of the Listing Manual, in the event that the Offeror and its Concert Parties, as a result of the Offer or otherwise, own or control more than 90% of the total issued Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares until such time as the SGX-ST is satisfied that at least 10% of the total 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% of the total issued Shares (excluding treasury shares), thus causing the percentage of Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST may suspend trading of the Shares at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares.

Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted.

It is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST. *However, in the event that the SGX-ST suspends the listing of the Shares pursuant to the rules of the Listing Manual, the Offeror will re-assess its position in respect of its shareholding interests in the Company.*

10.3 Irrevocable Undertaking

As disclosed in Section 9.4 of this Offer Document, the Offeror has received the Irrevocable Undertaking from a Shareholder, holding approximately 18.27% of the total issued Shares, not to accept the Offer. Accordingly, it is unlikely that the Offeror can exercise the right of compulsory acquisition under Section 215 of the Companies Act."

As at the Latest Practicable Date, the percentage of the Shares which are held in public hands is below 10 per cent. and accordingly, the Company does not satisfy the free float requirement prescribed by Rule 723 of the Listing Manual. In view of the foregoing, Shareholders should note that the SGX-ST may suspend the trading of the Shares. As stated in Section 10.2 of the Offer Document, while the Offeror intends to maintain the listing status of the Company on the SGX-ST, the Offeror reserves the right to re-assess its position in respect of its shareholding interests in the Company in the event that the SGX-ST suspends the listing of the Shares pursuant to the rules of the Listing Manual.

6. IRREVOCABLE UNDERTAKING

The Offer Document sets out information on the Irrevocable Undertaking provided by the Undertaking Shareholder which has been extracted therefrom and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"**9.4** As at the Latest Practicable Date, Estate of Sat Alsagoff, Deceased, which owns 1,599,712 Shares, representing approximately 18.27% of the total issued Shares, has irrevocably and unconditionally undertaken to the Offeror that when the Offer is made, it will not accept the Offer in respect of all the Shares held by it (the "**Irrevocable Undertaking**")."*

7. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Shares as at the Latest Practicable Date, are set out in **Appendix 2** to this Circular.

8. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATION

8.1 **SIC Exemption in relation to Mr. Lee Yung Shih Colin.** The SIC has, on 4 August 2016, given a ruling that Mr. Lee Yung Shih Colin, as a Director, be exempted from the requirement to make a recommendation on the Offer to Shareholders, given that Mr. Lee Yung Shih Colin faces an irreconcilable conflict of interest in view of his relationship with the Offeror and the Purchaser, that would make it inappropriate for him to join the remainder of the Board in making a recommendation to the Shareholders in relation to the Offer, for the reasons set out below:

(i) Mr. Lee Yung Shih Colin is:

(a) a Director and the Non-Executive Chairman of the Board;

(b) an executive director of the Offeror;

(c) an executive director of the Purchaser; and

(d) a shareholder of the Purchaser, with a direct interest in 10,220 ordinary shares in the capital of the Purchaser, representing approximately 0.9 per cent. of the total number of issued ordinary shares in the capital of the Purchaser; and

(ii) accordingly, Mr. Lee Yung Shih Colin is presumed to be a Concert Party under the Code.

8.2 **Scope of Responsibility.** In light of the reasons set out in **paragraph 8.1** above, Mr. Lee Yung Shih Colin has been exempted by the SIC from the requirement to make a recommendation on the Offer to Shareholders. However, Mr. Lee Yung Shih Colin must, nonetheless, together with the other Directors, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

9. ADVICE OF THE IFA

9.1 **IFA.** CIMB Bank Berhad, Singapore Branch has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendation of the Independent Directors and the advice and recommendation of the IFA to the Independent Directors before deciding whether to accept or reject the Offer. The IFA's advice and recommendation are set out in the IFA Letter, which is set out in **Appendix 1** to this Circular.

9.2 Key Factors Taken into Consideration by the IFA. In arriving at its advice and recommendation, the IFA has taken into consideration certain factors (an extract of which is set out in italics below). Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"*In arriving at our advice to the Independent Directors on the Offer, we have considered, inter alia, the following factors which should be read in the context of the full text of this letter:*

(i) Over the 3-year period prior to the Pre-Conditional Announcement Date, the BMT Shares have traded sporadically between a low of S$2.95 and a high of S$6.05 with a highest single-day trading volume of only 4,800 shares and no trading on most other days. The BMT Shares were last traded on 26 October 2015 prior to the Offer Announcement.

(ii) Over the 1-year period prior to the Pre-Conditional Announcement Date, the BMT Shares were traded on only 14 market days (or approximately 5.2%) out of 270 market days with an average daily trading volume of only approximately 87 BMT Shares, representing approximately 0.2% of the Company's free float.

(iii) The average daily trading volume generally declined in the recent years from a 3-year average daily trading volume of 102 BMT Shares, representing approximately 0.2% of the free float, to an average trading volume of 87 BMT Shares in the last one year, representing 0.2% of the Company's free float.

(iv) The Offer represents a significant discount of approximately 42.8% and 50.5% to the respective VWAP of the BMT Shares over the 3-year and 1-year periods prior to the release of the Pre-Conditional Offer Announcement.

(v) The Offer Price represents a significant discount of approximately 60.3% to the closing price of S$5.95 on 26 October 2015, the last traded market day prior to the Pre-Conditional Offer Announcement made on 13 May 2016.

(vi) The historical transacted prices of the BMT Shares on the SGX-ST may not be a reasonable benchmark for assessing the market value of the BMT Shares due to the very limited trading volume in the BMT Shares.

(vii) The Company's revenue decreased very significantly by approximately 36.9% from S$4.0 million in FY2013 to S$2.5 million in FY2016.

(viii) Excluding one-off gains, the Company has been loss-making for the last 2 financial years.

(ix) The Offer Price is at a premium of approximately 54.2% to the NAV per BMT Share as at 30 June 2016.

(x) The ex-cash Offer Price of S$1.42 is at a significant premium of approximately 141.2% to the ex-cash NAV per BMT Share as at 30 June 2016.

(xi) The Offer Price is at a premium of approximately 4.8% to the RNAV per BMT Share as at 30 June 2016.

(xii) The ex-cash Offer Price of S$1.42 is at a premium of approximately 7.9% to the ex-cash RNAV per BMT Share as at 30 June 2016.

(xiii) The EV/Sales ratio of the Company is above the range of EV/Sales ratios of the Comparable Companies.

(xiv) The P/NAV ratio of the Company is below the range of the P/NAV ratios of the Comparable Companies.

(xv) The ex-cash P/NAV of the Company is within the range of the ex-cash P/NAV ratios of the Comparable Companies.

(xvi) BMT is significantly smaller in scale compared to the Comparable Companies. In addition, most of the Comparable Companies are profitable while BMT is not. As such, BMT can be expected to be valued at a discount to the Comparable Companies.

(xvii) The P/NAV multiple of the Company implied by the Offer Price is higher than the Previous BMT Takeover Transaction.

(xviii) The ex-cash P/NAV of the Company is higher than the multiple of the Previous BMT Takeover Transaction.

(xix) The Offer Price is higher than the offer price of the Previous BMT Takeover Transaction.

(xx) The P/NAV multiple of the Company implied by the Offer Price is lower than the multiple of the Comparable Transaction.

(xxi) The ex-cash P/NAV of the Company is higher than the multiple of the Comparable Transaction.

(xxii) The Company has a consistent record of paying annual dividends with generally maintained implied dividend yield save that the Company did not declare a final dividend for FY2016 which may have been due to the Pre-Conditional Offer Announcement.

(xxiii) The dividend yield of the BMT Shares implied by the Offer Price is lower than the range of the dividend yields of Comparable Companies that have paid out dividends for their respective last financial year and lower than the dividend yield of the STI ETF and the mean and median dividend yields of the Comparable Companies.

(xxiv) There is no publicly available evidence of any alternative offer for the BMT Shares.

(xxv) The Company has over, at least the past 3 years, maintained a free float of less than 10%. There is no assurance that the SGX-ST will not invoke Rule 724(1) and suspend trading in the BMT Shares.

Shareholders should note that although the Offer Price is at a significant discount to the VWAP of the BMT Shares over the 3-year period prior to Pre-Conditional Announcement Date, taking into account other factors such as the extremely low trading liquidity of the BMT Shares historically, we are of the view that the historical traded prices of BMT Shares may not represent the fair market value of the BMT Shares and as such, it would be more appropriate to consider other factors in assessing the fair market value of the BMT Shares such as the valuation ratios of the Company implied in the Offer Price including the fact that the Offer Price is at a premium to the NAV and RNAV per BMT Share."

9.3 Advice of the IFA. After having regard to the considerations set out in the IFA Letter, carefully considering all available information and based on the IFA's assessment of the financial terms of the Offer, the IFA has advised the Independent Directors to make the following recommendation to Shareholders in relation to the Offer (an extract of which is set out in italics below). Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"***Based upon, and having considered, inter alia, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as of the Latest Practicable Date, the Offer Price is on balance fair and reasonable, under current prevailing market, economic, industry, monetary conditions and other relevant considerations.***

(…)

After carefully considering all available information and based on our assessment of the financial terms of the Offer, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer but should be aware of the outlook of the Company and the Offeror's plans for the Company. Alternatively, Shareholders may wish to sell their BMT Shares on the open market if they can obtain a price higher than the Offer Price, after taking into account all relevant expenses such as brokerage commissions in connection with open market transactions.

Shareholders who do not wish to accept the Offer should be aware that they will be subject to the general risks associated with share investments, including but not limited to fluctuations in the price and trading liquidity of the BMT Shares. They should also note that in view of the low trading liquidity of the BMT Shares historically, there may not be a bidder for the BMT Shares at all times and trading in the BMT Shares may be suspended pursuant to the SGX-ST's shareholding spread requirements."

Shareholders should read the extracts in paragraphs 9.2 and 9.3 above in conjunction with, and in the context of, the full text of the IFA Letter as set out in Appendix 1 to this Circular.

10. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

10.1 Recommendation of the Independent Directors. The Independent Directors, having considered carefully the terms of the Offer and the advice and recommendation given by the IFA in the IFA Letter, concur with the advice of the IFA in respect of the Offer and accordingly recommend that Shareholders accept the Offer but should be aware of the outlook of the Company and the Offeror's plans for the Company or alternatively, that Shareholders sell their Shares on the open market if they can obtain a price higher than the Offer Price, after taking into account all relevant expenses such as brokerage commissions in connection with open market transactions.

Shareholders who do not wish to accept the Offer should be aware that they will be subject to the general risks associated with share investments, including but not limited to fluctuations in the price and trading liquidity of the Shares. They should also note that in view of the low trading liquidity of the Shares historically, there may not be a bidder for the Shares at all times and trading in the Shares may be suspended pursuant to the SGX-ST's shareholding spread requirements.

SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX 1 ON PAGES 13 TO 36 OF THIS CIRCULAR CAREFULLY.

10.2 No Regard to Specific Objectives. In making their recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

11. OVERSEAS SHAREHOLDERS

The Offer Document sets out information in relation to Overseas Shareholders which has been extracted therefrom and is reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"**12. OVERSEAS SHAREHOLDERS***

12.1 *The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown in the Register of Members 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 in which they are located. Accordingly, any Overseas Shareholder should inform himself of, and observe, any applicable requirements. Where there are potential restrictions on sending this Offer Document, the FAAs and/or the FATs to any overseas jurisdiction, the Offeror reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom this Offer Document, the FAAs and/or the FATs have not been, or will not be, sent.*

12.2 *The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions in which this Offer Document is released, published or distributed should inform themselves of and observe such restriction.*

12.3 *Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

12.4 *This Offer Document does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any securities, nor is it a solicitation of any vote or approval, in any jurisdiction in which such offer or solicitation is, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable laws. The Offer will be made solely on the basis of this Offer Document, FAAs and FATs, which contain the full terms and conditions of the Offer, including details on how the Offer may be accepted. For avoidance of doubt, the Offer will be open to all Shareholders other than the Offeror and parties acting in concert with it, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.*

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

12.6 *Subject to compliance with applicable laws, an Overseas Shareholder may, nonetheless, obtain copies of this Offer Document, relevant acceptance forms and any related documents during normal business hours and up to the Closing Date, from the Company, at its office located at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803, if he is not a Depositor, or the CDP, 9 North Buona Vista Drive, #01-19/20 The Metropolis Singapore 138588, if he is a Depositor. Alternatively, an Overseas Shareholder may write in to the Offeror through the Company at the address listed above (if he is not a Depositor) or the CDP at Robinson Road Post Office P.O. Box 1984, Singapore 903934 (if he is a Depositor) to request for this Offer Document, relevant acceptance forms and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to five (5) Market Days prior to the Closing Date.*

12.7 *It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the FAAs, the FATs and/or any related documents, and/or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf may be required to pay. In (i) requesting for this Offer Document, the FAAs, the FATs and/or any related documents and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.* ***Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.***

12.8 *The Offeror 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 and if necessary, by 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."*

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document which has been sent to them.

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 9 November 2016 (Wednesday), abiding by the procedures for the acceptance of the Offer set out in Appendix I to the Offer Document, the FAA and/or the FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Company (in respect of the FAT), as the case may be, not later than 5.30 p.m. (Singapore time) on 9 November 2016 (Wednesday).

13. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than those relating to the Offeror, the Purchaser, the Concert Parties (save in respect of Mr. Lee Yung Shih Colin), the Offer, the IFA Letter for which the IFA has taken responsibility, the letters issued by the Auditors and the IFA in relation to the Statements of Prospects for which each of them has taken responsibility) are fair and accurate and that no material facts have been omitted from this Circular, and they jointly and severally accept responsibility accordingly.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (other than the IFA Letter for which the IFA has taken responsibility and the letters issued by the Auditors and the IFA in relation to the Statements of Prospects for which each of them has taken responsibility, but including, without limitation, the Pre-Conditional Offer Announcement, the First Extension Announcement, the Second Extension Announcement, the Update Announcement, the Formal Offer Announcement and the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
BRITISH AND MALAYAN TRUSTEES LIMITED

Mr. Lee Yung Shih Colin
Non-Executive Chairman

LETTER FROM CIMB TO THE INDEPENDENT DIRECTORS OF THE COMPANY

CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623

19 October 2016

To: **Independent Directors**
British and Malayan Trustees Limited
1 Coleman Street
#08-01 The Adelphi
Singapore 179803

Dear Sirs,

MANDATORY UNCONDITIONAL CASH OFFER BY EMERALD-HILL INVESTMENTS PTE LTD (THE "OFFEROR") FOR BRITISH AND MALAYAN TRUSTEES LIMITED (THE "COMPANY")

1. INTRODUCTION

On 13 May 2016, Emerald-Hill Investments Pte Ltd announced that The Nyalas Rubber Estates Limited (the "**Purchaser**") had on the same date entered into a Share Purchase Agreement with BMT Investment Holdings Pte Ltd (the "**Vendor**") to acquire 3,769,920 ordinary shares in the capital of the Company, representing approximately 43.05% of the issued and paid-up share capital of the Company (the "**Acquisition**"). Subject to the completion of the Acquisition upon fulfillment of the pre-conditions, the Purchaser will procure the Offeror, a party acting in concert with the Purchaser, to make a mandatory unconditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares in the capital of the Company (the "**BMT Shares**"), other than those BMT Shares owned, controlled or agreed to be acquired by the Offeror at an indicative offer price of S$2.36 ("**Offer Price**") (the "**Pre-Conditional Offer Announcement**"), under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

On 16 September 2016, the Offeror had announced that the conditions precedent to the Share Purchase Agreement have been fulfilled.

On 23 September 2016, the Offeror had announced that the Purchaser had completed the Acquisition and the Offeror will make an Offer in accordance with Section 139 of the Securities and Futures Act (the "**SFA**") and Rule 14 of the Code (the "**Offer Announcement**").

CIMB Bank Berhad, Singapore Branch ("**CIMB**") has been appointed as the independent financial adviser to advise the directors of the Company who are considered independent for the purpose of making a recommendation to the shareholders of the Company (the "**Shareholders**") in connection with the Offer (the "**Independent Directors**").

This letter sets out, *inter alia*, our evaluation of the financial terms of the Offer and our advice thereon. It forms part of the circular to Shareholders dated 19 October 2016 issued by the Company setting out, *inter alia*, details of the Offer and the recommendations of the Independent Directors in respect thereof (the "**Circular**").

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular and the offer document issued by the Offeror dated 12 October 2016 (the "**Offer Document**") shall have the same meanings herein. Any differences between the amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

To ensure that the advice we wish to put forth by means of this letter is comprehensive and yet remains concise, details contained in the Circular, Pre-Conditional Offer Announcement and Offer Document, where necessary or relevant in supporting or elaborating our advice, are not wholly reproduced, but instead, referred to or summarised throughout the sections of this letter.

We recommend that the Independent Directors advise the Shareholders to read these contextual references and summaries with due care.

2. TERMS OF REFERENCE

We have been appointed to advise on the financial terms of the Offer and whether Shareholders should accept or reject the Offer, pursuant to Rules 7.1 and 24.1(b) of the Code. We have confined our evaluation to the financial terms of the Offer and our terms of reference do not require us to evaluate or comment on the commercial risks and/or commercial merits of the Offer or the future prospects of the Company and we have not made such evaluation or comment. However, we may draw upon the views of the directors of BMT (the "**Directors**") and/or the management of the Company (the "**Management**") or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter. We have not been requested, and we do not express any opinion on the relative merits of the Offer as compared to any other alternative transaction. We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the BMT Shares.

We have held discussions with the Directors and the Management and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors, the Management and the Company's other professional advisers. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether express or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such enquiries and exercised our judgment as we deem necessary on such information and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material respects. The Directors have confirmed to us, that to the best of their knowledge and belief, all material information relating to the Company, its associated or joint venture companies and the Offer have been disclosed to us, that such information is fair and accurate in all material respects and that there are no other material facts and circumstances the omission of which would make any statement in the Circular inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real property) of the Company and we have not been furnished with any such evaluation or appraisal, except for the valuation report dated 10 August 2016 issued by Edmund Tie & Company (SEA) Pte Ltd (the "**Valuer**") in connection with the Offer, a copy of which is reproduced in Appendix 9 of the Circular. With respect to such valuation report, we are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the summary valuation report for such asset appraisal and have not made any independent verification of the contents thereof.

Our analysis and opinion is based upon market, economic, industry, monetary and other conditions prevailing as at 13 October 2016 (the "**Latest Practicable Date**"), as well as the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Accordingly, we do not express any opinion or view on the future prospects, financial performance and/or financial position of the Company. Shareholders should take note of any announcement and/or documents relevant to their consideration of the Offer which may be released or published by or on behalf of the Company and/or the Offeror after the Latest Practicable Date.

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

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

3. THE OFFER

As set out in Section 2 of the Circular, *inter alia,* the key terms and conditions of the Offer are as follows:

3.1 Offer Terms

As stated in the Offer Document, the Offeror is making the Offer to acquire all the BMT Shares, in accordance with Section 139 of the SFA, Rule 14 of the Code and the Offer is made on the terms and subject to the conditions set out in the Offer Document.

3.2 Offer Price

As stated in the Offer Document, the Offer Price for each BMT Share is as follows:

For each BMT Share: S$2.36 in cash.

Shareholders' attention should also be drawn to paragraph 2.1 of the Offer Document:

"The Offeror has no intention to revise the Offer Price".

3.3 No Encumbrances

As stated in the Offer Document, the BMT Shares will be acquired (i) fully paid; (ii) free from any mortgage, debenture, lien, equities, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal, encumbrance, and any other third party right, condition or interest of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made thereon by the Company on or after the Pre-Conditional Offer Announcement Date.

3.4 Adjustment for Distributions

As stated in the Offer Document, if any dividend, or other distribution or return of capital is announced, declared, paid or made on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.

3.5 No Conditions

As stated in the Offer Document, the Offer is unconditional in all respects. Therefore, the Offer is not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer.

3.6 Irrevocable Undertaking

As stated in the Offer Document, the Estate of Sat Alsagoff, Deceased, which owns 1,599,712 BMT Shares, representing approximately 18.27% of the total issued BMT Shares, has irrevocably and unconditionally undertaken to the Offeror that when the Offer is made, it will not accept the Offer in respect of all the BMT Shares held by it (the "**Irrevocable Undertaking**").

3.7 Warranty

As stated in the Offer Document, acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each BMT Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof: (a) fully-paid; (b) free from any mortgage, debenture, lien, equities, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal, encumbrance, and any other third party right, condition or interest of any nature whatsoever; and (c) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

3.8 Closing Date

As stated in the Offer Document, except insofar as the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from 12 October 2016, being the date of despatch of the Offer Document.

Accordingly, the Offer will close at **5.30 p.m. (Singapore time) on 9 November 2016**. The Offer will not be extended, revised or be open for acceptance beyond 5.30 pm on 9 November 2016, save that such notice shall not be capable of being enforced in a competitive situation.

4. RATIONALE FOR THE OFFER

The text stating the rationale for the Offer has been extracted from paragraph 7.4 of the Offer Document and is set out in *italics* below. Shareholders are advised to read the extract below carefully.

"*The Purchaser is a family investment holding company with a diversified global investment portfolio. Taking into account the growth of financial services in Singapore, the Purchaser believes that the purchase of the Sale Shares will be a sound investment. As noted in Sections 7.1 and 7.3 above, given the fulfilment of the Pre-Conditions and Completion, the Offeror is required to make the Offer*".

5. INFORMATION ON THE OFFEROR AND THE PURCHASER

Please refer to Section 3 of the Circular for information on the Offeror.

6. INFORMATION ON THE COMPANY

Please refer to Appendix 2 of the Circular for information on the Company.

7. FINANCIAL EVALUATION OF THE TERMS OF THE OFFER

Methodology

In assessing the financial terms of the Offer, we have considered the following:

(i) Market quotation and trading activity of the BMT Shares;

(ii) Historical financial performance and position of the Company;

(iii) Net asset value ("**NAV**") and revalued NAV ("**RNAV**") of the Company;

(iv) Valuation multiples of selected companies broadly comparable to the Company;

(v) Valuation multiples implied in selected transactions involving target companies which are in the industry similar to that of the Company;

(vi) Premium / discount paid in precedent takeovers;

(vii) Dividend track record of the Company and selected alternative investments; and

(viii) Other relevant considerations which have a bearing on our assessment.

General bases and assumptions

We wish to highlight that unless specified otherwise, we have relied on the following general bases in our analysis:

(i) As at the Latest Practicable Date, the issued capital of the Company comprises 8,758,080 BMT Shares;

(ii) The Company's declaration of special tax exempted dividend of S$0.25 per BMT Share on 26 August 2015; and

(iii) The underlying financial and market data used in our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from Bloomberg L.P., SGXNET and/or other public filings as at the Latest Practicable Date or provided by the Company where relevant. CIMB makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

Valuation Ratios

We have applied the following valuation multiples in our analysis:

Valuation Multiples	General Description
P/E	"**P/E**" or "**price-to-earnings**" multiple illustrates the market price of a company's shares relative to its earnings per share. The P/E multiple is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
EV/Sales	"**EV**" or "**enterprise value**" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. The "**EV/Sales**" multiple illustrates the ratio of a company's enterprise value relative to the company's revenue.

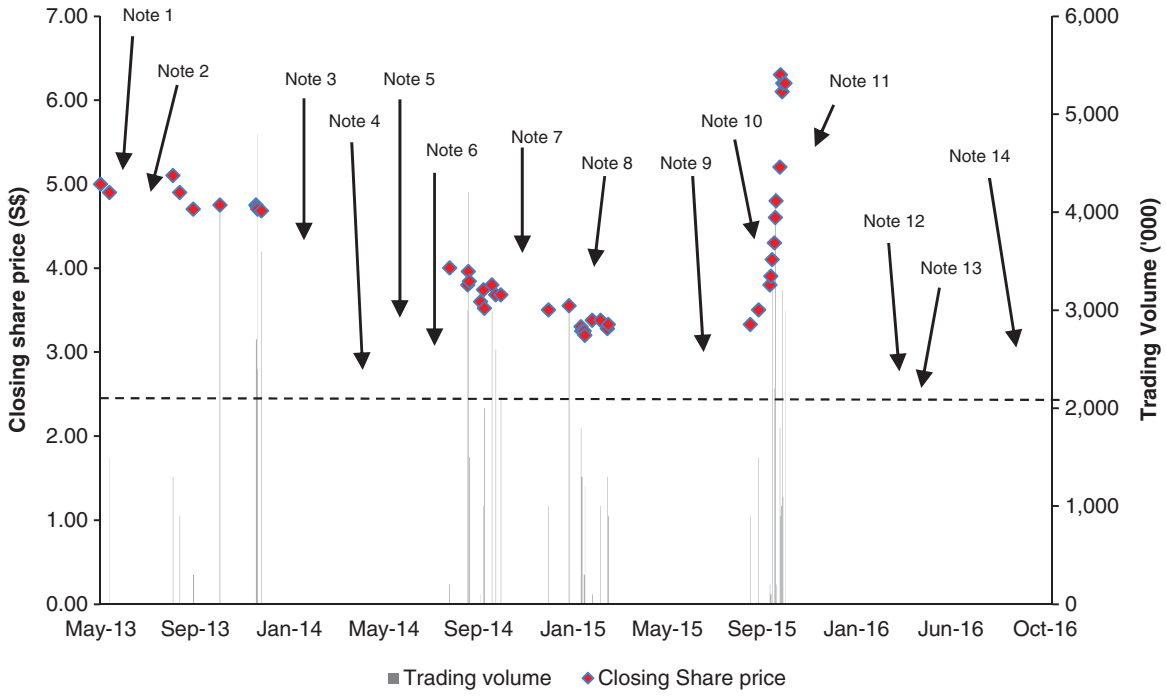
Valuation Multiples	General Description
EV/EBITDA	"**EBITDA**" stands for earnings before interest, tax, depreciation and amortisation expenses. The "**EV/EBITDA**" multiple illustrates the market value of a company's business relative to its pre-tax operating cashflow performance, without regard to the company's capital structure.
P/NAV	"**P/NAV**" or "**price-to-NAV**" multiple illustrates the ratio of the market price of a company's share relative to its historical NAV per share as stated in its financial statements. The NAV of a company is defined as its total assets (including intangible assets) less its total liabilities and excludes, where applicable, minority interests. The NAV figure provides an estimate of the value of a company assuming the sale of all its assets at book value, the proceeds of which are first used to settle its liabilities and obligations with the balance available for distribution to shareholders. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular, depreciation and amortisation policies. Where the value of a company's key assets are adjusted to their current market values, the NAV figure derived is referred to as its "**Revalued NAV**" or "**RNAV**".

7.1 Market Quotation and Trading Activity of the BMT Shares

Share price performance

The trend of the daily last transacted prices of the BMT Shares from 12 May 2013 (being the market day three years prior to the date of the Pre-Conditional Offer Announcement) to the Latest Practicable Date is set out below.

Daily Last Transacted Price of the BMT Shares
(From 12 May 2013 to the Latest Practicable Date)



Source: Bloomberg L.P.

Notes:

(1) **6 June 2013:** The Company announced the appointment of its new Acting Chief Executive Officer, Ms Siew Kah Lian.

(2) **29 August 2013:** The Company released its full year statement and dividend results for the period ended 30 June 2013, and reported its profit attributable to Shareholders ("**PAT**") was S$0.5 million compared to the profit in the previous corresponding period of S$1.1 million.

(3) **7 February 2014:** The Company released its unaudited half-year financial statement and dividend results for the period ended 31 December 2013, and reported a loss attributable to Shareholders ("**LAT**") of S$0.2 million compared to the profit in the previous corresponding period of S$0.1 million.

(4) **16 May 2014:** The Company announced the appointment of its new Chief Operating Officer, Chief Financial Officer cum Company Secretary, Mr Paul Pavey.

(5) **1 July 2014:** The Company announced the appointment of its new Chief Executive Officer, Mr James William Cox.

(6) **28 August 2014:** The Company released its full year statement and dividend results for the period ended 30 June 2014, and reported its PAT was S$3.7 million compared to the profit in previous corresponding period of S$0.5 million.

(7) **16 October 2014:** The Company announced the appointment of its new Executive Director, Mr James William Cox.

(8) **10 February 2015:** The Company released its unaudited half-year financial statement and dividend results for the period ended 31 December 2014, and reported a LAT of S$0.2 million compared to the loss in the corresponding period of S$0.2 million.

(9) **26 August 2015:** The Company released its full year statement and dividend results with special tax exempt dividend of S$0.25 per BMT Share for the period ended 30 June 2015, and reported its PAT was S$0.8 million compared to the profit in previous corresponding period of S$3.7 million.

(10) **29 October 2015:** The Company's ex-dividend date for the special tax exempt dividend of S$0.25 per BMT Share for the period ended 30 June 2015.

(11) **2 November 2015:** The Company announced that the Company is not aware of any information not previously announced concerning the Company in relation to the substantial increase in the share price and trading volume of the Company's shares.

(12) **11 February 2016:** The Company released its unaudited half-year financial statement and dividend results for the period ended 31 December 2015, and reported a LAT of S$0.9 million compared to the loss in previous corresponding period of S$0.2 million.

(13) **13 May 2016:** The Company informed that Emerald-Hill Pte Ltd had announced that The Nyalas Rubber Estates Limited, the owner of the entire issued and paid-up share capital of Emerald-Hill Pte Ltd, had entered into a conditional Share Purchase Agreement with BMT Investment Holdings Pte Ltd to purchase 3,769,920 shares representing approximately 43.05% of the issued and paid-up share capital of the Company. It also announced that, subject to the completion of the Acquisition upon fulfillment of the pre-conditions, Emerald-Hill Pte Ltd will be required make a mandatory unconditional cash offer for all the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and its concert parties.

(14) **23 September 2016:** The Company announces that The Nyalas Rubber Estates Limited had completed the purchase from BMT Investment Holdings Pte Ltd of 3,769,920 shares representing approximately 43.05% of the issued and paid-up share capital of the Company at S$2.36 for each BMT Share, and the Offeror will make an Offer in accordance with Section 139 of the SFA and Rule 14 of the Code.

We set out below (i) the premia/(discount) implied by the Offer Price to the historical volume-weighted average price ("**VWAP**") of the BMT Shares and (ii) the historical average daily trading volume of the BMT Shares for the various periods between 12 May 2013 (being the 3-year period prior to the Pre-Conditional Offer Announcement Date) and up to the Latest Practicable Date.

	VWAP [1] (S$)	Discount of Offer Price to VWAP (%)	Highest price [1,2] (S$)	Lowest price [1,2] (S$)	Average daily trading volume [3]	Average daily trading volume as a percentage of free float [4] (%)
Periods prior to the Pre-Conditional Offer Announcement Date						
Last 3 years	4.124	(42.8)	6.050	2.950	102	0.2
Last 2 years	3.971	(40.6)	6.050	2.950	110	0.2
Last 1 year	4.772	(50.5)	6.050	3.080	87	0.2
Last 6 months	–	–	–	–	–	–
Last 3 months	–	–	–	–	–	–
Last 1 month	–	–	–	–	–	–
Last traded market day prior to the Pre-Conditional Offer Announcement Date [5]	5.950	(60.3)	5.950	5.950	3,000	0.4
After the Pre-Conditional Offer Announcement Date						
Between Pre-Conditional Announcement Date and Offer Announcement Date	–	–	–	–	–	–
Last transacted price prior to the Offer Announcement Date	–	–	–	–	–	–
After the Offer Announcement Date						
Between the Offer Announcement Date and Latest Practicable Date	–	–	–	–	–	–
At the Latest Practicable Date	–	–	–	–	–	–

Source: Bloomberg L.P. and CIMB analysis.

Notes:

(1) The historical VWAPs are rounded to the nearest three (3) decimal places for the purpose of calculating the corresponding premium and have been retrospectively adjusted to account for payment of special tax exempted dividend of S$0.25 per BMT Share.

(2) Historical share prices have been retrospectively adjusted to account for payment of special tax exempted dividend of S$0.25 per BMT Share.

(3) The average daily trading volume of the BMT Shares is calculated based on the total volume of BMT Shares traded during the period divided by the total number of market days during that period.

(4) As at the Latest Practicable Date, the free float is approximately 8.77% of the total number of issued ordinary shares of BMT as provided by the Company.

(5) The BMT Shares were last traded on 26 October 2015.

We note the following:

(i) Over the 3-year period prior to the Pre-Conditional Announcement Date, the BMT Shares have traded sporadically between a low of S$2.95 and a high of S$6.05 with a highest single-day trading volume of only 4,800 shares and no trading on most other days. The BMT Shares were last traded on 26 October 2015 prior to the Offer Announcement;

(ii) Over the 1-year period prior to the Pre-Conditional Announcement Date, the BMT Shares were traded on only 14 market days (or approximately 5.2%) out of 270 market days with an average daily trading volume of only approximately 87 BMT Shares, representing approximately 0.2% of the Company's free float;

(iii) The average daily trading volume generally declined in the recent years from a 3-year average daily trading volume of 102 BMT Shares, representing approximately 0.2% of the free float, to an average trading volume of 87 BMT Shares in the last one year, representing 0.2% of the Company's free float;

(iv) The Offer represents a significant discount of approximately 42.8% and 50.5% over the respective VWAP of the BMT Shares over the 3-year and 1-year periods prior to the release of the Pre-Conditional Offer Announcement; and

(v) The Offer Price represents a significant discount of approximately 60.3% over the closing price of S$5.95 on 26 October 2015, the last traded market day prior to the Pre-Conditional Offer Announcement made on 13 May 2016.

The market price of the shares of a listed company generally represents the value of that company as perceived by investors in the stock market and is subject to market efficiency and rationality, reflects information relevant to a company such as its business directions, plans and strategies, expected financial performance, future prospects and potential growth and is susceptible to, *inter alia*, investor sentiment and market speculation.

Based on the above observations, in particular the very limited volume of transactions in the BMT Shares, we are unable to determine conclusively whether or not the traded price of the BMT Shares over the 3-year period prior to the Pre-Conditional Announcement Date objectively represents the fair market value of the BMT Shares. Hence, the historical transacted prices of BMT Shares on the SGX-ST may not be a reasonable benchmark for assessing the market value of the BMT Shares.

Over the 1-year period prior to the Pre-Conditional Announcement Date, the BMT Shares have shown very low liquidity, trading only 14 market days out of 270 market days. Given the lack of liquidity in the BMT Shares, it is possible that there may not be a bidder for the BMT Shares at all times after the close of the Offer.

We wish to highlight that the market price of BMT Shares is and will continue to be affected to varying extent by changes in, *inter alia*, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical trading performance of the BMT Shares should not be relied upon as a promise of its future trading performance.

7.2 Historical Financial Performance and Position of the Company

A summary of the normalised financial results of the Company between FY2013 to FY2016 is set out below.

(S$ '000)	**Audited**	**Audited**	**Audited**	**Audited**
Financial Results	**FY2013**	**FY2014**	**FY2015**	**FY2016**
Revenue	3,978	3,282	3,173 [(1)]	2,510
PAT / LAT	546	3,661	773	(1,783)
One-off gains / losses	–	3,540	2,099	(1)
Adjusted PAT / LAT	546	121 [(2)]	(1,326) [(3)]	(1,782) [(4)]
Adjusted PAT / LAT margin [(5)]	13.7%	3.7%	(41.8%)	(71.0%)
Financial Position				
Total assets	18,233	21,056	19,144	14,662
Net cash and cash equivalents	8,660	11,387	12,039	8,256
Shareholders' funds	16,702	20,056	17,752	13,403
NAV per share (S$)	1.91	2.29	2.03	1.53
Return on equity [(6)] ("**ROE**")	3.4%	20.6%	4.7%	(12.3%)

Source: Company annual reports.

Notes:

(1) Revenue for FY2015 as at 30 June 2015 includes a non-recurring fee revenue of S$0.5 million from providing services to an Estate.

(2) Adjusted PAT for FY2014 as at 30 June 2014 have been adjusted to exclude the S$3.5 million gain on disposal of investment property recognised in the 3-months ended 31 March 2014.

(3) Adjusted LAT for FY2015 as at 30 June 2015 have been adjusted to exclude the S$2.1 million gain on sale of available-for-sale financial assets ("**AFS**").

(4) Adjusted LAT for FY2016 as at 30 June 2016 have been adjusted to exclude the S$1,484 loss on disposal of fixed asset.

(5) Adjusted PAT / LAT margin is calculated as Adjusted PAT / LAT divided by the revenue for the relevant financial year / period.

(6) Calculated based on the PAT / LAT divided by the average equity attributable to Shareholders for the period.

The Company's revenue decreased by approximately 17.5% from S$4.0 million in FY2013 to S$3.3 million in FY2014, and decreased by approximately 3.3% from S$3.3 million in FY2014 to S$3.2 million in FY2015. However, FY2015 revenue included a non-recurring fee of S$0.5 million. Compared to the corresponding period in FY2015, the Company's revenue decreased by approximately 20.9% from S$3.2 million to S$2.5 million in FY2016.

The Company's Adjusted PAT decreased by approximately 77.8% from S$0.5 million in FY2013 to S$0.1 million in FY2014, after having excluded the one-off gain on disposal of investment property of S$3.5 million recognised in FY2014. In FY2015, the Company suffered a LAT of S$1.3 million after having excluded the one-off gain on sale of AFS of S$2.1 million recognised in FY2015. The LAT in FY2016 increased by approximately 34.4% to a LAT of S$1.8 million.

The Company's NAV has been on a downtrend, decreasing from S$1.91 per BMT Share in FY2013 to S$1.53 per BMT Share in FY2016. As at 30 June 2016, its cash and cash equivalents is S$8.3 million.

The Company's ROE increased from approximately 3.4% in FY2013 to approximately 20.6% in FY2014. Subsequently, the Company's ROE decreased from approximately 20.6% in FY2014 to approximately 4.7% in FY2015 and deteriorated further to a negative ROE of approximately 12.3% in FY2016.

Please refer to Section 7.8.1 for information relating to the outlook of the Company.

7.3 NAV and RNAV of the Company

Based on the Company's audited consolidated balance sheet as at 30 June 2016, the NAV of the Company as at 30 June 2016 was S$13.4 million or S$1.53 per BMT Share, based on the issued capital of the Company as at the Latest Practicable Date.

The table below sets out the premium of the Offer Price over the NAV per BMT Share as at 30 June 2016.

	As at 30 June 2016	Premium implied by the Offer Price
NAV (S$ million)	13.4	
Offer Price (S$)	2.36	
NAV per BMT Share (S$)	1.53	54.2%
Ex-Cash NAV (S$ million)	5.1	
Ex-Cash Offer Price (S$)	1.42	
Ex-Cash NAV per BMT Share (S$)	0.59	141.2%

Based on the above, we note that the Offer Price represents a premium of approximately 54.2% over the NAV per BMT Share as at 30 June 2016.

In view of the significant net cash holdings of the Company, we have also considered the implied premium of the Offer Price over NAV on an ex-cash basis.

On an ex-cash basis, the audited NAV of the Company as at 30 June 2016 would be S$5.1 million or S$0.59 per BMT Share. The ex-cash Offer Price of S$1.42 is at a significant premium of approximately 141.2% to the ex-cash NAV per BMT Share as at 30 June 2016.

7.3.1 RNAV of the Company

To obtain an estimate of the RNAV of the Company, we have relied upon the Company's audited consolidated financial statements as at 30 June 2016 as a base and made the appropriate adjustments (based on information provided by the Company) to take into account the following:

(i) Fair value changes of the Company's investment portfolio from 30 June 2016 to the Latest Practicable date

The Company's investment portfolio of AFS (consisting of listed securities) amounted to S$2.4 million as at 30 June 2016 and has increased approximately 3.7% as at Latest Practicable Date. We have made adjustment for the fair value changes in the Company's investment portfolio since 30 June 2016 based on information provided by the Company.

(ii) Revaluation of the property owned by the Company to their open market values as at 30 June 2016

In connection with the Offer, the Company has commissioned the Valuer to conduct an independent valuation to the Company's property (the "**Revalued Property**"). Please refer to the valuation report in Appendix 9 of the Circular for the details of the Revalued Property.

The valuation of the Revalued Property is carried based on direct comparison with recent transactions of comparable properties within the vicinity. In arriving at the valuation figure, the Valuer has taken into consideration the prevailing market conditions and has made due adjustments for differences between the subject property and the comparables in terms of location, tenure size, floor level, shape, design and layout, age and condition of the buildings, availability of carparks, dates of transactions and other factors affecting its value.

Save for the Revalued Property, the other assets of the Company has not been revalued for the purpose of determining the RNAV of the Company. The Directors have confirmed to us to the best of their knowledge and belief, that there are no material differences between the realisable value of these other assets and their respective book values as at 30 June 2016 which would have a material impact on the RNAV of the Company. The Directors have confirmed to us that there have been no material acquisitions and disposals of assets by the Company since 30 June 2016 up to the Latest Practicable Date. Further the Directors have also confirmed to us that to the best of their knowledge and belief, there are no contingent liabilities which are likely to have a material impact on the NAV of the Company as at the Latest Practicable Date.

We set out below the open market value of the Revalued Property and the net revaluation surplus / (deficit) after potential tax liabilities arising from the revaluation of the Revalued Property.

Description	Open market value (S$ million)	Net revaluation surplus (S$ million)
Revalued Property		
1 Coleman Street, #08-01, The Adelphi, Singapore 179803	9.5	6.2

We set out below the computation of the Company's RNAV as at 30 June 2016.

	S$ million
NAV as at 30 June 2016	13.4
Less: Book value of Revalued Property	(3.3)
Add: Market value of Revalued Property	9.5
Less: Value of AFS as of 30 June 2016	(2.4)
Add: Market value of AFS as of Latest Practicable Date	2.4
RNAV as at 30 June 2016	**19.7**
RNAV per BMT Share (S$)	**2.25**
Premium to RNAV as implied by Offer Price	**4.8%**

The Offer Price is at a premium of approximately 4.8% to the RNAV per BMT Share of S$2.25 as at 30 June 2016.

On an ex-cash basis, the RNAV of the Company as at 30 June 2016 would be S$11.5 million or S$1.31 per BMT Share. The ex-cash Offer Price of S$1.42 is at a premium of approximately 7.9% to the ex-cash RNAV per BMT Share as at 30 June 2016.

Shareholders should note that the above analysis assumes the hypothetical sale of the assets (including the Revalued Property) of the Company as at the Latest Practicable Date. The Directors have confirmed to us that as at the Latest Practicable Date, save as already disclosed, the Company has not entered into any negotiation with any party in respect of any impending material disposal and/or conversion of the use of the Company's assets and/or any material change in the nature of the Company's businesses. Nevertheless, Shareholders should take note that as part of the assumptions made at the time of the Statements of Prospects under paragraph 2.2(i) in Appendix 5, the Company will continue to actively manage its assets, including but not limited to, realising such assets at market values beneficial to the Company during the relevant period (after taking into account costs associated with any such realisation of assets).

In addition, we wish to highlight that the RNAV per BMT Share shown above includes the revaluation surpluses on the assets. Shareholders should be aware that the Company has not fully earned or realised the surpluses on such assets nor materalised the value of its investment portfolio as at the Latest Practicable Date. There is no assurance that any surpluses or returns eventually recorded by the Company on its property and investment portfolio will be the same as that appraised by the professional valuers or indicated in the table above.

7.4 Valuation Multiples of the Comparable Companies

For the purpose of assessing the Offer Price, we have compared the valuation multiples of the Company implied in the Offer Price with those of selected listed companies on the SGX-ST and other regional exchanges, which we consider to be broadly comparable to the Company ("**Comparable Companies**").

We wish to highlight that the Comparable Companies above are not exhaustive and they differ from the Company in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide.

A brief description of the Comparable Companies is set out below:

Comparable Companies	Business Description
Singapore	
Boardroom Limited ("**Boardroom**")	Boardroom Limited provides secretarial, share registration, and accounting services.
Australia	
Perpetual Limited ("**Perpetual**")	Perpetual Limited is a financial services company that has two primary activities, wealth management services and corporate trust services. The company provides funds management, responsible entity services, trustee services, executor services, financial planning, investment administration, superannuation, custody and registry services.
IOOF Holdings Limited ("**IOOF**")	IOOF Holdings Limited is a financial services company operating in Australia. The company's services include personal superannuation, allocated pension services, employee superannuation retirement services and investment services.
Computershare Limited ("**Computershare**")	Computershare Limited operates share registries and computer bureaus which include the administration of employee share and option plans and the provision of software that specialises in share registry, financial and stock markets. The company also provides corporate trust services and acts as a trustee for clients' debt offerings in certain markets.
United States	
Westwood Holdings Company, Inc ("**Westwood**")	Westwood Holdings Company, Inc provides investment advisory services to a broad range of institutional clients. The company also provides trust and custodial services to institutions and high-net-worth individuals.
Sri Lanka	
Dunamis Capital PLC ("**Dunamis**")	Dunamis Capital PLC is an investment holding company. The company's principal business activities include, providing centralised management services such as corporate planning, finance, legal and secretarial services to its subsidiaries.

Source: Bloomberg L.P, respective Comparable Companies' websites and filings.

The valuation multiples of the Company set out below are based on their respective last transacted share prices as at the Latest Practicable Date. The valuation multiples of the Company (as implied by the Offer Price) are also set below for comparison.

	Market Capitalisation (S$ million)	P/E [(1)] (times)	EV/Sales [(2)] (times)	EV/ EBITDA [(3)] (times)	P/NAV [(4)] (times)	Ex-Cash P/NAV [(5)] (times)
Boardroom	122.0	20.9	1.8	10.8	1.8	1.8
Perpetual	2,265.6	16.4	3.9	10.1	3.5	4.8
IOOF	2,638.9	12.8	2.8	10.7	1.8	1.8
Computershare	6,005.7	27.8	2.9	12.8	4.0	4.0
Westwood	630.7	19.7	3.4	11.5	3.0	3.9
Dunamis	30.2	n.m. [(6)]	3.9	n.m. [(6)]	2.7	2.7
High		27.8	3.9	12.8	4.0	4.8
Low		12.8	1.8	10.1	1.8	1.8
Median		19.7	3.2	10.8	2.8	3.3
Mean		19.5	3.1	11.2	2.8	3.2
Company (implied in the Offer Price)	**20.7**	**n.m. [(6)]**	**4.9**	**n.m. [(6)]**	**1.5**	**2.4**

Source: Bloomberg L.P., annual reports or financial statements of the Comparable Companies and CIMB analysis.

Notes:

(1) Based on earnings over the most recent twelve months as reported by each of the respective Comparable Companies.

(2) The EV of the respective Comparable Companies and the Company were based on their market capitalisations as at the Latest Practicable Date as extracted from Bloomberg L.P. (except for the Company where its market capitalisation was based on the Offer Price) and the consolidated net debt and minority interest figures set out in their latest available results as at the Latest Practicable Date. Sales of the Comparable Companies and the Company were based on the consolidated figures set out in their most recent twelve months as reported by each of the respective Comparable Companies.

(3) The EBITDA of the respective Comparable Companies and the Company were based over the most recent twelve months as reported by each of the respective Comparable Companies.

(4) The P/NAV ratios of the Comparable Companies and the Company were based on their respective NAV values as set out in their latest available financial statements as at the Latest Practicable Date.

(5) The ex-cash P/NAV ratios of the Comparable Companies and the Company were based on their respective net cash and cash equivalents and NAV values as set out in their latest available financial statements as at the Latest Practicable Date.

(6) n.m. denotes not meaningful given that they reflect losses over the recent twelve months as reported.

Comparing against the Comparable Companies, we note that based on the Offer Price,

(i) The P/E ratio and EV/EBITDA ratio of the Company implied by the Offer Price are not meaningful given the Company's losses over the most recent twelve months as reported;

(ii) The EV/Sales ratio of the Company is above the range of EV/Sales ratios of the Comparable Companies;

(iii) The P/NAV ratio of the Company is below the range of the P/NAV ratios of the Comparable Companies;

(iv) The ex-cash P/NAV of the Company is within the range of, but lower than the mean and median of the ex-cash P/NAV ratios of the Comparable Companies; and

(v) We note that BMT is significantly smaller in scale compared to the Comparable Companies. In addition, most of the Comparable Companies are profitable while BMT is not. As such, BMT can be expected to be valued at a discount to the Comparable Companies.

7.5 Valuation Multiples Implied in Comparable Transaction

On 26 February 2010, BMT Holdings Pte Ltd announced that Mr Enrico Spinola had completed the acquisition of 43.05% of the issued and paid-up capital of the Company and made a mandatory cash offer for the remaining shares at the offer price of S$1.845 per share (the "**Previous BMT Takeover Transaction**").

A summary of the relevant financial terms of the offer are set out below.

Announcement Date	Target	Description (at the time of acquisition)	Offer Price (S$)	P/E [1] (times)	EV/ EBITDA [1] (times)	P/NAV [2] (times)	Ex-Cash P/NAV [3] (times)
24-Nov-09	BMT	Acquisition of outstanding shares	1.845	21.8	7.6	1.3	1.5
Company (Implied by the Offer Price based on the last transacted price)			2.360	n.m. [4]	n.m. [4]	1.5	2.4

Based on the above, we note that:

(i) The P/E and EV/EBITDA multiples of the Company implied by the Offer Price are not meaningful given the Company's losses over the most recent twelve months reported;

(ii) The P/NAV multiple of the Company implied by the Offer Price is higher than the Previous BMT Takeover Transaction;

(iii) The ex-cash P/NAV of the Company is higher than the multiple of the Previous BMT Takeover Transaction; and

(iv) The Offer Price is higher than the offer price of the Previous BMT Takeover Transaction.

We have reviewed the selected transaction in recent years involving the acquisition of equity interest in a company that is broadly comparable to the Company (the "**Comparable Transaction**"), and for which information is publicly available. A comparison of the Offer against the Comparable Transaction is set out below.

Announcement Date	Target	Description (at the time of acquisition)	P/E [1] (times)	EV/EBITDA [1] (times)	P/NAV [2] (times)	Ex-Cash P/NAV [3] (times)
22-Jan-14	Boardroom Limited	Acquisition of 37.26% equity stake	13.0	8.1	1.7	1.8
Company (Implied by the Offer Price based on the last transacted price)			n.m. [4]	n.m. [4]	1.5	2.4

Source: Bloomberg L.P., Mergermarket Limited and target company's filing.

Notes:

(1) Based on earnings or EBITDA over the most recent twelve months prior to the acquisition announcement as reported by the target company.

(2) Based on the most recently available NAV as reported by the target company prior to the respective announcement date.

(3) The ex-cash P/NAV ratio of the target company is based on its respective net cash and cash equivalents and NAV values as set out in the target company's latest available financial statement as at the Latest Practicable Date.

(4) n.m. denotes not meaningful given that they reflect losses over the recent twelve months as reported.

We wish to highlight that the Comparable Transaction differ from the Offer in terms of, *inter alia*, the characteristics of the target company, the nature of the transaction and other relevant criteria. In particular, the business operations and geographical coverage of the operations of the respective target company may not be directly comparable to those of the Company. As such, any comparison made is necessarily limited and merely serves as an illustrative guide.

Based on the above, we note that:

(i) The P/E and EV/EBITDA multiples of the Company implied by the Offer Price are not meaningful given the Company's losses over the most recent twelve months reported.

(ii) The P/NAV multiple of the Company implied by the Offer Price is lower than the multiple of the Comparable Transaction.

(iii) The ex-cash P/NAV of the Company is higher than the multiple of the Comparable Transaction.

7.6 Premium / Discount Paid in Precedent Takeovers

We note that it is the intention of the Offeror to maintain the listing status of the Company on the Mainboard of the SGX-ST.

In assessing the reasonableness of the Offer Price, we have compared the financial terms of the Offer with those of selected recent completed takeovers for companies listed on the SGX-ST which are announced in the 24-month period prior to the Pre-Conditional Offer Announcement where the offeror's intentions were to preserve the listing status of the target companies (collectively, "**Non-Privatisations**").

We wish to highlight that the list of target companies involved in the Non-Privatisations set out in the analysis below are not directly comparable with the Company in terms of, *inter alia*, market capitalisation, size of operations, business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. The analysis below is based on data compiled from publicly available sources and serves as a guide as to the premium paid in connection with takeovers of companies listed on the SGX-ST. Each transaction must be judged on its own commercial and financial merits.

We also wish to highlight that the list of the Non-Privatisations is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

The premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and exiting and desired level of control of the target. Hence, the comparison of the Offer with the Non-Privatisations set out below is for illustration purpose only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

A summary of the relevant financial terms of the Non-Privatisations is set out below.

Name of Company	Announcement Date	Premium/(Discount) of Offer Price over / (to): Closing price prior to announcement (%)	1 month VWAP prior to announcement (%)	3 month VWAP prior to announcement (%)
Kian Ho Bearings Limited	04-Jun-14	(6.0)	9.0	10.5
CH Offshore Ltd	11-Dec-14	6.5	8.1	5.4
Hafary Holdings Limited	30-Dec-14	9.1	11.1	11.1
LCD Global Investments Ltd	12-Jan-15	10.0	11.5	13.4
XYEC Holdings Co., Ltd	30-Jan-15	20.0	31.0	34.5
United Envirotech Ltd	05-Mar-15	12.6	16.5	20.2
IPC Corporation Ltd	01-Apr-15	2.4	4.5	5.5
Novo Group Ltd	24-Sep-15	161.5	188.1	151.9
Jacks International Limited	06-Oct-15	90.5	103.5	103.5
Starland Holdings Limited	13-Jan-16	25.5	45.7	60.5
Abundance International Limited	24-Mar-16	72.4	65.6	67.2
High (Overall)		**161.5**	**188.1**	**151.9**
Low (Overall)		**(6.0)**	**4.5**	**5.4**
Mean (Overall)		**36.8**	**45.0**	**44.0**
Median (Overall)		**12.6**	**16.5**	**20.2**
The Company (implied by the Offer Price)		**(60.3)**	**n.a.** (1)	**n.a.** (1)

Source: Bloomberg L.P. and the companies' offer documents and circulars.

Note:

(1) n.a. denotes as not available as no trades were done in the 1-month and 3-month period prior to the announcement date.

The key observations in respect of the above are highlighted below:

(i) As the BMT Shares were last traded on 26 October 2015 and the BMT Shares did not trade in the 3-months prior to the Offer Announcement Date, the analysis above is not meaningful; and

(ii) The Offer Price represents a discount of approximately 60.3% over the closing price of S$5.95 on 26 October 2015, the last traded market day prior to the Pre-Conditional Offer Announcement. This is less favourable than the corresponding mean and median premiums paid in the Non-Privatisations.

7.7 Dividend Track Record of the Company

For the purpose of assessing the Offer, we have considered the historical dividend record of the BMT Shares implied in these prices and compared them with the returns which a Shareholder may potentially obtain by re-investing the proceeds from the Offer in other selected alternative equity investments.

7.7.1 Historical Dividends Paid by the Company

The dividends declared by the Company in respect of the last five financial years are as follows:

	FY2012	FY2013	FY2014	FY2015	FY2016
Interim dividend per BMT Share (S$)	0.0150	0.0150	0.0150	0.0150	0.0150
Final dividend per BMT Share (S$)	0.0270	0.0270	0.0270	0.0270	–
Special dividend per BMT Share (S$)	–	–	0.10	0.25	–
Total dividend per BMT Share (S$)	0.0420	0.0420	0.1420	0.2920	0.0150

Source: Bloomberg L.P., the Company's annual reports and CIMB analysis.

We note that the Company has a consistent record of paying annual ordinary dividends with generally maintained implied dividend yield. Save that the Company did not declare a final dividend for FY2016 which may have been due to the Pre-Conditional Offer Announcement.

We note that although the Company has been consistently declaring dividends in each financial year prior to FY2016, there is no assurance that the Company will continue to pay dividends in the future or maintain the level of dividends paid in previous periods. As such, 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 Company, its working capital and capital expenditure needs as well as other considerations.

7.7.2 Investment in Selected Alternative Investments

Shareholders who accept the Offer may re-invest the proceeds from the Offer in selected alternative equity investments including the equity of the Comparable Companies and/or a broad market index instrument such as the STI Exchange Traded Fund ("**STI ETF**").

For illustration purpose, the dividend yields of these selected alternative investments based on their ordinary dividends declared in respect of their respective last financial year are as follows:

Comparable Companies	**Financial year ended**	**Prevailing dividend yield [(1)] (%)**
Boardroom	31-Dec-15	3.2
Perpetual	30-Jun-15	5.5
IOOF	30-Jun-16	6.5
Computershare	30-Jun-16	3.1
Westwood	31-Dec-15	4.0
Dunamis	31-Mar-16	11.5
Mean		**5.6**
Median		**4.7**
STI ETF	**30-Jun-15**	**3.5**
Company [(2)]		**1.8**

Source: Bloomberg L.P., annual reports or financial statements of the Comparable Companies and CIMB analysis.

Notes:

(1) Dividend yield of each selected alternative investment is computed as the total ordinary dividend per share divided by the closing market price on the Latest Practicable Date (or where there was no trading on such date, the last available closing market price prior thereto). The aforementioned dividend yield computed may differ from the actual dividend yield which will vary depending on the actual cost of investment of investment paid by the individual investor. Where both interim and final dividends were declared, the dividend yield is determined using the average of the annualised dividend yields.

(2) Based on the Offer Price per BMT Share and computed based on a total ordinary dividend of S$0.042 per BMT Share, which was the historical ordinary dividend per BMT Share declared in FY2012, FY2013, FY2014 and FY2015.

We wish to highlight that the above dividend analysis serves only as an illustrative guide and is not an indication of the Company's future dividend policy nor that of any of the Comparable Companies or the STI ETF. Furthermore, an investment in the equity of the Comparable Companies or the STI ETF also presents different risk-return profiles compared to an investment in the BMT Shares. Moreover, there is no assurance that the Company or any of the above selected alternative investments will continue to pay dividends in the future or maintain the level of dividends paid in past periods. Shareholders should also note that given the Company's historical losses in FY2015 and FY2016, the Company's ability to pay dividends in the future may be impacted.

We note that the dividend yield of the Company based on the Offer Price is lower than the range of the dividend yields of Comparable Companies that have paid out dividends for their respective last financial year, and lower than the dividend yield of the STI ETF and the mean and median dividend yields of the Comparable Companies.

Further, the above analysis suggests that a shareholder who receives the proceeds from the Offer Price may potentially experience an increase in investment income if he re-invests the proceeds from the Offer Price in the shares of the Comparable Companies that has paid out dividends for their respective last financial year and the STI ETF. This is without regard to special dividends declared and is on the assumption that the Company, the Comparable Companies and the STI ETF maintain their respective dividend per share at the same level as that in their last financial year.

7.8 Other Relevant Considerations

7.8.1 Outlook of the Company

We would like to draw the attention of Shareholders to paragraphs 9 and 11 of the Company's result announcement for FY2016 wherein the Company has made commentaries of the general business outlook of the Company. In particular, Shareholders should note the following excerpt:

*"As result of an ongoing strategic review undertaken by the Company in order to address declining profitability, the Company has determined, that in addition to its continuing efforts to realize returns from management of its investments, enhanced efficiencies through implementation of IT systems and cost containment, rationalising and improving profitability of existing accounts, and focusing marketing efforts on appropriate new accounts, it is actively considering the undertaking of a corporate restructuring of the Company (the "**Restructuring**"). The Restructuring contemplated involves, inter alia, the interposition of a new investment holding company, between the shareholders of the Company (the "**Shareholders**") and the Company. The proposed Restructuring will enable BMT to:*

(i) align its structure with other similar institutions in the industry through the establishment of a holding company to hold separate subsidiaries for conduct of existing business activities;

(ii) have the flexibility of engaging in potential new businesses in the future that the group may wish to carry on or acquire in the future, which can be housed in new subsidiaries held by the new holding company which may be impossible or inappropriate to conduct within the Company; and

(iii) ring-fence the regulated businesses of the Company from the new ancillary / non-regulated businesses of the group.

*Any such Restructuring remains under consideration, and the implementation of the same will be subject to and conditional upon, inter alia, regulatory and shareholders' approval, including but not limited to the approvals and/or consent of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Monetary Authority of Singapore.*

Shareholders should note that there is no certainty or assurance that the Restructuring will proceed. The Company will make further announcements in compliance with the requirements of the Listing Manual of the SGX-ST when there are material developments in relation to the Restructuring.

Based upon the foregoing, the Company expects to be profitable and grow within the calendar year 2017, consistent with the prospects statement disclosed in the results announcement for the financial period ended 31 March 2016."

7.8.2 No Alternative Offer

As at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the BMT Shares. Further, the Company has also confirmed that as at the Latest Practicable Date, apart from the Offer, it has not received any other offer from any other party. There is also no assurance that the Offeror or any other party will make an offer for the BMT Shares in the future, after the close of the Offer.

In addition, the Offeror has stated that it does not intend to revise the Offer Price or any other terms of the Offer, except that the Offeror reserves the right to do so in a competitive situation.

Rule 33.2 of the Code states that, save with the SIC's consent, the Offeror is also precluded from acquiring BMT Shares on terms better than those made available under the Offer within 6 months of the closure of the Offer.

7.8.3 Offeror's Future Plans for the Company

As set out in Section 7.2 of the Offer Document, the Offeror's intentions in relation to the Company are as follows:

"The Offeror presently 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 the employees of the Company, save in the ordinary course of business. However, the directors of the Offeror retain the flexibility at any time to consider any options in relation to the Company which may present themselves and which they may regard to be in the interests of the Offeror".

7.8.4 No Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), in the event the Offeror receives valid acceptances pursuant to the Offer or acquires the BMT Shares from the date of despatch of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90% of the BMT Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer, including the Sale Shares purchased from the Vendor under the Share Purchase Agreement), the Offeror would have the right to compulsorily acquire all the BMT Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at the Offer Price.

The Offeror intends to preserve the listing status of the Company on the Mainboard of the SGX-ST. Notwithstanding the Irrevocable Undertaking, the Offeror does not intend to exercise any right of compulsory acquisition under Section 215 of the Companies Act in the event that the Offeror receives acceptances pursuant to the Offer representing 90% or more of the BMT Shares.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their BMT Shares in the event that the Offeror, its related corporations and their respective nominees acquire (if any), such number of BMT Shares pursuant to the Offer which, together with the BMT Shares held by the Offeror, its related corporations and their respective nominees, comprise 90% or more of the total number of issued BMT Shares.

In this regard, we wish to highlight that pursuant to the Irrevocable Undertaking, the Estate of Sat Alsagoff, Deceased, which owns 1,599,712 BMT Shares (representing approximately 18.27% of the total number of BMT Shares), has irrevocably and unconditionally undertaken to the Offeror that when the Offer is made, it will not accept the Offer in respect of all the BMT Shares held by each of them. Accordingly, it is highly unlikely that the Offeror can exercise the right of compulsory acquisition under Section 215 of the Companies Act.

Shareholders should also take note that as set out in Section 3.6 above, the Offeror has received the Irrevocable Undertaking not to accept the Offer.

7.8.5 Listing Status

Pursuant to Rule 723 of the SGX-ST Listing Manual (the "**Listing Manual**"), the Company must ensure that at least 10% of the total number of issued BMT Shares (excluding treasury shares) is at all times held by the public. Under Rule 1105 of the Listing Manual, in the event that the Offeror and its Concert Parties, as a result of the Offer or otherwise, own or control more than 90% of the total number of issued BMT Shares (excluding treasury shares), the SGX-ST may suspend the listing of the BMT Shares until such time when the SGX-ST is satisfied that at least 10% 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% of the total issued shares (excluding treasury shares), thus causing the percentage of shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST may suspend trading of the shares at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total issued shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the shares.

Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of shares in public hands to at least 10%, failing which the Company may be delisted.

As at the Latest Practicable Date and based on the Company's annual reports in FY2014, FY2015 and FY2016, we note that the Company has over, at least the past 3 years, maintained a free float of less than 10%. Shareholders should however be aware that there can be no assurance that the SGX-ST will not invoke Rule 724(1) in the future.

It is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST. However, in the event that the SGX-ST suspends the listing of the BMT Shares pursuant to the rules of the Listing Manual, the Offeror will re-assess its position in respect of its shareholding interests in the Company.

7.8.6 Contingent Liabilities

The Directors have confirmed to us that there are not aware of any material contingent liabilities or legal or arbitration proceedings to which the Company, including those which are pending or known to be contemplated, which in the opinion of the Directors, may have a material effect of the financial position or profitability of the Company taken as a whole.

8. SUMMARY OF ANALYSIS

In arriving at our advice to the Independent Directors on the Offer, we have considered, *inter alia*, the following factors which should be read in the context of the full text of this letter:

(i) Over the 3-year period prior to the Pre-Conditional Announcement Date, the BMT Shares have traded sporadically between a low of S$2.95 and a high of S$6.05 with a highest single-day trading volume of only 4,800 shares and no trading on most other days. The BMT Shares were last traded on 26 October 2015 prior to the Offer Announcement.

(ii) Over the 1-year period prior to the Pre-Conditional Announcement Date, the BMT Shares were traded on only 14 market days (or approximately 5.2%) out of 270 market days with an average daily trading volume of only approximately 87 BMT Shares, representing approximately 0.2% of the Company's free float.

(iii) The average daily trading volume generally declined in the recent years from a 3-year average daily trading volume of 102 BMT Shares, representing approximately 0.2% of the free float, to an average trading volume of 87 BMT Shares in the last one year, representing 0.2% of the Company's free float.

(iv) The Offer represents a significant discount of approximately 42.8% and 50.5% to the respective VWAP of the BMT Shares over the 3-year and 1-year periods prior to the release of the Pre-Conditional Offer Announcement.

(v) The Offer Price represents a significant discount of approximately 60.3% to the closing price of S$5.95 on 26 October 2015, the last traded market day prior to the Pre-Conditional Offer Announcement made on 13 May 2016.

(vi) The historical transacted prices of the BMT Shares on the SGX-ST may not be a reasonable benchmark for assessing the market value of the BMT Shares due to the very limited trading volume in the BMT Shares.

(vii) The Company's revenue decreased very significantly by approximately 36.9% from S$4.0 million in FY2013 to S$2.5 million in FY2016.

(viii) Excluding one-off gains, the Company has been loss-making for the last 2 financial years.

(ix) The Offer Price is at a premium of approximately 54.2% to the NAV per BMT Share as at 30 June 2016.

(x) The ex-cash Offer Price of S$1.42 is at a significant premium of approximately 141.2% to the ex-cash NAV per BMT Share as at 30 June 2016.

(xi) The Offer Price is at a premium of approximately 4.8% to the RNAV per BMT Share as at 30 June 2016.

(xii) The ex-cash Offer Price of S$1.42 is at a premium of approximately 7.9% to the ex-cash RNAV per BMT Share as at 30 June 2016.

(xiii) The EV/Sales ratio of the Company is above the range of EV/Sales ratios of the Comparable Companies.

(xiv) The P/NAV ratio of the Company is below the range of the P/NAV ratios of the Comparable Companies.

(xv) The ex-cash P/NAV of the Company is within the range of the ex-cash P/NAV ratios of the Comparable Companies.

(xvi) BMT is significantly smaller in scale compared to the Comparable Companies. In addition, most of the Comparable Companies are profitable while BMT is not. As such, BMT can be expected to be valued at a discount to the Comparable Companies.

(xvii) The P/NAV multiple of the Company implied by the Offer Price is higher than the Previous BMT Takeover Transaction.

(xviii) The ex-cash P/NAV of the Company is higher than the multiple of the Previous BMT Takeover Transaction.

(xix) The Offer Price is higher than the offer price of the Previous BMT Takeover Transaction.

(xx) The P/NAV multiple of the Company implied by the Offer Price is lower than the multiple of the Comparable Transaction.

(xxi) The ex-cash P/NAV of the Company is higher than the multiple of the Comparable Transaction.

(xxii) The Company has a consistent record of paying annual dividends with generally maintained implied dividend yield save that the Company did not declare a final dividend for FY2016 which may have been due to the Pre-Conditional Offer Announcement.

(xxiii) The dividend yield of the BMT Shares implied by the Offer Price is lower than the range of the dividend yields of Comparable Companies that have paid out dividends for their respective last financial year and lower than the dividend yield of the STI ETF and the mean and median dividend yields of the Comparable Companies.

(xxiv) There is no publicly available evidence of any alternative offer for the BMT Shares.

(xxv) The Company has over, at least the past 3 years, maintained a free float of less than 10%. There is no assurance that the SGX-ST will not invoke Rule 724(1) and suspend trading in the BMT Shares.

Shareholders should note that although the Offer Price is at a significant discount to the VWAP of the BMT Shares over the 3-year period prior to Pre-Conditional Announcement Date, taking into account other factors such as the extremely low trading liquidity of the BMT Shares historically, we are of the view that the historical traded prices of BMT Shares may not represent the fair market value of the BMT Shares and as such, it would be more appropriate to consider other factors in assessing the fair market value of the BMT Shares such as the valuation ratios of the Company implied in the Offer Price including the fact that the Offer Price is at a premium to the NAV and RNAV per BMT Share.

Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as of the Latest Practicable Date, the Offer Price is on balance fair and reasonable, under current prevailing market, economic, industry, monetary conditions and other relevant considerations.

9. CIMB'S ADVICE ON THE OFFER

After carefully considering all available information and based on our assessment of the financial terms of the Offer, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer but should be aware of the outlook of the Company and the Offeror's plans for the Company. Alternatively, Shareholders may wish to sell their BMT Shares on the open market if they can obtain a price higher than the Offer Price, after taking into account all relevant expenses such as brokerage commissions in connection with open market transactions.

Shareholders who do not wish to accept the Offer should be aware that they will be subject to the general risks associated with share investments, including but not limited to fluctuations in the price and trading liquidity of the BMT Shares. They should also note that in view of the low trading liquidity of the BMT Shares historically, there may not be a bidder for the BMT Shares at all times and trading in the BMT Shares may be suspended pursuant to the SGX-ST's shareholding spread requirements.

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

Shareholders should note that the opinion and advice of CIMB should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Yours faithfully
For and on behalf of
CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

ERIC WONG
DIRECTOR
INVESTMENT BANKING, SINGAPORE

1. DIRECTORS

1.1 The Board. The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr. Lee Yung Shih Colin	107 Emerald Hill Road, Singapore 229384	Non-Executive Chairman
Ms. Roxanne Davies (also known as Ms. Davies Roxana)	31 Tanglin Road, #21-01 St. Regis Residences, Singapore 247912	Non-Executive Director
Mr. Nigel David Stead	79 Namly Avenue, Shamrock Park, Singapore 267649	Independent Non-Executive Director
Mr. Lee Boon Huat	39 Shelford Road, Watten Estate, Singapore 288432	Independent Non-Executive Director
Mr. James William Cox	346 River Valley Road, #15-01 Riverdale Residence, Singapore 238373	Executive Director and Chief Executive Officer

1.2 Changes to the Board. Ms. Roxanne Davies (also known as Ms. Davies Roxana) has indicated to the Board that she will resign as a Director with effect from the date of despatch of this Circular. In addition to the resignation of Ms. Roxanne Davies (also known as Ms. Davies Roxana), Mr. Nigel David Stead will retire as a Director at the AGM pursuant to Article 87 of the Constitution and has indicated to the Board that he will not be seeking re-election as a Director at the AGM.

2. HISTORY

The Company is a public limited company incorporated in Singapore on 19 March 1924 and is listed on the Main Board of the SGX-ST. As at the Latest Practicable Date, the Company does not have any subsidiaries.

3. PRINCIPAL ACTIVITIES

The Company has been providing trust services to families, companies, financial institutions, charities and high net worth individuals from its home in Singapore since 1924. As a pioneer member of the SGX-ST, the Company is uniquely positioned as a licenced independent trust company offering the stability and flexibility to meet bespoke needs of clients. The Company is a full service Singapore based trust company assisting clients globally. Examples of the Company's current service offerings are set out below:

(i) **Family Services**

The Company provides fiduciary services to families in matters pertaining to family holding structures, private trust companies, succession planning and asset and entity administration.

(ii) **Estates**

The Company has over the decades successfully administered and settled all manner of significant estates, both for a prompt and efficient resolution as well as for generational preservation and distribution.

(iii) **Charities**

The Company supports a variety of charitable structures and activities, domestically and internationally.

(iv) **Real Estate Services**

The Company has throughout its history offered full real estate solutions for clients and their estates, including administration, transactions and development.

(v) **Corporate**

The Company serves in various trustee and agency capacities to facilitate corporate and transactional financings, such as securities and bond offerings, medium-term note programs and securitisations. The Company facilitates corporate mergers and acquisitions and asset transactions in various capacities, such as escrow agency. The Company also facilitates special purpose vehicles, holding and transactional entities to support corporate requirements.

(vi) **Funds; Asset Structuring**

The Company has extensive experience with all manner of funds as trustee, administrator and/or custodian (the Company holds a Capital Markets Services licence to serve as custodian and is an approved trustee for Collective Investment Schemes). Further, the Company has a special expertise in servicing real estate investment trusts and private equity type real estate funds. The Company also actively supports investors and their advisers in dealing with new asset classes and bespoke structures for separately managed accounts and platforms.

4. SHARE CAPITAL

4.1 Issued Share Capital. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$2,736,900, comprising 8,758,080 Shares. There is only one class of shares in the capital of the Company, comprising the Shares. The Shares are ordinary shares carrying equal ranking rights to dividend, voting at general meetings and return of capital.

As at the Latest Practicable Date, no new Shares have been issued by the Company since 30 June 2016, being the end of the previous financial year. The Company does not hold any other class of share capital as at the Latest Practicable Date.

The Company does not have any Shares held in treasury. During the period commencing six months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, the Company has not purchased any Company Securities.

There is no restriction in the Constitution on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

4.2 Rights in Respect of Capital, Dividends and Voting. The rights of Shareholders in respect of capital, dividends and voting are set out in the Constitution. For ease of reference, selected texts of the Constitution relating to the same have been extracted and reproduced in **Appendix 8** to this Circular.

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

5. DISCLOSURE OF INTERESTS

5.1 Interest of the Company in Offeror Securities. As at the Latest Practicable Date, the Company does not have any direct or indirect interest in any Offeror Securities.

5.2 Dealings in Offeror Securities by the Company. During the period commencing six months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities.

5.3 Interest of Directors in Offeror Securities. Save as disclosed in this Circular and save for Mr Lee Yung Shih Colin's deemed interests in the Offeror, as at the Latest Practicable Date, none of the Directors has any direct or deemed interests in any Offeror Securities.

5.4 Dealings in Offeror Securities by Directors. During the period commencing six months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in any Offeror Securities.

5.5 Interest of Directors in Company Securities. Save as disclosed below and in this Circular, as at the Latest Practicable Date, none of the Directors has any direct or deemed interests in any Company Securities.

	Direct Interest		Deemed Interest		Total Interest	
Director	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Mr. Lee Yung Shih Colin	–	–	6,390,720(2)	72.97	6,390,720	72.97

Notes:

(1) Based on 8,758,080 Shares as at the Latest Practicable Date and rounded to the nearest two decimal places.

(2) Mr. Lee Yung Shih Colin is deemed interested in (i) the 5,512,320 Shares held by the Purchaser, (ii) the 864,000 Shares held by Kuchai Development Bhd and (iii) the 14,400 Shares held by Mr. Lee Thor Seng.

5.6 Dealings in Company Securities by Directors. Save as disclosed in this Circular and save for the Acquisition[1], during the period commencing six months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in any Company Securities.

5.7 Interest of the IFA in Company Securities. As at the Latest Practicable Date, none of CIMB, its related corporations or funds whose investments are managed by CIMB or its related corporations on a discretionary basis, owns or controls any Company Securities.

5.8 Dealings in Company Securities by the IFA. During the period commencing six months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, none of CIMB, its related corporations or funds whose investments are managed by CIMB or its related corporations on a discretionary basis, has dealt for value in any Company Securities.

[1] By virtue of her shareholding in the Vendor, Ms. Roxanne Davies (also known as Ms. Davies Roxana) was deemed to be interested in the Sale Shares sold by the Vendor pursuant to the Acquisition. By virtue of his deemed interest in the Purchaser, Mr. Lee Yung Shih Colin is deemed to be interested in the Sale Shares acquired by the Purchaser pursuant to the Acquisition. As mentioned above, the Offeror announced in the Formal Offer Announcement that Completion took place on 23 September 2016 pursuant to the terms of the Share Purchase Agreement.

6. ARRANGEMENTS AFFECTING DIRECTORS

6.1 Directors' Service Contracts. As at the Latest Practicable Date:

(i) there are no service contracts between any Director or proposed director with the Company which have more than 12 months to run and which cannot be terminated by the Company within the next 12 months without paying any compensation; and

(ii) there were no service contracts entered into or amended between any Director or proposed director with the Company during the period between the start of six months preceding the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

6.2 No Payment or Benefit to Directors. As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other related corporation of the Company (including the Purchaser and the Offeror) as compensation for loss of office or otherwise in connection with the Offer.

6.3 No Agreement Conditional upon Outcome of Offer. As at the Latest Practicable Date, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

6.4 No Material Contracts entered into by the Offeror. Save for (i) the Share Purchase Agreement entered into by the Purchaser and (ii) the Irrevocable Undertaking, as at the Latest Practicable Date, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

7. FINANCIAL INFORMATION ON THE COMPANY

Set out below is certain financial information extracted from the Annual Reports for FY2014, FY2015 and FY2016 respectively. The FY2016 Audited Results are set out in **Appendix 4** to this Circular.

The summary of the financial information set out below for FY2014, FY2015 and FY2016 should be read in conjunction with the audited financial statements of the Company and the accompanying notes as set out in the Annual Reports for FY2014, FY2015 and FY2016 respectively, copies of which are available for inspection at the registered office of the Company at 1 Coleman Street, #08-01, The Adelphi, Singapore 179803 during normal business hours for the period during which the Offer remains open for acceptance.

7.1 Income Statements

	Audited FY2014 S$'000	Audited FY2015 S$'000	Audited FY2016 S$'000
Revenue	3,282	3,173	2,510
Exceptional Items	3,540	2,099	(1)
Profit/(Loss) before tax	3,707	768	(1,780)
Profit/(Loss) after tax	3,661	773	(1,783)
Minority Interest	N.A.(1)	N.A.(1)	N.A.(1)
Basic earnings per Share (cents)(2)	42	9	(20)
Diluted earnings per Share (cents)(2)	42	9	(20)

Notes:

(1) "N.A." means not applicable.

(2) Earnings per Share is calculated by dividing the net profit or loss attributable to Shareholders by the weighted average number of Shares in issue during the financial year.

Set out below is also a summary of the dividend per Share declared in respect of each of FY2014, FY2015 and FY2016 by the Company. This information was extracted from the Annual Reports for FY2014, FY2015 and FY2016 and the announcements released by the Company on the SGX-ST.

	Cents (Tax-exempt one-tier)
In respect of FY2014	
Interim Dividend:	1.50
Special Dividend:	10.0
Final Dividend:	2.70
In respect of FY2015	
Interim Dividend:	1.50
Special Dividend:	25.00
Final Dividend:	2.70
In respect of FY2016[2]	
Interim Dividend:	1.50

7.2 Balance Sheets

	Audited As at 30 June 2016 S$'000
ASSETS	
Non-current assets	
Property, plant and equipment	3,559
Total non-current assets	3,559
Current assets	
Cash and cash equivalents	8,256
Trade and other receivables	361
Prepayments	129
Available-for-sale financial assets	2,357
Total current assets	11,103
Total assets	14,662
LIABILITIES	
Non-current liabilities	
Deferred tax liabilities	4
Total non-current liabilities	4
Current liabilities	
Advanced trustee services billings	284
Other liabilities	971
Income tax payable	–
Total current liabilities	1,255
Total liabilities	1,259

[2] No final dividend has been declared by the Company in respect of FY2016.

	Audited As at 30 June 2016 S$'000
EQUITY	
Equity attributable to equity holders of the Company	
Share capital	2,737
Fair value reserve	1,316
Retained earnings	9,350
Total equity	13,403
Total equity and liabilities	14,662

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Circular and save for any publicly available information on the Company (including, without limitation, the announcements released by the Company on the SGX-ST), there have been no known material changes to the financial position of the Company since 30 June 2016, being the date of the last published audited accounts of the Company laid before the Shareholders in general meeting.

9. STATEMENTS OF PROSPECTS

9.1 **3Q2016 Results.** The following statement was made in the 3Q2016 Results released by the Company on 6 May 2016:

"*The Company expects to be profitable and grow in the calendar year 2017 based on current projections.*"

9.2 **FY2016 Unaudited Results.** The following statement was made in the FY2016 Unaudited Results released by the Company on 22 August 2016:

"*Based upon the foregoing, the Company expects to be profitable and grow within the calendar year 2017, consistent with the prospects statement disclosed in the results announcement for the financial period ended 31 March 2016.*"

9.3 **Bases and Assumptions.** Shareholders should note that the Directors have set out in **Appendix 5** to this Circular, the bases and assumptions for the statements set out in **paragraphs 9.1** and **9.2** of this **Appendix 2** (collectively, 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 **Appendices 6** and **7** to this Circular respectively. Shareholders are advised to read **Appendices 5**, **6** and **7** to this Circular carefully.

10. SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with the provisions of the Act and the Singapore Financial Reporting Standards. The significant accounting policies of the Company for FY2016 are disclosed in Note 2 of the FY2016 Audited Results, a copy of which is reproduced in **Appendix 4** to this Circular and is available for inspection at the registered office of the Company as set out in **paragraph 17** of **Appendix 2** to this Circular.

11. CHANGES IN ACCOUNTING POLICIES

The changes in the significant accounting policies of the Company are disclosed in Note 2 of the FY2016 Audited Results, a copy of which is reproduced in **Appendix 4** to this Circular and is available for inspection at the registered office of the Company as set out in **paragraph 17** of **Appendix 2** to this Circular.

As at the Latest Practicable Date, save as disclosed above and in publicly available information on the Company (including, without limitation, the announcements released by the Company on the SGX-ST):

(i) there are no significant accounting policies or any matter from the notes of the financial statements of the Company which are of any major relevance for the interpretation of the financial statements of the Company; and

(ii) there are no changes in the accounting policies of the Company which will cause the financial information disclosed in this Circular to not be comparable to a material extent.

12. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the Company (including, without limitation, the announcements released by the Company on the SGX-ST), the Company has not entered into any material contracts with any Interested Persons (other than those entered into in the ordinary course of business) during the period commencing three years before the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

13. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Company (including, without limitation, the announcements released by the Company on the SGX-ST):

(i) the Company is not 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

(ii) the Directors are not aware of any litigation, claim, arbitration or other proceedings pending or threatened against the Company or of any facts likely to give rise to any such proceedings which might materially or adversely affect the financial position of the Company.

14. MATERIAL CHANGES IN INFORMATION

Save as disclosed in this Circular and save for publicly available information relating to the Company and the Offer (including, without limitation, the announcements released by the Company on the SGX-ST), there have been no material changes in any information previously published by or on behalf of the Company during the period commencing from the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

15. VALUATION REPORT

15.1 Basis of Valuation. The Company has commissioned an independent valuation of the Subject Property. The Valuation Report, which includes the basis of such valuation, is set out in **Appendix 9** to this Circular.

15.2 Potential Tax Liability. Pursuant to Rule 26.3 of the Code, for the valuation of an asset given in connection with the Offer, the Company is required to, *inter alia*, make an assessment of any potential tax liability which would arise if such asset was to be sold at the amount of the valuation set out in the Valuation Report.

The Company does not foresee it incurring any tax liabilities on the hypothetical disposal of the Subject Property (which is based in Singapore). In Singapore, there is no tax on capital gains and accordingly, any gains arising from the disposal of the Subject Property will not be liable for tax unless such gains are considered income derived from trade or business.

16. GENERAL

16.1 Costs and Expenses. All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

16.2 Consent of the Auditors. The Auditors have given and have not withdrawn their written consent to the issue of this Circular with the inclusion herein of its name, the independent auditors' report relating to the FY2016 Audited Results as set out in **Appendix 4** to this Circular, the letter from the Auditors in relation to the Statements of Prospects as set out in **Appendix 6** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

16.3 Consent of the IFA. The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter as set out in **Appendix 1** to this Circular, the letter from the IFA in relation to the Statements of Prospects as set out in **Appendix 7** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

16.4 Consent of the Valuer. The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, its Valuation Report as set out in **Appendix 9** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 1 Coleman Street, #08-01, The Adelphi, Singapore 179803, during normal business hours for the period during which the Offer remains open for acceptance:

(i) the Constitution;

(ii) the annual reports of the Company for FY2014, FY2015 and FY2016 (containing the FY2016 Audited Results);

(iii) the IFA Letter as set out in **Appendix 1** to this Circular;

(iv) the Statements of Prospects and the letters from the Auditors and the IFA respectively in relation to the Statements of Prospects, as set out in **Appendices 5**, **6** and **7** to this Circular respectively;

(v) the Valuation Report as set out in **Appendix 9** to this Circular; and

(vi) the letters of consent referred to in **paragraph 16** of this **Appendix 2**.

1. THE OFFEROR

The following information on the Offeror has been extracted from Appendix II to the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***1. DIRECTORS***

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

Name	***Address***	***Description***
Lee Chung-Shih Justin	*11 Nathan Road #25-01 Regency Park Singapore 248732*	*Director*
Lee Yung-Shih Colin	*107 Emerald Hill Road Singapore 229384*	*Director*

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is an investment holding company incorporated in Singapore. As at the date of this Offer Document, the issued and paid-up capital of the Offeror is S$3.00 comprising 3 ordinary shares. The Purchaser is the owner of the entire issued and paid-up share capital of the Offeror.

3. FINANCIAL INFORMATION

A summary of the audited income statements of the Offeror for FY2013, FY2014 and FY2015 is set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited financial statements of the Offeror for FY2013, FY2014 and FY2015 (copies of which are available for inspection at the registered office of the Offeror as mentioned in paragraph 4 (documents for inspection) of Appendix V to this Offer Document).

S$	***FY2013 Audited***	***FY2014 Audited***	***FY2015 Audited***
Administrative expenses	*(5,533)*	*(5,460)*	*(5,478)*
Loss before tax	*(5,533)*	*(5,460)*	*(5,478)*
Loss after tax	*(5,533)*	*(5,460)*	*(5,478)*

4. STATEMENT OF ASSETS AND LIABILITIES

A summary of the audited balance sheets of the Offeror for FY2013, FY2014 and FY2015 is set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited financial statements of the Offeror for FY2013, FY2014 and FY2015 (copies of which are available for inspection at the registered office of the Offeror as mentioned in paragraph 4 (documents for inspection) of Appendix V to this Offer Document).

S$	*FY2013 Audited*	*FY2014 Audited*	*FY2015 Audited*
Assets			
Current asset			
Prepayments	*283*	*283*	*283*
Total current asset	*283*	*283*	*283*
Total assets	*283*	*283*	*283*
Equity and liabilities			
Equity			
Share capital	*3*	*3*	*3*
Accumulated losses	*(81,474)*	*(86,934)*	*(92,412)*
Net capital deficit	*(81,471)*	*(86,931)*	*(92,409)*
Non-current liability			
Other liabilities, non-current	*80,254*	*85,714*	*91,192*
Total non-current liability	*80,254*	*85,714*	*91,192*
Current liability			
Trade and other payables, current	*1,500*	*1,500*	*1,500*
Total current liability	*1,500*	*1,500*	*1,500*
Total liabilities	*81,754*	*87,214*	*92,692*
Total equity and liabilities	*283*	*283*	*283*

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, there has been no material change in the financial position of the Offeror since 31 May 2015, being the date of the last audited financial statements of the Offeror.

6. SIGNIFICANT ACCOUNTING POLICIES

The audited financial statements of the Offeror have been prepared in accordance with the Singapore Financial Reporting Standards. The significant accounting policies of the Offeror are set out in Note 2 to the audited financial statements of the Offeror for FY2015 (a copy of which is available for inspection at the registered office of the Offeror as mentioned in paragraph 4 (documents for inspection) of Appendix V to this Offer Document).

7. CHANGE IN ACCOUNTING POLICIES

As at the Latest Practicable Date, there have been no significant changes in the accounting policies of the Offeror since 31 May 2015, being the date of the last audited financial statements of the Offeror, which will cause the figures disclosed in this Offer Document not to be comparable to a material extent.

8. REGISTERED OFFICE

The registered office of the Offeror is at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623."

2. HOLDINGS AND DEALINGS IN THE SHARES

The following information on the holdings of, and dealings in, the Shares and Company Securities by the Offeror and certain Concert Parties has been extracted from Section 9 of the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***9. DISCLOSURES OF HOLDINGS AND DEALINGS IN SECURITIES***

9.1 *Save as disclosed below, as at the Latest Practicable Date, none of the (a) Offeror and its directors; (b) Purchaser and its directors; (c) Concert Parties; or (d) Alpha Advisory Pte Ltd (as financial adviser to the Offeror in connection with the Offer) (collectively the "**Relevant Persons**") owns, controls or has agreed to acquire any (a) Shares (b) securities which carry voting rights in the Company, (c) securities which are convertible into Shares or (d) rights to subscribe for, or options in respect of such Shares or securities.*

Name	***Direct Interest***		***Deemed Interest***		***Total Interest***	
	No. of Shares	***%***	***No. of Shares***	***%***	***No. of Shares***	***%***
Emerald-Hill Investments Pte Ltd (Offeror)	*–*	*–*	*–*	*–*	*–*	*–*
The Nyalas Rubber Estates Ltd (Purchaser)	*5,512,320*	*62.94*	*–*	*–*	*5,512,320*	*62.94*
Lee Yung-Shih Colin[1]	*–*	*–*	*6,390,720*	*72.97*	*6,390,720*	*72.97*
Lee Thor Seng[2]	*14,400*	*0.16*	*–*	*–*	*14,400*	*0.16*
Lee Chung-Shih Justin[3]	*–*	*–*	*6,390,720*	*72.97*	*6,390,720*	*72.97*

Notes:–

(1) Lee Yung-Shih Colin is a director of both the Offeror and the Purchaser. Lee Yung-Shih Colin is deemed interested in the Shares held by The Nyalas Rubber Estates Limited, Kuchai Development Bhd and Lee Thor Seng. Kuchai Development Bhd holds 864,000 Shares, representing approximately 9.87% of the issued and paid-up share capital of the Company.

(2) Lee Thor Seng is a director of the Purchaser.

(3) Lee Chung-Shih Justin is a director of both the Offeror and the Purchaser. As a result of the Completion of the Share Purchase Agreement, Lee Chung-Shih Justin is deemed interested in the shares held by The Nyalas Rubber Estates Limited, Kuchai Development Bhd and Lee Thor Seng. Kuchai Development Bhd holds 864,000 Shares, representing approximately 9.87% of the issued and paid-up share capital of the Company.

(4) Balaraman Annamaly, a director of the Purchaser, has no interest in the Shares.

(5) Tan Cher Liang, a director of the Purchaser, has no interest in the Shares.

(6) Alpha Advisory Pte Ltd, the financial advisor to the Offeror in connection with the Offer, has no interest in the Shares.

9.2 *Save as disclosed below, none of the Relevant Persons has dealt for value in any Shares or convertible securities of the Company during the period commencing six (6) months prior to the Pre-Conditional Offer Announcement Date (being the beginning of the offer period) and up to the Latest Practicable Date.*

Name	*Date of Acquisition*	*Number of Shares acquired*[1]	*Transaction Price per Share (S$)*
The Nyalas Rubber Estates Ltd	*23 September 2016*	*3,769,920*	*2.36*

Notes:–

(1) 3,769,920 Sale Shares were acquired by the Purchaser pursuant to the Acquisition, representing approximately 43.05% of the total issued Shares.

9.3 *As at the Latest Practicable Date, none of the Relevant Persons has:*

(a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to Shares which might be material to the Offer; or

(b) in relation to the Shares:

(i) granted a security interest over any Shares to another person, whether through a charge, pledge or otherwise;

(ii) borrowed from another person any Shares (excluding borrowed shares which have been on-lent or sold); or

(iii) lent any Shares to another person.

9.4 *As at the Latest Practicable Date, Estate of Sat Alsagoff, Deceased, which owns 1,599,712 Shares, representing approximately 18.27% of the total issued Shares, has irrevocably and unconditionally undertaken to the Offeror that when the Offer is made, it will not accept the Offer in respect of all the Shares held by it (the "**Irrevocable Undertaking**").*"

The (i) FY2016 Audited Results and (ii) notes to the FY2016 Audited Results set out below have been reproduced from the Annual Report for FY2016, and were not specifically prepared for inclusion in this Circular.



The directors are pleased to present their statement to the members together with the audited financial statements of British and Malayan Trustees Limited (the "Company") for the financial year ended 30 June 2016.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying income statement, statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Mr Colin Lee Yung Shih (Chairman)
Mr Nigel David Stead
Ms Roxanne Davies
Mr Lee Boon Huat
Mr James William Cox

Arrangements to enable directors to acquire shares or debentures

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

Directors' Statement

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 30.06.16	At 30.06.15	At 30.06.16	At 30.06.15
Ordinary shares of the Company				
Colin Lee Yung Shih	–	–	6,390,720	2,620,800
Roxanne Davies	–	–	3,769,920	3,769,920

The Nyalas Rubber Estates Limited (the "Purchaser") has a direct interest of 1,742,400 shares, amounting to 19.89% of the issued share capital in British and Malayan Trustees Limited. On 13 May 2016, The Nyalas Rubber Estates Limited entered into a conditional share purchase agreement with BMT Investment Holdings Pte. Ltd. (the "Vendor") for the purchase of 3,769,920 shares, amounting to 43.05% of the issued and paid up share capital in British and Malayan Trustees Limited.

Lee Yung Shih Colin is deemed interested in the shares held by The Nyalas Rubber Estates Limited (5,512,320), Kuchai Developments Bhd (864,000) and Lee Thor Seng (14,400).

Roxanne Davies is deemed interested in the shares held by BMT Investment Holdings Pte. Ltd..

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares of the Company; and

(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

Directors' Statement

Audit and risk committee

The directors of British and Malayan Trustees Limited have adopted the principles of corporate governance under the Best Practices Guide with respect to Audit and Risk Committees as formulated by the Singapore Exchange ("SGX").

The Audit and Risk Committee comprises the following directors. All members of the Audit and Risk Committee are non-executive directors:

Mr Nigel David Stead (Chairman)
Mr Colin Lee Yung Shih
Mr Lee Boon Huat

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter 50.

The Audit and Risk Committee held four meetings during the year with full attendances from all members and performs the following functions:

(a) reviewed the audit plans and findings of both the external and internal audit work, the results of their examination and evaluation of the Company's system of accounting and internal controls, and management's response to their recommendations;

(b) reviewed the Company's quarterly and annual results announcements, the statutory financial statements of the Company in conjunction with the external auditor's comments thereon prior to their submissions to the directors for approval;

(c) reviewed the assistance and co-operation given by the Company's officers to the personnel performing the external and internal audit work;

(d) recommended to the board of directors the external auditor to be nominated, approves the compensation of the external auditor and reviews the scope and results of the audit;

(e) reviewed interested persons transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual; and

(f) reviewed the nature and extent of non-audit services provided by external auditor.

In performing its function, the Audit and Risk Committee met and reviewed findings of the auditors and the assistance given to them by management. During the financial year ended 30 June 2016, the Audit and Risk Committee has reviewed the independence of the external auditors, including the scope of the non-audit services performed and has formed the view that the external auditors are independent.

Further details regarding the Audit and Risk Committee are disclosed in the Corporate Governance Statement.

Directors' Statement

Board's opinion on internal controls

Based on the report submitted by the internal auditor and various management controls put in place, the directors with the concurrence of the Audit and Risk Committee is of the opinion that the internal controls and risk management systems of the Company are adequate in addressing its financial, operational and compliance risks.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors:

Colin Lee Yung Shih
Director

Nigel David Stead
Director

Singapore
19 August 2016

Independent Auditor's Report

For the financial year ended 30 June 2016
To the members of British and Malayan Trustees Limited

Report on the financial statements

We have audited the accompanying financial statements of British and Malayan Trustees Limited (the "Company") set out on pages 36 to 70, which comprise the balance sheet of the Company as at 30 June 2016, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report

For the financial year ended 30 June 2016
To the members of British and Malayan Trustees Limited

Opinion

In our opinion, the financial statements 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 Company as at 30 June 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
19 August 2016

Income Statement

For the financial year ended 30 June 2016

	Note	2016 S$	2015 S$
Revenue	4	2,509,800	3,173,313
Other items of income			
Interest income		62,213	72,355
Dividends income		147,901	225,827
Net foreign exchange gain		–	8,151
Other income		126,174	200,621
Gain on sale of available-for-sale ("AFS") financial assets	16	–	2,098,761
Items of expense			
Employee benefits expense	5	(2,832,135)	(2,793,809)
Depreciation expense		(213,420)	(179,110)
Other expenses	6	(1,576,914)	(2,038,469)
Loss on sale fixed asset		(1,484)	–
Net foreign exchange loss		(1,870)	–
(Loss)/profit before tax		(1,779,735)	767,640
Income tax (expense)/credit	7	(3,299)	5,325
(Loss)/profit for the year		(1,783,034)	772,965
(Loss)/earnings per share (dollars per share) - basic and diluted	8	(0.20)	0.09

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of Comprehensive Income

For the financial year ended 30 June 2016

	Note	2016 S$	2015 S$
(Loss)/profit for the year		(1,783,034)	772,965
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Net (loss)/gain on fair value changes of AFS financial assets	16	(8,482)	265,115
Other comprehensive income for the year		(8,482)	265,115
Total comprehensive income for the year		(1,791,516)	1,038,080

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Balance Sheet

As at 30 June 2016

	Note	2016 S$	2015 S$
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,558,659	3,501,977
		3,558,659	3,501,977
Current assets			
Prepayments		129,286	216,853
Available-for-sale ("AFS") financial assets	10	2,356,514	2,356,307
Trade and other receivables	11	361,388	1,029,345
Cash and short-term deposits	12	8,255,853	12,039,499
		11,103,041	15,642,004
Total assets		14,661,700	19,143,981
LIABILITIES			
Non-current liabilities			
Deferred tax liability	14	4,213	4,213
Current liabilities			
Advanced trustee services billings		283,828	333,060
Other liabilities	13	970,887	1,055,061
		1,254,715	1,388,121
Total liabilities		1,258,928	1,392,334
Net current assets		9,848,326	14,253,883
Net assets		13,402,772	17,751,647
Equity attributable to equity holders of the Company			
Share capital	15	2,736,900	2,736,900
Fair value reserve	16	1,316,200	1,324,682
Retained earnings		9,349,672	13,690,065
Total equity		13,402,772	17,751,647
Total equity and liabilities		14,661,700	19,143,981

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 30 June 2016

	Note	Share capital S$	Fair value reserve S$	Capital reserve S$	Retained earnings S$	Total equity S$
Balance at 1 July 2014		2,736,900	3,158,328	6,665,817	7,494,930	20,055,975
Profit for the year		–	–	–	772,965	772,965
Other comprehensive income		–	265,115	–	–	265,115
Total comprehensive income		–	265,115	–	772,965	1,038,080
Sale of available-for-sale ("AFS") financial assets		–	(2,098,761)	–	–	(2,098,761)
Transfer to retained earnings		–	–	(6,665,817)	6,665,817	–
Final dividends relating to 2014	17	–	–	–	(1,112,276)	(1,112,276)
Interim dividends relating to 2015	17	–	–	–	(131,371)	(131,371)
Balance at 30 June 2015 and at 1 July 2015		2,736,900	1,324,682	–	13,690,065	17,751,647
Loss for the year		–	–	–	(1,783,034)	(1,783,034)
Other comprehensive income		–	(8,482)	–	–	(8,482)
Total comprehensive income		–	(8,482)	–	(1,783,034)	(1,791,516)
Final dividends relating to 2015	17	–	–	–	(2,425,988)	(2,425,988)
Interim dividends relating to 2016	17	–	–	–	(131,371)	(131,371)
Balance at 30 June 2016		2,736,900	1,316,200	–	9,349,672	13,402,772

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Cash Flow Statement

For the financial year ended 30 June 2016

	Note	2016 S$	2015 S$
Cash flows from operating activities			
(Loss)/profit before tax		(1,779,735)	767,640
Adjustments for:			
Depreciation expense	9	213,420	179,110
Interest income		(62,213)	(72,355)
Dividends income		(147,901)	(225,827)
Property, plant and equipment written-off		–	906
Gain on sale of available-for-sale ("AFS") financial assets		–	(2,098,761)
Loss on sale of property, plant and equipment		1,484	–
Operating loss before changes in working capital		(1,774,945)	(1,449,287)
Changes in working capital			
Decrease/(increase) in trade and other receivables and prepayments		759,634	(547,187)
(Decrease)/increase in other liabilities and advanced trustee services billings		(133,406)	434,470
Cash flows used in operating activities		(1,148,717)	(1,562,004)
Net income tax paid		(3,299)	(37,203)
Net cash flows used in operating activities		(1,152,016)	(1,599,207)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(273,782)	(91,932)
Proceeds from sale of property, plant and equipment		2,196	–
Proceeds from sale on AFS financial assets		–	3,301,342
Interest received		58,103	87,442
Dividends received		139,212	198,025
Net cash flows (used in)/generated from investing activities		(74,271)	3,494,877
Cash flows from financing activity			
Dividends paid	17	(2,557,359)	(1,243,647)
Net cash flows used in financing activity		(2,557,359)	(1,243,647)
Net (decrease)/increase in cash and cash equivalents		(3,783,646)	652,023
Cash and cash equivalents at beginning of year		12,039,499	11,387,476
Cash and cash equivalents at end of year	12	8,255,853	12,039,499
Supplementary non-cash transactions:			
Scrip dividend received		8,689	27,802

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

British and Malayan Trustees Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803.

The principal activity of the Company consists of the provision of trustee services in Singapore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The financial statements are presented in Singapore dollars ("SGD" or "S$"), which is the Company's functional and presentation currency.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS that are effective for annual periods beginning on or after 1 July 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Annual improvements to FRS 2012 - 2014 cycle	
– Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Except for the below standards, management expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the following standards is described below:

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial instruments: Classification and Measurement

In December 2014, the Accounting Standards Council issued the final version of FRS 109 *Financial Instruments* which reflects all phases of the financial instruments project and replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Company is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

2.4 Foreign currencies

The Company's financial statements are presented in S$, which is also the Company's functional currency.

Transactions and balances

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

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Leasehold properties	Shorter of 50 years and the lease term (Note 9)
Leasehold improvements	5 years
Furniture and fittings	5 years
Office equipment	5 years
Computer equipment	3 years

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. They are adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gains or losses on de-recognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

On disposal of an item of property, plant and equipment, the differences between the net disposal proceeds and its carrying amount are taken to profit or loss.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

(a) Loans and receivables

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

(b) Available-for-sale ("AFS") financial assets

AFS financial assets include equity and debt securities. Equity investments classified as AFS are those, which are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

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

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets (cont'd)

Regular way purchase or sale of a financial asset

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

2.8 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired:

(a) *Financial assets carried at amortised cost*

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

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

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

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

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of financial assets (cont'd)

(b) *AFS financial assets*

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

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

In the case of debt instruments classified as AFS, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of financial income. If, in a subsequent period, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.10 Provisions

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

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classifications as follows:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(b) Other financial liabilities

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

Derecognition

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

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Employee benefits

Defined contribution plans

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

2.13 Leases

As lessee

Operating lease payments are recognised as an expense in profit and loss on a straight-line basis over the lease term.

2.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Commission income*

Commission income for trustee services is recognised in the financial year in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

(b) *Trustee fees*

Fees from the provision of trustee services consist of acceptance fee, periodic trustee fees and a proportion of trustee fees collected upfront.

Trustee fees earned as trustees of unit trusts, estates and debentures are recognised over the financial year in which the services are rendered.

(c) *Interest income*

Interest income from fixed deposits and interest-bearing securities is recognised in profit or loss on a time-proportion basis. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instruments and thereafter amortising the discount as interest income.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Revenue (cont'd)

(d) *Dividend income*

Dividend income from equity securities is recognised in profit or loss in the financial year in which the right to receive payment is established.

2.15 Taxes

(a) *Current income tax*

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

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Segment reporting

For management purposes, the Company is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charges. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 23 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.17 Share capital and share issue expenses

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

2.18 Dividends

Interim dividends and final dividends are recorded in the financial year in which they are declared and paid by the Company.

2.19 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements made in applying accounting policies

The directors are of the view that there is no critical judgement made by management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty

The key assumption made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Provision for restructuring

As part of the identification and measurement of liabilities, the Company has recognised a provision for restructuring. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected timing and amount of those costs.

Significant assumptions are made by management to determine the timing and quantitative magnitude of the provisions recognised which is dependent on the implementation of the restructuring plan, communication of the restructuring plan to raise a valid expectation that the Company will carry out the restructuring or certain pre-conditions being fulfilled for the restructuring plan to be implemented.

The carrying amount of the provision recognised as at 31 December 2016 was S$356,690 (2015: S$345,610).

4. REVENUE

	2016 S$	2015 S$
Trustee fees	2,281,173	2,433,747
One-off non-recurring fee revenue	–	487,405
Other service fees	228,627	252,161
Total revenue	2,509,800	3,173,313

Prior year revenue includes a one-off non-recurring fee revenue of S$487,405 for fees in relation to the Company's services to an estate.

Notes to the Financial Statements

5. EMPLOYEE BENEFITS EXPENSE

	2016 S$	2015 S$
Wages and salaries	2,624,881	2,600,459
Employer's contribution to defined contribution plan:		
- CPF contributions	207,254	193,350
	2,832,135	2,793,809

6. OTHER EXPENSES

	2016 S$	2015 S$
Non-audit fees paid to:		
– Auditor's of the Company	40,600	37,600
– Other auditors	43,000	43,000
Professional fees	97,888	364,657
Audit fees	105,000	105,000
Insurance expense	196,589	209,200
Building and office maintenance and repairs	289,932	214,125
Advertising expense	4,169	10,660
Recruitment fees	–	171,096
Directors' fees	150,000	150,000
Printing and stationery	23,331	28,818
Rental expense	202,529	202,529
Training fees	38,164	107,724
Other expenses	385,712	394,060
	1,576,914	2,038,469

Notes to the Financial Statements

7. TAXATION

(a) ***Major components of income tax expense/(credit)***

The major components of income tax expense/(credit) for the financial years ended 30 June 2016 and 2015 are:

	2016 S$	2015 S$
Statement of comprehensive income:		
Underprovision in respect of previous years	3,299	–
Deferred income tax (Note 14)	–	(5,325)
Income tax expense/(credit) recognised in profit or loss	3,299	(5,325)

(b) ***Relationship between tax expense and accounting profit***

A reconciliation between the tax (credit)/expense and the product of accounting profit multiplied by the application tax rate for the financial years ended 30 June 2016 and 2015 is as follows:

	2016 S$	2015 S$
(Loss)/profit before tax	(1,779,735)	767,640
Tax at statutory tax rate of 17% (2015: 17%)	(302,555)	130,499
Adjustments:		
Non-deductible expenses	65,173	139,480
Income not subject to taxation [(1)]	(19,916)	(393,098)
Deferred tax asset not recognised	256,955	117,728
Underprovision in respect of previous years	3,299	–
Others	343	66
Income tax expense/(credit) recognised in profit or loss	3,299	(5,325)

[(1)] *The nature of income not subject to taxation primarily relates to certain deductions for investment income and capital gain from the disposal of AFS financial assets in 2015.*

At the end of the reporting period, the Company has unutilised tax losses of S$2,201,500 (2015: S$690,000) that are available for offset against future taxable profits of the Company and no deferred tax asset is recognised due to uncertainty of its recoverability. The unutilised tax losses of S$690,000 which are carried forward will be forfeited from an anticipated change in shareholders and control of the Company if the pre-conditional mandatory general cash offer is made. The Company in due course will apply for the waiver of forfeiture of unutilised tax losses.

Notes to the Financial Statements

8. (LOSS)/EARNINGS PER SHARE

	2016 S$	2015 S$
Net (loss)/profit attributable to members of the Company	(1,783,034)	772,965
Weighted average number of ordinary shares in issue	8,758,080	8,758,080
(Loss)/earnings per share (basis and diluted)	(0.20) per share	0.09 per share

Earnings per share ("EPS") are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$	Leasehold improve-ments S$	Furniture and fittings S$	Office equipment S$	Computer equipment S$	Total S$
Cost						
At 1 July 2014	4,656,986	56,824	30,617	31,757	351,258	5,127,442
Additions	–	19,431	23,917	17,201	31,383	91,932
Write-offs	–	–	–	(1,208)	(1,800)	(3,008)
At 30 June 2015 and at 1 July 2015	4,656,986	76,255	54,534	47,750	380,841	5,216,366
Additions	–	5,030	12,092	–	256,660	273,782
Write-offs	–	–	–	(3,390)	(136,145)	(139,535)
Disposal	–	–	(5,950)	–	–	(5,950)
At 30 June 2016	4,656,986	81,285	60,676	44,360	501,356	5,344,663
Accumulated depreciation						
At 1 July 2014	1,210,818	30,470	7,398	16,143	272,552	1,537,381
Depreciation charge for 2015	93,139	14,399	10,745	8,239	52,588	179,110
Write-offs	–	–	–	(302)	(1,800)	(2,102)
At 30 June 2015 and at 1 July 2015	1,303,957	44,869	18,143	24,080	323,340	1,714,389
Depreciation charge for 2016	93,140	13,166	12,115	8,313	86,686	213,420
Write-offs	–	–	–	(3,390)	(136,145)	(139,535)
Disposal	–	–	(2,270)	–	–	(2,270)
At 30 June 2016	1,397,097	58,035	27,988	29,003	273,881	1,786,004
Net carrying amount						
At 30 June 2015	3,353,029	31,386	36,391	23,670	57,501	3,501,977
At 30 June 2016	3,259,889	23,250	32,688	15,357	227,475	3,558,659

Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Description of leasehold property	Unexpired term of lease (years) 30 June 2016	30 June 2015	Net floor area sq. m.	Existing use
An office unit located in The Adelphi, a 10-storey commercial building at 1 Coleman Street, Singapore	810 Leasehold	811 Leasehold	391	Office

The Company engaged DTZ Debenham Tie Leung (SEA) Pte Ltd, an independent valuer to determine the fair value of the freehold land and buildings. The valuation technique used was market comparable. The unit was valued at S$9,500,000 (2015: S$9,680,000) as at 31 May 2016 (2015: 31 May 2015).

10. AFS FINANCIAL ASSETS

	2016 S$	2015 S$
Equity instruments (quoted)	2,356,514	2,356,307

As at 30 June 2016, quoted investments denominated in Hong Kong dollars amounted to S$697,949 (2015: S$586,829).

11. TRADE AND OTHER RECEIVABLES

	2016 S$	2015 S$
Trade receivables	318,043	989,023
Accrued interest on fixed deposits and debt securities	8,230	4,119
Refundable deposits	35,115	35,415
Tax refund receivable	–	788
	361,388	1,029,345

(a) ***Trade receivables***

Trade receivables were non-interest bearing and were generally on 30 days' terms. They were recognised at their original invoiced amounts which represent their fair values on initial recognition.

Notes to the Financial Statements

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) *Receivables that are past due but not impaired*

The Company has trade receivables amounting to S$Nil (2015: S$41,614) that were past due at the end of the reporting period but not impaired.

These receivables were unsecured and the analysis of their aging at the end of the reporting period were as follows:

	2016 S$	2015 S$
Trade receivables past due but not impaired:		
Less than 30 days	–	23,705
30 to 60 days	–	17,909
	–	41,614

12. CASH AND SHORT-TERM DEPOSITS

	2016 S$	2015 S$
Fixed deposits with banks	7,236,838	11,448,922
Cash at bank and on hand	1,019,015	590,577
	8,255,853	12,039,499

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits were made for varying periods of between one month and three months depending on the immediate cash requirements of the Company and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 30 June 2016 for the Company were 0.68% (2015: 0.56%).

Cash and short-term deposits denominated in foreign currencies at 30 June are as follows:

	2016 S$	2015 S$
United States dollars	173,867	144,968

Notes to the Financial Statements

13. OTHER LIABILITIES

	2016 S$	2015 S$
Accrued operating expenses	816,341	901,371
Provision for directors' fees	150,000	150,000
Other payables	4,546	3,690
	970,887	1,055,061

14. DEFERRED TAX

Deferred tax as at 30 June relates to the following:

	2016 S$	2015 S$
Deferred tax liabilities		
At 1 January	4,213	9,538
Charged to profit or loss (Note 7(a))	–	(5,325)
Balance at end of year	4,213	4,213

15. SHARE CAPITAL

	2016		2015	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares:				
At beginning and end of year	8,758,080	2,736,900	8,758,080	2,736,900

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Notes to the Financial Statements

16. FAIR VALUE RESERVE - NON-DISTRIBUTABLE

	2016 S$	2015 S$
At beginning of year	1,324,682	3,158,328
AFS financial assets:		
– Net change in fair value	(8,482)	265,115
– Sale of AFS financial assets	–	(2,098,761)
At end of year	1,316,200	1,324,682

Fair value reserve represents the cumulative fair value changes of AFS financial assets until they were disposed of or impaired.

17. DIVIDENDS

	2016 S$	2015 S$
Declared and paid during the year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividends for 2015: 2.70 cents (2014: 2.70 cents) per share	236,468	236,468
– Special exempt (one-tier) dividends for 2015: 25 cents (2014: 10.00 cents) per share	2,189,520	875,808
– Interim exempt (one-tier) dividends for 2016: 1.50 cents (2015: 1.50 cents) per share	131,371	131,371
	2,557,359	1,243,647
Proposed but not recognised as a liability as at 30 June:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final exempt (one-tier) dividends for 2016: Nil cents (2015: 2.70 cents) per share	–	236,468
– Special exempt (one-tier) dividends for 2016: Nil cents (2015: 25.00 cents) per share	–	2,189,520
	–	2,425,988

Notes to the Financial Statements

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel compensation is as follows:

	2016 S$	2015 S$
Total compensation to directors - directors' fees	150,000	150,000
Other key management personnel compensation:		
– Salaries and other short-term employee benefits	908,604	855,604
– Central Provident Fund contributions	30,300	18,900
	938,904	874,504
	1,088,904	1,024,504

19. OPERATING LEASE COMMITMENTS

Operating lease commitments - as lessee

The Company had entered into a commercial property lease from 1 July 2014. This lease will be terminated with effect from 10 August 2016.

The future minimum rental payable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as payables are as follows:

	2016 S$	2015 S$
Not later than one year	22,322	202,529

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) ***Determination of fair value***

(i) *Equity instruments (Quoted) (Note 10)*

Fair value is determined directly by reference to their published market bid prices quotations in an active market at the end of the reporting period.

(ii) *Trade and other receivables and other liabilities (Notes 11 and 13), advanced trustee services billings and cash and short-term deposits (Note 12)*

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value due to their short-term nature.

Notes to the Financial Statements

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) ***Fair value hierarchy***

The Company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1	–	Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date;
Level 2	–	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3	–	Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value:

2016	Quoted prices in active markets for identical instruments (Level 1) S$	Significant other observable inputs (Level 2) S$	Significant unobservable inputs (Level 3) S$	Total S$
Assets				
Quoted equities - AFS financial assets	2,356,514	–	–	2,356,514
Leasehold property	–	–	9,500,000	9,500,000
Total	2,356,514	–	9,500,000	11,856,514
2015				
Assets				
Quoted equities - AFS financial assets	2,356,307	–	–	2,356,307
Leasehold property	–	–	9,680,000	9,680,000
	2,356,307	–	9,680,000	12,036,307

There was no transfer between the different levels in 2016 and 2015.

Notes to the Financial Statements

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(c) ***Classes of financial assets and financial liabilities***

2016	AFS financial assets S$	Loans and receivables S$	Amortised cost S$	Total carrying amount S$
Financial assets				
AFS financial assets	2,356,514	–	–	2,356,514
Trade and other receivables	–	361,388	–	361,388
Cash and short-term deposits	–	8,255,853	–	8,255,853
	2,356,514	8,617,241	–	10,973,755
Financial liabilities				
Advanced trustee services billings	–	–	283,828	283,828
Other liabilities	–	–	970,887	970,887
	–	–	1,254,715	1,254,715
2015				
Financial assets				
AFS financial assets	2,356,307	–	–	2,356,307
Trade and other receivables	–	1,028,557	–	1,028,557
Cash and short-term deposits	–	12,039,499	–	12,039,499
	2,356,307	13,068,056	–	15,424,363
Financial liabilities				
Advanced trustee services billings	–	–	333,060	333,060
Other liabilities	–	–	1,055,061	1,055,061
	–	–	1,388,121	1,388,121

Notes to the Financial Statements

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management of the Company. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets like cash and cash equivalents, the Company minimises credit risk by dealing with a selection of highly rated counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

(i) *Exposure to credit risk*

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables, AFS financial assets and cash and short-term deposits. No other financial asset carries a significant exposure to credit risk.

Notes to the Financial Statements

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

(ii) *Credit risk concentration profile*

The Company determines concentrations of credit risk by monitoring the customers' profile of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:

	2016		2015	
By profile	**S$**	**% of total**	**S$**	**% of total**
Corporate clients	–	–	57,691	9
Individual clients	67,380	100	587,952	91

The Company determines concentrations of credit risk by monitoring the counterparties profile of its cash and short-term deposits on an on-going basis. The credit risk concentration profile of cash and short-term deposits at the end of the reporting period is as follows:

Credit Rating by Moody's	2016		2015	
	S$	**% of total**	**S$**	**% of total**
Aa1	5,726,995	69%	5,006,232	42%
A1	2,528,858	31%	2,093,102	17%
A2	–	–	3,052,650	25%
A3	–	–	1,887,515	16%
	8,255,853		12,039,499	

(iii) *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(iv) *Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 (Trade and other receivables).

Notes to the Financial Statements

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company has not made any borrowings during the financial year.

A significant portion of the Company's liabilities relate to advance billings for trustee services. These amounts are not typically repaid but amortised into income as services are provided. Other remaining liabilities are short-term and due within one year.

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their fixed deposits. All of the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2015: less than 6 months) from the end of the reporting period.

As interest income derived from fixed deposits with banks is not deemed to be major source of revenue to the Company, the impact of changes in interest rates on the Company's financial assets is minimal. As such, the effect of a sensitivity analysis on the Company's net profit would be negligible. The management considers that the Company's exposure to interest rate risk is minimal.

(d) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's business is not substantially exposed to foreign exchange risk as its operations are generally in SGD. The Company is also exposed to minimal foreign exchange risk arising from its quoted investment denominated in Hong Kong dollars (Note 10) and cash at bank denominated in United States dollars (Note 12).

Notes to the Financial Statements

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Company is exposed to equity price risk arising from its investments in quoted equity instruments. These instruments are quoted on the SGX-ST in Singapore and are classified as AFS financial assets.

The Company has also established investment policies and monitoring processes to ensure that the bulk of its investments are in blue-chip securities so as to mitigate market price risk of its investments.

Sensitivity analysis for equity price risk

The Company has investments in quoted equity securities listed in Singapore. At the end of the reporting period, if equity prices had been higher/lower by 5% with all other variables held constant, the Company's equity will increase/decrease by S$117,826 (2015: S$117,815).

22. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividends payment to shareholders, return capital to shareholders or issue new shares. No change was made in the objectives, policies or processes during the financial years ended 30 June 2016 and 30 June 2015.

The Company is required to comply with the Financial Requirements under the Trust Companies Act and Financial and Margin Requirement under the Securities and Futures Act.

The Company is in compliance with all externally imposed financial requirements for the financial years ended 30 June 2016 and 2015.

Notes to the Financial Statements

23. SEGMENT INFORMATION

The Company's activities are carried out wholly in Singapore. For management purposes, the Company has two reportable operating segments as follows:

(a) The provision of trustee services in Singapore; and
(b) The management of the Company's funds through investment activities in fixed deposit placements and holding of long-term equities.

	Trustee activities		Investment activities		Total	
	2016	2015	2016	2015	2016	2015
	S$	S$	S$	S$	S$	S$
Revenue						
External customers	2,509,800	3,173,313	–	–	2,509,800	3,173,313
Results						
Interest income	–	–	62,213	72,355	62,213	72,355
Dividends income	–	–	147,901	225,827	147,901	225,827
Other income	95,437	95,437	30,737	105,184	126,174	200,621
Gain on sale of AFS financial assets	–	–	–	2,098,761	–	2,098,761
Loss on sale of property, plant and equipment	–	–	(1,484)	–	(1,484)	–
Employee benefits expense	(2,832,135)	(2,486,921)	–	(306,888)	(2,832,135)	(2,793,809)
Depreciation expense	(195,461)	(159,436)	(17,959)	(19,674)	(213,420)	(179,110)
Other expenses	(1,458,073)	(1,855,152)	(118,841)	(183,317)	(1,576,914)	(2,038,469)
Net foreign exchange gain/(loss)	(1,712)	7,256	(158)	895	(1,870)	8,151
Income tax (expense)/ credit	(3,020)	4,740	(279)	585	(3,299)	5,325
Segment (loss)/profit	(1,885,164)	(1,220,763)	102,130	1,993,728	(1,783,034)	772,965
Segment assets and total assets	4,774,342	5,334,633	9,887,358	13,809,348	14,661,700	19,143,981
Segment liabilities and total liabilities	1,258,928	1,275,977	–	116,357	1,258,928	1,392,334
Supplementary non-cash transactions:						
Scrip dividend received	–	–	8,689	27,802	8,689	27,802

Information about major customers

Revenue from two major customers, each of which accounts for more than 10% of the Company's total revenue, amounts to S$606,143 and S$426,442 (2015: S$604,539 and S$559,052), respectively. The revenue from the two major customers arises from provision of trustee services in Singapore.

Notes to the Financial Statements

24. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Announcements were made by the Company on 13 May 2016 and 16 May 2016 with regards to the announcement dated 13 May 2016 made by Emerald-Hill Investments Pte Ltd (the "Offeror"), relating to a pre-conditional mandatory general cash offer for all the issued and paid up ordinary shares in the capital of 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 such offer.

As stated in the Pre-Conditional Offer Announcement, the offer will not be made unless and until the pre-conditions are fulfilled on or before 12 August 2016 (the "Long Stop Date"). Further to the announcement, the Vendor and the Purchaser agreed to extend the Long Stop Date from 12 August 2016 to 26 August 2016, or such other date as the Vendor and the purchaser may agree in writing. As such the mandatory offer is contingent on the pre-conditions being fulfilled and completion occurring. As at the financial year end of the Company the pre-conditions have yet to be fulfilled and therefore any costs associated with the offer have not been accrued for in the financial year ended 30 June 2016.

The estimated costs associated with the offer range from S$150,000 to S$170,000.

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the financial year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 19 August 2016.

1. STATEMENTS OF PROSPECTS

1.1 **3Q2016 Results.** The following statement was made in the 3Q2016 Results released by the Company on 6 May 2016:

"*The Company expects to be profitable and grow in the calendar year 2017 based on current projections.*"

1.2 **FY2016 Unaudited Results.** The following statement was made in the FY2016 Unaudited Results released by the Company on 22 August 2016:

"*Based upon the foregoing, the Company expects to be profitable and grow within the calendar year 2017, consistent with the prospects statement disclosed in the results announcement for the financial period ended 31 March 2016.*"

1.3 **No Profit Forecast.** The Statements of Prospects set out in **paragraphs 1.1** and **1.2** of this **Appendix 5** were not made in connection with the Offer. Accordingly, the Statements of Prospects should not be regarded as a forecast of the Company for FY2016. The Directors have not issued a profit forecast for the Company in connection with the Offer.

2. ASSUMPTIONS

2.1 **Accounting Policies.** Each of the Statements of Prospects, for which the Directors are solely responsible, was arrived at on the bases consistent with the accounting policies normally adopted by the Company.

2.2 **Assumptions.** The Statements of Prospects made in **paragraphs 1.1** and **1.2** of this **Appendix 5** have been made on the following assumptions and/or information available as at 6 May 2016 and 22 August 2016, being the dates on which the Statements of Prospects in **paragraphs 1.1** and **1.2** above were respectively made:

(i) the Company will continue to actively manage its assets, including but not limited to, realising such assets at market values beneficial to the Company during the relevant period (after taking into account costs associated with any such realisation of assets);

(ii) the assets of the Company, including its available for sale assets and real estate asset, will not experience a material decline in market value during the relevant period;

(iii) there are no material changes in the existing political, legal or regulatory conditions affecting the activities of the Company, the industry and the country in which the Company operates;

(iv) there will be no material changes in the competitive environment in which the Company operates;

(v) otherwise than as announced in conjunction with the Statements of Prospects, there will be no material change in the principal activities, management and organizational structure of the Company;

(vi) there will be no material change in the accounting policies and applicable accounting standards of the Company;

(vii) there are no material changes in the existing agreements with customers and suppliers relating to FY2016;

(viii) there will be no material acquisitions by the Company;

(ix) there will be no material affects arising from any disputes or litigation, or any material financial penalties incurred by the Company arising from investigations undertaken by regulatory authorities;

(x) there will be no material impairment to the carrying values of the assets;

(xi) there will be no material change to the budgeted capital expenditures by the Company;

(xii) there will be no material change to the bases or rates of taxation, provident fund contribution, tariffs, duties and interest rate from those prevailing and which may affect the Company's financial performance;

(xiii) there will be no exceptional circumstances that require material provisions to be made by the Company in respect of any contingent liability or arbitration threatened or otherwise, abnormal bad debts or unexpected termination of contracts; and

(xiv) there will be no requirements for material provisions to be made in respect of the assets and liabilities of the Company.

Shareholders should note that the underlying bases and assumptions on which the aforesaid Statements of Prospects were based were arrived at based on information available to the Directors as at 6 May 2016 and 22 August 2016, being the date of the release of the 3Q2016 Results and FY2016 Unaudited Results respectively. Such Statements of Prospects were based on the best assessment of the business by the Board and management of the Company as at the date of the relevant Statements of Prospects, which did not include the Offeror's intentions with respect to the Company. Accordingly, there may or may not be changes to such underlying bases and assumptions subsequent to the close of the Offer.

Building a better working world

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19 October 2016

The Board of Directors
British and Malayan Trustees Limited
1 Coleman Street
#08-01 The Adelphi
Singapore 179803

Attention: Mr James William Cox (Chief Executive Officer)

Letter From The Auditor In Relation To The Statements Of Prospects Of British And Malayan Trustees Limited Included In The Announcement Of The (I) Unaudited Financial Statements For The Third Quarter And Nine-Month Period Ended 31 March 2016 And (II) Full Year Financial Statements For The Financial Year Ended 30 June 2016

Dear Sirs:

We have been engaged by British and Malayan Trustees Limited (the "Company") to report on the statements reproduced below that are included, respectively, in the announcement of the (i) unaudited financial statements for the third quarter and nine-month period ended 31 March 2016 ("3Q 2016"); and (ii) full year financial statements for the financial year ended 30 June 2016 ("FY2016") (each a "Statement of Prospects" and collectively, the "Statements of Prospects") of the Company:

Statement of Prospects for 3Q2016
"The Company expects to be profitable and grow in the calendar year 2017 based on current projections."

Statement of Prospects for FY2016
"Based upon the foregoing, the Company expects to be profitable and grow within the calendar year 2017, consistent with the prospects statement disclosed in the results announcement for the financial period ended 31 March 2016."

We have provided this report solely to the directors of the Company (the "Directors") for inclusion in the circular to be dated on or about 19 October 2016 (the "Circular") to be issued to the shareholders of the Company in relation to the mandatory unconditional cash offer by Emerald-Hill Investments Pte Ltd (the "Offeror") to acquire all the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it.

Building a better working world

The Board of Directors
British and Malayan Trustees Limited

19 October 2016

We have examined the Statements of Prospects in accordance with the 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 in **Appendix 5** to the Circular, which have been used as the basis for the preparation of the Statements of Prospects.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention to cause us to believe that these assumptions do not provide a reasonable basis for the Statements of Prospects. Further, in our opinion, the Statements of Prospects is properly prepared on the bases and assumptions set out in **Appendix 5** to the Circular and is consistent with the accounting policies normally adopted by the Company which are in accordance with Singapore Financial Reporting Standards.

Actual results are likely to be different from the Statements of Prospects, since anticipated events frequently do not occur as expected and the variation may be material.

Our work in connection with the Statements of Prospects has been undertaken solely for the purposes of reporting to the Directors and meeting regulatory requirements for the Circular, and is not intended to be used or relied on for any other purpose.

Yours faithfully,

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

LETTER FROM CIMB IN RELATION TO THE STATEMENTS OF PROSPECTS

19 October 2016

Independent Directors
British and Malayan Trustees Limited
1 Coleman Street
#08-01 The Adelphi
Singapore 179803

Dear Sirs

MANDATORY UNCONDITIONAL CASH OFFER BY EMERALD-HILL INVESTMENTS PTE LTD FOR BRITISH AND MALAYAN TRUSTEES LIMITED

This letter has been prepared for inclusion in the circular issued by British and Malayan Trustees Limited ("**BMT**" or the "**Company**") to its shareholders dated on or about 19 October 2016 (the "**Circular**") in relation to the mandatory unconditional cash offer by Emerald-Hill Investments Pte Ltd (the "**Offeror**") 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 by the Offeror.

We have reviewed and held discussions with the directors ("**Directors**") and the management of the Company on the Statements of Prospects (as defined in the Circular) as well as the underlying bases and assumptions for the Statements of Prospects prepared by BMT. We have also considered the letter by Ernst & Young dated 19 October 2016 and addressed to the board of Directors (a copy is reproduced in Appendix 6 to the Circular) relating to their examination of the Statements of Prospects and the accounting policies, bases and assumptions upon which the Statements of Prospects was prepared.

Based on the above, we are of the opinion that the Statements of Prospects (for which the Directors are solely responsible) have been made by the Directors after due and careful enquiry.

For the purpose of rendering our opinion in this letter, we have relied upon and assumed the accuracy and completeness of all financial and other information provided to or discussed with us. Save as provided in this letter, we do not express any other opinion on the Statements of Prospects.

This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person (other than the Directors) in respect of, arising out of, or in connection with this letter.

Yours faithfully
For and on behalf of
CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

ERIC WONG
DIRECTOR
INVESTMENT BANKING, SINGAPORE

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 1 Coleman Street, #08-01, The Adelphi, Singapore 179803, during normal business hours for the period during 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

"SHARE CAPITAL AND VARIATION OF RIGHTS

5. No member of the Company shall at any time hold Shares in the capital of the Company or control voting power so as to become a 20% controller, a 50% controller or an indirect controller, as more particularly set out in the Statutes, without obtaining the prior approval of the Authority.

6. Issue of shares

(1) Subject to the Statutes and these Articles (in particular Articles 53 and 53A), no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that :

(a) (subject to any direction to the contrary that may be given by the company in general meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 53 with such adaptations as are necessary shall apply;

(b) Any other issue of shares , the aggregate of which would exceed the limits referred to in Article 53A, shall be subject to the approval of the Company in general meeting;

(c) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Company in general meeting; and

(d) the total value of issued preference shares shall not exceed the total value of the issued ordinary shares at any time.

(2) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally with, or in priority to such shares.

7. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. Provided always that where

the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

8. *Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six months.*

9. *The Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. The treasury shares shall have no voting rights and shall not be entitled to any dividend or other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) that may be made by the Company.*

10. *Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. Unless as permitted under Article 9 hereof all shares repurchased by the Company shall be cancelled immediately on purchase or acquisition by the Company. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.*

11. *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 subject to the conditions and restrictions mentioned in the Act and may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant.*

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

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

SHARE CERTIFICATE

14. (a) *The Company shall allot its shares and despatch certificate(s) for such shares within 10 market days (or such other period as may be approved by the stock exchange upon which the shares in the Company may be listed). The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose of the final application closing date for an issue of its shares.*

(b) Every person whose name is entered as a member in the Register of Members shall be entitled without charge to receive within 15 market days after lodgement of a remittable transfer one certificate for all his shares of any one of the class, or upon payment of $2.00 each (or such lesser sum as the Directors shall from time to time determine) several certificates in reasonable denominations in respect of shares of any one class. When a member transfers part only of shares comprised in a certificate, one new certificate for the balance of such shares shall be issued in lieu of the old certificate without charge. In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery thereof to one of several joint holders shall be sufficient delivery to all such holders.

15. Every certificate of title to shares shall be issued under the seal in such form as the Directors shall from time to time prescribe, shall bear the autographic facsimile signatures of either two Directors or one Director and the Secretary or some other person appointed by the Directors and shall specify the number and class of shares to which it relates and the amounts paid and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical electronic or other method approved by the Directors. No certificates shall be issued representing shares of more than one class.

16. Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser or member of the Stock Exchange on behalf of its client, as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery of the old certificate and in any case on payment of such sum not exceeding $1.00 as the Directors may from time to time require. In the case of the certificate being destroyed, lost or stolen a shareholder or person entitled 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.

JOINT HOLDERS OF SHARES

17. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:-

(a) the Company shall not be bound to register more than three persons as the joint holders of any share, except in the case of executors or trustees of a deceased shareholder;

(b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;

(c) on the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit;

(d) any one of such joint holders may give effectual receipts for any dividend payable to such joint holders; and

(e) only the person whose name stands first in the Register of Member or (as the case may be) the Depository Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

CALLS ON SHARES

22. The Directors may from time to time make calls upon the members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment)pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

23. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call are passed and may be required to be paid by installments.

24. 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 10 per cent. per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

25. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

26. No member shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

27. 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.

28. Subject to the provisions of any Statutes which may be passed restricting the powers of the Company in that behalf the Directors may receive from any member willing to advance the same, and upon such terms and conditions as they think fit, all or any part of the moneys due upon the shares held by such member beyond the sum actually called for, and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and in particular, such money may be received upon the terms that interest shall be paid thereon, or on so much thereof as for the time being exceeds the amount called up. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.

TRANSFER OF SHARES

29. Subject to these Articles any member may transfer all or any of his shares. Every transfer must be in writing and in the form approved by the Directors, or, as the case may be, by the Stock Exchange. The instrument of transfer shall be signed by or on behalf of both the transferor and the transferee, and by the witness or witnesses thereto, provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed by or witnessed on behalf of the Depository. Notwithstanding the foregoing, the Directors may, if they think fit, accept any instrument of transfer submitted to the Company for registration from time to time which does not bear the transferee's signature. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members thereof. Shares of different classes shall not be comprised in the same instrument of transfer.

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

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

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

(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

31. No share shall in any circumstances be transferred to any infant or bankrupt or person of unsound mind.

32. The Directors may decline to register any transfer of shares not being fully paid shares to a person not approved by them and may also decline to register any transfer of shares on which the Company has a lien.

33. The Directors may decline to accept any instrument of transfer unless: -

(a) such fee not exceeding $2.00 as the Directors may from time to time determine is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) chargeable for each instrument of transfer under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer is deposited at the office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf; the authority of the person so to do; and

(d) such fee not exceeding $2.00 as the Directors may from time to time determine is paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same except in the case of fraud.

34. Save as provided in these Articles, there shall be no restriction on the transfer of shares (except where required by law, the listing rules of any stock exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any refuse exchange upon which the shares of the Company may be listed). If the Directors shall refuse to register any transfer of any share they shall within one month of the date on which the application for transfer was made serve on the transferor and transferee a notice in writing stating the reasons justifying the refusal to transfer and a notice of refusal as required by the Act.

35. The Company shall maintain a Register of Transfers which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares. The Register of Transfers may be closed during such times as the Directors may think fit, provided always that such Register shall not be closed for more than thirty days in each year and that the Company shall give prior notice of such closure as may be required to any stock exchange upon which the Company may be listed, stating the period and the purpose or purposes for which the closure is made.

CONVERSION OF SHARES INTO STOCK

48. The Company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares.

49. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as the shares from which the stock arose might previously to conversion have been transferred or as near thereof as circumstances admit; but the Directors may from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum.

50. The holders of stock shall according to the number of the stock units held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.

51. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

52. The Company may from time to time by ordinary resolution: -

(a) consolidate and divide all or any of its shares

(b) subdivide its shares or any of them (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share capital shall be the same as it was in the case of the share from which the reduced share is derived; and

(c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

53. (1) Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined,

and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in accordance with this Article.

(2) Subject to the Act and subject to the Stock Exchange waiving the requirement to convene a general meeting, the Company may notwithstanding the provisions of Article 53(1), issue new shares without first offering them to the members in proportion to the existing shares to which they are entitled, where the aggregate of the shares issued in any one financial year (other than by way of bonus or rights issues) does not exceed 10 per cent of the issued share capital of the Company.

53A. Notwithstanding Article 53 above but subject to the Statutes, the Company may, by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:-

(a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force,

Provided that:-

(1) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange from time to time and as may be permitted by any stock exchange upon which the Company may be listed;

(2) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the Listing Manual of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and these Articles and such provisions as may be required by any stock exchange upon which the Company may be listed;

(3) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company next following the passing of the ordinary resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

53B. Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

54. The Company may from time to time by special resolution reduce its issued share capital, or any undistributable reserve in any manner and subject to, any incident authorized, and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of issued capital of the Company shall be reduced accordingly.

54A. Subject to the provisions of Sections 76(9A), (9B), (9C) and (9D) of the Act, the Company may from time to time, by a resolution of the Board give financial assistance to any party for the purpose of, or in connection with, an acquisition or proposed acquisition of the shares or units of shares in the Company or the holding company if the amount of assistance does not exceed 10% of the aggregate of the total paid up capital and the reserves of the Company, or by resolution of all its members present in person or by proxy at the relevant general meeting if the amount of assistance exceeds 10% of the total paid up capital and the reserves of the Company.

CAPITALISATION OF PROFITS

139. The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Articles 6 and 53A):

(a) issue bonus shares for which no consideration is payable to the Company by the persons registered as holders of shares at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) in the case of an ordinary resolution passed pursuant to Article 53B, such other date as may be determined by the Directors, in proportion to their then holdings of shares; and

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) in the case of an ordinary resolution passed pursuant to Article 53B such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full for new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

140. (1) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 139, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(2) In addition and without prejudice to the powers provided for by Article 139, the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or noncumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit."

(ii) The rights of Shareholders in respect of dividends

"LIEN

18. The Company shall have a first and paramount lien on shares and dividends from time to time declared in respect of such shares but such lien shall be restricted to unpaid calls and installments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member.

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

20. To give effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

21. If any shares are forfeited and sold the proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and accrued interest and expenses, and the residue, if any, shall be paid to the person entitled to the shares at the date of the sale, or, his executors, administrators or assignees or as he may direct.

TRANSMISSION OF SHARES

36. In case of the death of a member whose name is entered in the Register of Members the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. In the case of the death of a member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

37. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.

38. 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 Articles 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 signed by that member.

39. Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf; be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these Articles be deemed to be joint holders of the share.

FORFEITURE OF SHARES

40. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid 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.

41. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

42. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

43. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

44. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares (together with interest at the rate of 8 per cent. per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of such interest), but his liability shall cease, if any, when the Company receives payment in full of all of such moneys in respect of the shares.

45. A statutory declaration in writing that the declarent is Director or the Secretary of the Company, and that a share in the Company has been duly forfeited 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.

46. Such declaration and the receipt of the Company for the consideration (if any) given for the sale, reallotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, reallotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, reallotted or disposed of. Such person shall not be bound to see 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.

47. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified.

DIVIDENDS AND RESERVES

130. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

131. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

132. (1) No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes or shall bear interest against the Company.

(2) (a) Subject to Article 132(2)(b), any profits of the Company applied towards the purchase or acquisition of its own shares in accordance with sections 76B to 76G of the Act shall not be payable as dividends to the shareholders of the Company.

(b) Article 132(1) shall not apply to any part of the proceeds received by the Company as consideration for the sale or disposal of treasury shares which the Company has applied towards the profits of the Company.

(c) Any gains the Company derived from the sale or disposal of treasury shares shall not be payable as dividends to the shareholders of the Company.

133. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

134. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

135. The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

136. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other Company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and 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.

136A. 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 person registered as the holder 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.

137. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members or (as the case may be) entered in the Depository Register as the joint holders of the share to such person and to such address as the holder or joint holders may in writing direct or if two or more persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or such address. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders. Notwithstanding the foregoing provisions of this Article, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

137A. 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.

138. A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.

CAPITALISATION OF PROFITS

139. The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Articles 6 and 53A):

(a) issue bonus shares for which no consideration is payable to the Company by the persons registered as holders of shares at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) in the case of an ordinary resolution passed pursuant to Article 53B, such other date as may be determined by the Directors, in proportion to their then holdings of shares; and

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) in the case of an ordinary resolution passed pursuant to Article 53B such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full for new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

140. (1) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 139, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(2) In addition and without prejudice to the powers provided for by Article 139, the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or noncumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit."

(iii) The rights of Shareholders in respect of voting

"NOTICE OF GENERAL MEETINGS

58. (1) Subject to the provisions of the Act as to special resolutions special notice and agreement for shorter notice, a meeting of the Company shall be called by 14 days' notice in writing at the least. At least 14 days' notice of such meeting shall be given by advertisement in a daily English newspaper and in writing to any stock exchange upon which the Company may be listed.

(2) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting and in case of special business the general nature of the business.

(3) Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.

(4) In every notice calling a meeting of a company or a meeting of any class of members of a company there shall appear with reasonable prominence a statement as to the rights of the member to appoint proxies to attend and vote instead of the member, and that a proxy need not also be a member.

59. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the report of the Directors and auditors, the election of Directors in the place of those retiring, fixing of fees of Directors, and the appointment and fixing of the remuneration of the auditors.

60. (1) Notice of every general meeting shall be given in any manner authorized by these Articles to: -

(a) every member holding shares conferring the right to attend and vote at the meeting;

(b) the Directors (including alternate Directors) of the Company; and

(c) the auditors of the Company.

(2) No other person shall be entitled to receive notices of general meetings; provided that if the meeting be called for the alteration of the Company's objects, the provisions of the Act regarding notices to debenture holders shall be complied with.

(3) The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any person entitled to receive notice shall not invalidate any resolution passed at the meeting.

PROCEEDINGS AT GENERAL MEETING

61. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members present in person shall form a quorum. For the purposes of this Article "member" includes a person attending as a proxy or as representing a corporation or limited liability partnership which is a member. and joint holders of any share shall be treated as one member. Provided that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purposes of determining the quorum.

62. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine.

63. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall elect one of their number to be Chairman of the meeting.

64. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

65. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is demanded:-

(a) by the Chairman;

(b) by at least two members present in person or by proxy;

(c) by any member present in person or by proxy or any number or combination of such members or proxies holding or representing as the case may be, not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or

(d) by any member present in person or by proxy, 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 10% of the total number of paid-up shares of the Company conferring that right.

Unless a poll is so demanded a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by majority, of the total votes cast on the resolution or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.

66. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

67. 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 second or casting vote.

68. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

69. If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, and be of sufficient magnitude to vitiate the result of the voting.

VOTES OF MEMBERS

71. Every member (except the Company as holder of treasury shares, if any) shall be entitled to be present and to vote at any general meeting either personally or by proxy in respect of any shares upon which all calls due to the Company have been paid.

72. Subject to any rights or restrictions as to voting for the time being attached to any class or classes of shares for the time being forming part of the capital of the Company and to the provisions in Article 9 (Treasury shares):-

(a) at a meeting of members or classes of members, each member entitled to vote may vote in person or by proxy;

(b) on a show of hands, every member present in person or by proxy, shall have one vote, provided that if a member is represented by two or more proxies, only one of the two or more proxies, as the Chairman shall determine, shall be entitled to vote; and

(c) on a poll every member present in person or by proxy shall have one vote for each share he holds or represents.

For the purpose of determining the number of votes which a member, being a depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant general meeting as supplied by the Depository to the Company.

73. In the case of joint holders any one of such persons may vote, but if more than one of such persons shall be present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register.

74. Any corporation or limited liability partnership which is a member of the Company may by resolution of its directors or other governing body authorize any person to act as its representative at any general meeting of the Company or of any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation or limited liability partnership as a corporation or limited liability partnership would exercise if it were personally present at the meeting and such corporation or limited liability partnership shall for the purpose of these Articles (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat.

75. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

76. (1) A member may appoint not more than two proxies to attend at the same general meeting, provided that:-

(a) if the Member is a Depositor, the Company shall be entitled and bound:-

(i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register 48 hours before the time of the relevant general meeting as certified by the Depository to the Company;

(ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register 48 hours before the time of the relevant general meeting as supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

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

(2) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

(3) A proxy need not be a member.

77. (1) The instrument appointing a proxy or representative shall be in writing under the hand of the appointer or, if the appointer is a corporation, under seal

(2) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the registered office of the Company, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not treated as valid.

(3) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

78. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation, or transfer as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used."

Edmund Tie & Company

Our Ref: PKE:CWK:ao:3.433:1607102

10 August 2016

British & Malayan Trustees Limited
1 Coleman Street #08-01
The Adelphi
Singapore 179803

Attn: Ms Angela Ho

Dear Madam

RE: VALUATION OF 1 COLEMAN STREET #08-01 THE ADELPHI SINGAPORE 179803

We refer to your recent instructions to undertake a valuation of the above-mentioned ("the subject property"). This valuation is to determine the current market value of the subject property as at 30 June 2016 for share transfer purpose.

The term "Market Value" as used herein is intended to mean "the highest value at which the sale interest in property might reasonably be expected to have been completed as at the date of valuation, assuming,

a) a willing seller;

b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms for the completion of the sale;

c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and

d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion."

Our valuation has been made on the assumption that the owner sells the property on the market without the benefit of a deferred term contract, joint venture, sale and leaseback or any similar arrangement which could serve to affect the value of the property.

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British & Malayan Trustees Limited **10 August 2016**

A summary of our valuation together with a brief description of the property is appended to this Valuation Certificate.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property, nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the property is free of encumbrances, restrictions or other outgoings of an onerous nature which would affect value, other than those which have been indicated to us.

Our opinion of the market value of the subject property in its existing continued use is arrived at by Direct Comparison Method. This method involves the analysis of recent transactions of comparable properties within the vicinity. Necessary adjustments have been made for differences in location, tenure, size, age and condition of buildings, dates of transactions and the prevailing market conditions amongst other factors affecting its value.

Neither the whole of this Certificate, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

Finally and in accordance with our normal practice, we confirm that this Valuation Certificate is for the use only of the party to whom it is addressed and no responsibility whatsoever is accepted to any third party.

Yours faithfully
for and on behalf of
EDMUND TIE & COMPANY (SEA) PTE LTD

Poh Kwee Eng (Ms)
Executive Director
Head, Valuation Advisory
BSc (Est Mgt) FSISV, MRICS
(Appraiser's Licence No: AD041-2003168D)

Edmund Tie & Company

VALUATION SUMMARY

Property	:	1 Coleman Street #08-01 The Adelphi Singapore 179803
Legal Description	:	Lot U1738E Town Subdivision 10.
Strata Floor Area	:	391.0 sq.m.
Tenure	:	999 years commencing from 12 May 1828.
Registered Proprietor	:	British and Malayan Trustees Limited.
Master Plan Zoning (2014 Edition) :	:	Commercial.
Brief Description	:	An office unit located on the 8th storey of a 10-storey commercial building known as The Adelphi.
Age	:	Approximately 26 years.
Date of Inspection	:	27 July 2016
Tenancy Details	:	Owner-occupied as at date of inspection.
Market Value as At 30 June 2016 *	:	S$9,500,000/- (Singapore Dollars Nine Million And Five Hundred Thousand).

* with vacant possession and free from all encumbrances

for and on behalf of
EDMUND TIE & COMPANY (SEA) PTE LTD

Poh Kwee Eng (Ms)
Executive Director
Head, Valuation Advisory
BSc (Est Mgt) FSISV, MRICS
(Appraiser's Licence No: AD041-2003168D)

Alden Cheong
Associate Director
Valuation Advisory
B Bus (Pty) MSISV
(Appraiser's Licence No. AD041-2009244F)

Date: 10 August 2016
Our Ref: PKE:CWK:ao:1607102



Edmund Tie & Company

LIMITING CONDITIONS

This property Valuation and Report has been prepared subject to the following limiting conditions:-

VALUATION BASIS

Our valuation is made on the basis of Market Value. This is intended to mean the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

a) a willing seller;
b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale.
c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

No allowance are made for any expenses or realisation or for taxation which might arise in the event of a disposal. Our valuation assumes that as at the date of valuation, the property is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.

Values are reported in Singapore Currency.

CONFIDENTIALITY

Our Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written consent of the form and context in which it will appear.

SOURCE OF INFORMATION

Where it is started in the report that information has been supplied to the valuer by the sources listed, this information is believed to be reliable, but the valuer will accept no responsibility if this should prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.

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.

TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plan (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 improvements. If assurance 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.

STRUCTURAL SURVEYS

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services. Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, we are not able to give any assurance in respect of rot, termite, or past infestation or other hidden defects.

SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. 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.

MAXIMUM LIABILITY

Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to fees paid for engaging our services. Under no circumstances will be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.

ATTENDANCE IN COURT

The valuer is not required to give testimony or to appear in court by reason of this report unless specify arrangement has been made therefor.

Edmund Tie & Company

Valuation

1 COLEMAN STREET #08-01
THE ADELPHI
SINGAPORE 179803

PREPARED FOR

BRITISH & MALAYAN TRUSTEES LTD

AUGUST 2016

Edmund Tie & Company (SEA) Pte Ltd 100 Beach Road #35-00 Shaw Tower Singapore 189702 Tel: +65 6293 3228 Fax: +65 6298 9328
Estate Agent Licence No : L3006301G Registration number (UEN) : 199501391G www.etcsea.com

Edmund Tie & Company

VALUATION REPORT FOR : BRITISH & MALAYAN TRUSTEES LIMITED

1.	**Purpose of Valuation**	:	To determine the market value of the subject property as at 30 June 2016 for share transfer purpose.
2.	**Address of Property**	:	1 Coleman Street #08-01 The Adelphi Singapore 179803
3.	**Date of Inspection**	:	27 July 2016
4.	**Details of Property**		
	Type	:	An office unit located on the 8th storey of a 10-storey commercial building known as The Adelphi.
	Age	:	Approximately 26 years.
	Condition	:	Good.
5.	**Title and Tenure**		
	Legal Description	:	Lot U1738T Town Subdivision 10
	Strata Floor Area	:	391.0 sq.m.
	Tenure	:	999 years commencing from 12 May 1828.
	Registered Proprietor	:	British and Malayan Trustees Limited
	Other Details	:	The registered subsidiary proprietor's share in the common property is 1,142/100,000 shares.
6.	**Town Planning**		
	Master Plan Zoning (2014 Edition)	:	Commercial

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7. The Subject Development

The Adelphi is located at the junction of Coleman Road and North Bridge Road, within the Central Business District and approximately 1 km from the city centre at Raffles Place. The immediate locality is commercial in nature comprising shopping centres and hotels. Prominent developments include Funan Centre, Peninsula Hotel/Plaza, St. Andrew's Cathedral and Raffles City. The City Hall MRT interchange is also within walking distance from the subject development.

The subject development accommodates car parking lots in the 4 basement levels; shop units from the 1st basement to the 4th storey; and offices from 5th to the 10th storey. The complex is served by escalators, lifts and staircases. The building is centrally air-conditioned and fire protection services provided include automatic fire sprinklers, hosereels and break-glass alarm system.

8. Accommodation and Finishes

Accommodation	Finishes	Others
Reception area	marble flooring and false ceiling with light fittings	built-in wall features
General office area	carpet flooring and suspended ceiling board with light fittings	-----
Conference room	carpet flooring and suspended ceiling board with light fittings	
Meeting room	carpet flooring and false ceiling with light fittings	built-in wall features
Partitioned offices	carpet flooring and false ceiling with light fittings	-----
Pantry	carpet flooring and suspended ceiling board with light fittings	built-high/low level cabinets
Store room	carpet flooring and suspended ceiling board with light fittings	-----
Server room	carpet flooring and suspended ceiling board with light fittings	-----
Air-con	-----	central

9. **Tenancy Details** : Owner-occupied as at the date of inspection.

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10.	**Other Details**	:	Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm whether the property is affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.
11.	**Basis of Valuation**	:	Our opinion of the market value of the subject property in its existing continued use is arrived at by direct comparison with recent transactions of comparable properties within the vicinity. Necessary adjustments have been made for differences in location, tenure, size, floor level, shape, design and layout, age and condition of buildings, availability of carparks, dates of transactions and the prevailing market conditions amongst other factors affecting its value.

12. **Valuation**

Having regard to all relevant information, we are of the opinion that the market value of the subject property as at 30 June 2016, with vacant possession and free from all encumbrances, is **S$9,500,000/- (Singapore Dollars Nine Million And Five Hundred Thousand).**

13. **Limiting Conditions**

Please see attached.

for and on behalf of
EDMUND TIE & COMPANY (SEA) PTE LTD

Poh Kwee Eng (Ms)
Executive Director
Head, Valuation Advisory
BSc (Est Mgt) FSISV, MRICS
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Associate Director
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Date : 10 August 2016
Our Ref : PKE:CWK:ao:1607102

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Exterior View of Subject Development



Exterior View of Subject Property

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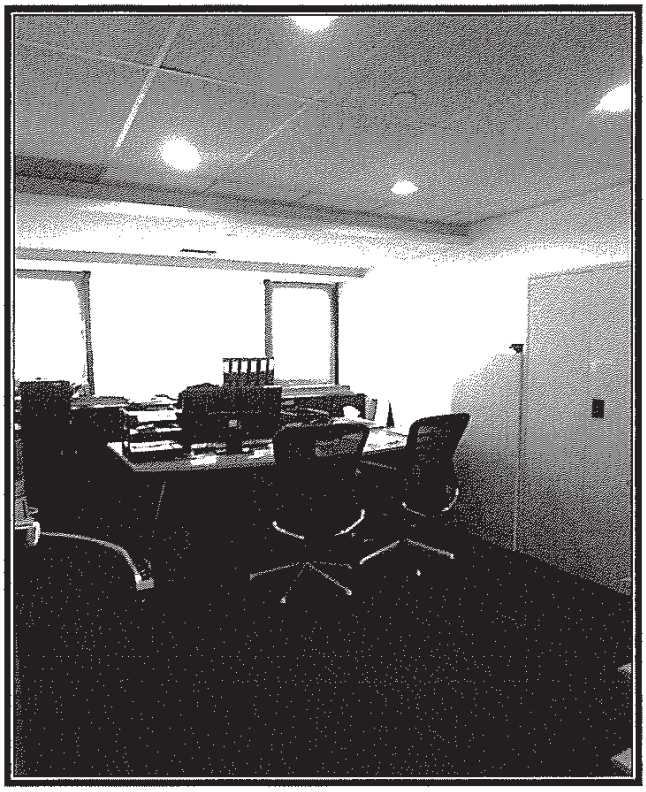


Reception Area

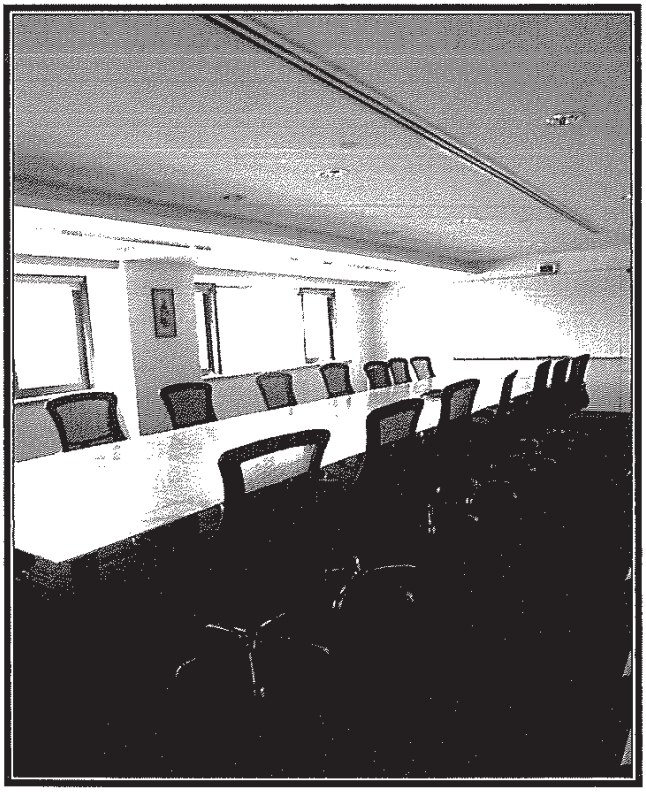


General Office Area

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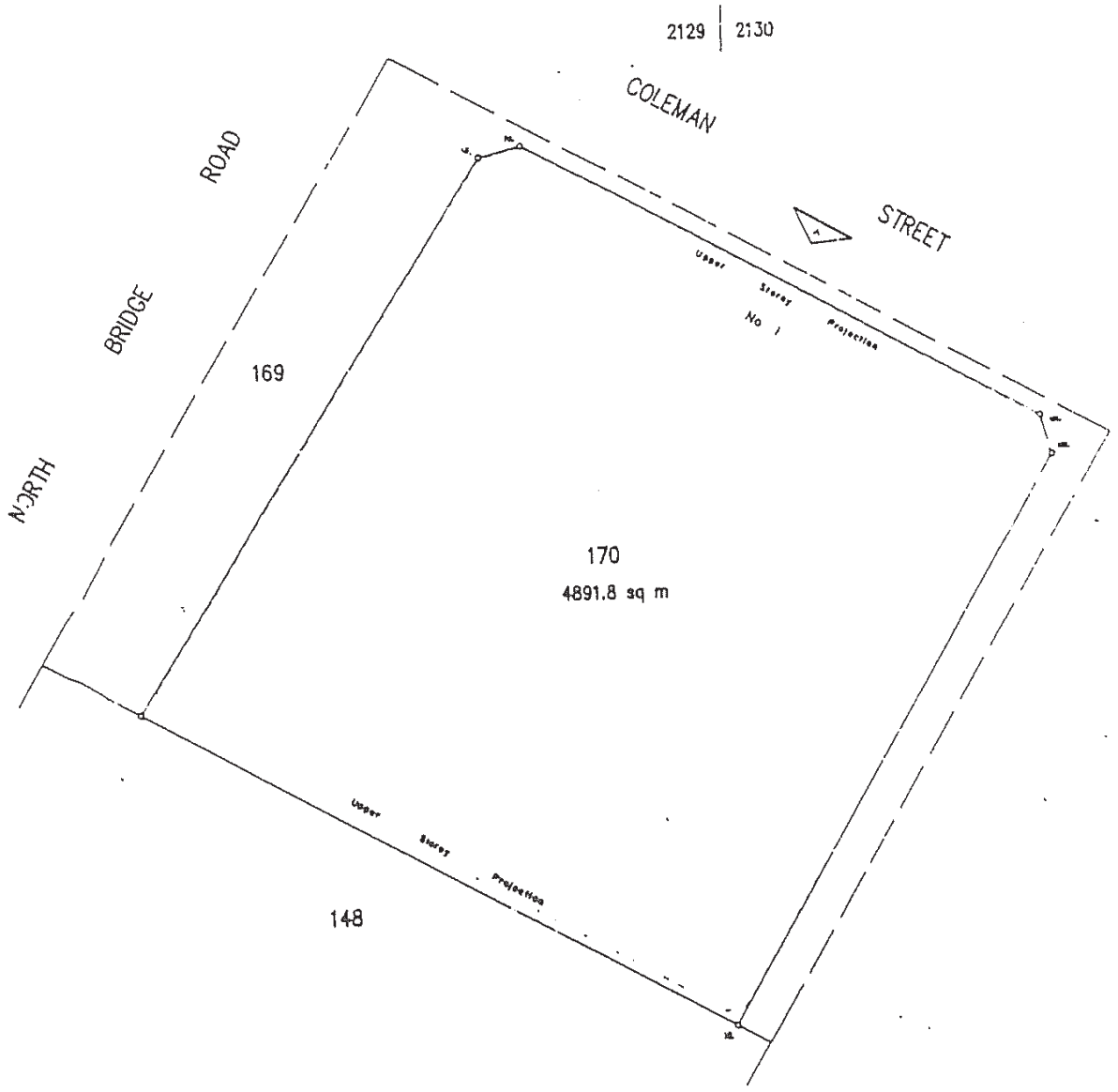


Partitioned Office



Meeting Room

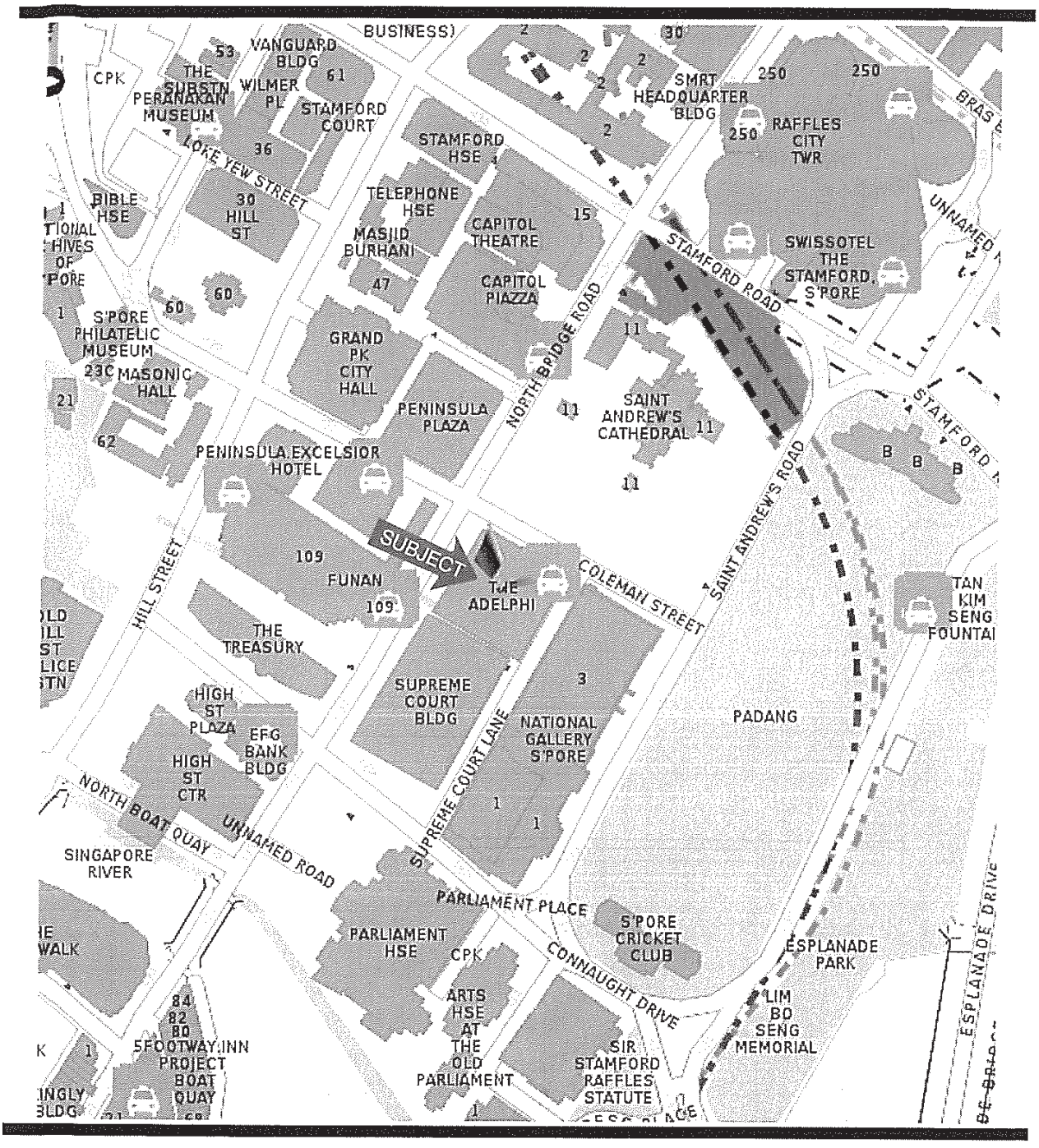
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SITE PLAN

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LOCATION PLAN