CIRCULAR DATED 11 DECEMBER 2017

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

This Circular is issued by Emerging Towns & Cities Singapore Ltd. (the "**Company**"). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the CDP, you should immediately forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form 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.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular. The issue of a listing and quotation notice in respect of the Consideration Shares (as defined herein) by the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition (as defined herein), the Company, its subsidiaries and their securities.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Nathaniel C.V., Registered Professional, RHT Capital Pte. Ltd. at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, telephone no. (65) 6381 6757.

ETC
EMERGING TOWNS & CITIES SINGAPORE LTD
新世界地产集团有限公司

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198003839Z)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

(I) THE PROPOSED ACQUISITION OF 320 SHARES REPRESENTING 8% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM ASIABIZ SERVICES LTD;

(II) THE PROPOSED ALLOTMENT AND ISSUE OF 37,940,000 CONSIDERATION SHARES AT AN ISSUE PRICE OF S$0.09 EACH TO ASIABIZ SERVICES LTD;

(III) THE PROPOSED ACQUISITION OF 360 SHARES REPRESENTING 9% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM D3 CAPITAL LIMITED; AND

(IV) THE PROPOSED ALLOTMENT AND ISSUE OF 94,850,000 CONSIDERATION SHARES AT AN ISSUE PRICE OF S$0.09 EACH TO D3 CAPITAL LIMITED.

Independent Financial Adviser in relation to the ASL Acquisition and D3 Acquisition as Interested Person Transactions

ASIAN CORPORATE ADVISORS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200310232R)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	23 December 2017 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	26 December 2017 at 9.30 a.m.
Place of Extraordinary General Meeting	:	55 Market Street #03-01 Singapore 048941

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CONTENTS

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

"2017 Shares"	:	The shares issued by the Company from 1 January 2017 to the Latest Practicable Date
"3Q2017"	:	The nine months ended 30 September 2017
"ASL"	:	Asiabiz Services Ltd
"ASL Acquisition"	:	The proposed acquisition by the Company of 320 shares representing 8% of the total issued and paid-up shares of the Target from ASL
"Associate"	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Audit Committee"	:	The audit committee of the Company
"Board"	:	The board of Directors of the Company
"Catalist"	:	The Catalist Board of the SGX-ST
"Catalist Rules"	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended up to the Latest Practicable Date
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 11 December 2017

"Company"** or **"ETC Singapore"	:	Emerging Towns & Cities Singapore Ltd.
"Companies Act"	:	Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time
"Consideration"	:	The aggregate consideration payable by the Company to the Vendors in relation to the Proposed Acquisition which comprises the Offset and the Consideration Shares
"Consideration Shares"	:	132,790,000 ordinary shares in the Company at the issue price of S$0.09 per share to be issued and allotted to the Vendors pursuant to the Proposed Acquisition
"Constitution"	:	The Constitution of the Company, as amended from time to time
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of all voting shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder); or (b) in fact exercises Control over the Company
"CPF"	:	Central Provident Fund
"DAS"	:	DAS Pte. Ltd.
"D3"	:	D3 Capital Limited
"D3 Acquisition"	:	The proposed acquisition by the Company of 360 shares representing 9% of the total issued and paid-up shares of the Target from D3
"Directors"	:	The directors of the Company as at the Latest Practicable Date and each a "**Director**"
"EGM"	:	The extraordinary general meeting of the Company to be held on 26 December 2017 at 55 Market Street #03-01, Singapore 048941 at 9.30 a.m.
"EPS"	:	Earnings per Share

"FY2016"	:	The financial year ended 31 December 2016
"GL"	:	Golden Land Real Estate Development Co. Ltd.
"Golden City Project"	:	The Golden City project located in Ward No. 3, KanBe, Yankin Township, Yangon Region, Myanmar
"Group"	:	The Company and its subsidiaries
"IFA"	:	Asian Corporate Advisors Pte. Ltd., the independent financial adviser appointed by the Company to advise (i) the Directors who are considered independent of the ASL Acquisition and the members of the Audit Committee in relation to the ASL Acquisition, and (ii) the Directors who are considered independent of the D3 Acquisition and the members of the Audit Committee in relation to the D3 Acquisition
"IFA Letter"	:	The letter from the IFA addressed to (i) the Directors who are considered independent of the ASL Acquisition and the members of the Audit Committee in relation to the ASL Acquisition, and (ii) the Directors who are considered independent of the D3 Acquisition and the members of the Audit Committee in relation to the D3 Acquisition as set out in Appendix I to this Circular
"Independent Valuer"	:	Colliers International Myanmar, the independent valuer appointed by the Company to value the Golden City Project for the purposes of the Proposed Acquisition
"Irrevocable Undertaking"	:	The irrevocable undertaking dated 31 August 2017 procured by the Company from LSD
"Latest Practicable Date"	:	28 November 2017, being the latest practicable date prior to the printing of this Circular
"LSD"	:	Mr Luo Shandong, the controlling shareholder of the Company
"Notice of EGM"	:	The notice of the EGM which is set out on pages 99 to 101 of this Circular
"NTA"	:	Net tangible assets
"Offset"	:	The offsetting of Units as part Consideration for the ASL Acquisition

"Outstanding Options"	:	The 16,000,000 options granted under The Cedar Strategic Holdings Ltd. Employee Share Option Scheme approved by the Shareholders at an extraordinary general meeting of the Company held on 21 August 2009 (each option carrying the right to subscribe for one (1) new Share in the capital of the Company at an exercise price of S$0.075 exercisable from the date falling 24 months after the date of the grant up till 17 May 2026) existing as at the Latest Practicable Date that were previously issued by the Company, the number and issue price of which have been adjusted pursuant to the completion of the Company's consolidation of every twenty-five (25) existing ordinary shares to one (1) consolidated share, fractional entitlements to be disregarded, as disclosed in the Company's announcement dated 5 December 2016
"Proposed Acquisition"	:	The proposed acquisition by the Company of the Purchased Shares
"Purchased Shares"	:	680 issued and paid-up shares (representing 17% of the equity interest) of the Target
"Register of Members"	:	Register of members of the Company
"RMB" *and* ***"fen"***	:	Renminbi and fen respectively, being the lawful currency of the People's Republic of China
"Securities Account"	:	A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a Depository Agent
"Securities and Futures Act"	:	Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SGXNET"	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Shareholders"	:	The registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
"Shares"	:	Issued and paid-up ordinary shares in the capital of the Company, and each a "**Share**"

"SPAs"	:	The sale and purchase agreements dated 5 September 2017 entered into between DAS and each of ASL and D3 in relation to the Proposed Acquisition, as amended and supplemented by the Supplemental Letters
"Sponsor"	:	RHT Capital Pte. Ltd.
"Substantial Shareholder"	:	A person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares
"Supplemental Letters"	:	The supplemental letters dated 16 November 2017 entered into between DAS and each of ASL and D3 in relation to the SPAs
*"**S$**" and "**cents**"*	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"Target"	:	Uni Global Power Pte. Ltd.
"Units"	:	Property unit(s) within the Golden City Project
*"**US$**" and "**cents**"*	:	United States dollars and cents respectively, being the lawful currency of the United States of America
"Valuation Letter"	:	The valuation letter issued by the Independent Valuer in relation to the valuation of the Golden City Project
"Vendors"	:	ASL and D3
*"**%**" or "**per cent.**"*	:	Per centum or percentage

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

The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and 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.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the Catalist Rules or any such statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

DEFINITIONS

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

Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that person.

EMERGING TOWNS & CITIES SINGAPORE LTD
新世界地产集团有限公司

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 198003839Z)

Board of Directors:

Christopher Chong Meng Tak *(Non-Executive Group Chairman/ Independent Director)*
Tan Thiam Hee *(Executive Director/Group Chief Executive Officer)*
Zhu Xiaolin *(Executive Director/Group President)*
Wong Pak Him Patrick *(Executive Director)*
Peter Tan *(Independent Director)*
Teo Cheng Kwee *(Non-Executive Director)*

Registered Office:

80 Raffles Place
#26-05 UOB Plaza 1
Singapore 048624

11 December 2017

To: The Shareholders of Emerging Towns & Cities Singapore Ltd.

Dear Sir/Madam

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

(I) THE PROPOSED ACQUISITION OF 320 SHARES REPRESENTING 8% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM ASIABIZ SERVICES LTD;

(II) THE PROPOSED ALLOTMENT AND ISSUE OF 37,940,000 CONSIDERATION SHARES AT AN ISSUE PRICE OF S$0.09 EACH TO ASIABIZ SERVICES LTD;

(III) THE PROPOSED ACQUISITION OF 360 SHARES REPRESENTING 9% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM D3 CAPITAL LIMITED; AND

(IV) THE PROPOSED ALLOTMENT AND ISSUE OF 94,850,000 CONSIDERATION SHARES AT AN ISSUE PRICE OF S$0.09 EACH TO D3 CAPITAL LIMITED.

1 INTRODUCTION

1.1 Extraordinary General Meeting

The Board is proposing to convene an EGM to seek Shareholders' approval in respect of:

(i) the proposed acquisition of 320 shares representing 8% of the total issued and paid-up shares of Uni Global Power Pte. Ltd. (the "**Target**") by the Company's wholly-owned subsidiary, DAS Pte. Ltd. ("**DAS**"), from Asiabiz Services Ltd ("**ASL**") (the "**ASL Acquisition**");

(ii) the proposed allotment and issue of 37,940,000 Consideration Shares at an issue price of S$0.09 each to ASL, as part satisfaction of the Consideration;

(iii) the proposed acquisition of 360 shares representing 9% of the total issued and paid-up shares of the Target by DAS from D3 Capital Limited ("**D3**") (the "**D3 Acquisition**"); and

(iv) the proposed allotment and issue of 94,850,000 Consideration Shares at an issue price of S$0.09 each to D3, as satisfaction of the Consideration.

1.2 Purpose of this Circular

1.2.1 The purpose of this Circular is to provide Shareholders with information pertaining to the aforementioned proposals to be tabled at the EGM and to seek Shareholders' approval in relation thereto at the EGM to be held at 55 Market Street #03-01, Singapore 048941 on 26 December 2017 (Tuesday) at 9.30 a.m. The Notice of EGM is set out on pages 99 to 101 of this Circular.

1.2.2 This Circular has been prepared solely for the purpose outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

1.2.3 **The Sponsor and the SGX-ST take no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.**

2 THE PROPOSED ACQUISITION

2.1 Background

On 6 September 2017, the Company announced that DAS had on 5 September 2017 entered into a sale and purchase agreement with each of ASL and D3 (collectively the "**Vendors**"), pursuant to which the Vendors have agreed to sell and DAS has agreed to purchase 680 issued and paid-up shares (representing 17% of the equity interest) (the "**Purchased Shares**") of the Target (the "**Proposed Acquisition**") and on 16 November 2017, the Company announced that DAS had entered into the Supplemental Letters with each of the Vendors. Please refer to the Company's announcement dated 16 November 2017 for details relating to the Supplemental Letters.

As at the Latest Practicable Date, the Company, through DAS, owns 70% of the entire issued and paid up share capital of the Target. Accordingly, if the ASL Acquisition, the D3 Acquisition and the allotment and issue of the Consideration Shares to the Vendors are approved by Shareholders, upon the completion of the Proposed Acquisition, the Company, through DAS, will own 87% of the entire issued and paid up share capital of the Target.

2.2 The Proposed ASL Acquisition and D3 Acquisition as Interested Person Transactions

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

For the purposes of Chapter 9 of the Catalist Rules:

(a) an "**entity at risk**" means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange, or an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(b) an "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

(c) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;

(d) an "**interested person**" means a director, chief executive officer, or controlling shareholder of a listed company, or an associate of such director, chief executive officer, or controlling shareholder;

(e) an "**associate**" in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means his immediate family (i.e., spouse, child, adopted child, stepchild, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An "associate" in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more; and

(f) an "**interested person transaction**" means a transaction between an entity at risk and an interested person and includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

2.2.1 Details of the Interested Persons

Mr Zhu Xiaolin

Mr Zhu Xiaolin is an executive director and Group President of the Company. He is the sole shareholder of ASL. In view of the foregoing, ASL is an associate of Mr Zhu Xiaolin and is an "interested person" under Chapter 9 of the Catalist Rules. Accordingly, the ASL Acquisition constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

Mr Teo Cheng Kwee

The shareholders of D3, which comprise Mr Desmond Teo Chek Lin ("**Mr Desmond Teo**"), Mr Teo Chek Hau Derek ("**Mr Derek Teo**") and Ms Teo Zhimei, Daphne ("**Ms Daphne Teo**"), are the children of Mr Teo Cheng Kwee, a non-executive director of the Company. The abovementioned immediate family members of Mr Teo Cheng Kwee hold in aggregate 100% shareholding interest in D3. In view of the foregoing, D3 is an associate of Mr Teo Cheng Kwee and is an "interested person" under Chapter 9 of the Catalist Rules. Accordingly, the D3 Acquisition constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

Please refer to paragraph 2.4.1 of this Circular for further information regarding the shareholders of ASL and D3.

2.2.2 **Shareholders' Approval pursuant to the Materiality Thresholds under Chapter 9 of the Catalist Rules**

In accordance with Rule 906(1)(a) and Rule 918 of the Catalist Rules, where the value of an interested person transaction, or when aggregated with other transactions entered into with the same interested person during the same financial year, is equal to or exceeds 5% of the Group's latest audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

The consideration payable under the ASL Acquisition (as detailed in paragraph 2.4.3(B) of this Circular) amounts to approximately S$7,588,000 representing approximately 8.1% of the Group's latest audited consolidated NTA of the Group for FY2016 which is approximately S$94.2 million as at 31 December 2016.

The consideration payable under the D3 Acquisition (as detailed in paragraph 2.4.3(B) of this Circular) amounts to approximately S$8,536,500 representing approximately 9.1% of the Group's latest audited consolidated NTA of the Group for FY2016 which is approximately S$94.2 million as at 31 December 2016.

As the consideration payable under each of the ASL Acquisition and the D3 Acquisition exceeds 5% of the Group's latest audited consolidated NTA of the Group for FY2016, pursuant to Rule 906 of the Catalist Rules, the ASL Acquisition and the D3 Acquisition constitute interested person transactions which are subject to the approval of the Shareholders. Accordingly, the Company is convening the EGM to seek Shareholders' approval for the ASL Acquisition and the D3 Acquisition.

Save for the ASL Acquisition and transactions less than S$100,000 in value, the Company has not entered into any interested person transaction with ASL, Mr Zhu Xiaolin and his associates for the period from 1 January 2017 to the Latest Practicable Date to which Rules 905 and/or 906 of the Catalist Rules would apply.

Save for the D3 Acquisition and transactions less than S$100,000 in value, the Company has not entered into any interested person transaction with D3, Mr Teo Cheng Kwee and his associates for the period from 1 January 2017 to the Latest Practicable Date to which Rules 905 and/or 906 of the Catalist Rules would apply.

2.3 Shareholders' Approval under Chapter 8 of the Catalist Rules

Rule 804 of the Catalist Rules provides that, except in the case of an issue made on a pro rata basis to Shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of shares unless independent shareholders have approved the specific allotment.

Rule 805 of the Catalist Rules provides that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares unless such issuance of shares is covered under a general mandate obtained from shareholders of the Company.

As (i) D3 is an associate of Mr Teo, a director of the Company, (ii) ASL is an associate of Mr Zhu, a director of the Company, and (iii) the allotment and issue of the Consideration Shares to D3 and ASL is not in reliance of the general mandate obtained from Shareholders at the annual general meeting of the Company on 26 April 2017, the allotment and issue of the Consideration Shares by the Company to D3 and ASL requires the approval of Shareholders under Section 161 of the Companies Act and Rules 804 and 805(1) of the Catalist Rules and is conditional upon the D3 Acquisition and the ASL Acquisition being approved by Shareholders at the EGM.

2.4 The Proposed Acquisition

2.4.1 **Information on the Vendors**

ASL

ASL is an investment holding company incorporated in British Virgin Islands in January 2011 with its principal place of business and registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. The sole shareholder of ASL is Mr Zhu Xiaolin.

Mr Zhu Xiaolin is currently an executive director and Group President of the Company, chief executive officer and director of the Target and chairman and director of GL. Mr Zhu Xiaolin graduated with a degree in economics from the Southwest University of Finance and Economics in Chengdu City, Sichuan Province, PRC, and is also a certified public accountant. He has worked in and held senior positions in various Fortune 500 companies, including Motorola Inc., Siemens AG, Sichuan New Hope Group Co., Ltd. and its subsidiaries, and Sichuan Chuanwei Group Co., Ltd. and its subsidiaries. Mr Zhu Xiaolin has led many companies which are listed on the Hong Kong Stock Exchange, most significantly, China Vanadium Titano-Magnetite Mining Company Limited, PRC's first iron ore company listed on the Hong Kong Stock Exchange. In March 2010, Mr Zhu Xiaolin set up China Polymetallic Mining Co., Ltd. and led the company through its successful listing on the Hong Kong Stock Exchange in December 2011.

As at the Latest Practicable Date, ASL owns 9% of the entire issued and paid up share capital of the Target. Assuming the completion of the ASL Acquisition, ASL will own 1% of the entire issued and paid up share capital of the Target.

D3

D3 is an investment holding company incorporated in British Virgin Islands in July 2011 with its principal place of business and registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Island. The shareholders of D3 are Mr Desmond Teo, Mr Derek Teo and Ms Daphne Teo.

Mr Desmond Teo is currently a captain flying for Singapore Airlines Cargo. Before starting his career as a pilot, he was working for IBM as a procurement specialist. Mr Desmond Teo graduated from the Faculty of Business Administration, National University of Singapore in 2000.

Mr Derek Teo is currently the President of a real estate development company based in the United States which buys land and develops homes for sale. Previously, Mr Derek Teo was the managing director of D3 and was responsible for leading investments and fund raising projects as well as managing the resource trading division. Prior to joining D3, he had spent more than 10 years working in various Fortune 500 companies in Singapore, United States and PRC.

Ms Daphne Teo is the chief investment officer of D3. D3 led the investment and founding of the Golden City Project. Overseeing D3's investment team, Ms Daphne Teo manages and monitors investment activity and works closely with the management of companies under the investment portfolio. Ms Daphne Teo currently also serves as a consultant focusing on business development and strategy. Ms Daphne Teo previously spent over 4 years in investment banking at HSBC and Goldman Sachs in Hong Kong and Singapore, where she worked extensively on major capital raising and mergers and acquisitions.

As at the Latest Practicable Date, D3 owns 9% of the entire issued and paid up share capital of the Target, which will be fully divested assuming the completion of the D3 Acquisition.

2.4.2 **Information on the Target**

The Target was incorporated in Singapore with its principal place of business and registered office at 80 Raffles Place, #26-05 UOB Plaza 1, Singapore 048624, and specialises in property development in emerging and frontier markets.

As at the Latest Practicable Date, the Company holds 100% of the entire issued and paid up share capital of DAS and DAS owns 70% of the entire issued and paid up share capital of the Target.

UGP holds 70% equity interest of GL (Company Registration Number 441FC of 2013-2014), a company incorporated in Myanmar and having its registered office at Olympic Hotel, National Swimming Pool Compound, U Wisara Road, Dagon Township, Yangon. GL owns the US$400 million (phases 1 and 2 and CMA Building only) Golden City Project, which is Myanmar's first foreign developed luxury mixed-use development and one of the leading real estate projects, with gross floor area of approximately 2.2 million square feet (phases 1 and 2 and CMA Building only) in the Yankin township of Yangon, Myanmar.

2.4.3 **Principal Terms of the Proposed Acquisition**

(A) Completion

The completion of the Proposed Acquisition shall take place within five (5) business days from the satisfaction of the Acquisition Conditions Precedent (as defined in paragraph 2.4.3(C) below).

(B) Consideration and Satisfaction of Consideration

The aggregate consideration payable by DAS for the Proposed Acquisition (the "**Consideration**") is US$11,900,000 (approximately S$16,124,500 based on the exchange rate of US$1.00: S$1.355 as at 5 September 2017, the day the SPAs were signed).

The Consideration shall be satisfied in the following manner:

(a) in respect of the ASL Acquisition, the amount of US$3,080,000 shall be satisfied by way of offsetting property unit(s) within the Golden City Project (each a "**Unit**" and collectively, the "**Units**") (the "**Offset**") within 24 months after the date of completion. The value of each Unit is to be based on the then prevailing market price of such Unit at the time and the choice of the Units to be offset shall be mutually agreed by DAS and ASL. For the avoidance of doubt, such Units may be acquired by ASL and/or its nominee(s);

(b) in respect of the ASL Acquisition and the D3 Acquisition, the aggregate amount of US$8,820,000 shall be satisfied by the procurement by DAS of the issuance by the Company of an aggregate of 132,790,000 ordinary shares in the Company at the issue price of S$0.09 per share to the Vendors (the "**Consideration Shares**").

The issue price represents a premium of approximately 13.1% to the volume weighted average price of S$0.0796 of the Company's Shares for trades done on SGX-ST on 4 September 2017, being the full market day on which trades were done for the Company's Shares on SGX-ST[1] before 5 September 2017, the day the SPAs were signed.

Note:

(1) There were no trades done for the Company's Shares on 5 September 2017, the day the SPAs were signed.

The Consideration Shares shall be issued in the following proportion:

Vendor	**Consideration Shares (ordinary shares)**
ASL	37,940,000
D3	94,850,000
Total	**132,790,000**

The Consideration was arrived at after arms' length negotiations, on a willing buyer willing seller basis, after taking into account, *inter alia*, the value of the Target as set out in paragraph 2.7.2 of this Circular.

The Company will announce the details of the Units once the choice of Units to be offset has been mutually agreed by DAS and ASL, as the details of such Units have not been determined as at the Latest Practicable Date. The prevailing market price of each Unit shall be based on the relevant price published in the Golden City Project's standard price list.

(C) Acquisition Conditions Precedent

The Vendors and DAS agree that the Proposed Acquisition shall be conditional upon the satisfaction and/or written waiver of the following conditions:

(i) completion of a valuation of GL by an independent internationally recognised valuer to the satisfaction of DAS (acting reasonably), and such valuer shall be mutually agreed between the Vendors and DAS and appointed by DAS;

(ii) approval of the Shareholders of the Company being obtained at the EGM for the Proposed Acquisition;

(iii) all necessary consents or approvals, if any, from third parties or governmental or regulatory bodies or competent authorities having jurisdiction over the Proposed Acquisition (including without limitation but only where required, by the Company's Sponsor, the SGX-ST and the relevant licensing authorities) and where any such consent or approval is subject to any conditions, such conditions being reasonably acceptable to the party on which they are imposed, and if such conditions are required to be fulfilled before completion of the Proposed Acquisition, such conditions being fulfilled before completion of the Proposed Acquisition, as the case may be, and such consents or approvals not being revoked or repealed on or before completion of the Proposed Acquisition, as the case may be; and

(iv) a listing and quotation notice for the listing and quotation of the Consideration Shares to be allotted and issued pursuant to the Proposed Acquisition on Catalist having been obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Vendors and DAS.

(collectively, the "**Acquisition Conditions Precedent**").

2.5 Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the Group's growth strategy that focuses on development and investment properties in emerging countries. Driven by the lack of quality supply, Yangon's luxury real estate market presently witnesses strong uptake in demand by the increasingly affluent locals. Given Yangon's rapid transformation into a key residential and commercial powerhouse, the Company anticipates that the valuation of the Golden City Project will continue to appreciate along with the surrounding area's growth. The Golden City Project has the potential to generate good development returns and yield.

As at the Latest Practicable Date, the Company holds 100% of the entire issued and paid up share capital of DAS and DAS owns 70% of the entire issued and paid up share capital of the Target. The Directors believe that the Proposed Acquisition is in the best interests of the Company, as it would allow the Company to increase its shareholding in the Target and enhance control over the Target. The Directors also believe that the Proposed Acquisition recognises the Golden City Project's importance to the Group as a key revenue generator both presently and in the future.

Further, as the Consideration will be substantially satisfied by the issue of the Consideration Shares, the Proposed Acquisition will strengthen the Company's balance sheet and will minimise impact on the cash flow of the Company.

2.6 Risks associated with the Proposed Acquisition

The Company's business focus is the development and investment of properties in emerging cities and as at the Latest Practicable Date, the Company holds 70% of the entire issued and paid up share capital of the Target through DAS. Accordingly, the Proposed Acquisition to acquire a further 17% equity interest in the Target would not result in a change in the risk profile of the Company. While there is no change in its risk profile, the Company wishes to highlight the risk factors associated with the Company's business in Myanmar.

The risks described below are not intended to be exhaustive. In addition to the risks described below, the Group could be affected by risks relating to the industry and countries in which the Group operates as well as economic, business, market and political risks. In addition, there may be additional risks not presently known to the Group, or that the Group currently deems immaterial, but which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

General Country and Political Risks associated with the Company's business in Myanmar

Political, economic and social instability in Myanmar

The Golden City Project is based in Myanmar, which has the potential to be politically and economically unstable. The previous governing military regime was succeeded by a civilian government. The new government has already implemented a number of political, economic and social reforms. However, there is no certainty that the reform will continue or be successful, and there is no certainty that the business and investment environment in Myanmar will continue to improve or be sustainable. Various parts of the country are also experiencing a rise in ethnic and sectarian tensions, which, if escalated further, could hamper investor confidence, economic potential, and growth and stability of the construction industry. Any unfavourable changes in the political, economic and social conditions of Myanmar, and the existence of conditions impacting upon safety and security, may also adversely affect the Group's business and operations in Myanmar.

Further, any changes in the political, economic and social policies of the Myanmar government may lead to changes in the laws and regulations or the interpretation and application of the same, as well as changes in the foreign exchange regulations, taxation and land ownership and development restrictions, which may adversely affect the Group's financial performance.

The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty

The Group's operations in Myanmar will be subject to the laws and regulations promulgated by the Myanmar legislature, and notifications and guidelines from various government authorities and bodies. These include the laws and regulations relating to labour (such as those dealing with subjects such as work hours, wages and overtime, minimum wage and workmen's compensation) and foreign ownership of land. The laws and regulations of Myanmar may be supplemented or otherwise modified by unofficial or internal guidelines and practices which exist but which are not documented or which are not generally available to the public or uniformly applied. Such guidelines and practices may not have been ruled upon by the courts or enacted by legislative bodies and may be subject to change without notice or adequate notice. There are also limited precedents on the interpretation, implementation or enforcement of Myanmar laws and regulations, and there is limited judicial review over administrative actions and decisions. Therefore, a high degree of uncertainty exists in connection with the application of existing laws and regulations to events, circumstances and conditions.

Myanmar laws and regulations are also undergoing extensive changes. Changes in the laws and regulations may however not adequately address shortcomings in the legal and regulatory regimes and even if they do, may not be successfully implemented or could be subjected to uncertainty and differences in application and interpretation. Further, changes in the laws may be unpredictable and may in some instances introduce conditions that will increase the costs of doing business in Myanmar and adversely affect the Group's financial performance.

While Myanmar adopts a mixed legal system of common law, civil law and customary law, governmental policies play an overriding role in the implementation of the laws. Furthermore, the application and administration of Myanmar laws and regulations may be subject to a certain degree of discretionary determination by the authorities and may differ in implementation across various regional governments and government authorities and bodies.

In any event, the resolution of commercial and investment disputes by domestic tribunals, either through the courts or arbitration proceedings, is, at present, limited. The experience of Myanmar courts with respect to commercial disputes is significantly limited. Myanmar enacted the Arbitration Law 2016 (Law 5/2016 – the Arbitration Law) to replace the Arbitration Act 1944, thus implementing the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958. Amongst other provisions, the Arbitration Law 2016 provides for enforcement of foreign arbitration awards in Myanmar, which may be refused by a court in the following circumstances:

(1) a party to the arbitration agreement was under some incapacity;

(2) the said agreement is not valid under the law to which the parties have subjected to it or, failing any indication thereon, under the law of the country where the award was made;

(3) the party against whom the award is invoked was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case;

(4) the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration;

(5) the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties or, failing such agreement, was not in accordance with the law of the country where the arbitration took place; or

(6) the award has not yet become binding on the parties or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.

Whilst Myanmar is also a party to the ASEAN Comprehensive Investment Agreement (2009), it is likewise unclear as yet how disputes covered by and the protections afforded under this agreement will be treated and resolved under Myanmar law or by the Myanmar courts.

Limited accessibility of publicly available information and statistics in Myanmar

Under the current business environment in Myanmar, it may be very difficult to obtain up-to-date information and statistics on other businesses in Myanmar that may be relevant to the Group in terms of, *inter alia*, business activities, geographical spread, track record, operating and financial leverage, liquidity, quality of earnings and accounting, economic outlook, growth statistics and other relevant data. As such it may be difficult for the Group to access the prospects and potential of any business opportunities available to the Group from time to time. Consequently, the investment and business decisions of the Group may not be in the future be based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the business and financial condition of the Group.

Foreign exchange control risks

In 2012, the Central Bank of Myanmar adopted a managed float for the Kyats after a 35-year fixed exchange rate regime. Although this policy shift is widely considered to be a positive development in the liberalisation of Myanmar's economy, the actual impact of such change is yet to be ascertained. Significant fluctuations of the Kyats against the US$ or the S$ could have a material adverse effect on the Group's operations and financial conditions and prospects.

The remittance of funds in and out of Myanmar is governed by the Foreign Exchange Management Law, 2012 and the implementing regulations being Notification No. 7/2014 and Criteria for Offshore Loan, published on the CBM website (collectively, "**FEML**"). Under FEML as it is applied in practice, the remittance of funds into Myanmar in the form of equity, working capital, or payments for trade or services are generally considered to be current account transfers and do not require approval of the Central Bank of Myanmar ("**CBM**").

However, capital account transfers into Myanmar require CBM approval, which includes offshore loans disbursed to Myanmar residents/companies. In order to apply for CBM approval for an offshore loan, the borrower must submit an application to CBM, which must include, amongst other things:

(1) cover page, addressed to CBM including a summary of the main points (lender, borrower, amount, interest rate – interest rate for intercompany loans generally cannot exceed 6-7% p.a., and third-party loans generally cannot exceed 13% p.a. as a matter of practice);

(2) repayment schedule;

(3) draft loan agreement;

(4) proof that the borrower has paid at least US$500,000 in equity into the company and that after the loan is disbursed, it will maintain a prescribed debt-to-equity ratio (in the Criteria for Offshore Loan, published on the CBM website, this is stated to be between 3:1 – 4:1, and we are aware that in practice, CBM will sometimes allow 5:1);

(5) if the borrower has a Myanmar Investment Commission ("**MIC**") permit, then it must establish that, of the equity proposed in the MIC proposal, 80% of that equity has been paid-in; and

(6) other miscellaneous documents, such as corporate documents and audited accounts.

In remitting funds outside of Myanmar, if the payment is current account, including payments for trade and services, CBM approval is not required, although the local bank has discretion to refer the matter to the CBM, and in practice, local banks often require a number of documents and information, sometimes making these transfers difficult.

If an offshore loan into Myanmar has been approved by CBM, then the repayment of that loan offshore should not require further CBM approval. However, if the actual repayment deviates from the repayment schedule approved by CBM in the first instance, then the local bank may refer to the matter to CBM, although this can usually be managed with the local bank.

Repatriation of dividends should not require CBM approval provided that the equity brought into Myanmar in the first instance was reported to CBM. In practice, local banks may require CBM approval before repatriating dividends, and will in any case require proof that dividends come from profits and that the company has paid all income tax on profits in that year, which would usually come in the form of the audited accounts of the company (for the year in which that profit is made) and tax clearance. If the company has a MIC permit or endorsement order, MIC approval will be required before the bank will repatriate dividends.

2.7 Key Financial Information on the Target

2.7.1 As at the Latest Practicable Date, the Target has an issued and paid-up share capital of US$4,000,000 divided into 4,000 ordinary shares. Based on the latest audited financial statements of the Target as at 31 December 2016, the book value and net tangible assets of the Target was approximately S$31.8 million and the book value and net tangible assets of the Target attributable to the Purchased Shares was approximately S$5.4 million.

2.7.2 The Company had commissioned the Independent Valuer, Colliers International Myanmar, to value the Target's sole project, the Golden City Project, for the purposes of the Proposed Acquisition.

According to a Valuation Letter issued by the Independent Valuer, the value of the Golden City Project as at 31 August 2017 is estimated to be approximately US$170.6 million (approximately S$229.6 million based on the exchange rate of US$1.00: S$1.3457 as at the Latest Practicable Date).

The Independent Valuer adopted the income approach (residual method) and market approach in arriving at the value of the Golden City Project. Please refer to the full text of the Valuation Letter set out in Appendix II to this Circular.

2.7.3 As the Company, through DAS, owns 70% of the entire issued and paid up share capital of the Target, the net profits* attributable to the Purchased Shares, before taking into account any associated costs and liabilities of the Proposed Acquisition, have been reflected in the audited consolidated financial statements of the Group for FY2016.

Assuming that the Proposed Acquisition was completed on 31 December 2016 and taking into account any associated costs and liabilities of the Proposed Acquisition (i.e. approximately S$0.2 million), the net loss* attributable to the Purchased Shares will be approximately S$0.2 million as the Target is an existing subsidiary of the Group with its results for 31 December 2016 being consolidated in the Group's results, thus, there will be no further impact on the net profit of the Group as at 31 December 2016 except for the additional associated costs and liabilities incurred for the Proposed Acquisition.

* "**net profits**" or "**net loss**" means profit or loss before income tax, non-controlling interests and extraordinary items.

2.8 Source of Funds

The Consideration for the ASL Acquisition will be fully satisfied by the Offset and the issue of Consideration Shares. The Consideration for the D3 Acquisition will be fully satisfied by the issue of the Consideration Shares.

2.9 Relative Figures computed on the bases set out in Rule 1006 and Applicability of Chapter 10 of the Catalist Rules

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition and based on the latest announced consolidated financial statements of the Group for 3Q2017 are as follows:

Rule 1006	Base	Relative figure computed in accordance with the bases set out in Rule 1006
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as there is no disposal of assets.
(b)	The net profits[1] attributable to the Proposed Acquisition, compared with the Group's net profits	– 8.5%[2]
(c)	The aggregate value of the consideration of US$11,900,000[3], compared with the Company's market capitalisation[4] of approximately S$76,588,488 based on the total number of issued shares excluding treasury shares	21.1%
(d)	The number of equity securities issued by the Company of 132,790,000 as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue of 962,166,934	13.8%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable.

Notes:

(1) "**net profits**" means profit or loss before income tax, non-controlling interests and extraordinary items.

(2) The relative figure for Rule 1006(b) in this instance is negative as there was a loss attributable to the Purchased Shares of approximately S$0.2 million arising from the associated transaction cost to be incurred for the Proposed Acquisition. The Target is an existing subsidiary of the Group with its net profit already being consolidated into the Group's latest announced consolidated financial statements for 3Q2017 whilst the Group posted a net profit of approximately S$2.3 million, based on the latest announced consolidated financial statements of the Group for 3Q2017.

(3) The aggregate value of the consideration of US$11,900,000 is equivalent to approximately S$16,124,500 based on the exchange rate of US$1.00: S$1.355 as at 5 September 2017, the day the SPAs were signed.

(4) "**market capitalisation**" is calculated by the number of shares of the Company (excluding treasury shares) multiplied by the volume weighted average price of S$0.0796 of the Company's Shares as at 4 September 2017, being the last trading day before 5 September 2017, the day the SPAs were signed.

The relative figure computed on the base set out in Rule 1006(b) of the Catalist Rules is a negative figure. Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed on the relevant bases set out in Rule 1006 is a negative figure, the Company is required, through its Sponsor, to consult with the SGX-ST on the applicability of Chapter 10 of the Catalist Rules. Notwithstanding the foregoing and having considered that the Company is seeking the approval of Shareholders for the D3 Acquisition and the ASL Acquisition as interested person transactions and the allotment and issue of the Consideration Shares by the Company to the Vendors, the Company is nonetheless seeking Shareholders' approval for the Proposed Acquisition at the EGM.

As the total value of the amount of US$3,080,000 comprised in the Offset does not exceed 5% of the Group's latest audited net tangible assets of approximately S$94.2 million as at 31 December 2016, the Offset is not subject to the approval of the Shareholders.

2.10 Financial Effects of the Proposed Acquisition

2.10.1 Bases and Assumptions

For the purposes of illustration only, the *pro forma* financial effects of the Proposed Acquisition taken as a whole are set out below. The *pro forma* financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2016 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Acquisition as the Company has, since its FY2016 audited consolidated financial statements, increased its issued share capital to approximately S$32,841,618 divided into 962,166,934 Shares as at the Latest Practicable Date. Accordingly, Shareholders should note that the following *pro forma* financial effects of the Proposed Acquisition have been calculated to take into consideration the enlarged share capital of the Company as mentioned above. The Group has translated its results and financial position into S$ starting from 1 January 2017 and the comparatives of the financial statements of the Company and of the Group was restated and presented in S$. Specifically, the assets and liabilities of the Company and of the Group as at 31 December 2016 were translated from RMB to S$ at the closing exchange rates as at 31 December 2016, while the income expense items of the Company and of the Group for the year ended 31 December 2016 were translated at the average rate during the said period.

2.10.2 Share Capital

The *pro forma* financial effects of the Proposed Acquisition on the share capital of the Company for FY2016 after adjusting for the shares issued by the Company from 1 January 2017 to the Latest Practicable Date (the "**2017 Shares**") are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Number of issued Shares	962,166,934	1,094,956,934
Amount of share capital (S$)	32,841,618	44,792,718

2.10.3 Net Tangible Assets ("**NTA**")

Assuming that the Proposed Acquisition was completed on 31 December 2016 and based on the Group's audited consolidated financial statements for FY2016 after adjusting for the 2017 Shares and disregarding any interest, revenue and/or return that may arise from the Proposed Acquisition, the *pro forma* financial effects of the Proposed Acquisition on the consolidated NTA of the Group are as follows:

	As at 31 December 2016	
	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA of the Group (S$'000)	94,187	94,187[(1)]
Number of Shares	962,166,934	1,094,956,934
NTA per share (cents)	9.79	8.60

Note:

(1) There is no change in the NTA of the Group as at 31 December 2016 before and after the Proposed Acquisition as the Proposed Acquisition is completed with minority shareholders of a subsidiary under common control via the issuance of Consideration Shares.

2.10.4 Earnings Per Share ("**EPS**")

Assuming that the Proposed Acquisition had been completed on 1 January 2016 and based on the Group's audited consolidated financial statements for FY2016 after adjusting for the 2017 Shares and disregarding any interest, revenue and/or return that may arise from the Proposed Acquisition, the *pro forma* financial effects of the Proposed Acquisition on the consolidated EPS of the Group are as follows:

	For FY2016	
	Before the Proposed Acquisition	**After the Proposed Acquisition**
Net profit attributable to Shareholders (S$'000)	13,545	16,328
Weighted Average Number of Shares	866,461,497	999,251,497
EPS per share (cents)	1.56	1.63

2.10.5 Gearing[(1)]

Assuming that the Proposed Acquisition had been completed on 31 December 2016 and based on the Group's audited consolidated financial statements for FY2016 after adjusting for the 2017 Shares and disregarding any interest, revenue and/or return that may arise from the Proposed Acquisition, the *pro forma* financial effects of the Proposed Acquisition on the gearing of the Group are as follows:

	As at 31 December 2016	
	Before the Proposed Acquisition	**After the Proposed Acquisition**
Total Debts (S$'000)	22,496	22,496
Total Equity (S$'000)	136,272	136,272
Gearing Ratio (times)	0.17	0.17

Note:

(1) Gearing is calculated based on the assumption that the convertible substantial shareholder loan owing to LSD has been converted into equity as at 31 December 2016.

2.11 Advice of the Independent Financial Adviser

Chapter 9 of the Catalist Rules provides that, where Shareholders' approval is required for an interested person transaction, the Circular must include an opinion from an independent financial adviser ("**IFA**") as to whether such transaction is on normal commercial terms and if it is prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, Asian Corporate Advisors Pte. Ltd. has been appointed as the IFA to advise:

(a) the Directors who are considered independent of the ASL Acquisition and the members of the Audit Committee of the Company as to whether the financial terms of the ASL Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and

(b) the Directors who are considered independent of the D3 Acquisition and the members of the Audit Committee of the Company as to whether the financial terms of the D3 Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

A copy of the letter dated 11 December 2017 from the IFA (the "**IFA Letter**"), containing its opinion in full, is set out in Appendix I to this Circular. Shareholders are advised to read the IFA Letter carefully and in its entirety. The advice of the IFA to (i) the Directors who are considered independent of the ASL Acquisition and the members of the Audit Committee in relation to the ASL Acquisition, and (ii) the Directors who are considered independent of the D3 Acquisition and the members of the Audit Committee in relation to the D3 Acquisition has been extracted from the IFA Letter and is reproduced in italics below:

"In summary, having regard to our analysis and the consideration in this Letter (including its limitations and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant conditions prevailing as at the Latest Practicable Date, and subject to our terms of reference, ***we are of the opinion that, notwithstanding the Proposed Acquisition may be less favourable than the DAS Acquisition in terms of the implied valuation multiples for both the Group and the Target, on balance, the ASL Acquisition and D3 Acquisition as IPTs are ON NORMAL COMMERCIAL TERMS, and NOT PREJUDICIAL to the interest of the Company and its Minority Shareholders****.*

We consider the financial terms of the ASL Acquisition and D3 Acquisition as IPTs to be, on balance, ***ON NORMAL COMMERCIAL TERMS****, from a financial point of view after factoring, inter alia, the following:*

(i) The Consideration for the D3 Acquisition will be satisfied entirely by the issuance of the Consideration Shares whilst the Consideration for the ASL Acquisition shall be satisfied by way of offsetting Unit(s) within the Golden City Project within 24 months after the date of completion and issuance of the Consideration Shares. As confirmed by the Directors, the Consideration for the Proposed Acquisitions and the GLRE Consideration is on the premise of the respective effective interest in GLRE and an "internal" valuation of GLRE of approximately US$100 million.

(ii) The Directors' representations and confirmations that the Consideration paid to the respective Vendors are in proportion to the respective equity interest in the Target and the structure of the Consideration is based on negotiations with respective Vendors (on a willing buyer willing seller basis) after taking into account their preferences and respective negotiations with the Company as well as the Company's requirements.

(iii) The Issue Price represents a premium of approximately 9.2% and 5.9% over the VWCP for the Shares for the 1 month period prior to the Announcement Date and the last transacted price for the Shares on the Last Trading Day. The Issue Price for the Proposed Acquisition is in line with both the GLRE Issue Price and the Red Roof Issue Price, which are non-Interested Person Transaction.

(iv) Fair comparison of the valuation of the Group as implied by the Issue Price with the valuation ratios of the Selected Comparable Companies – the valuation of the Group in terms of LTM EV/EBITDA and LTM PER, as implied by the Issue Price, is within the range of the Selected Comparable Companies although it appears to be less favourable than both the median and simple average of the Selected Comparable Companies. Meanwhile, the valuation of the Group in terms of P/NAV and P/NTA, as implied by the Issue Price and the Group's RNAV and RNTA, appear to be fairly comparable to the Selected Comparable Companies (higher than median but lower than simple average).

(v) Fair comparison (from the Company's perspective) of the Proposed Acquisition and the Selected IPT Acquisitions. The valuation of the Target in terms of P/NTA as implied by the Adjusted Consideration and the Target's RNTA is within the range, higher than the median but lower than the simple average for the Selected IPT Acquisition.

(vi) The Adjusted Consideration for D3 Acquisition represents a premium of approximately 26.2% over the Target's RNAV and/or RNTA attributable to the D3 Acquisition (or P/RNTA of 1.3 times), while the Adjusted Consideration for ASL Acquisition represents a premium of approximately 9.6% over the Target's RNAV and/or RNTA attributable to the ASL Acquisition (or P/RNTA of 1.1 times). These P/RNTA multiples look reasonable as compared to the median and simple average P/NTA for the Selected Myanmar Companies of approximately 1.5 times and 1.7 times.

We considered the financial terms of the ASL Acquisition and D3 Acquisition as an IPT to be ***NOT PREJUDICIAL*** *to the interest of the Company and its Minority Shareholders, from a financial point of view after factoring, inter alia, the following:*

(i) The potential financial effects of the Proposed Acquisition as outlined in Section 2.10 of the Circular. While the Proposed Acquisition will have a favourable effect on the Group's EPS and NTA attributable to the Shareholders per Share (after deducting non-controlling interest) as well as has no effect on the Group's financial position in terms of gearing. We also note that the Directors believe and consider the Proposed Acquisition to be in the interest of and beneficial to the Group for the reasons stated in the Section 2.5 of the Circular.

(ii) The Board's view that: (a) the Proposed Acquisition is in line with the Group's strategy that focuses on development and investment properties in emerging countries; (b) driven by the lack of quality supply, Yangon's luxury real estate market presently witnesses strong update in demand by the increasingly affluent locals; (c) given Yangon's rapid transformation into a key residential and commercial powerhouse; the Company anticipates that the valuation of the Golden City Project will continue to appreciate along with the surrounding area's growth; and (d) the Golden City Project has the potential to generate good development returns and yield.

(iii) The dilution impact on existing Independent Shareholders' interest which appears to be not significant.

(iv) The Directors' confirmation that as at the Latest Practicable Date, they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.

(v) It should be noted that cash is a valuable commodity in Myanmar and the D3 Acquisition as an IPT will be paid solely by the issuance of the Consideration Shares whilst the Consideration for the ASL Acquisition as an IPT shall be satisfied by way of offsetting Unit(s) within the Golden City Project within 24 months after the date of completion and issuance of the Consideration Shares, unlike the DAS Acquisition whereby the acquisition was completed via a mix of cash and Shares. Accordingly, the ASL Acquisition and D3 Acquisition as an IPT are accorded a higher valuation.

Furthermore, the Company has net borrowings (after deduction of the cash and cash equivalents) of approximately S$29.8 million as at 30 September 2017. In the event that the ASL Acquisition and D3 Acquisition as an IPT was acquired via cash, there would be greater dilution to the existing Shareholders as the Company would need to fund the ASL Acquisition and D3 Acquisition as an IPT via fund raising activities such as private placement, which would entail higher discount to the placees (as share placement are usually issued at discounts to market). In addition, there would be more risk and uncertainty to the Company as more time will be needed to source for investors who are willing to invest within a short span of time resulting in more time needed to complete the transaction, which could increase the transactional costs.

Recommendation

Based on our assessment of the financial terms of the ASL Acquisition and D3 Acquisition as IPTs as set out above, from a financial point of view, we advise the Non-Interested Directors and the Audit Committee to recommend that Independent ASL Shareholders and Independent D3 Shareholders vote in favour of the ASL Acquisition and D3 Acquisition to be proposed at the EGM respectively. We advise the Non-Interested Directors and the Audit Committee to highlight to Independent Shareholders the matters as stated in our Letter, including, inter alia, our limitation in analysis, evaluation, comments and opinion in this Letter is necessarily limited. We advise the Non-Interested Directors and the Audit Committee to recommend the Independent ASL Shareholders and Independent D3 Shareholders to exercise caution in their decision in voting in favour of or against the ASL Acquisition and D3 Acquisition respectively.

In performing our evaluation, we have not been provided with, and have not had access to, any financial projections or future plans or corporate actions (if any) of the Company or the Group or the Target. The opinion set forth herein is based solely on publicly available information and information provided by the Directors and Management and therefore does not reflect any projections or future financial performance of the Company or the Group or the Target after the completion of the Proposed Transactions and is based on the economic and market conditions prevailing as of the date of this opinion. Our advice is solely confined to our views on the ASL Acquisition and D3 Acquisition as IPTs.

Matters to highlight

We would also wish to highlight the following matters which may affect the decisions or actions of the Independent ASL Shareholders and Independent D3 Shareholders:

(1) The scope of our appointment does not require us to express, and we do not express and have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Target after the completion of the transactions stipulated in the Circular. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group or the Target and neither are we responsible for it. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the ASL Acquisition and the D3 Acquisition as IPTs or the other transactions or resolutions stipulated in the Circular (if any) or voting for or voting against the ASL Acquisition and the D3 Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or on the future financial performance of the Company or the Group or the Target or

the plans (if any) for each of them. Estimates or analysis or evaluation of the merits of the Company or the Group or the Target or the ASL Acquisition and the D3 Acquisition as IPTs, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

(2) Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment, investment properties and development properties) and the Target's assets and liabilities (including without limitation, property, plant and equipment, investment properties and development cost) or contracts entered into by the Group or Target and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Group or the Target save for the Colliers Valuation Report issued by the Independent Valuer. With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment, investment properties and development cost) including, inter alia the contracts or agreements that the Target or the Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

(3) The Directors confirmed that as at the Latest Practicable Date and save for matters disclosed in this Letter and the unaudited financial statements for the Group and the Target for 9M2017 and HY2018 respectively, there has been no material changes to the Group's and the Target assets and liabilities, financial position, condition and performance.

(4) The Directors' representation and confirmation that the Unauthorised Withdrawals are not expected to have any material impact to the Group's financial performance and position, including but not limited to the Group's NAV and/or NTA due to the reasons as stated in Paragraph 5.2 of this Letter, which are still applicable and have not changed as at the Latest Practicable Date.

Specific objectives

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular or individual needs and constraints of any individual Independent Shareholder. As each Independent ASL Shareholder and Independent D3 Shareholder or group of Independent Shareholders would have different investment objectives and profiles, we would advise the Non-Interested Directors and the Audit Committee to advise any individual Shareholder or group of Shareholders who may require specific advice in the context of investments in unlisted shares or his or their specific investment objectives or portfolio should consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately."

2.12 Audit Committee's Statement

Having considered, *inter alia*, the terms, rationale for and benefits of the ASL Acquisition and the D3 Acquisition, as well as the opinion and advice of the IFA on the ASL Acquisition and the D3 Acquisition, the Audit Committee concurs with the opinion of the IFA and is of the view that the ASL Acquisition and the D3 Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.13 Additional Listing Application

The Sponsor, on behalf of the Company, will be submitting an additional listing application to the SGX-ST for the listing of and quotation for the Consideration Shares on Catalist. An announcement will be made in due course to notify the Shareholders when the listing and quotation notice from the SGX-ST is obtained.

3 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	Shareholding (%)[1]	Number of Shares	Shareholding (%)[1]	Number of Shares	Shareholding (%)[1]
Director(s)						
Christopher Chong Meng Tak[2]	11,082,200	1.15	–	–	11,082,200	1.15
Tan Thiam Hee[3]	360,000	0.04	–	–	360,000	0.04
Zhu Xiaolin	20,000,000	2.08	30,469,600[4]	3.17	50,469,600	5.25
Wong Pak Him Patrick[5]	81,212,921	8.44	–	–	81,212,921	8.44
Peter Tan[6]	–	–	–	–	–	–
Teo Cheng Kwee[7]	59,281,760	6.16	–	–	59,281,760	6.16
Substantial Shareholder(s)						
Luo Shandong	149,410,864	15.53	22,878,532[8]	2.38	172,289,396	17.91
Zhang Xiang	89,000,000	9.25	–	–	89,000,000	9.25

Notes:

(1) Calculated based on 962,166,934 Shares in the capital of the Company.

(2) Mr Christopher Chong Meng Tak has interests in 2,000,000 Outstanding Options.

(3) Mr Tan Thiam Hee has interests in 5,000,000 Outstanding Options.

(4) Mr Zhu Xiaolin is deemed interested in 30,469,600 shares held by Phillip Securities Pte. Ltd. as his nominee.

(5) Mr Wong Pak Him Patrick has interests in 2,000,000 Outstanding Options.

(6) Mr Peter Tan has interests in 2,000,000 Outstanding Options.

(7) Mr Teo Cheng Kwee has interests in 2,000,000 Outstanding Options.

(8) Mr Luo Shandong is deemed interested in 22,878,532 shares held by Citibank Nominees Singapore Pte. Ltd. as his nominee.

3.2 Apart from the interests of Mr Zhu Xiaolin as disclosed in paragraph 2.2.1 of this Circular, none of the Company's directors or controlling shareholders or their associates has any interest, direct or indirect, in the proposed ASL Acquisition, other than through their respective shareholdings in the Company.

3.3 Apart from the interests of Mr Teo Cheng Kwee as disclosed in paragraph 2.2.1 of this Circular, none of the Company's directors or controlling shareholders or their associates has any interest, direct or indirect, in the proposed D3 Acquisition, other than through their respective shareholdings in the Company.

4 DIRECTORS' RECOMMENDATION

4.1 Proposed ASL Acquisition

After having considered, amongst other things, the rationale for the proposed ASL Acquisition and the proposed allotment and issue of Consideration Shares to ASL, the Directors (save for Mr Zhu Xiaolin who has abstained from making recommendations on the proposed ASL Acquisition and the proposed allotment and issue of Consideration Shares to ASL) are of the view that the proposed ASL Acquisition and proposed allotment and issue of Consideration Shares to ASL is in the best interests of the Company and the Shareholders. Accordingly, the Directors (save for Mr Zhu Xiaolin) recommend that the Shareholders vote in favour of the proposed ASL Acquisition and the proposed allotment and issue of Consideration Shares to ASL.

4.2 Proposed D3 Acquisition

After having considered, amongst other things, the rationale for the proposed D3 Acquisition and the proposed allotment and issue of Consideration Shares to D3, the Directors (save for Mr Teo Cheng Kwee who has abstained from making recommendations on the proposed D3 Acquisition and the proposed allotment and issue of Consideration Shares to D3) are of the view that the proposed D3 Acquisition and proposed allotment and issue of Consideration Shares to D3 is in the best interests of the Company and the Shareholders. Accordingly, the Directors (save for Mr Teo Cheng Kwee) recommend that the Shareholders vote in favour of the proposed D3 Acquisition and the proposed allotment and issue of Consideration Shares to D3.

4.3 In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

5 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 99 to 101 of this Circular, will be held at 55 Market Street #03-01, Singapore 048941 on 26 December 2017 (Tuesday) at 9.30 a.m., for the purpose of considering and, if thought fit, passing with or without modification the Resolutions set out in the Notice of EGM.

6 INTER-CONDITIONALITY

6.1 Shareholders should note that Ordinary Resolution 1 (Proposed ASL Acquisition) and 2 (Allotment and Issue of Consideration Shares to ASL) are inter-conditional upon each other. This means that:

(a) if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 would not be passed; and

(b) if Ordinary Resolution 1 is not passed, Ordinary Resolution 2 would not be passed.

6.2 Shareholders should note that Ordinary Resolution 3 (Proposed D3 Acquisition) and 4 (Allotment and Issue of Consideration Shares to D3) are inter-conditional upon each other. This means that:

(a) if Ordinary Resolution 4 is not passed, Ordinary Resolution 3 would not be passed; and

(b) if Ordinary Resolution 3 is not passed, Ordinary Resolution 4 would not be passed.

7 ACTION TO BE TAKEN BY THE SHAREHOLDERS

7.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624, not less than 72 hours before the time for holding the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy or proxies.

7.2 A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the EGM.

8 ABSTENTIONS FROM VOTING

8.1 Proposed ASL Acquisition and Allotment and Issue of Consideration Shares to ASL

Mr Zhu Xiaolin shall abstain, and shall procure his associates and nominees to abstain from voting in respect of each of their shareholdings in the Company on Ordinary Resolution 1 relating to the proposed ASL Acquisition and Ordinary Resolution 2 relating to the proposed allotment and issue of Consideration Shares to ASL.

Mr Zhu Xiaolin shall not, and shall procure his associates and nominees not to, accept appointments as proxies for voting at the EGM in respect of Ordinary Resolutions 1 and 2 unless specific instructions have been given in the proxy form on how the Shareholders wish their votes to be cast for the ordinary resolutions to be proposed at the EGM.

8.2 Proposed D3 Acquisition and Allotment and Issue of Consideration Shares to D3

Mr Teo Cheng Kwee shall abstain, and shall procure his associates and nominees to abstain from voting in respect of each of their shareholdings in the Company on Ordinary Resolution 3 relating to the proposed D3 Acquisition and Ordinary Resolution 4 relating to the proposed allotment and issue of Consideration Shares to D3.

Mr Teo Cheng Kwee shall not, and shall procure his associates and nominees not to, accept appointments as proxies for voting at the EGM in respect of Ordinary Resolutions 3 and 4 unless specific instructions have been given in the proxy form on how the Shareholders wish their votes to be cast for the ordinary resolutions to be proposed at the EGM.

9 IRREVOCABLE UNDERTAKING

The Company has procured the Irrevocable Undertaking from the controlling shareholder of the Company, LSD (who, as at the Latest Practicable Date, holds a direct interest of 149,410,864 Shares and a deemed interest of 22,878,532 Shares constituting approximately 15.53% and 2.38% respectively of the total number of Shares of the Company, and a total interest of 172,289,396 Shares constituting approximately 17.91% of the total number of Shares of the Company), that, *inter alia*:

(a) he shall, subject to any applicable laws, rules or regulations, vote or procure the voting of, all his shareholdings in the Company, whether held directly or directly, in favour of the Proposed Acquisition and/or any other corporate action that may be proposed to be undertaken by the Company in relation to any acquisition of beneficial interest in GL in order to procure the passing of the resolutions of Shareholders, if required, for and in connection with the Proposed Acquisition or any other corporate action that may be proposed to be undertaken by the Company in relation to any acquisition of beneficial interest in GL; and

(b) he shall not, directly or indirectly, for a period of one (1) calendar year from the date of the Irrevocable Undertaking:

   (i) offer;

   (ii) sell, transfer, give or otherwise dispose of (other than in accordance with the Irrevocable Undertaking or with the prior written consent of the Company);

   (iii) grant any option, right or warrant to purchase in respect of;

   (iv) charge, mortgage, pledge or otherwise create any liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever over; or

   (v) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of,

   all or any of his shares in the capital of the Company or any interest therein (or enter into any agreement with a view to effecting any of the foregoing).

10 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed ASL Acquisition, D3 Acquisition and the proposed allotment and issue of Consideration Shares to the Vendors, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

11 CONSENTS

11.1 The IFA, Asian Corporate Advisors Pte. Ltd.

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

11.2 The Independent Valuer, Colliers International Myanmar

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name, the Valuation Letter and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

12 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

(a) the SPAs and the Supplemental Letters;

(b) the Irrevocable Undertaking;

(c) the IFA Letter;

(d) the letter of consent from the IFA, referred to in paragraph 11.1 of this Circular;

(e) the Valuation Letter;

(f) the letter of consent from the Independent Valuer, referred to in paragraph 11.2 of this Circular;

(g) the Constitution; and

(h) the annual report of the Company for FY2016.

Yours faithfully
For and on behalf of the Board of Directors of
EMERGING TOWNS & CITIES SINGAPORE LTD.

Christopher Chong Meng Tak
Non-Executive Group Chairman

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE NON-INTERESTED DIRECTORS AND THE AUDIT COMMITTEE OF EMERGING TOWNS & CITIES SINGAPORE LTD.

ASIAN CORPORATE ADVISORS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200310232R)

160 Robinson Road #21-05
SBF Center
Singapore 068914

The Non-Interested Directors and the Audit Committee
Emerging Towns & Cities Singapore Ltd.
80 Raffles Place #26-05
UOB Plaza 1
Singapore 048624

11 December 2017

THE PROPOSED ACQUISITION OF 320 SHARES REPRESENTING 8% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM ASIABIZ SERVICES LTD; AND

THE PROPOSED ACQUISITION OF 360 SHARES REPRESENTING 9% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM D3 CAPITAL LIMITED.

Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the Circular (as defined below).

1. INTRODUCTION

On 6 September 2017 (the "**Announcement Date**"), Emerging Towns & Cities Singapore Ltd. (the "**Company**" or "**ETC**") announced ("**Announcement**") that the Company's wholly-owned subsidiary, DAS Pte. Ltd. ("**DAS**") had on 5 September 2017 entered into sale and purchase agreements (each a "**SPA**" and collectively the "**SPAs**") with each of Asiabiz Services Ltd ("**ASL**") and D3 Capital Limited ("**D3**") (each a "**Vendor**" and collectively the "**Vendors**"), pursuant to which the Vendors have agreed to sell and DAS has agreed to purchase an aggregate of 680 issued and paid-up shares (the "**Purchased Shares**"), representing approximately 17% of the equity interest of Uni Global Power Pte. Ltd. (the "**Target**"). The proposed acquisition of 680 shares representing 17% of the total issued and paid-up shares of the Target by the Company ("**Proposed Acquisition**"), comprises both an acquisition of 320 shares representing 8% of the total issued and paid-up shares of the Target from ASL ("**ASL Acquisition**") and an acquisition of 360 shares representing 9% of the total issued and paid-up shares of the Target from D3 ("**D3 Acquisition**").

On 16 November 2017, the Company announced that DAS had entered into supplemental letters dated 16 November 2017 entered into between DAS and each of ASL and D3 in relation to the SPAs (the "**Supplemental Letters**") with each of the Vendors. Please refer to the Company's announcement dated 16 November 2017 for details relating to the Supplemental Letters.

It is noted from the circular dated 11 December 2017 ("**Circular**") issued by the Company to the registered holders ("**Shareholders**") of the ordinary shares in the capital of the Company ("**Shares**") that as at 28 November 2017 (the "**Latest Practicable Date**"), the sole shareholder of ASL is Mr Zhu Xiaolin ("**Mr Zhu**"), who is an executive director and Group President of the Company. The shareholders of D3, which comprise Mr Desmond Teo Chek Lin, Mr Derek Teo Chek Hau and Ms Daphne Teo Zhimei, are the children of Mr Teo Cheng Kwee ("**Mr Teo**"), a non-executive director of the Company. The abovementioned immediate family members of Mr Teo hold an aggregate 100% shareholding interest in D3.

In view of the foregoing, ASL is an associate of Mr Zhu whilst D3 is an associate of Mr Teo; and each of Mr Zhu and Mr Teo is an "interested person" under Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")("**Catalist Rules**"). Accordingly, the ASL Acquisition and the D3 Acquisition constitutes "interested person transactions" ("**Interested Person Transactions**" or "**IPTs**") under Chapter 9 of the Catalist Rules.

Asian Corporate Advisors Pte. Ltd. ("**ACA**") has been appointed as an independent financial adviser ("**IFA**") to advise the directors of the Company ("**Directors**") who are considered independent (the "**Non-Interested Directors**") for each of the ASL Acquisition and the D3 Acquisition and the members of the audit committee of the Company ("**Audit Committee**"), as to whether the financial terms for each of the ASL Acquisition and the D3 Acquisition as an IPT, are on normal commercial terms and are not prejudicial to the interests of the Company and minority Shareholders of the Company ("**Minority Shareholders**"), for the purposes of making a recommendation to Independent ASL Shareholders and Independent D3 Shareholders (both defined below) in respect of the Proposed Acquisition. As at the Latest Practicable Date, the Non-Interested Directors are Messrs. Christopher Chong Meng Tak, Tan Thiam Hee, Wong Pak Him Patrick, Peter Tan, Mr Teo (deemed as independent in the context of the ASL Acquisition) and Mr Zhu (deemed as independent in the context of the D3 Acquisition). As at the Latest Practicable Date, the members of the Audit Committee are Messrs. Peter Tan, Christopher Chong Meng Tak and Mr Teo.

This letter ("**Letter**" or "**IFA Letter**") sets out, *inter alia*, our views and evaluation of the ASL Acquisition and the D3 Acquisition as Interested Person Transactions which have been proposed as separate ordinary resolutions in the notice of the extraordinary general meeting ("**EGM**") of the Company as set out in the Circular, which is subject to the approval of Shareholders other than the interested parties and their associates for the ASL Acquisition ("**Independent ASL Shareholders**") and Shareholders other than the interested parties and their associates for the D3 Acquisition ("**Independent D3 Shareholders**") respectively. It forms part of the Circular providing, *inter alia*, the details of the ASL Acquisition and the D3 Acquisition. Unless otherwise defined or where the context otherwise requires, the definitions used in the Circular shall apply throughout this Letter. Certain of the figures and computations as enumerated or set out in this letter are based on approximations and its accuracy is subject to rounding.

2. TERMS OF REFERENCE

ACA has been appointed by the Company to advise the Audit Committee and the Non-Interested Directors with respect to the ASL Acquisition and the D3 Acquisition, being IPTs under Chapter 9 of the Catalist Rules. We were neither a party to the negotiations entered into by the Company in relation to the ASL Acquisition and the D3 Acquisition as IPTs, nor were we involved in the deliberation leading up to the decision on the part of the Directors to enter into the relevant proposed acquisitions. We do not, by this Letter or otherwise, advise or form any judgment on the merits of the transactions contemplated in the Circular (the "**Proposed Transactions**") for the Company and its subsidiaries (the "**Group**") or the possibilities or feasibilities of the completion of the Proposed Acquisition or the ASL Acquisition or the D3 Acquisition or the timing on when the Proposed Acquisition or the ASL Acquisition or the D3 Acquisition can be completed or whether there are alternative transactions available other than to form an opinion, strictly and solely on the bases set out herein on whether the financial terms of the ASL Acquisition and the D3 Acquisition as IPTs (pursuant to Chapter 9 of the Catalist Rules) are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

We have confined our evaluation strictly and solely on the financial terms for the ASL Acquisition and the D3 Acquisition as IPTs and have not taken into account the legal or commercial financial or operational or compliance or political or foreign exchange risks and/or merits (if any) of or the timing for the ASL Acquisition and the D3 Acquisition or Proposed Transactions contemplated in the Circular including the structuring or inter-conditionality (if applicable) of the ASL Acquisition and the D3 Acquisition as IPTs or the validity of any resolution or its feasibility. It is not within our scope to opine on the future financial performance or position of the Company or the Group or the Target or the possible change in risk profile and returns subsequent to the ASL Acquisition and the D3 Acquisition or the possibility or probability that the Group or the Target can improve their profitability or that the anticipated benefits from the ASL Acquisition and the D3 Acquisition can be realised (as the case may be) or the prices at which the Shares would trade after the completion of the Proposed Transactions or the viability, profitability and risks of the ASL Acquisition and the D3 Acquisition or the profitability and risks related to the Target's business operations.

In addition, our scope does not require us to opine on the ability of the Group or the Target to service its borrowings (both principal and interest payment) when it falls due or to pay the lease payment in connection with the Golden City Project (defined later) when it falls due or the adequacy of the working capital or the ability to continue as a going concern of the Group or the Target, or the future financial performance or position of the Company, the Group or the Target subsequent to the Proposed Acquisition or the ASL Acquisition or the D3 Acquisition as IPTs or the possibility or probability that the Group can improve their profitability or that the anticipated benefits from the ASL Acquisition and the D3 Acquisition can be realised (as the case may be). Such evaluation or comment remains the responsibility of the Directors and management ("**Management**") of the Company although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in this Letter.

In the course of our evaluation, we have held discussions with certain Directors and Management on, *inter alia*, regarding their assessment of the rationale for the ASL Acquisition and D3 Acquisition, and have examined publicly available information collated by us including the audited financial statements as well as information including material information or developments pertaining to the Company, the Group or the Target where applicable (both written and verbal), provided to us by the Directors and Management and professional advisers of the Company, including its consultants or advisers or solicitors or auditors. We have not independently verified such information but have made such enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the accuracy or reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy or completeness or adequacy of such information or the manner it has been classified or presented or the basis of any valuations.

We have relied upon the assurance of the Directors and Management that all statements of fact, belief, opinion and intention made by the Directors and the Management in the Circular as well as their announcements for the financial results have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty, expressed and implied, is made and no responsibility is accepted by us concerning the accuracy or completeness or adequacy of such information or statements of facts or belief or opinion or intention.

Our evaluation is based solely on publicly available information and other information provided by the Company as well as the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after the financial statements for the nine-months period ended 30 September 2017 ("**9M2017**") for the Group and where applicable the six-months period ended 30 September 2017 ("**HY2018**") or such other periods for the Target. Furthermore we have also reviewed the circular dated 3 February 2017, wherein our letter, in our capacity as an independent financial adviser, to the non-interested shareholders and the audit committee of the Company was enclosed. The scope of our appointment does not require us to express, and we do not express and have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Target after the completion of the transactions stipulated in the Circular. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group or the Target and neither are we responsible for it. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the ASL Acquisition and the D3 Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or voting for or voting against the ASL Acquisition and the D3 Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or on the future financial performance of the Company or the Group or the Target or the plans (if any) for each of them. Estimates or analysis or evaluation of the merits of the Company or the Group or the Target or the ASL Acquisition and the D3 Acquisition as IPTs, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

Our opinion in this Letter is based on economic, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as of the Latest Practicable Date. Accordingly, the bases or assumptions and likewise our views or opinion or recommendation may and do change in the light of these developments which, *inter alia*, include general as well as company specific or industry specific conditions or sentiments or factors. Non-Interested Directors and the Audit Committee (as well as Independent ASL Shareholders and Independent D3 Shareholders who would be receiving the Circular and this Letter enclosed with the Circular) should note that our evaluation is based solely on publicly available and other information provided by the Company and the Directors as well as those disclosed in the Circular, the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after the relevant financial period or financial year end for the Company or the Group or the Target or developments both macro and company specific and that these factors do and will necessarily affect the evaluation of the ASL Acquisition and the D3 Acquisition as IPTs and our recommendation or opinion or views. Likewise, this Letter outlines some of the matters or bases or factors or assumptions which we have used in our assessment and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in our assessment.

The Directors have jointly and severally accepted full responsibility, as set out in the Circular, for the truth, accuracy and completeness of the information and representations as provided and contained therein. The Directors have, to their best knowledge, confirmed to ACA that all material information including but not limited to plans or prospects or proposals or rationale involving the Company or the Group or the Target or the ASL Acquisition or the D3 Acquisition stipulated in the Circular or issue or changes to its capital structure, available to them and the Management in connection with the ASL Acquisition and the D3 Acquisition has been disclosed to ACA and included in the Circular, that such information is true, complete and accurate in all material respects and that there is no other information or fact including the expected future performance or future growth prospects or plans of the Company or the Group, the omission of which would result in the facts stated and the opinions expressed by the Directors in the Circular to be untrue, inaccurate or incomplete in any respect or misleading. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by ACA concerning the truth, accuracy, completeness or adequacy of such information or facts.

Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment, investment properties and development properties) and the Target's assets and liabilities (including without limitation, property, plant and equipment, investment properties and development cost) or contracts entered into by the Group or Target and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Group or the Target save for the valuation report dated 27 November 2017 ("**Golden City Valuation Report**") issued by Colliers International Myanmar ("**Colliers**" or the "**Independent Valuer**") in respect of the market value of the Group's selected investment properties, development properties and property, plant and equipment in connection with the Golden City Project ("**Revalued Assets**") as at 31 August 2017 ("**Valuation Date**").

With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment, investment properties and development cost) including *inter alia* the contracts or agreements that the Target or the Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment. Directors and Management have confirmed that for the purposes of the ASL Acquisition and the D3 Acquisition or Proposed Transaction(s), they have commissioned the Independent Valuer to determine the market value of the Group's Revalued Assets and are satisfied with *inter alia* the bases, assumptions and methodology as adopted by the Independent Valuer as well as the selection of the Revalued Assets for valuation.

The Directors are of the opinion that, save for the Revalued Assets, the values of the assets and liabilities as well as the financial performance or condition of the Group and the Target as reflected in the unaudited financial statements for the Group and the Target as at 30 September 2017 are true and fair. The Directors have also confirmed that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for 9M2017 for the Group and unaudited consolidated financial statements for HY2018 for the Target to be false or misleading in any material aspect. In addition, the Directors confirmed that to the best of their knowledge and belief, such information is true, complete and accurate in all respects and that there is no other information or fact *inter alia* the valuation or appraisal of assets and liabilities including, *inter alia* the contracts or agreements that the Group has embarked upon or are about to embark upon, the omission of which would render those statements or information or our analysis for which it is based on to be untrue, inaccurate, incomplete or misleading. Our views, opinion and recommendations are thus limited and subject to these matters as well as others mentioned in the Letter.

The Directors further confirmed that as at the Latest Practicable Date and save for matters disclosed in this Letter and the unaudited financial statements for the Group and the Target for 9M2017 and HY2018 respectively, there has been no material changes to the Group's and the Target's assets and liabilities, financial position, condition and performance.

In rendering our opinion and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Independent ASL Shareholder or Independent D3 Shareholder. As different Independent ASL Shareholders and Independent D3 Shareholders would have different investment profiles and objectives, we would advise the Non-Interested Directors and the Audit Committee to recommend that any individual

Independent ASL Shareholder or Independent D3 Shareholder who may require advice in the context of his specific investment portfolio, including his investment in the Company, consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Letter on the ASL Acquisition or the D3 Acquisition as IPTs or the Company or the Group or the Target or the Shares which we used or may have used may differ from the relative emphasis accorded by any individual Independent ASL Shareholder or individual Independent D3 Shareholder or Non-Interested Directors and the Audit Committee, and as such the Non-Interested Directors and the Audit Committee are advised to highlight to Independent ASL Shareholders and Independent D3 Shareholders as well as note for themselves that any reliance on our opinion or view or assessment, is subject to the contents of this Letter in its entirety. In addition, ACA will not be responsible or required to provide an updated assessment or opinion or views on the ASL Acquisition or the D3 Acquisition as IPTs or its recommendation, following the date of the issue of this Letter.

This Letter is addressed to the Non-Interested Directors and the Audit Committee in connection with and for the sole purposes of their evaluation of the financial terms of the ASL Acquisition or the D3 Acquisition as IPTs. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor Shareholders, may reproduce, disseminate or quote from this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case, except that the Company and the Directors and the Shareholders may reproduce, disseminate or quote the IFA Letter for the sole purpose of the ASL Acquisition or the D3 Acquisition as IPTs and/or at the fprthcoming EGM. In addition, any references to our Letter or opinion or views or recommendation, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of this Letter in its entirety, *inter alia*, the matters, conditions, assumptions, limitations, factors and bases as well as our terms of reference for this Letter.

3. THE PROPOSED ACQUISITION

3.1. Principal Terms of the Proposed Acquisition

The principal terms of the Proposed Acquisition can be found in Paragraph 2.4.3 of the Circular. A summary of the salient terms of the Proposed Acquisition is presented in this Letter. The principal terms of the Proposed Acquisition have been extracted from the Circular and are set out in italics below. We recommend that Independent ASL Shareholders and Independent D3 Shareholders read those pages of the Circular carefully. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

*"**2.4.3 Principal Terms of the Proposed Acquisition***

(A) *Completion*

The completion of the Proposed Acquisition shall take place within five (5) business days from the satisfaction of the Acquisition Conditions Precedent (as defined in paragraph 2.4.3(C) below).

(B) *Consideration and Satisfaction of Consideration*

*The aggregate consideration payable by DAS for the Proposed Acquisition (the "**Consideration**") is US$11,900,000 (approximately S$16,124,500 based on the exchange rate of US$1.00: S$1.355 as at 5 September 2017, the day the SPAs were signed).*

The Consideration shall be satisfied in the following manner:

(a) *in respect of the ASL Acquisition, the amount of US$3,080,000 shall be satisfied by way of offsetting property unit(s) within the Golden City Project (each a "**Unit**" and collectively, the "**Units**") (the "**Offset**") within 24 months after the date of completion. The value of each Unit is to be based on the then prevailing market price of such Unit at the time and the choice of the Units to be offset shall be mutually agreed by DAS and ASL. For the avoidance of doubt, such Units may be acquired by ASL and/or its nominee(s);*

(b) *in respect of the ASL Acquisition and the D3 Acquisition, the aggregate amount of US$8,820,000 shall be satisfied by the procurement by DAS of the issuance by the Company of an aggregate of 132,790,000 ordinary shares in the Company at the issue price of S$0.09 per share to the Vendors (the "**Consideration Shares**").*

The issue price represents a premium of approximately 13.1% to the volume weighted average price of S$0.0796 of the Company's Shares for trades done on SGX-ST on 4 September 2017, being the full market day on which trades were done for the Company's Shares on SGX-ST(1) before 5 September 2017, the day the SPAs were signed.

Note:

(1) *There were no trades done for the Company's Shares on 5 September 2017, the day the SPAs were signed.*

The Consideration Shares shall be issued in the following proportion:

Vendor	***Consideration Shares (ordinary shares)***
ASL	*37,940,000*
D3	*94,850,000*
Total	***132,790,000***

The Consideration was arrived at after arms' length negotiations, on a willing buyer willing seller basis, after taking into account, inter alia, the value of the Target as set out in paragraph 2.7.2 of this Circular.

The Company will announce the details of the Units once the choice of Units to be offset has been mutually agreed by DAS and ASL, as the details of such Units have not been determined as at the Latest Practicable Date. The prevailing market price of each Unit shall be based on the relevant price published in the Golden City Project's standard price list.

(C) *Acquisition Conditions Precedent*

The Vendors and DAS agree that the Proposed Acquisition shall be conditional upon the satisfaction and/or written waiver of the following conditions:

(i) *completion of a valuation of GL by an independent internationally recognised valuer to the satisfaction of DAS (acting reasonably), and such valuer shall be mutually agreed between the Vendors and DAS and appointed by DAS;*

(ii) *approval of the Shareholders of the Company being obtained at the EGM for the Proposed Acquisition;*

(iii) *all necessary consents or approvals, if any, from third parties or governmental or regulatory bodies or competent authorities having jurisdiction over the Proposed Acquisition (including without limitation but only where required, by the Company's Sponsor, the SGX-ST and the relevant licensing authorities) and where any such consent or approval is subject to any conditions, such conditions being reasonably acceptable to the party on which they are imposed, and if such conditions are required to be fulfilled before completion of the Proposed Acquisition, such conditions being fulfilled before completion of the Proposed Acquisition, as the case may be, and such consents or approvals not being revoked or repealed on or before completion of the Proposed Acquisition, as the case may be; and*

(iv) *a listing and quotation notice for the listing and quotation of the Consideration Shares to* *be allotted and issued pursuant to the Proposed Acquisition on Catalist having been obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Vendors and DAS.*

*(collectively, the "**Acquisition Conditions Precedent**")."*

3.2. Proposed Acquisition as IPTs

We note from Paragraph 2.2.2 of the Circular that in accordance with Rule 906(1)(a) and Rule 918 of the Catalist Rules, where the value of an IPT, or when aggregated with other transactions entered into with the same interested person during the same financial year, is equal to or exceeds 5% of the Group's latest audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

The aggregate consideration ("**Consideration**") payable by the Company to the Vendors in relation to the Proposed Acquisition (as detailed in Paragraph 2.4.3 of the Circular) amounts to an aggregate of US$11.9 million (approximately S$16.1 million), and the aggregate consideration payable comprises the issuance of an aggregate of 132,790,000 ordinary shares in the Company at the issue price ("**Issue Price**") of S$0.09 per Share to be issued and allotted to the Vendors pursuant to the Proposed Acquisition ("**Consideration Shares**") and the Offset (defined later).

The consideration payable under the ASL Acquisition (as detailed in paragraph 2.4.3(B) of the Circular) amounts to approximately S$7,588,000 representing approximately 8.1% of the Group's latest audited consolidated NTA of the Group for FY2016 which is approximately S$94.2 million as at 31 December 2016.

The consideration payable under the D3 Acquisition (as detailed in paragraph 2.4.3(B) of the Circular) amounts to approximately S$8,536,500 representing approximately 9.1% of the Group's latest audited consolidated NTA of the Group for FY2016 which is approximately S$94.2 million as at 31 December 2016.

As the consideration payable under each of the ASL Acquisition and the D3 Acquisition exceeds 5% of the Group's latest audited consolidated NTA of the Group for FY2016, pursuant to Rule 906 of the Catalist Rules, each of the ASL Acquisition and the D3 Acquisition constitute interested person transactions which are subject to the approval of the Shareholders. Accordingly, the Company is convening the EGM to seek Independent ASL Shareholders' and Independent D3 Shareholders' approval for the ASL Acquisition and the D3 Acquisition respectively.

The consideration payable by the Company for the ASL Acquisition ("**ASL Consideration**") comprises the proposed allotment and issue of 37,940,000 Consideration Shares ("**ASL Consideration Shares**") at an issue price of S$0.09 each to ASL and US$3,080,000 (which shall be satisfied by way of the Offset), as satisfaction of the ASL Consideration whilst the consideration payable by the Company for the D3 Acquisition ("**D3 Consideration**") comprises the proposed allotment and issue of 94,850,000 Consideration Shares ("**D3 Consideration Shares**") at an issue price of S$0.09 each to D3, as satisfaction of the D3 Consideration. The considerations payable for both the ASL and D3 Acquisitions values the Target at approximately S$94.9 million and are to be satisfied by Shares issued at a price of S$0.09 for each Consideration Share and the Offset.

Save for the D3 Acquisition and transactions less than S$100,000 in value, the Company has not entered into any interested person transaction with D3, Mr Teo and his associates for the period from 1 January 2017 to the Latest Practicable Date for which Rules 905 and/or 906 of the Catalist Rules would apply.

Save for the ASL Acquisition and transactions less than S$100,000 in value, the Company has not entered into any interested person transaction with ASL, Mr Zhu and his associates for the period from 1 January 2017 to the Latest Practicable Date for which Rules 905 and/or 906 of the Catalist Rules would apply.

4. INFORMATION ON THE VENDORS AND THE TARGET

Information on the Vendors and the Target can be found in Paragraphs 2.4.1 and 2.4.2 of the Circular respectively.

5. EVALUATION OF THE PROPOSED ASL AND D3 ACQUISITION AS IPTs

In assessing the financial terms of the ASL Acquisition and D3 Acquisition as IPTs, we have taken into account the following pertinent factors as well as others in this Letter, which we consider will have a significant bearing on our assessment:

(i) Rationale for the Proposed Acquisition.

(ii) Assessment of the Issue Price.

(iii) Assessment of the Consideration.

(iv) Pro-forma financial effects of the Proposed Acquisition described in the Circular.

(v) Other considerations which have significant bearing on our assessment.

These factors are discussed in detailed in the ensuing sections.

In our assessment of the ASL Acquisition and D3 Acquisition as IPTs, we have applied certain valuation ratios and a brief description of such valuation ratios are as follows:-

(i) **EV/EBITDA**

"**EV**" or "**Enterprise Value**" is defined as the sum of a company's market capitalisation, preferred equity, minority interest
s, short term and long term debts less its cash and cash equivalents. "EBITDA" stands for earnings before interest, tax, depreciation and amortisation but after share of associates' and joint ventures' income but excluding exceptional items.

The "**EV/EBITDA**" multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.

(ii) **Price-to-Earnings ("PER")**

The PER is a widely used earnings-based valuation methodology that illustrates the ratio of the current market price of a company's shares relative to its net earnings per share. Unlike the EV/EBITDA multiple, the PER is based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, the PER is affected by the capital structure of a company, tax position as well as its depreciation and goodwill policies.

(iii) **Price-to-NTA ("P/NTA")**

The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its asset backing as measured in terms of its NTA value.

The net tangible assets ("**NTA**") of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.

(iv) **Price-to-NAV ("P/NAV")** The P/NAV ratio is the ratio of the relevant prices of the shares to the net asset value of the relevant companies. It is an asset based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible and intangible asset backing as measured in terms of its NAV value.

The net assets value ("**NAV**") of a company provides an estimate of its value assuming a hypothetical sale of all its tangible and intangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders.

5.1. Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition has been extracted from paragraph 2.5 of the Circular and is set out in italics below. We recommend that the Non-Interested Directors and the Audit Committee advise Independent ASL Shareholders and Independent D3 Shareholders to read this paragraph of the Circular carefully. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise stated:

"2.5 Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the Group's growth strategy that focuses on development and investment properties in emerging countries. Driven by the lack of quality supply, Yangon's luxury real estate market presently witnesses strong uptake in demand by the increasingly affluent locals. Given Yangon's rapid transformation into a key residential and commercial powerhouse, the Company anticipates that the valuation of the Golden City Project will continue to appreciate along with the surrounding area's growth. The Golden City Project has the potential to generate good development returns and yield.

As at the Latest Practicable Date, the Company holds 100% of the entire issued and paid up share capital of DAS and DAS owns 70% of the entire issued and paid up share capital of the Target. The Directors believe that the Proposed Acquisition is in the best interests of the Company, as it would allow the Company to increase its shareholding in the Target and enhance control over the Target. The Directors also believe that the Proposed Acquisition recognises the Golden City Project's importance to the Group as a key revenue generator both presently and in the future.

Further, as the Consideration will be substantially satisfied by the issue of the Consideration Shares, the Proposed Acquisition will strengthen the Company's balance sheet and will minimise impact on the cash flow of the Company."

5.2 Historical financial performance, condition and position of the Group

The following are extracts from the audited consolidated financial statements of the Group for FY2016, FY2015, FY2014, and the unaudited consolidated financial statements for 9M2017 and 9M2016:

Summary of income statements

Figures in S$'000[(1)]	Unaudited 9M2017	Unaudited 9M2016	Audited FY2016[(2)]	Audited FY2015[(2)]	Audited FY2014[(2)]
Revenue	39,842	23,849	149,144	5,469	35,209
Cost of sales	(30,048)	(16,029)	(124,082)	(5,256)	(22,835)
Gross profit	9,794	7,820	25,062	213	12,374
Other income	9,861	21	5,327	4,511	19
Total operating expenses	(14,682)	(3,409)	(5,203)	(2,884)	(5,194)
Other non-operating expenses	(974)	-	(159)	(468)	(58,742)
Finance costs	(1,659)	(1,177)	(1,524)	-	(630)
Profit/(Loss) before tax	2,340	3,255	23,503	1,372	(52,174)
Profit/(Loss) after tax	3,077	1,735	34,021	1,449	(52,174)
(Loss)/Profit after tax attributable to owners of the Company	(342)	(89)	13,269	1,553	(52,174)

Summary of consolidated statements of financial position

Figures in S$'000[(1)]	Unaudited 9M2017	Audited FY2016[(2)]	Audited FY2015[(2)]	Audited FY2014[(2)]
Non-current assets	93,553	69,249	59,215	37
Current assets	259,820	287,746	44,200	1,786
Non-current liabilities	70,346	118,267	32,079	-
Current liabilities	148,057	144,638	57,055	1,147
Total borrowings	42,856	87,856	22,217	-
Shareholders' equity	101,045	54,381	4,595	675
Net working capital	111,763	143,108	(12,854)	639

Summary of statements of cash flows

Figures in S$'000[(1)]	Unaudited 9M2017	Unaudited 9M2016	Audited FY2016[(2)]	Audited FY2015[(2)]	Audited FY2014[(2)]
Net cash (used in) / generated from operating activities	(2,592)	601	(417)	(6,167)	(7,923)
Net cash (used in) / generated from investing activities	(2,089)	1	(17,032)	3,493	(62)
Net cash provided by financing activities	1,390	22,572	30,199	6,273	1,088
Net increase / (decrease) in cash and cash equivalents	(3,291)	23,174	12,750	3,599	(6,897)
Cash and cash equivalents at end of period	13,100	26,582	10,264	242	204

Notes:

(1) Figures and computation presented in this section are subject to rounding.

(2) For FY2014 to FY2016, the financial figures are stated in RMB, but for illustrative purpose, for both the Summary of Income Statements and the Summary of statements of cash flows, we have translated into S$ using the average exchange rate of S$:RMB4.8473 for FY2014, S$:RMB4.8269 for FY2015, S$:RMB4.8192 for FY2016 for each of the respective financial year; whilst for the Summary of consolidated statements of financial position, we have translated into S$ using the exchange rates of S$1:RMB4.6567 for FY2014, S$:RMB4.5901 for FY2015, S$:RMB4.8053 for FY2016 as at each of the financial year end.

We note the following:

(i) The Group's revenue is derived from sales of development properties and rental income from investment properties.

The Group recorded revenues of approximately S$39.8 million, S$23.8 million, S$149.1 million, S$5.5 million and S$35.2 million for 9M2017, 9M2016, FY2016, FY2015, and FY2014 respectively.

The revenue of approximately S$39.8 million generated in 9M2017 was mainly from the sale of the property units in the Golden City project of about S$31.6 million, Hui Zhou Daya Bay Mei Tai Cheng Property Development Co., Limited ("**Daya Bay**") of about S$6.3 million. Rental income from the Daya Bay holiday apartments and Golden City residential apartments contributed about S$1.5 million and S$0.5 million respectively to the revenue. In the preceding period in 9M2016, the major contributors of revenue were the sale of the property units of about S$22.3 million from the Daya Bay project, whilst the rental income was about S$1.5 million.

The Group's revenue in FY2016 escalated to approximately S$149.1 million largely due to the sale of the property units in the Golden City project of about S$118.3 million (RMB570.2 million). This was due to the maiden consolidation of the financial performance of DAS (which holds the Golden City project) in FY2016 arising from the acquisition of 75% equity interests in DAS on 20 December 2016. In addition, the Daya Bay project contributed approximately S$28.7 million (RMB138.7 million) and the rental of holiday apartments of about S$2.0 million (RMB9.6 million).

The Group's revenue declined from approximately S$35.2 million in FY2014 to approximately S$5.5 million in FY2015. The revenue in FY2015 was contributed solely by Daya Bay, which was acquired on 4 November 2015. The sale of property units in the Daya Bay project contributed about S$5.3 million (RMB25.5 million) and rental of holiday apartments contributed about S$0.2 million (RMB0.8 million).

The Group reported gross profit of approximately S$9.8 million, S$7.8 million, S$25.1 million, S$0.2 million and S$12.4 million in 9M2017, 9M2016, FY2016, FY2015 and FY2014 respectively. The corresponding gross profit margins were 24.6%, 32.8%, 16.8%, 3.9% and 35.1% respectively.

Other income amounted to approximately S$9.9 million, S$21 thousand, S$5.3 million, S$4.5 million and S$19 thousand for 9M2017, 9M2016, FY2016, FY2015 and FY2014 respectively. The other income of approximately S$9.9 million in 9M2017 derived mainly from the fair value gain relating to the transfer of 24 units of residential apartments from development properties to investment properties following the commencement of an operating lease to a 3rd party in the Golden City project. The other income of approximately S$5.3 million in FY2016 comprised mainly on the bargain purchase from the acquisition of 75% equity interest in DAS of approximately S$4.7 million (RMB22.5 million) and fair value gain on investment properties of approximately S$0.6 million (RMB3.0 million) whilst other income of approximately S$4.5 million for FY2015 comprised mainly gain on bargain purchase from the acquisition of Daya Bay of approximately S$4.4 million (RMB21.2 million), fair value gain on investment properties of approximately S$83 thousand (RMB0.4 million) and gain on disposal of property, plant and equipment of approximately S$21 thousand (RMB0.1 million). The other income of approximately S$19 thousand in FY2014 comprised mainly rental income, and interest income.

Total operating expenses (comprising distribution expenses and administrative expenses) of approximately S$14.7 million, S$3.4 million, S$5.2 million, S$2.9 million and S$5.2 million were incurred in 9M2017, 9M2016, FY2016, FY2015 and FY2014 respectively. It is noted the total operating expenses decreased from approximately S$5.2 million in FY2014 to approximately S$2.9 million in FY2015, mainly due to the deconsolidation of the PRC entities following the loss of control of the said PRC entities incurred by Daya Bay. Thereafter, it is noted that the total operating expenses increased from approximately S$2.9 million in FY2015 to S$5.2 million in FY2016, mainly due to an increase in distribution costs in relation to the sale of property units in the Golden City and the Daya Bay projects and an increase in administrative expenses incurred by the Golden City and Daya projects and employing staff in China to oversee the Daya Bay Project. The Group incurred total operating expenses of approximately S$14.7 million in 9M2017 mainly due to an increase in distribution costs (in relation to the sale of property units in the Golden City and the Daya Bay projects) of approximately S$5.5 million and administrative costs of approximately S$7.2 million (incurred by the Golden City Project and unrealised exchange losses mainly arising from the Golden City project).

The Group incurred other non-operating expenses of approximately S$1.0 million in 9M2017 (mainly contributed by the Daya Bay Project) and approximately S$0.2 million in FY2016 (mainly due to other non-operating expenses incurred by Daya Bay project offset by partial write-back of the impairment provision made on the consideration receivable from New Inspiration Development Limited ("**New Inspiration**"). In FY2015, the Group incurred other non-operating expenses of approximately S$0.5 million (mainly due to partial impairment provision made on the consideration receivables from New Inspiration, which arose from the disposal of the Company's entire interest in West Themes Pte. Ltd., and Yess Le Green Pte Ltd in FY2013) and approximately S$58.7 million in FY2014 (mainly due to (i) full impairment provision on property, plant and equipment of approximately S$15.0 million (RMB72.8 million); (ii) full impairment provision on carrying amount of the net current assets of approximately S$3.2 million (RMB15.6 million) of the PRC entities due to unavailability of the accounting records and the loss of control of the PRC entities; (iii) impairment loss on consideration receivable from the vendor of Trechance of approximately S$39.2 million (RMB189.9 million); and (iv) impairment loss on other receivables of approximately S$1.3 million (RMB6.3 million).

The Group reported loss after tax attributable to the owners of the Company of approximately S$0.3 million in 9M2017 as compared to a lower loss of approximately S$89 thousand recorded in 9M2016. The main reasons were due to the much higher operating expenses as stated in the aforesaid paragraphs.

The Group reported profit after tax attributable to the owners of the Company of approximately S$13.3 million and S$1.6 million in FY2016 and FY2015 respectively. For FY2016, the Group's profit after tax attributable to the owners of the Company was mainly contributed by the substantial increase in revenue of approximately S$143.6 million contributed by Golden City project and Daya Bay project and a decrease in the other non-operating expenses of approximately S$0.5 million mainly due to impairment provisions for consideration receivable from New Inspiration, which was partially written back in FY2016. In FY2014, the Group reported significant loss after tax attributable to the owners of the Company of approximately S$52.2 million in FY2014 mainly due to other non-operating expenses recorded in FY2014.

(ii) The Group's net working capital position worsened from approximately S$0.6 million as at 31 December 2014, to a negative of approximately S$12.9 million as at 31 December 2015. It subsequently improved significantly to about S$143.1 million as at 31 December 2016 but decreased to approximately S$111.8 million as at 30 September 2017. The decline in the Group's net working capital position as at 30 September 2017 was due to a decrease in current assets from approximately S$287.8 million as at 31 December 2016 to approximately S$259.8 million as at 30 September 2017; and coupled with an increase in current liabilities from approximately S$144.6 million as at 31 December 2016 to approximately S$148.1 million as at 30 September 2017. The decrease in current assets for 9M2017 is mainly due to a lower development properties of approximately S$219.2 million arising from the transfer of development properties to investment properties (which is recorded as non-current assets) from the Golden City project; as well as the property units sold were progressively recognized as income). The increase in current liabilities in 9M2017 is due to the higher deposits from customers on purchase of development properties (increased from approximately S$48.5 million as at end of FY2016 to approximately S$72.3 million as at end of 9M2017) and partially offset by a lower trade and other payables which declined from approximately S$63.2 million as at end of FY2016 to approximately S$45.5 million as at 9M2017) and lower financial liabilities (decreased from approximately S$26.9 million as at end of FY2016 to approximately S$23.5 million as at end of 9M2017).

(iii) The Group shareholders' equity increased from approximately S$0.7 million as at 31 December 2014 to approximately S$4.6 million as at 31 December 2015 (mainly due to the capital reserve of approximately S$2.3 million (RMB10.5 million) representing the additional investment in Daya Bay by certain related parties of Shenzhen Tong Ze, the non-controlling shareholder of Daya Bay, in connection with the interest free loans extended to Daya Bay). It rose to approximately S$54.3 million as at 31 December 2016 (mainly due to the proceeds from both the rights issue and placement exercises which were conducted during FY2016). Shareholders' equity for the Group further increased to approximately S$101.0 million as at 30 September 2017 (mainly due to the accumulated loss of the Group being written off following completion of the capital reduction on 3 January 2017, and also resulted in a corresponding reduction in the share capital, partially offset by the issue of new shares arising from exercise of warrants, conversion of convertible loan and acquisition of the remaining shares in DAS).

(iv) Save for 9M2016 wherein the Group generated a positive net cash flow from operating activities of approximately S$0.6 million, the Group's net cash flow from operating activities were negative during FY2015 to FY2016, including 9M2017.

Outlook

In the Group's results announcement for 9M2017, the Company stated the following commentary on the significant trends and competitive conditions of the industry in which the Group operates and factors or events that may affect the Group in the next reporting period and the next 12 months:-

"The Group's core business lies in identifying and investing in niche markets, with particular focus on development properties, investment properties and other related businesses in which it may value-add.

The Group's first project was based in Daya Bay District, Huizhou, Guangdong Province, People's Republic of China ("China"). The Group's second project is based in the Yankin township of Yangon, Myanmar.

Daya Bay Project

As at 30 September 2017, approximately RMB630.5 million (approximately S$128.6 million) of gross development value comprising 942 units (461,200 square feet) of the Daya Bay project have been sold. Correspondingly, a total of 579 units or approximately RMB357.1 million (approximately S$72.9 million) have been recognised as revenue. Revenue for the remaining 363 sold units is expected to be progressively recognized in final quarter of FY2017 and FY2018 upon handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier.

China's National Bureau of Statistics reported average new home prices in the country's 70 major cities rose 0.2 percent in September 2017 from the preceding month. This came on the back of a series of government measures in the past year to cool the property market amidst fears of an asset bubble. In comparison, new home prices rose 6.3 percent in September 2017 against the same month last year, decelerating from an 8.3 percent year-on-year expansion in August 2017.

Third-quarter data revealed China's property sector grew 3.9 percent against the year-ago period — down from a 6.2 percent on-year increase for the second quarter. Meanwhile, year-on-year growth in construction activity slowed to 4 percent in the third quarter from 5.4 percent in the second quarter.

Cooling measures are likely to persist as President Xi Jinping signaled that the state is likely to continue managing the property market.

(Source: "China's red-hot property market may finally be set for sustained cooling", CNBC, 23 October 2017)

While cooling measures are softening property activity, other sanguine observers note that outrageous price levels for Chinese apartments are mainly restricted to the megacities like Beijing and Shanghai. Correspondingly, economic fundamentals justify investment in housing, especially inland cities where development still lags far behind wealthy coastal areas.

(Source: "China's property boom props up Xi's hopes for economy but raises fears of a bubble", Today, 20 October 2017)

Coupled with cheaper credit and fewer government regulations, smaller cities like Daya Bay in Huizhou continue to sustain interest from investors.

Golden City Project

As at 30 September 2017, approximately US$175.7 million (approximately S$238.5 million) of gross development value comprising 494 units (669,800 square feet) of the Golden City project have been sold. Correspondingly, a total of 257 units have been recognized as revenue as at 30 September 2017. Revenue for the remaining 237 sold units is expected to be progressively recognized in the final quarter of FY2017 and FY2018 upon handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier. Golden City project comprises of 4 phases. While Phase 1's construction was already completed, Phase 2 is expected to be completed in 1H2018 and work for Phase 3 and 4 will start in FY2018.

The push from the Myanmar government to rejuvenate the economy is underway with the roll out of the Foreign Direct Investment Promotion Plan (FDIPP). Under the plan, a projected increase in foreign direct investment (FDI) to a target amount of US$4 billion is expected. Over the longer term, the implementation of mega infrastructure projects such as roads, ports and power grids should bring FDI to US$8 billion per year.

(Source: "Businesses more optimistic on the Myanmar investment arena compared to last year", Myanmar Times, 13 September 2017)

With the promise of the condominium law slated to be enacted soon (as noted by the Urban and Housing Development department in Myanmar), foreigners will be allowed to take a maximum 25 percent stake in a condominium property. This fresh inflow of foreign investments could potentially catalyse sales of Golden City units and contribute positively to the Group's profitability in the future.

(Source: "Rules to new Condominium Law now being refined, will be enacted soon", Myanmar Times, 12 September 2017)

The Company has also on the date of this announcement released announcements relating to certain other corporate actions and developments. These corporate actions and developments may affect the Company in the next reporting period and the next 12 months. Please refer to the separate announcements for more information."

The Directors confirmed that as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter and the unaudited financial statements for the Group for 9M2017, there have been no material changes to the Group's assets and liabilities, financial position, condition and performance.

Unauthorised Withdrawals and Requisition Notice

On 14 November 2017, the Company announced, *inter alia,* that it is taking legal action in respect of unauthorised withdrawals of funds from Daya Bay (whereby the Company holds a 60% equity interest in Daya Bay through its wholly-owned subsidiary Cedar Properties Pte. Ltd.). A total of RMB118.0 million has been transferred from Daya Bay to Huizhou Daya Bay Dong Gang Industrial Co., Limited ("**Dong Gang**") and Hunan Toener Investment Group Co., Limited ("**Toener Investment Group**") between 3 July 2017 and 25 October 2017 without prior approval of the Board or Daya Bay's Board of Directors (the "**Unauthorised Withdrawals**"). Dong Gang and Hunan Toener are both controlled by Mr Luo Shandong ("**Mr Luo**"), who is also a controlling shareholder of the Company. Subsequently on 16 November 2017, the Company announced that the Board is of the view that the Unauthorised Withdrawals are not expected to be material due to the following reasons:-

(i) the total amount of the Unauthorised Withdrawals that has not been repaid as at 25 October 2017 is approximately RMB106 million whilst Daya Bay currently owes a total of approximately RMB112 million to companies controlled by Mr Luo. If the amounts owing to Mr Luo's controlled companies are offset against the Unauthorised Withdrawals, there will still be a net amount owing from Daya Bay to Mr Luo controlled companies of approximately RMB6 million (or equivalent to approximately S$1.2 million);

(ii) in addition to the net amount owing from Daya Bay to Mr Luo's controlled companies, the Company also owes Mr Luo approximately US$23.9 million (or approximately RMB159 million or approximately S$32.3 million based on current exchange rates) pursuant to a convertible loan agreement dated 25 January 2017;

(iii) accordingly, based on the above, there is in fact a net owing from the Company and Daya Bay to Mr Luo and/or his controlled companies of RMB164 million or approximately S$33.5 million based on current exchange rates;

(iv) thus and whilst certain monies are expected from the future business of Daya Bay, the Board is hopeful that its preventative actions including serving legal letters against select staff, will protect all or most of these monies. In the event that it does not, its projections show that the amount the Company owes Mr Luo will continue to significantly exceed what can be taken;

(v) based on bank statements obtained by the Company from Daya Bay, there does not appear to be much cash left in Daya Bay's bank account from which the Unauthorised Withdrawals were made and the balance in such bank account is only about S$0.1 million as at 25 October 2017.

The Board also advised in the same announcement that each of the Company's subsidiaries which directly hold the Group's interests in the various projects are totally independent of each other, henceforth containing the Group's risk exposure. To put into perspective, the Group's operations at Golden Land Real Estate Development Co. Ltd. ("**GL**" or "**GLRE**") for instance are completely independent of the operations at Daya Bay.

We further note that the Company had on 28 November 2017 announced that it had on 27 November 2017 commenced a lawsuit in the Singapore High Court against Mr Luo, Dong Gang and Toener Investment Group in respect of the matters disclosed in paragraphs 6 and 7 of the announcement on 14 November 2017 (the "**Singapore Lawsuit**"). The relief that the Company has sought in the Singapore Lawsuit is an award of damages. The Company has not quantified the loss it has suffered and will seek an assessment from the Court of the damages owing to it.

The Directors represented and confirmed that their view on the Unauthorised Withdrawals as stated above is still applicable and did not change as at the Latest Practicable Date.

We further note that as announced on 20 November 2017, the Company had on 16 November 2017 received a letter (the "**Requisition Notice**") from Mr Luo, constituting a special notice under section 152(2) read with Section 185 of the Companies Act (Chapter 50 of Singapore) of the intention of Mr Luo to call for an extraordinary general meeting of the Company ("**Requisition EGM**") for: (a) the removal of Christopher Chong Meng Tak and Peter Tan as directors of the Company with effect from the date of the Requisition EGM; (b) the appointment of Shasha (Liang) Du and Wang Guang as directors of the Company with effect from the date of the Requisition EGM; (c) the removal of any directors of the Company who may be appointed between the date of the Requisition Notice and the date of the Requisition EGM.

Information on and the market value of the Golden City

Background information on the Golden City

This section is based on the information provided by the Management.

Project name	:	Golden City
Address	:	No. 3, Land Survey Block, Kanbe,Yankin Road, Yankin Township, Yangon
Land type	:	Mixed-use development
Leasehold	:	50 year + 10 year + 10 year with effect of 15 October 2013
No. of blocks	:	(i) 9 residential (ii) 1 office (Old CMA Building) (iii) 1 service apartment, retail and office
Expected TOP	:	See table below
Land size area	:	Approximately 33,900 sq metre
Developed GFA	:	Approximately 329,300 sq metre

The Golden City project is a luxury mixed-use real estate development in Yangon. Split into four phases, the first phase which comprises four residential blocks, has been completed in December 2016. In addition to the four phases which are solely new developments, the Golden City project also includes redevelopment of the existing building structure, the Old CMA Building.

The Old CMA Building is currently used as a showroom and office by GLRE with ongoing refurbishment on the top two levels with the intent to lease them out for retail/office use. Management has confirmed that save for the office and residential units as described herein, there were no other committed signed leases as at the Latest Practicable Date.

Indicative timeline

Phase	Type	Sales date	Structure work start	Structure work completion	Decoration completion	Delivery
Phase 1	4 residential blocks	Mar 2014*	Sep 2014*	Jan 2016*	Oct 2016*	Dec 2016*
Phase 2	3 residential blocks	Jan 2015*	Feb 2016*	Mar 2017*	Nov 2017	Jan 2018
Phase 3	2 residential blocks	NA	Oct 2018	Oct 2019	Jun 2020	Jun 2020
Phase 4	1 commercial block (Retail, office and service apartment)	NA	Oct 2018*	Dec 2019	Jul 2020	Jul 2020
Old CMA Building	Office	NA	NA	NA	Nov 2017	Nov 2017

** Actual month for milestones. Save for these all other milestones tabulated above are based on estimates from Management and indicative*

Pre-sales for Phase 1 and 2

Sales for phase 1 and 2 were launched in March 2014 and January 2015 respectively. As of the Latest Practicable Date, it has recorded 320 and 189 sold units respectively as shown below:

Phase	No. of units	No. of units sold				Total Sales (units)	Total Sales (US$ million)	Average Price per sq ft (US$/sq ft)	% units sold
		FY2014	FY2015	FY2016	1 Jan 2017 to the Latest Practicable Date				
Phase 1	504	248	5	57	10	320	133.6	252	63.5%
Phase 2	561	0	49	92	48	189	46.6	294	33.7%

Yangon Property Market

The information on, *inter alia*, the Yangon property market overview can be found in Paragraph 6 of the Golden City Valuation Report which has been made available to us.

We note from the Golden City Valuation Report that Colliers has been engaged by the Company to provide the market value of the leasehold land with a mixed-used development referred to as "Golden City", under construction thereon located on Yankin Road, Yankin Township, Yangon, Myanmar (the "**Golden City Properties**"). The development will contain condominiums, retail, office, and serviced apartments on a 8.369 acre leased parcel of land. The land is a trapezoid in shape with the land frontage on Yankin Road on the west side. The land is currently flat and filled to the same level as the surrounding land. The lease term of the land will be an initial 50 years commencing on 15 October 2013 and with two additional terms of 10 years each, for a total term of 70 years. As of the date of valuation, there is approximately 66 years remaining.

The Golden City Properties was launched on 15 March 2014 and targets the high-end market. There will comprise 11 buildings with a gross built-up area of approximately 329,300 sq metre and a total saleable and owner-occupied area of approximately 238,900 sq metre, upon completion. The construction of the Golden City Properties is divided in four phases as per below:

Phase	Block	Project completion date	Status of completion (%)	Details of the construction
1	1 to 4	Dec 2016	100%	Construction started in 2014 and has been completed in Dec 2016[(1)]
2	5 to 7	Jan 2018	100%	Superstructure erection is 100% complete[(1)]
			50%	Interior works is 50% completed[(1)]
3	8 to 9	Jun 2020	–	Construction to start in October 2018[(1)]
4	10	Jul 2020	–	Construction to start in October 2018
-	11	Nov 2017 (begin leasing out)	–	Existing showroom building which will be converted into an office use, with leasing out scheduled to start in Nov 2017.

Note:

(1) Block 1 to 9 are the condominium towers with retail space on the podium levels. The rest of the podium area will be a decorated landscape garden, the design of which received the Green Asia Habitat Award from Asian Habitat Society, as informed by the Company.

As stated in the Golden City Valuation Report, Colliers has arrived at a market value for (i) leasehold land and under construction buildings (Phases 1, 2 and Block 11) of approximately US$136.8 million (which takes into account sold units where cash has not been received and unsold units) and (ii) market value of leasehold land (vacant land – Phases 3 & 4) of approximately US$33.9 million. In aggregate, the market value of the Golden City Properties is approximately US$170.6 million on an "as-is" basis.

Colliers have based its valuation on the following approaches to determine the market value of the Golden City Properties:

(i) Income approach – The income approach considers the income that an asset will generate over a given period, e.g. its remaining useful life, and estimates value through a capitalisation process. The income stream may be derived under a lease or contract, or be non-contractual, e.g. the profit generated from either the use of or holding of serviced apartment, office and retail components of the Golden City Properties. Two methods are commonly used to arrive at a capital value. One is direct capitalisation, where an appropriate all-risks yield is applied to a fixed income stream and the other is discounted cash flow, where the cash flows of future periods are discounted to a present value.

(ii) Market approach – The market approach considers the sales of similar substitute property and related market data. In brief, the Golden City Properties is compared with others that have transacted in the market or that are listed for sale, with appropriate adjustments to reflect their different characteristics.

We also note from the Golden City Valuation Report that the market value of the Golden City Properties on an "as-is" basis is based on the following key assumptions and representations by the Company:

– Property's development has been undertaken in accordance with the permitted lease terms and that there are no breaches of covenant, or statutory laws or requirements arising from the existing or proposed use of the Golden City Properties.

– The value of the Golden City Properties have been assessed by Colliers on the basis that the Golden City Properties can be developed into a mixed used development in accordance with the planning zoning applicable for the site, and in a timely manner based on all necessary and current statutory approvals and other permissions being received in a normal time frame, and that there will be no major adverse factors affecting or that will affect the construction programme.

– All of the information provided by the Company on title, tenure and all other matters is accurate and that there are no legal or other encumbrances that would adversely affect the value of the Golden City Properties.

– The valuation is based on the assumption that Myanmar is in normal state and that there are no economic slumps, political instability/uprisings, tourism slowdowns, natural disasters, epidemics, etc. affecting the business performance of the Golden City Properties. Such instances may alter the value of the Golden City Properties.

– The Golden City Properties is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated.

– The Golden City Properties is not adversely affected by any environmental or contamination issues.

– The valuation has been prepared with the understanding that the information provided is complete and accurate. The Company has agreed that the valuation can be based on the information supplied to Colliers without further detailed enquiries as to the matters covered. Colliers will take no responsibility for any misstatement, omission or misrepresentation made in the information supplied.

– The Golden City Properties can be freely transferred, mortgaged and let in the market without any additional fee.

– Leasehold interest in the land will continue for the full term granted, and be extended for two further terms of 10 years, upon normal terms and without difficulty, for 70 years in total.

– Land lease payment will commence on 14 October 2017.

– Colliers have not been provided with the complete floor plan and layout plan. Therefore, Colliers have based the area of the buildings and number of units on the figures and details provided by the Company.

– It should be noted that the Condominium Law has been approved by Myanmar's Union Parliament in January 2016. The law allows foreigner to purchase condominium for the total of 25% of the total area of the units of the condominium, which could have an impact on the demand regarding the sale of condominiums as part of the development plan of the Golden City Properties. To date, the law has been passed, however there has been a delay in issuing the by-laws, these are expected for release in December 2017. Considering this, it is not yet effective and it is not taken into consideration in the Golden City Valuation Report.

– Regarding commercial units for sale, Colliers have assumed that the stated units can be legally sold.

– For preliminary setup expenses incurred by GLRE for property manager (Golden City Business Management Co., Ltd) before handover the management right to them is approximately US$0.4 million (expected in 2017), as provided by the Company.

– Considering Phases 1 and 2 of the Golden City Properties, the following is a summary of their sales as at the Valuation Date.

Phase	No. of total unit	No. of unit sold (units) / Total pre-sale (USD million)	Overdue Balance (USD million)	Advance Receipts (USD million)	Installment not yet due (USD million)
Phase 1 (Block 1 – 4)	504	319 units / USD133 m	USD13.6 m	USD105 m	USD13.9 m
Phase 2 (Block 5 – 7)	561	174 units / USD42 m	USD2.8 m	USD19.8 m	USD19.6 m
CMA (Block 11)		USD4.9 m	-	USD1.2 m	USD3.7 m
Total	**1,065**	**493 units / USD180 m**	**USD16.5 m**	**USD126.5 m**	**USD37 m**

The Directors have confirmed that they had reviewed the Golden City Valuation Report to understand the assumptions, methodology used in arriving at the market value of the Golden City Properties on an “as-is” basis. The Directors have also reviewed the information made available to them as a whole and are of the opinion that the assumptions and methodology of Golden City Valuation Report are fair, reasonable and appropriate.

We wish to highlight that the above valuation is subject to and dependent on certain key assumptions, as highlighted by Colliers in the Golden City Valuation Report, which also includes certain implicit assumptions that (1) the Company holds the land and will construct the buildings legally, and free from any covenants, easements or encumbrances likely to have an adverse effect on the value, and (2) the public utilities such as electricity, water mains, sewerage, street lights, footpaths, and telecommunications are available and works properly at the Golden City Properties as Colliers did not witness anything to the contrary. Colliers have also assumed a special assumption that the land of Phase 3 and Phase 4 is transferrable (despite that the Built-Operate-Transfer (“**BOT**”) right on the land of the Golden City Properties is not transferrable together with the limitation of the land comparables for this right) which the Company has confirmed, based on legal due diligence, that the Golden City Properties will not violate the clause whereby BOT right on the land is not transferrable. The land size of Phase 3 and Phase 4 was based on Collier’s estimation which is not provided by the Company which is estimated at 5,209.81 sq metre and 6,050.11 sq metre respectively.

Our scope does not require us and we have not made any independent evaluation or business valuation of the Golden City Properties (including without limitation, market value or economic potential). With respect to such valuation, we are not experts in the evaluation of market value of the Golden City Properties on an “as-is” basis (including without limitation, market value or economic potential) and have relied on the opinion of the Directors and the financial statements of the Target (audited and unaudited), where applicable for the assessment.

5.3. Assessment of the Issue Price

In assessing the issue price of S$0.09 (“**Issue Price**”) for the Consideration Shares, we have considered the Group’s NAV or NTA, the historical trading performance of the Shares, the relative valuation of the Selected Comparable Companies, the comparison with the DAS Acquisition (define later) as well as the past fund raising undertaken by the Company in the past two (2) years (“**Past Fund Raising**”).

As the consideration for both the ASL Acquisition and the D3 Acquisition are similar, in terms of their respective valuation of the Target of approximately S$94.9 million and the prices for which Consideration Shares are issued of S$0.09 each, any references to views or opinions or considerations accorded in this Letter for the ASL Acquisition or the D3 Acquisition or the Proposed Acquisition are accordingly similar.

(a) NAV and NTA of the Group

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

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

In assessing the Proposed Acquisition as an IPT and the Issue Price of S$0.09 for each Consideration Share, in relation to the NAV and NTA per Share of the Group as at 30 September 2017, we have reviewed the unaudited balance sheet of the Group as at 30 September 2017 (to determine whether there are any assets that are of an intangible nature and as such would not appear in a valuation based on the NTA approach, but would be included in the NAV approach). Save as disclosed in the unaudited balance sheets of the Group as at 30 September 2017, the Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible assets or tangible assets which ought to be disclosed in the balance sheet of the Group as at 30 September 2017 in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Group as at the Latest Practicable Date.

The Directors have also confirmed that as at the Latest Practicable Date, to the best of their knowledge and beliefs based on disclosures made available to them, there were no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Group as at 30 September 2017, save as disclosed in the unaudited financial statement of the Group as at 30 September 2017 as well as the Circular. In addition, the Directors are of the opinion that save as disclosed in the Circular, the values of the assets (other than those for which valuation has been conducted), and liabilities as well as financial performance or condition of the Group as disclosed and reflected in the unaudited financial statements of the Group as at 30 September 2017 are true and fair. Lastly, the Directors confirmed that to the best of their knowledge or belief that such information is true, complete and accurate in all respects and that there is no other information or facts, the omission of which would render those statements or information, including our references, as well as analysis of such information to be untrue, inaccurate or incomplete in any respect or misleading.

Consolidated unaudited Balance Sheet as at 30 September 2017[1]	S$'000
Non-Current Assets	
Property, plant and equipment	9,743
Investment properties	83,810
	93,553
Current Assets	
Development properties	219,207
Trade and other receivables	27,513
Cash and cash equivalents	13,100
	259,820
Non-Current Liabilities	
Provisions	30
Deferred tax liabilities	31,764
Financial liabilities	19,372
Accrued land lease premium	19,180
	70,346
Current Liabilities	
Trade and other payables	45,459
Financial liabilities	23,484
Current tax payable	2,987
Deposits from customers on purchase of development properties	72,302
Accrued land lease premium	3,825
	148,057
NAV including non-controlling interest	**134,970**
Less: non-controlling interests	(33,925)
NAV attributable to equity holders of the Company	**101,045**
Less: Intangible assets	-
NTA as at 30 September 2017	**101,045**
NAV and/or NTA as at 30 September 2017 (S$'000)	**101,045**
NAV and/or NTA per Share (S$)[2]	**0.105**
Issue Price (S$)	**0.090**
Discount of Issue Price from the Group's NAV and/or NTA per Share (S$)	**(14.3)%**

Notes:

(1) The figures are based on the Group's latest announced unaudited results for the nine months period ended 30 September 2017. Figures and computation presented in the table above are subjected to rounding

(2) Based on the Company's issued Share capital comprising 962,166,934 Shares as at the Latest Practicable Date.

For illustrative purposes only, the Group's NAV and/or NTA as at 30 September 2017 are approximately S$101.0 million or approximately S$0.105 for each Share. The Issue Price represents a discount of approximately 14.3% from the Group's NAV and/or NTA per Share as at 30 September 2017.

Revalued NAV and NTA of the Group

In our evaluation of the Issue Price for the Consideration Shares, we have also considered whether there are any assets which should be valued at an amount that is materially different from that which was recorded in the unaudited balance sheet of the Group as at 30 September 2017.

Investment properties and development properties under the Daya Bay Project

1. Investment properties under the Daya Bay Project ("**Daya Bay Investment Properties**") with a net book value of approximately S$54.8 million as at 30 September 2017 comprising 399 residential units, 2 commercial units, various car parking spaces and ancillary units of Haiyunyayuan Building No 1-3 Xiaochong Dayawan Huizhou Guangdong Province, the PRC. The Directors confirmed and represented that:-

(a) The Company had commissioned a valuer ("**Daya Valuer**") to determine the capital value of the Daya Bay Investment Properties as at 31 December 2016 for accounting purpose. The net book value for the Daya Bay Investment Properties as at 30 September 2017 is in line with the capital value ascribed by the Daya Valuer.

(b) The Directors have reviewed the information made available to them as a whole and are of the opinion that as at the Latest Practicable Date, the assumptions and methodology adopted by the Daya Valuer to determine the capital value of the Daya Bay Investment Properties are fair, reasonable and appropriate.

(c) There is no material difference between the capital value of the Daya Bay Investment Properties, as ascribed by the Daya Valuer as at 31 December 2016 and those as at the Latest Practicable Date. Accordingly, there will be no revaluation surplus.

2. Development properties under the Daya Bay Project ("**Daya Bay Development Properties**") with a net book value of approximately S$10.5 million as at 30 September 2017 comprising 138 residential units which have been sold but not recognised in the profit and loss statements for the Group. The Directors have represented that the contracted selling price for the said 138 residential units is approximately S$19.4 million (based on the exchange rate of S$1: RMB4.9069 as at the Latest Practicable Date and that save for the estimated selling and marketing expenses in connection with the sale of the said 138 residential units, all costs and expenses for the Daya Bay Development Properties have been recognised and accounted for as at 30 September 2017.

<u>Golden City Properties</u>

1. Investment properties ("**Golden City Investment Properties**") under the Golden City Project (defined later) with a net book value of approximately S$29.0 million as at 30 September 2017 comprising 24 residential units and 5 office units of No. 3 Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon. The Directors confirmed and represented that as at the Latest Practicable Date, the Golden City Investment Properties comprise 24 residential units and 5office units.

2. Development properties under the Golden City Project ("**Golden City Development Properties**") with a net book value of approximately S$209.6 million as at 30 September 2017.

3. Property, plant and equipment comprising office space with gross floor area of 4,017 sq metre and retail space of 818.4 sq metre under the Golden City Project ("**Golden City PPE**") with a net book value of approximately S$5.3 million as at 30 September 2017.

We understand from the Directors that the Company has commissioned Colliers to determine the market value of the Golden City Properties, on an "as-is" basis. We recommend that the Directors advise Shareholders to note and review carefully the contents of the Golden City Valuation Report (which is made available for inspection at the registered office of the Company from the date of the Circular up to including the date of EGM) in its entirety including the assumptions made and the basis for the assumptions. The Directors have confirmed that they had reviewed Golden City Valuation Report to understand the assumptions, methodology used in arriving at the market value of the Golden City Properties on an "as-is" basis.

The Directors have reviewed the information made available to them as a whole and are of the opinion that the assumptions and methodology of Golden City Valuation Report are fair, reasonable and appropriate. The Directors have also represented and confirmed that the aggregate market value of the Golden City Properties on an "as-is" basis as ascribed by Colliers as at the Valuation Date is approximately US$170.6 million (or equivalent to approximately S$229.6 million based on the exchange rate US$1: S$1.3457 as at the Latest Practicable Date) which is higher than the aggregate net book value of the Golden City Properties of approximately S$244.0 million as at 30 September 2017.

It is noted that for the period after the Valuation Date to the Latest Practicable Date, there were additional 1 unit of Phase 1 and 15 units of Phase 2 being sold. The Directors and the Management represented and confirmed that there was no material difference in the average selling price ascribed by Colliers and the actual selling price for the said units, as such no adjustments to the market value of the Golden City Properties needed to be made.

For illustrative purpose only, the revaluation surplus has been calculated and presented in the table below assuming the sale or completion of sales for all the properties under the Daya Bay Development Properties, and a hypothetical sale of the Golden City Properties at values ascribed by Colliers above. The Directors and the Management represented that there will be potential tax liability of approximately S$1.8 million arising from the sale or completion of the sale of the Daya Bay Development Properties and approximately S$6.6 million if the Golden City Properties which are subject to valuation were to be sold at the market value ascribed by Colliers.

We have not made any independent evaluation or appraisal of the Group's investment properties, development properties and property, plant and equipment but have been furnished by the Company with the Golden City Valuation Report in respect of the market value on an "as-is" basis for the Golden City Properties. With respect to such valuation, we are not experts in the evaluation or appraisal of the Group's investment properties, development properties and property, plant and equipment and have relied *inter alia* on (i) the Daya Valuer's report for the capital value of Daya Bay; and (ii) Golden City Valuation Report for the market value on an "as-is" basis for the Golden City Properties. The Directors represented and confirmed that as announced on 16 November 2017, they are of the view that the Unauthorised Withdrawals will have no material impact to the Group's financial performance and position, including but not limited to the Group's NAV and/or NTA.

RNAV and/or RNTA [1]	**S$'000**
Contracted selling price for the Daya Bay Development Properties (138 units)	19,427
Less: estimated selling and marketing expenses[2]	(1,943)
Less: net book value of Daya Bay Development Properties as at 30 September 2017	(10,478)
Less: potential tax liabilities[2]	(1,752)
Revaluation surplus (a)	**5,254**
Market value of the Golden City Investment Properties and Golden City Development Properties	229,617
Add: receipt in advance [3]	40,533
Less: net book value of the Golden City Properties as at 30 September 2017	(243,950)
Less: potential tax liabilities [2]	(6,550)
Revaluation surplus (b)	**19,650**
NAV and/or NTA of the Group as at 30 September 2017	101,045
Add: Revaluation surplus (a) +(b) (based on effective interest) [4]	12,781
RNAV and/or RNTA	**113,826**
RNAV and/or RNTA per Share (S$)[5]	**0.1183**
Discount of Issue Price from the RNAV and/or RNTA per Share (%)	**(23.9)%**

Notes:

(1) The above computation and figures are subject to rounding.

(2) Figures are provided and confirmed by the Management.

(3) Figures are provided and confirmed by the Management.

(4) Taking into account the Company's effective interest of 60% and 49% in the Daya Bay Project and the Golden City Project respectively.

(5) Based on the Company's issued Share capital comprising 962,166,934 Shares as at the Latest Practicable Date.

For illustrative purpose only, we note that the Issue Price represents a discount of approximately 23.9% from the Group's RNAV and/or RNTA per Share as at 30 September 2017.

The Directors have confirmed that to their best knowledge and belief, as at the Latest Practicable Date, other than the revaluation surplus arising in respect of the Golden City Properties and the adjustments as enumerated and described above, there are no material differences between the realizable value of the Group's assets and their respective book values as at 30 September 2017 which would have a material impact on the Group's RNAV and/or RNTA.

We wish to highlight that the Group's RNAV and/or RNTA shown above include the revaluation surplus arising from the Golden City Properties. Shareholders should note that the Group has not realized the surplus on such asset as at the Latest Practicable Date, and that there is no assurance that the revaluation surplus eventually recorded by the Group on the Golden City Properties (in the event they are disposed) will be the same as indicated above. Further the values as indicated for illustrative purposes above are subject to assumptions *inter alia* on potential tax liabilities, deductibility of expenses, estimates for selling prices and collections for sales proceeds etc.

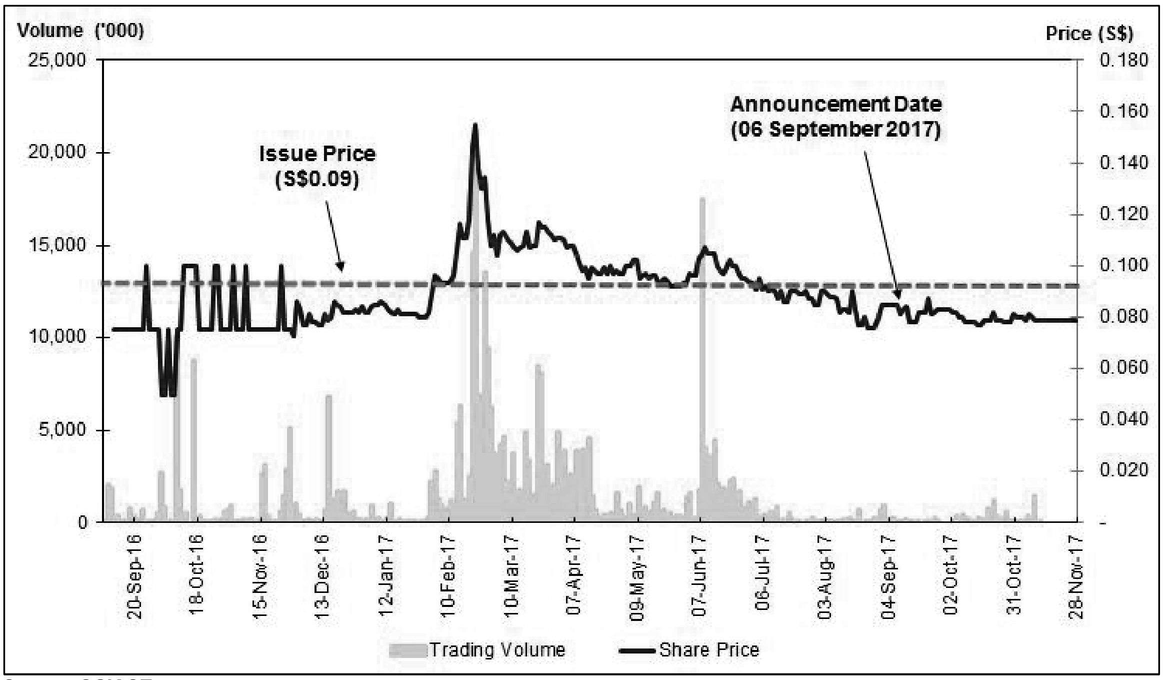
The above computations and analysis are meant as an illustration and it does not necessarily mean or imply that the net realisable value of the Group is as stated above. It also does not imply that the assets or properties of the Group can be disposed of at the estimated value indicated above and that after payment of all liabilities and obligations, the values or amounts as indicated for the respective types of NTA are realisable or distributable to the shareholders of the Group.

It should be noted that the NTA basis of valuation provides an estimate of the value of a hypothetical sale of all its tangible assets over a reasonable period of time and is only relevant in the event that the Group decides to change the nature of its business or to release or convert the uses of all its assets. The NTA basis of valuation, however, does not necessarily reflect the value of the Group as a going concern nor can it capture or illustrate any value for the Group's goodwill or branding. In addition, it does not illustrate the values at which the assets may actually be realized or disposed.

We recommend that the Non-Interested Directors and Audit Committee advise Independent ASL Shareholders and Independent D3 Shareholders, to note and review the contents of the Golden City Valuation Report (which are made available for inspection) in its entirety including the assumptions made and the basis for the assumptions.

(b) Market quotation and trading activities for Shares

The historical price and volume charts for the Shares (based on the closing prices together with the number of Shares traded on a daily basis) for the Shares during the period commencing from 6 September 2016 (being the Market Day 12 months prior to the Announcement Date) and ending on the Latest Practicable Date is set out below:–



Source: SGX-ST

The Company announced on 30 September 2016, *inter alia*, a proposed share consolidation for every twenty-five (25) existing Shares to one (1) consolidated Share which was approved by Shareholders on 21 November 2016 ("**Share Consolidation**"). The Share Consolidation exercise was completed on 5

December 2016. Accordingly, all the prices of the Shares prior to the completion of the Share Consolidation had been adjusted to take into account the effects of the Share Consolidation.

We note that the Announcement was made on 6 September 2017, being the Announcement Date at 07.53 a.m. before market open. Hence, 4 September 2017, was the last Market Day on which Shares were traded on the SGX-ST prior to the Announcement Date (the "**Last Trading Day**").

For the period commencing from 6 September 2016 (being the Market Day 12 months prior to the Announcement Date) and ending on Last Trading Day, we note that the Shares were only traded for 240 Market Days out of a total 250 Market Days during the period. The closing price of the Shares exceeded the Issue Price 118 Market Days out of the 250 Market Days (or approximately 47.2%) and was below the Issue Price for 122 Market Days out of the 250 Market Days (or approximately 48.8%) and was in line with the Issue Price for 10 Market Days out of 250 Market Days (or approximately 4.0%). We note that for the period commencing from 6 September 2017 (being the Announcement Date) till 29 November 2017 (being the Latest Practicable Date, the closing prices for the Shares were always below the Issue Price for all 59 Market Days.

As a general market comparison and observation, the FTSE Straits Times Catalist Index ("**FTSE ST Catalist**") increased by approximately 1.6% for the period commencing from 6 September 2016 and ending on the Last Trading Day, and subsequently increased by approximately 6.6% from 6 September 2017, being the Announcement Date to the Latest Practicable Date. For the same period commencing from 6 September 2016 and ending on the Last Trading Day, the prices for the Shares increased by approximately 70.0% and subsequently decreased by approximately 7.1% from 6 September 2017, being the Announcement Date till the Latest Practicable Date. We observed that the Shares appear to have outperformed the FTSE ST Catalist for the 12 months period prior to the Announcement Date and thereafter underperformed the FTSE ST Catalist for the period commencing from 6 September 2017, being the Announcement Date till the Latest Practicable Date. From the above chart, we note that closing prices for Shares were generally on a downward trend since on or about 23 February 2017.

It is noted that the Company has requested for a trading halt for their Shares on 14 November 2017 pending release of its financial results for 9M2017 and various announcements. On 16 November 2017, the Company requested for an extension of the trading halt and subsequently on 20 November 2017, the Company requested for a voluntary suspension of its Shares in view of, *inter alia,* the Unauthorised Withdrawals and the Requisition Notice. On 28 November 2017, the Company announced that it had on the same day commenced the Singapore Lawsuit in the Singapore High Court against Mr Luo, Dong Gang and Toener Investment Group to seek relief for the award of damages in relation to, *inter alia*, Unauthorised Withdrawals.

The above chart and the analysis below is presented for illustrative purposes only, and they are by no means representative of the future trading performance or prices of the Shares.

The volume-weighted closing price ("**VWCP**") of the Shares, the highest and lowest transacted prices for the Shares and the average number of Shares traded on a daily basis from 6 September 2016 to the Latest Practicable Date are set out below:–

	VWCP per Share(1) (S$)	Premium/ (Discount) of the Issue Price over/to the VWCP per Share (%)	Lowest transacted price (S$)	Highest transacted price (S$)	Average daily trading volume(2) ('000 Shares)	Average daily trading volume as % of free-float(3) (%)
For the period prior to the Announcement Date (6 September 2017)						
Last 12 months	0.106	(15.1)%	0.050	0.160	1,388	0.28%
Last 6 months	0.104	(13.7)%	0.075	0.122	1,370	0.27%
Last 3 months	0.100	(9.9)%	0.075	0.111	945	0.19%
Last 1 month	0.082	9.2%	0.075	0.090	181	0.04%
Last transacted price on 4 September 17 (being the Last Trading Day prior to the Announcement Date) (4)	0.085	5.9%	0.078	0.085	161	0.03%
For the period including the Announcement up to the Latest Practicable Date (28 November 2017)						
Till the Latest Practicable Date(5)	0.080	12.4%	0.076	0.090	186	0.04%
Last transacted price on 13 November 17 (being the Last Trading Day prior to the Latest Practicable Date(6)	0.079	13.9%	0.076	0.079	83	0.02%

***Source**: SGX-ST*

Notes:

(1) The VWCP had been weighted based on the last transacted prices of the Shares and traded volumes for the relevant trading days for each of the periods.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period dividend by the number of market days during that period. Historical trading volume of the Shares have been adjusted with the Share Consolidation.

(3) Free float refers to approximately 498,471,057 Shares (or approximately 51.80% of the issued Share capital) held by Shareholders, other than the Substantial Shareholders and Directors as at the Latest Practicable Date as enumerated in the Circular.

(4) This represents the last transacted price instead of VWCP for the Shares on 4 September 2017, being the Last Trading Day prior to the Announcement Date.

(5) The Company had on 14 November 2017 requested for a trading halt of the Shares which was extended on 16 November 2017. On 20 November 2017 before market open, the Company requested for suspension of trading of the Shares. As at the Latest Practicable Date, the Shares were still suspended.

(6) This represents the last transacted price instead of VWCP and trading volume for the Shares on 13 November 2017, being the last Trading Day prior to the Latest Practicable Date.

Based on a general observation of the table above and after taking into consideration the summary of the transacted Share prices, we note that the Issue Price is:

(i) at a premium of approximately 5.9% over the last transacted price of S$0.085 per Share on the Catalist on 4 September 2017, being the Last Trading Day prior to the Announcement Date;

(ii) at a discount of approximately 15.1%, 13.7% and 9.9% from the VWCP for the Shares for the 12-month, 6-month and 3 month periods prior to the Announcement Date respectively;

(iii) at a premium of approximately 9.2% over the VWCP for the Shares for the 1-month period prior to the Announcement Date;

(iv) at a premium of approximately 12.4% over the VWCP for the Shares for the period commencing on the Announcement Date and ending on the Latest Practicable Date; and

(v) at a premium of approximately 13.9% over the last transacted price of S$0.079 per Share on the Catalist on 13 November 2017, being the last Trading Day prior to the Latest Practicable Date.

For illustrative purpose only, based on the number of Shares traded on a daily basis during the period commencing from 6 September 2017 and ending on the Latest Practicable Date, we note that:–

(i) from 6 September 2016 to 4 September 2017, being the Last Trading Day prior to the Announcement Date, Shares were traded on 240 Trading Days out of the total Market Days during the period, with the total number of Shares traded being approximately 348.4 million Shares and an average daily trading volume (based on a total of 250 Market Days) of approximately 1.4 million Shares, which represents approximately 0.145% of the issued Share capital as at the Latest Practicable Date or approximately 0.28% of the issued Share capital held by Shareholders other than the Substantial Shareholders and the Directors as at the Latest Practicable Date;

(ii) the trading volume for the Shares were exceptionally high (for trading volume above 10.0 million Shares) for the following dates: 10 October 2016 (approximately 10.1 million Shares), 22 February 2017 (approximately 14.6 million Shares), 23 February 2017 (approximately 19.8 million Shares), 28 February 2017 (approximately 13.5 million Shares) and 8 June 2017 (approximately 17.5 million Shares) prior to the Announcement Date. In the event that the number of traded Shares for the above dates were excluded, the discount implied by the Issue Price from the VWCP for the Shares for the period to and including the Last Trading Date for the 12-month period would have been lower at approximately 10.1%;

(iii) the prices for the Shares increased significantly during the period from 14 February 2017 till 23 February 2017 by approximately 23.7% from S$0.118 per Share on 21 February 2017 to S$ 0.146 per Share on 22 February 2017 prior to the extraordinary general meeting held on 27 February 2017 for the proposed acquisition of 6,225,000 Share representing 25.025% of the total issued and paid-up shares of DAS as an interested person transaction. In addition, we noted that Jadeite Capital had exercised unlisted consolidated warrants amounting to an aggregate of 2.2 million - 200 thousand on 9 February 2017, 1.0 million on 16 February 2017 and 1.0 million on 23 February 2017, which could have led to the sharp increase in Share prices and trading volume; and

(iv) for the period commencing from 6 September 2017, being the Announcement Date till the Latest Practicable Date (both dates inclusive), Shares were traded on 40 Market Days out of the total 59 Market Days during the period, with the total number of Shares traded being approximately 8.8 million Shares and an average daily trading volume of approximately 0.2 million Shares, which represents approximately 0.02% of the issued Share capital as at the Latest Practicable Date or approximately 0.03% of the issued Share capital held by Shareholders other than the Substantial Shareholders and the Directors as at the Latest Practicable Date.

It is also noted that the Company has requested for a trading halt for their Shares on 14 November 2017 pending release of its financial results for 9M2017 and various announcements. On 16 November 2017, the Company requested for an extension of the trading halt and subsequently on 20 November 2017, the Company requested for a voluntary suspension of its Shares in view of, *inter alia*, the Unauthorised Withdrawals and the Requisition Notice. As at the Latest Practicable Date, the Shares were still suspended.

We note that trading for the Shares had been erratic and that the daily average number of Shares traded during the 12 month period prior to and including the Last Trading Date is relatively low as compared to the number of issued Shares as at the Latest Practicable Date. However, the frequency for which Shares were traded were high (or the Shares were actively traded), as Shares were traded on 240 Trading Days out of the 250 Market Days during the 12 month period prior to and including the Last Trading Date. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller.

We also note that the number of Shares that were traded on a daily basis for the period commencing on the Announcement Date till the Latest Practicable Date is significantly lower than the number of Shares that were traded on a daily basis during the 1 year period prior to the Last Trading Day.

The relatively weaker performance of the Shares as compared to the FTSE ST Catalist and the decrease in the number of Shares traded on the Announcement Date till the Latest Practicable Date may, *inter alia*, be a reflection of the market's sentiments for the Proposed Acquisition as well as prospects or demand for the Shares on or after the Announcement Date. We note that the Issue Price represents a premium of approximately 5.9% over the last transacted price of S$0.085 per Share on the Catalist on 4 September

2017, being the Last Trading Day prior to the Announcement Date and the number of Consideration Shares (132,790,000 Shares) to be issued is approximately 13.8% of the existing issued Share capital of the Company. This is significantly higher than the number of Shares that were traded on a daily basis for the periods reviewed. As compared to a placement of shares to non-interested persons under the general mandate available pursuant to Catalist Rules, wherein it is generally accepted that shares can be placed and priced at discounts of not more than 10% to the weighted average market prices for trades done for the full market day on which the relevant placement agreement is signed, the Issue Price is at a premium over the last transacted prices for the Share. Furthermore it is also generally accepted, as the number of Shares traded on a historical basis is low as compared to the number of Consideration Shares to be issued, and in the event that instead of an issuance of Shares the Proposed Acquisition was structured for settlement via cash, a larger number of Shares and a lower issue price (albeit at a discount to the last transacted price the Last Trading Day prior to the Announcement Date) may be required for the said transactions.

Non-Interested Directors and the Audit Committee should note that there is no assurance that the prices and average volume of Shares traded on a daily basis will be maintained or that the transacted prices for the Shares or the average volume of Shares traded on a daily basis after completion (or lapse) of the Proposed Acquisition or the ASL Acquisition or the D3 Acquisition will be at the same levels prevailing during the period commencing from the Announcement Date and ending on the Latest Practicable Date.

(c) Relative valuation analysis for the Group

In evaluating the Issue Price for the Consideration Shares, we have considered the financial performance, financial positions and valuation statistics of selected companies that may, in our view, be broadly comparable to the existing core business of the Group prior to the transaction, which is in property development and property investment (the "**Selected Comparable Companies**").

The Selected Comparable Companies have been identified after a search was carried out on various exchanges and evaluation of the companies operating in the same industry as the Group as well as considering the geographical location of the Group's existing property development and investment, being the People's Republic of China ("**China**") and Myanmar. We have had discussions with the Directors about the suitability and reasonableness of these Selected Comparable Companies acting as a basis for comparison with the core businesses of the Group prior to the transaction. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. The Selected Comparable Companies may or may not have similar business operations or similar assets as the Group, accounting policies with respect to the values for which the assets or the revenue and cost are recorded or the relevant financial period compared may differ from the Group.

We advise Non-Interested Directors and the Audit Committee, to note that there may not be any company listed on any relevant stock exchange that is directly comparable to the Group in terms of size, diversity of business activities and products/services, branding, geographical spread, track record, prospects, operating and financial leverage, risk profile, quality of earnings and accounting, listing status and such other relevant criteria. We wish to highlight that it may be difficult to place reliance on the comparison of valuation statistics for the Selected Comparable Companies as the business of these companies, their capital structures, growth rates, operating and financial leverage, taxation and accounting policies as well as the liquidity of these shares and the demand/supply conditions for these shares and that of the Group may differ. As such, any comparison made herein is necessarily limited and serves only as an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

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

The Group's Selected Comparable Companies for China focused companies ("**Selected China Companies**") are set out below.

Selected China Companies	Business activities
China Yuanbang Property Holdings Limited ("**Yuanbang**") *Listed on SGX-ST*	The group is engaged in developing, managing, marketing, and selling of residential and commercial properties in the People's Republic of China. It is also involved in property holding activities; tourism and resort development operations; and hotel business.
Debao Property Development Ltd. ("**Debao**") *Listed on SGX-ST*	The group is engaged in property development in the People's Republic of China. It operates through four segments: property development, construction contract, property investment, and property management. The group develops residential and commercial properties, and leases properties. It also builds structural projects and provides interior works for third parties; sells and distributes construction materials; and provides public utilities engineering, landscaping, and renovation services, as well as manages properties.
CWG International Ltd. ("**CWG**") *Listed on SGX-ST*	The group is engaged in the development of real estate properties in the People's Republic of China. The group's portfolio comprises residential and commercial properties, office buildings, education hubs, and fixed price housing in the Yangtze River Delta Region, including Shanghai, Suzhou, Wuxi, Zhangjiagang, and Xuancheng. It also provides real estate investment, township planning, project management, and building maintenance services.
Pan Hong Holdings Group Limited ("**Pan Hong**") *Listed on SGX-ST*	The group is engaged in developing residential and commercial properties in the People's Republic of China. It is also involved in interior and exterior decoration, furnishing, and general trading activities; and the provision of consultancy services.

The Group's Selected Comparable Companies for Myanmar focused companies ("**Selected Myanmar Companies**") are set out below.

Selected Myanmar Companies	Business activities
Yoma Strategic Holdings Ltd ("**Yoma**") *Listed on SGX-ST*	The group is engaged in developing, selling and leasing land development rights, residential and commercial properties, and providing design and project management services, as well as property and estate management services. The group has other operating segments such as automotive & heavy equipment, consumer segment, tourism services segment, agriculture activities and corporate segment. The group's business activities are conducted mainly in Myanmar.
Myanmar Thilawa Sez Holdings Public Limited ("**MTSH**") *Listed on Yangon Stock Exchange ("**YSX**")*	The group is engaged in real estate development in Myanmar. It was established by a Myanmar consortium comprising of nine principal shareholders primarily (but not exclusively) for the purpose of participating in the Thilawa Special Economic Zone (Thilawa SEZ) Project.
First Myanmar Investment Co., Ltd. ("**FMI**") *Listed on YSX*	The group is engaged in the financial services, real estate and healthcare sectors. FMI also has investments in other companies, including companies engaged in the retail and tourism sectors and a company developing Thilawa Special Economic Zone.

The following tabulates the salient ratios for comparative financial performance, condition and position for the Selected Comparable Companies and the Group:

Relative Performance of the Group

Selected Comparable Companies	LTM ROE[1] (%)	LTM net profit margin[2] (%)	LTM asset turnover[3] (times)	Total liabilities[4]/ shareholder equity[5] (times)	Total borrowings[6]/ shareholder equity[5] (times)
(A) Selected China Companies					
Yuanbang	n.m.[7]	n.m.[7]	0.1	6.3	1.2
Debao	n.m.[8]	n.m.[8]	0.1	2.4	1.2
CWG	21.4%	3.3%	0.2	26.2	12.3
Pan Hong	8.1%	10.0%	0.3	1.5	0.8
MAXIMUM	**21.4%**	**10.0%**	**0.3**	**26.2**	**12.3**
MINIMUM	**8.1%**	**3.3%**	**0.1**	**1.5**	**0.8**
MEDIAN	**14.7%**	**6.6%**	**0.2**	**4.4**	**1.2**
SIMPLE AVERAGE	**14.7%**	**6.6%**	**0.2**	**9.1**	**3.9**
(B) Selected Myanmar Companies					
Yoma	4.9%	22.9%	0.1	0.6	0.3
MTSH	27.1%	n.m.[9]	0.1	0.1	No borrowings
FMI	6.1%	7.5%	0.1	7.8	0.2
MAXIMUM	**27.1%**	**22.9%**	**0.1**	**7.8**	**0.3**
MINIMUM	**4.9%**	**7.5%**	**0.1**	**0.1**	**0.2**
MEDIAN	**6.1%**	**15.2%**	**0.1**	**0.6**	**0.3**
SIMPLE AVERAGE	**12.7%**	**15.2%**	**0.1**	**2.8**	**0.3**
COMBINED (A) + (B)					
MAXIMUM	**27.1%**	**22.9%**	**0.3**	**26.2**	**12.3**
MINIMUM	**4.9%**	**3.3%**	**0.1**	**0.1**	**0.2**
MEDIAN	**8.1%**	**8.7%**	**0.1**	**2.4**	**1.0**
SIMPLE AVERAGE	**13.5%**	**10.9%**	**0.2**	**6.4**	**2.7**
Group	**12.9%**	**7.9%**	**0.5**	**2.2**	**0.4**

Source: *The latest annual reports and the announced unaudited financial statements of the respective companies.*

Notes:

(1) The *last twelve months ("**LTM**") return on equity ("**ROE**") is based on the ratio of the most recent twelve months consolidated net profits after tax attributable to the equity holders to the consolidated equity holders excluding minority interest of the respective companies.*

(2) LTM net profit margin is the ratio of the most recent twelve months consolidated net profits after tax attributable to shareholders to the most recent twelve months total consolidated revenue of the respective companies.

(3) LTM asset turnover is the ratio of the most recent twelve months total consolidated revenue to the total consolidated assets of the respective companies.

(4) Total liabilities include all the liabilities of the respective companies but exclude any contingent liabilities, if any.

(5) Shareholders' equity is the consolidated shareholders' funds excluding minority interest of the respective companies.

(6) Total borrowings include all bank loans and borrowings as well as hire purchase obligations and interest bearing debts, where applicable.

(7) Yuanbang incurred a loss after tax attributable to owners of approximately RMB30.2 million for the LTM ended 30 September 2017. Hence, Yuanbang's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

(8) Debao incurred a loss after tax attributable to equity holders of approximately RMB87.0 million for the LTM ended 30 September 2017. Hence, Debao's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

(9) MTSH LTM net profit margin of approximately 210.8% is deemed as an outlier.

For illustrative purposes only, we note the following:

(i) The Group's LTM ROE is within the range, higher than the median but lower than the simple average for the Selected Comparable Companies (save for Yuanbang and Debao which were loss making).

(ii) The Group's LTM net profit margin is within the range and lower than both the median and simple average for the Selected Comparable Companies (save for Yuanbang and Debao which were loss making and MTSH which is deemed an outlier).

(iii) The Group's asset turnover is higher than any of the Selected Comparable Companies.

(iv) The Group's total liabilities to shareholders' equity ratio and total borrowings to shareholders' equity ratio are within the range, lower than both the median and simple average for the Selected Comparable Companies.

In summary, the historical financial performance of the Group as reflected by the LTM ROE and LTM net profit margin appears to be fairly in line with the Selected Comparable Companies, whilst the Group's asset turnover ratio appears to be more favourable than any of the Selected Comparable Companies. The Group's financial position in terms of total liabilities to shareholders' equity and total borrowings to shareholders' equity appears to be lower and more favourable than the median and simple average for the Selected Comparable Companies.

The following valuation statistics for the Selected Comparable Companies are based on their respective closing prices as at the Latest Practicable Date, while the valuation of the Group is based on the Issue Price and the last transacted price for the Shares as at the Latest Practicable Date. All the valuation statistics are computed on a historical basis using financial data and information obtained from their latest publicly available unaudited financial statement or audited financial statements from their annual reports or result announcements.

The following table tabulates the comparative valuation statistics for the Selected Comparable Companies and the Group should be evaluated in the context of their relative financial performance and position:

Selected Comparable Companies	Market Capitalisation (S$ m)	LTM EV/ EBITDA[(1)] (times)	LTM PER[(2)] (times)	P/NAV[(3)] (times)	P/NTA[(4)] (times)	Premium/ (discount) over/from NTA (%)
(A) Selected China Companies						
Yuanbang	14.2	25.2	n.m.[(5)]	0.1	0.1	(89.4)%
Debao	15.7	18.2	n.m.[(6)]	0.1	0.1	(94.1)%
CWG	97.3	10.8	3.0	0.6	0.6	(36.4)%
Pan Hong	174.2	9.9	6.4	0.5	0.5	(48.3)%
MAXIMUM	**174.2**	**25.2**	**6.4**	**0.6**	**0.6**	**(36.4)%**
MINIMUM	**14.2**	**9.9**	**3.0**	**0.1**	**0.1**	**(94.1)%**
MEDIAN	**56.5**	**14.5**	**4.7**	**0.3**	**0.3**	**(68.9)%**
SIMPLE AVERAGE	**75.4**	**16.0**	**4.7**	**0.3**	**0.3**	**(67.1)%**
(B) Selected Myanmar Companies						
Yoma	851.9	16.7	26.4	1.3	1.3	34.9%
MTSH	119.2	4.4	5.6	1.5	1.5	52.0%
FMI	331.7	10.4	27.6	1.7	2.3	134.2%
MAXIMUM	**851.9**	**16.7**	**27.6**	**1.7**	**2.3**	**134.2%**
MINIMUM	**119.2**	**4.4**	**5.6**	**1.3**	**1.3**	**34.9%**
MEDIAN	**331.7**	**10.4**	**26.4**	**1.5**	**1.5**	**52.0%**
SIMPLE AVERAGE	**434.3**	**10.5**	**19.9**	**1.5**	**1.7**	**73.7%**
COMBINED (A) + (B)						
MAXIMUM	**851.9**	**25.2**	**27.6**	**1.7**	**2.3**	**134.2%**
MINIMUM	**14.2**	**4.4**	**3.0**	**0.1**	**0.1**	**(94.1)%**
MEDIAN	**119.2**	**10.8**	**6.4**	**0.6**	**0.6**	**(36.4)%**
SIMPLE AVERAGE	**229.2**	**13.7**	**13.8**	**0.8**	**0.9**	**(6.7)%**
Group						
Issue Price	**86.6**	**6.0**	**6.7**	**0.8**[(7)]	**0.8**[(7)]	**(23.9)%**
As at Latest Practicable Date	**76.0**	**5.6**	**5.8**	**0.7**[(7)]	**0.7**[(7)]	**(33.2)%**

Source: *The latest annual reports and the announced unaudited financial statements of the respective companies.*

Notes:

(1) The LTM EV/EBITDA for the Selected Comparable Companies are based on the most recent twelve months EBITDA as reported by the respective companies. The EBITDA for Yuanbang, Debao, CWG, Pan Hong and Yoma is based on the most recent twelve months period ended 30 September 2017. The EBITDA for MTSH and FMI is based on the financial year ended 31 March 2017.

(2) The LTM PERs for the Selected Comparable Companies are based on the most recent twelve months earnings after tax as reported by the respective companies. The earnings after tax for Yuanbang, Debao, CWG, Pan Hong and Yoma is based on the most recent twelve months period ended 30 September 2017. The earnings after tax for MTSH and FMI is based on the financial year ended 31 March 2017.

(3) The P/NAV ratios for the Selected Comparable Companies are based on their respective NAV values as set out in their latest available announced audited or unaudited financial statements. The NAV for Yuanbang, Debao, CWG, Pan Hong and Yoma is based on the most recent twelve months period ended 30 September 2017. The NAV for MTSH and FMI is based on the financial year ended 31 March 2017.

(4) The P/NTA ratios for the Selected Comparable Companies are based on their respective NTA values as set out in their latest available announced audited or unaudited financial statements. The NTA for Yuanbang, Debao, CWG, Pan Hong and Yoma is based on the most recent twelve months period ended 30 September 2017. The NTA for MTSH and FMI is based on the financial year ended 31 March 2017.

(5) Yuanbang incurred a loss after tax attributable to owners of approximately RMB30.2 million for the LTM ended 30 September 2017. Hence, Yuanbang's LTM PER is negative and not meaningful.

(6) Debao incurred a loss after tax attributable to equity holders of approximately RMB87.0 million for the LTM ended 30 September 2017. Hence, Debao's LTM PER is negative and not meaningful.

(7) For the Group, the computation for P/NAV and P/NTA is based on the Group's RNAV and/or RNTA per Share.

Relative valuation for the Group

For illustrative purposes only, we note the following:

(i) The market capitalisation of the Group as implied by the Issue Price and last transacted price for the Shares as of Latest Practicable Date is within the range but lower than both the median and simple average of the Selected Comparable Companies. We note that trading statistics for companies with higher market capitalisation may be different that those with lower market capitalisation and this may be attributed to the relative liquidity in terms of number or value of shares traded as well as relative interest in the shares of companies with larger market capitalizations. Hence, comparison of the valuation ratios for the Group and the Selected Comparable Companies are necessarily limited and presented herein for illustrative purpose only.

(ii) The valuation of the Group in terms of EV/EBITDA ratio as implied by the Issue Price and last transacted price for the Shares as at the Latest Practicable Date is within the range, but lower than both the median and simple average of the Selected Comparable Companies.

(iii) The valuation of the Group in terms of PER as implied by the Issue Price is within the range, higher than the median but lower than the simple average of the Selected Comparable Companies whilst the valuation of the Group in terms of PER as implied by the last transacted price for the Shares as at the Latest Practicable Date is within the range, but lower than both the median and simple average of the Selected Comparable Companies.

(iv) The valuation of the Group in terms of P/NAV and P/NTA as implied by the Issue Price and last transacted price for the Shares as at the Latest Practicable Date is within the range, higher than the median but slightly lower than the simple average for the Selected Comparable Companies.

In summary, the valuation of the Group in terms of LTM EV/EBITDA and LTM PER, as implied by the Issue Price, is within the range of the Selected Comparable Companies although it appears to be less favourable than both the median and simple average of the Selected Comparable Companies. Meanwhile, the valuation of the Group in terms of P/NAV and P/NTA, as implied by the Issue Price and the Group's RNAV and RNTA, appear to be fairly comparable to the Selected Comparable Companies. The above valuation ratios when assessed in the context of the historical financial performance and position of the Group *vis a vis* the

Selected Comparable Companies, appears reasonable and comparable with the Selected Comparable Companies.

We also wish to highlight that the NAV and NTA based approach of valuing a company is dependent on factors that may differ for each Selected Comparable Company including, *inter alia*, factors such as depreciation policies. As such, the comparison of the NAV and NTA of the Group with those of the Selected Comparable Companies is necessarily limited and such comparison is made for illustrative purposes only. In addition, as all the ratios and tools used invariably use the price of the shares, they may or may not take into account any relative or perceived or actual risk premiums or demand and supply conditions for those shares which may or may not have been fundamentally justified. In addition, as these are tools or ratios that are based on historical financial performance or position, they may or may not reflect the anticipated financial performance and the mix of its activities or the relative contributions in terms of assets, financial performance may differ.

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

(d) Comparison with Past Fund Raising

We note that since 1 January 2015 to the Latest Practicable Date, the Company has conducted the following fund raising exercises:

(a) The Company had on 3 July 2015 entered into share subscription agreements ("**2015 Share Subscription Agreements**") with two (2) individual subscribers ("**2015 Subscribers**") pursuant to which the Company had agreed to allot and issue 950,000,000 new Shares ("**2015 Subscription Shares**") to the 2015 Subscribers at an issue price of S$0.0026 per 2015 Subscription Share ("**2015 Subscription Price**"), amounting to an aggregate gross consideration of approximately S$2.5 million ("**2015 Share Subscription**"). The 2015 Subscription Shares represent approximately 11.9% of the then existing issued Share capital or approximately 10.7% of the then enlarged Share capital. The 2015 Investment Price represents a premium of approximately 30.0% over the last transacted price of approximately S$0.002 on 8 April 2015, being the preceding market day before trading in the Shares was halted. The 2015 Subscription Shares were listed and quoted on the SGX-ST on 4 April 2016;

(b) The Company had also on 3 July 2015 entered into investment agreements ("**Investment Agreements**") with two (2) individual investors ("**2015 Investors**") pursuant to which the Company had agreed to allot and issue 950,000,000 new Shares ("**2015 Investment Shares**") to the 2015 Investors at an issue price of S$0.0022 per 2015 Investment Share ("**2015 Investment Price**"), amounting to an aggregate gross consideration of approximately S$2.1 million ("**2015 Investment**"). The 2015 Investment Shares represent approximately 11.9% of the then existing issued Share capital or approximately 10.7% of the then enlarged Share capital. The 2015 Investment Price represents a premium of approximately 10.0% over the last transacted price of approximately S$0.002 on 8 April 2015, being the preceding market day before trading in the Shares was halted. The 2015 Investment Shares were listed and quoted on the SGX-ST on 4 April 2016;

(c) The Company had on 22 February 2016 entered into a share subscription agreement ("**2016 Share Subscription Agreement**") with one (1) individual subscriber ("**2016 Subscriber**") pursuant to which the Company had agreed to allot and issue 500,000,000 new Shares ("**2016 Subscription Shares**") to the 2016 Subscriber at an issue price of S$0.0028 per 2016 Subscription Share ("**2016 Subscription Price**"), amounting to an aggregate gross consideration of approximately S$1.4 million ("**2016 Share Subscription**"). The 2016 Subscription Shares represent approximately 6.3% of the then existing issued Share capital or approximately 5.9% of the then enlarged Share capital. The 2016 Subscription Price represents a premium of approximately 40.0% over the last transacted price of approximately S$0.002 on 8 April 2015, being the preceding market day before trading in the Shares was halted. The 2016 Subscription Shares were listed and quoted on the SGX-ST on 11 April 2016; and

(d) The Company had also on 29 June 2016 announced a renounceable non- underwritten rights issue of up to 5,822,280,292 new Shares ("**Rights Shares**") at an issue price of S$0.0036 for each Rights Share ("**Rights Issue Price**") on the basis of one (1) Rights Share for every two (2) existing ordinary

Shares ("**2016 Rights Issue**"). The Rights Issue Price represents a discount of approximately 10.0% from the last transacted price on 29 June 2016, being the last trading day immediately prior to the announcement of the 2016 Rights Issue. The 2016 Rights Issue was completed on 19 September 2016 and the 2016 Rights Shares were listed on 20 September 2016.

We tabulate below the comparison between the Proposed Acquisition, the 2015 Share Subscription, the 2015 Investment, the 2016 Share Subscription and the 2016 Rights Issue.

Transactions	Announcement Date	No of shares or new shares issued	Subscription/ Investment/ /Rights Issue Price (1) (S$)	% of the enlarged shares (%)	Premium/ discount over/from the last transacted price prior to announcement (%)	P/NTA (2) (times)
2015 Share Subscription	3-Jul-15	950,000,000	0.0026	10.7	30.0	0.33
2015 Investment	3-Jul-15	950,000,000	0.0022	10.7	10.0	0.28
2016 Share Subscription	22-Feb-16	500,000,000	0.0028	5.9	40.0	1.59
2016 Rights Issue	29-Jun-16	5,822,280,292	0.0036	50	(10.0)	2.09
MAXIMUM			**0.0036**	**50.0**	**40.0**	**2.09**
MINIMUM			**0.0022**	**5.9**	**(10.0)**	**0.28**
MEDIAN			**0.0027**	**10.7**	**20.0**	**0.96**
SIMPLE AVERAGE			**0.0028**	**19.3**	**17.5**	**1.07**
Proposed Acquisition	**6-Sep-17**	**132,790,000**	**0.09**	**12.1**	**5.9**	**0.85**

Notes:

(1) Based on the pre-Share Consolidation price for the respective transactions for the 2015 Share Subscription, 2015 Investment, 2016 Share Subscription and 2016 Rights Issue.

(2) The P/NTA is computed based on the Group's latest announced unaudited NTA prior to the respective date of announcements.

For illustrative purposes only, we note the following:-

(i) The Issue Price is higher than the 2015 Subscription Price, 2015 Investment Price, 2016 Subscription Price and 2016 Rights Issue Price. It is noted though that there was a share consolidation exercise of every twenty-five (25) existing ordinary shares to one (1) consolidated share, fractional entitlements to be disregarded (or the Share Consolidation), which was announced on 30 September 2016 and effective on 5 December 2016. Thus it explains the great price disparity between the Issue Price and the 2015 Subscription Price, 2015 Investment Price, 2016 Subscription Price and 2016 Rights Issue Price. We note that after adjusting for the Share Consolidation, the Issue Price of S$0.09 on a "non-consolidated" basis is approximately S$0.0036. While it is similar to the 2016 Rights Issue Price, it is higher as compared to the issue prices for the fund raising exercises reviewed above.

(ii) The Issue Price is at a slight premium of approximately 5.9% over the last transacted price for the Shares prior to the Announcement Date. The Issue Price is less favourable in terms of premiums or discounts to last transacted prices prior to the relevant announcements for the 2015 Subscription Price, 2015 Investment Price and 2016 Subscription Price which were at premiums of approximately 30%, 10% and 40% respectively. However, we note that the number of Consideration Shares to be issued as a percentage of the enlarged share capital after the Proposed Acquisition is higher, when compared to the 2015 Share Subscription, 2015 Share Investment and 2016 Share Subscription.

In addition, the Issue Price for the Proposed Acquisition appears to be more favourable than the 2016 Rights Issue Price which was at a discount of approximately 10% from the last transacted prices prior to the announcement. This should be viewed in the context wherein rights shares are normally issued at a discount from the prevailing market prices.

(iii) The valuation of the Group in terms of the P/NTA of approximately 0.85 times as implied by the Issue Price and the Group's NTA as at 30 June 2017 is within the range but lower than the median and simple average for the P/NTA multiples for the 2015 Subscription Price, 2015 Investment Price, 2016

Subscription Price and 2016 Rights Issue Price. It appears to be less favourable than the 2016 Subscription Price and 2016 Rights Issue Price in terms of the P/NTA multiples as implied by the relevant prices and the then prevailing latest announced unaudited NTA prior to the date of announcement. As highlighted in Paragraph 5.3 of this Letter, the Issue Price is approximately 0.9 times of the Group's RNTA and/or RNAV and this is also within the range but lower than both the median and simple average of the 2015 Subscription Price, 2015 Investment Price, 2016 Subscription Price and 2016 Rights Issue Price in terms of the P/NTA multiple as implied by the Subscription/ Investment/Rights Issue Price and the then prevailing latest announced unaudited NTA prior to the date of announcement.

The above comparison should be assessed in conjunction with the fact that (a) trading of the Shares were suspended since 14 April 2015 and only resumed trading on 31 March 2016, (b) qualified opinion and emphasis of matter ("**EOM**") by the Independent Auditors for FY2015 on *inter alia* the going concern assumption, and (c) the underlying rationale for the numerous fund raising activities conducted by the Group within a short span of time.

We note that the financial performance for the Group had in general improved for FY2016 as compared to FY2015 and FY2014. Accordingly the prices for which shares were issued for past fund raising exercises (2015 Share Subscription and 2015 Share Investment) should be reviewed in the context of the suspension of the Shares prior to the 2015 Share Subscription and 2015 Share Investment and the accompanying uncertainties with regards to the lifting of the suspension. Furthermore the 2016 Share Subscription and 2016 Rights Issue were undertaken after the qualified opinion and EOM on *inter alia* going concerns with write down of asset values; and prior to the release of the results for the financial year ended 31 December 2016 wherein there was a marked improvement in financial performance and position. Likewise it is generally accepted that most rights issue are priced at discounts to their relevant market prices (irrespective of their market prices).

Likewise we note that the Company had on 27 February 2017 obtained approval from its shareholders for the proposed allotment and issue of up to an aggregate of 468,102,000 conversion shares ("**Conversion Shares**") at a conversion price ("**Conversion Price**") of S$0.09 pursuant to a convertible loan ("**Convertible Loan**"). Whilst the Issue Price is similar to the Conversion Price, we note that the Conversion Price was at a discount of 10% from the last transacted price on the last trading day prior to the announcement for the loan agreement on 17 October 2016, which together with such other loans were restructured into the Convertible Loan, whilst the Issue Price is at a premium of approximately 5.9% from the last transacted price for the Shares prior to the Announcement Date. Furthermore the Conversion Price/Group's RNAV was at approximately 1.6 times as compared to the Issue Price/Group RNAV of approximately 0.8 times. Please see the later paragraph "Comparison with DAS Acquisition" for an evaluation of the Conversion Price.

Thus in summary the Issue Price is higher than any of the issue prices for Past Fund Raising exercises after adjusting for the Share Consolidation. Although the Issue Price has a slight premium of approximately 5.9% over the last transacted price for the Shares prior to the Announcement Date, we note that it is within the range for the Past Fund Raising albeit lower than both the median and simple average. This may be due to relative number of Shares to be issued on an enlarged basis for the Proposed Acquisition. Furthermore whilst the P/NTA as implied by the Issue Price is within the range for the Past Fund Raising, it is lower than both the median and simple average. This may be due to the Group's financial performance, condition and position as well as listing status during the periods when the Past Fund Raising exercises were undertaken.

The above comparison has to be assessed in the context of the fact that the economic or general market conditions for the Shares or the prices for which the Shares were traded at the time then prevailing as well as the purpose for the issuance of such instruments may have been different from the Proposed Acquisition. Hence, the comparison between the Proposed Acquisition with the 2015 Share Subscription, the 2015 Investment, the 2016 Share Subscription and the 2016 Rights Issue above is necessarily limited and meant for illustration purpose.

(e) Comparison with DAS Acquisition

The Company announced on 17 October 2016 that it had entered into a sale and purchase agreement(s) with each of Strong Ever Limited ("**SEL**"), ASL, Sunshine Shimmer Limited ("**SSL**"), Consortium Investments Limited ("**CIL**") and D3 (collectively, "**DAS Vendors**"), pursuant to which the DAS Vendors agreed to sell and the Company agreed to purchase all of the issued and paid-up shares of DAS (the "**DAS Acquisition**") for a total consideration of approximately US$24.9 million ("**DAS Consideration**").

The DAS Consideration was satisfied by cash (approximately US$10.0 million) and issuance and allotment of 206,108,000 consideration Shares ("**DAS Consideration Shares**") at an issue price of S$0.10 for each DAS Consideration Share ("**DAS Issue Price**"). The DAS Acquisition was completed in two phases, being 20 December 2016 and 27 February 2017, and resulted in the Company acquiring 49.0% effective interest in GLRE.

For illustrative purpose only, we tabulate below the comparisons of salient ratios between the Proposed Acquisition and the DAS Acquisition.

	Proposed Acquisition	**DAS Acquisition[(1)]**
Consideration /Target's RNAV (times)	1.1 – 1.3	0.7
Issue Price/Group's RNAV (times)	0.8	1.8
Issue Price (S$)	0.09	0.10
Premium of Issue Price over the last transacted price for the Shares prior to the respective announcement (%)	5.9%	0.0%
Adjusted Consideration /Target's RNAV (times) [(2)]	1.2	0.5

Notes:

(1) Information is extracted from the circular of the Company dated 3 February 2017.

(2) See definition for Adjusted Consideration in later paragraphs.

For illustrative purposes only, we note the following:-

(i) The P/RNAV multiple for the Proposed Acquisition, as implied by the Consideration, of approximately 1.1 times to 1.3 times is higher than the P/RNAV multiple for the DAS Acquisition as implied by the DAS Consideration of approximately 0.7 times.

(ii) The Issue Price for the Consideration Shares pursuant to the Proposed Acquisition appears to be at a discount to the Group's RNAV per Share, whilst the DAS Issue Price was at a premium to the then Group's RNAV per Share.

(iii) The Issue Price for the Consideration Shares pursuant to the Proposed Acquisition represents a small premium of approximately 5.9% over the last transacted price for the Shares on the Last Trading Day, whilst the DAS Issue Price was in line with the last transacted price for the Shares prior to the announcement relating to, *inter alia,* the DAS Acquisition.

(iv) The P/RNAV multiple for the Proposed Acquisition as implied by the Adjusted Consideration of approximately 1.2 times appears to be higher than the P/RNAV multiple for the DAS Acquisition as implied by the DAS Adjusted Consideration of approximately 0.5 times.

In summary, the Proposed Acquisition appears to be less favourable as compared to the DAS Acquisition in terms of the higher P/RNAV multiples as well as the fact that the Consideration Shares for the Proposed Acquisition would be issued at premium to the Group's RNAV per Share *vis a vis* at discount from the then Group's RNAV per Share for the DAS Acquisition. This comparison should be assessed in the context of the following:-

(i) The DAS Acquisition was the Group's first foray into Myanmar. The businesses of the Group prior to the completion of DAS Acquisition did not involve any property investments or developments in Myanmar. The Proposed Acquisition will increase the Groups' interest in the Target from 70% to 87%, more than 75%, and will allow the Group to significantly influence the strategies and direction of the Target as well as pass any special resolution (other than for interested persons transactions) relating to the Target.

(ii) The Consideration for the current Proposed Acquisition comprises Consideration Shares (74.1%) and the Offset (25.9%) whilst that for the DAS Acquisition comprised DAS Consideration Shares (60%) and cash (40%). It is generally accepted that cash as a consideration is preferred by vendors as compared to shares wherein the conversion of such shares into cash via transacting on the Catalist is subject to the liquidity of the market or shares.

Accordingly, the multiple for the consideration to Target RNAV for the Proposed Acquisition (and wherein consideration comprises Shares only) is higher at 0.8 times, as compared to the DAS Acquisition of 0.7 times (and wherein consideration comprises 40% cash). Thus while a higher multiple for consideration to Target RNAV, is to be paid for the Proposed Acquisition the consideration in the form of Consideration Shares. We note that if a discount of about 20% is accorded to the illiquid nature of shares (or for placing such shares for cash), the consideration to Target RNAV for the Proposed Acquisition multiple would be 0.72 times and comparable to the multiple for the DAS Acquisition. Furthermore as described later, whilst the issue price for consideration shares issued for the DAS Acquisition were at the market prices then prevailing, the Shares were valued more favourably by the market as compared to its peers then.

(iii) DAS was in net liabilities position of approximately US$33.6 million as at 31 August 2016, whilst the Target was in net assets position of approximately US$29.7 million as at 30 September 2017. Furthermore the Target as at 31 March 2016 was loss making and had negative equity (see Paragraph 5.4 (b) of this Letter).

(iv) The relatively higher Issue Price/Group's RNAV multiple, for the DAS Acquisition of 1.8 times, arises from the computations for RNAV for the Group which includes *inter alia* estimated revenues from sale of development properties in the PRC, as compared to Proposed Acquisition of 0.8 times which are principally due to revaluation surplus of development properties for both unsold units and "raw land" in PRC and Myanmar wherein there is *inter alia* less certainty or subject to relatively larger uncertainties in translations of assets to net tangible assets or net asset values.

It is also due to the relatively higher market prices for the Shares and favourable market valuation during the DAS Acquisition (as compared to its comparable companies then). In contrast the valuation of the Consideration Shares as implied by the Issue Price (at a 5.9% to last transacted prices for Shares prior to the Announcement) though comparable to Selected Comparable Companies is not as favourable on a relative basis. Furthermore the Issue Price for the Proposed Acquisition is at a premium to the last transacted prices prior to Announcement as compared to the issue price for the DAS Acquisition which was "pegged" to the last transacted prices prior to announcement of the DAS Acquisition.

(v) Similarly for the Adjusted Consideration to Target RNAV multiple, the computation of such multiples for the Proposed Acquisition of 1.2 times, involves ascribing a value being the RNAV of the Group to the Consideration Shares and where such values arises from unsold units and "raw land" in the PRC and Myanmar. Accordingly this should be viewed in the context that for the DAS Proposed Acquisition (wherein the multiple is 0.5 times), the values as ascribed for the RNAV of the Group then, comprises estimated revenues from sale of development properties in the PRC; the consideration for DAS Acquisition includes both cash (which are preferred by most vendors) and shares.

(vi) The Selected Myanmar Companies are traded at P/NAV multiple of between 1.3 times to 1.7 times which is higher than the P/RNAV multiple (as implied by the Adjusted Consideration) for the Target under the Proposed Acquisition.

In summary, the Issue Price for Consideration Shares pursuant to the Proposed Acquisition at S$0.09, while lower than the issue price for consideration shares for the DAS Acquisition of S$0.10, is a at premium to the last transacted prices prior to Announcement as compared to the issue price for shares issued as consideration for the DAS Acquisition.

Furthermore as described in the circular and the independent financial adviser letter for the DAS Acquisition, the Shares were more favourably priced by the market then and as implied by the issue price for Shares, during the DAS Acquisition as compared to their peers then. The issue price for consideration shares for the DAS Acquisition were priced at 1.8 times to the then Group's RNAV or RNTA of the Group whilst its peers had a median and maximum P/NAV or P/NTA multiple of 0.2 times and 0.7 times respectively. In contrast the Issue Price for the Consideration Shares for the Proposed Acquisition is priced at 0.8 times of RNAV or RNTA of the Group as compared to the minimum of 0.1 times, median of 0.6 times and maximum of 1.7/2.3 times for the Selected Comparable Companies. Accordingly while the Issue Price/Group's NAV for the Proposed Acquisition at 0.8 times, is not as favourable for the Proposed Acquisition as compared to the DAS Acquisition of 1.8 times, it should be viewed in the context that prior to the DAS Acquisition, the valuation of the Shares and the issue price for consideration shares issued for the DAS Acquisition were significantly higher as compared to its peers then.

Furthermore the ratio of Consideration/Target RNAV for the Proposed Acquisition is comparable to the DAS Acquisition given the illiquid nature of shares and the discount needed to translate the shares to cash.

Whilst the Adjusted Consideration to Target RNAV multiple for the Proposed Acquisition is at 1.2 times is higher and less favourable when compared to the DAS Acquisition of 0.5 times, this should be viewed in the context of the relative quality of the assets for the Group prior to the Proposed Acquisition as compared to those prior to the DAS Acquisition. Notwithstanding, we note that the Selected Myanmar Companies are traded at P/NAV multiple of between 1.3 times to 1.7 times which is higher than the P/RNAV multiple (as implied by the Adjusted Consideration) for the Target under the Proposed Acquisition. Further we note that the Group's peers prior to the DAS Acquisition, which comprises PRC companies, were trading at substantial discounts to NAV and NTA.

Notwithstanding, Non-Interested Directors and the Audit Committee should note that whilst Adjusted Consideration to Target RNAV multiple is one appropriate tool for evaluation, the market's valuation of the Proposed Acquisition as implied by the Issue Price/Group's NAV or Issue Price/Group's NTA as compared to the relevant comparable companies or Selected Comparable Companies prevailing, provides a realistic indication of valuations for Shares as perceived by the market. Hence whilst the Issue Price/Group's NAV or Issue Price/Group's NTA for the DAS Acquisition at approximately 1.8 times, is higher than the approximately 0.8 times for the Proposed Acquisition, it is due to the relatively higher and significantly more favourable valuation for the Shares during the DAS Acquisition. Whilst the Issue Price/Group's RNAV or Issue Price/Group's RNTA for the Proposed Acquisition at 0.8 times is lower, it is comparable to those for Selected Comparable Companies, after taking into account the Group's relatively weaker financial performance and ROE as compared to its peers. Furthermore the ratio of Consideration/Target RNAV for the Proposed Acquisition is comparable to the DAS Acquisition given the illiquid nature of shares and the discount needed to translate the shares to cash.

Similarly we note that the Conversion Price/Group's RNAV was at approximately 1.6 times as compared to the Issue Price/Group RNAV of approximately 0.8 times. This may be to the relatively higher and significantly more favourable valuation for the Shares during the DAS Acquisition, notwithstanding that the Conversion Price was at a 10% discount from the last transacted price for the Shares on the last trading day before the announcement for the loan agreement on 17 October 2016, while the Issue Price was at a slight 5.9% premium over the last transacted price for the Shares on the Last Trading Day.

The above comparisons are for illustrative purposes as the two transactions (Proposed Acquisition and DAS Acquisition) are different transactions despite the fact that they both involve directly or indirectly the Target, ASL and D3. Further Directors and Management have confirmed that the DAS Acquisition was not made in contemplation of the Proposed Acquisition nor was the Proposed Acquisition made consequent to the DAS Acquisition.

The above comparison has to be assessed in the context of the fact that the economic or general market conditions for the Shares or the prices for which the Shares were traded at the time then prevailing. Hence, the comparison between the Proposed Acquisition with the DAS Acquisition above is necessarily limited and meant for illustration purpose.

(f) Comparison with the recently announced acquisitions

We note from the Company's announcement that DAS had on 14 November 2017 ("**GLRE Announcement**") entered into a sale and purchase agreement ("**Nature Link SPA**") with Nature Link Co., Ltd. (the "**Nature Link**"), pursuant to which Nature Link has agreed to sell and DAS has agreed to purchase up to 15,118 issued and paid-up shares (representing 20% of the equity interest) of GLRE (the "**Proposed GLRE Acquisition**"). The aggregate consideration payable by DAS for the Proposed GLRE Acquisition (the "**GLRE Consideration**") is up to US$20 million (approximately S$27.1 million based on the exchange rate of US$1.00: S$1.355 as set out in the Nature Link SPA), which shall be satisfied in notes or consideration Shares or such combination of notes and consideration Shares as DAS may in its sole discretion decide. In the event the GLRE Consideration is to be satisfied in consideration Shares, it shall be satisfied by the procurement by DAS of the issuance by the Company of such number of Shares, at the issue price of S$0.09 per Share ("**GLRE Issue Price**"), to Nature Link and/or its nominee(s).

For illustrative purpose only, we note that the terms of the Proposed Acquisitions which are Interested Person Transactions are fairly comparable to the Proposed GLRE Acquisition which is non-Interested Person Transaction in terms of the following:-

(a) As confirmed by the Directors, the Consideration for the Proposed Acquisitions and the GLRE Consideration is on the premise of the respective effective interest in GLRE and an "internal" valuation of GLRE of approximately US$100 million.

(b) The Issue Price for the Consideration Shares pursuant to the Proposed Acquisitions is similar to the GLRE Issue Price for the Proposed GLRE Acquisition.

Lastly, we also note that on 15 November 2017 ("**Red Roof Announcement**"), the Company announced that its wholly-owned subsidiary, Futura Asset Holdings Pte. Ltd. ("**Futura**") had on 14 November 2017 entered into a sale and purchase agreement ("**Futura SPA**") with Thu Kha Yadanar Co., Ltd. ("**Thu Kha**") pursuant to which Thu Kha has agreed to procure the sale and transfer of and Futura has agreed to acquire 152,500 issued and paid-up shares (representing 61% of the equity interest) of Red Roof Investment Development Co., Ltd. ("**Red Roof**") held by a third party (the "**Proposed Red Roof Acquisition**"). Red Roof is the owner and developer of the Thu Kha Yadanar Residence project, a major residential development at Min Ye Kyaw Zwa Road in the Lan Ma Taw township of Yangon, Myanmar. The aggregate consideration payable by Futura for the Red Roof Proposed Acquisition (the "**Red Roof Consideration**") is US$24.4 million (approximately S$33.1 million based on the exchange rate of US$1.00: S$1.355 as set out in the Futura SPA) or if required by Futura, such lesser amount as agreed between Thu Kha and Futura after completion of Futura's due diligence investigations in respect of Red Roof. The Red Roof Consideration shall be satisfied in notes or consideration Shares or such combination of notes and shares as Futura may in its sole discretion decide. In the event the Red Roof Consideration is to be satisfied in consideration Shares, it shall be satisfied by the procurement by Futura of the issuance by the Company of such number of Shares, at the issue price of S$0.09 per Share ("**Red Roof Issue Price**"), to Thu Kha and/or its nominee(s) (the "**Red Roof Consideration Shares**").

We further note that the Red Roof Issue Price pursuant to the Proposed Red Roof Acquisition which is non-Interested Person Transaction is in line with the Issue Price pursuant to the Proposed Acquisitions which are Interested Person Transactions.

The comparison of the Proposed Acquisition and the Proposed GLRE Acquisition and the Proposed Red Roof Acquisition is based on the information disclosed in the GLRE Announcement and Red Roof Announcement and confirmation from the Directors that as at the Latest Practicable Date, the mode of payment for the GLRE Consideration and the Red Roof Consideration has not been determined. As such our analysis and the comparison above is necessary limited and for illustrative purpose only.

5.4. Assessment of the Consideration

(a) The Consideration for the Proposed Acquisitions

It is noted that the Consideration for the D3 Acquisition shall be satisfied solely by the issuance of 94,850,000 Consideration Shares whilst the Consideration for the ASL Acquisition shall be satisfied in the following manner:-

(i) the amount of US$3,080,000 shall be satisfied by way of offsetting unit(s) within the Golden City Project ("**Unit(s)**") within 24 months after the date of completion. The value of each Unit is to be based on the then prevailing market price of such Unit at the time and the choice of the Units to be offset shall be mutually agreed by DAS and ASL; and

(ii) the amount of US$2,520,000 shall be satisfied by the procurement by DAS of the issuance by the Company of 37,940,000 Consideration Shares to ASL.

The Company shall issue an aggregate of 132,790,000 Consideration Shares at the Issue Price of S$0.09 per Consideration Share to the Vendors in the following proportion.

Vendors	Consideration Shares (ordinary shares)
ASL	37,940,000
D3	94,850,000
Total	**132,790,000**

The Consideration shall be satisfied in the following manner:

Vendor	% equity interest in Target (%)	Number of Consideration Shares	Value of Consideration Shares (S$'000)	Offsetting or payment in kind (S$'000)	Total Consideration (S$'000)
ASL	8.0	37,940,000	3,414.6	4,173.4[(1)]	7,588.0
D3	9.0	94,850,000	8,536.5	n.a.[(2)]	8,536.5
Total	**17.0**	**132,790,000**	**11,951.1**	**4,173.4**	**16,124.5[(3)]**

Notes:

(1) US$3.08 million and has been translated into SGD based on the exchange rate of US$1: S$1.355 as stated in the Announcement.

(2) Not applicable

(3) Equal to US$11.9 million based on the exchange rate of US$1: S$1.355 as stated in the Announcement.

The Directors have represented and confirmed that the Consideration paid to the respective Vendors are in proportion to the respective equity interest in the Target and the structure of the Consideration is based on negotiations with respective Vendors (on a willing buyer willing seller basis) after taking into account their preferences and respective negotiations with the Company as well as the Company's requirements.

Adjusted Consideration

In determining the "intrinsic value" of the Consideration, we have considered the following:-

(a) the Issue Price of the Consideration Shares represents a discount of approximately 23.9% from the Group's RNAV and/or RNTA per Share of approximately S$0.1183; and

(b) the Issue Price represents a slight premium of 5.9% over the last transacted price for the Share on the Catalist on 4 September 2017, being the Last Trading Day prior to the Announcement Date.

As such, for illustrative purpose only, we present the computation of the adjusted Consideration for the Proposed Acquisition ("**Adjusted Consideration**") in the event that the Consideration Shares would be issued at price equivalent to the Group's RNAV and/or RNTA per Share.

Vendor	Number of Consideration Shares (a)	Group's RNAV and/or RNTA per Share (S$) (b)	Offsetting or payment in kind (S$'000) (c)	Adjusted Consideration (S$'000)[(1)] (d= (a x b)+c)	Adjusted Consideration (US$'000)[(2)]
ASL	37,940,000	0.1183	4,173.4[(3)]	8,662	6,392
D3	94,850,000	0.1183	n.a.[(4)]	11,221	8,281
Total	**132,790,000**		**4,173.4**	**19,883**	**14,673**

Notes:

(1) Computation and figures are subject to rounding.

(2) Based on the exchange rate of US$1: S$1.355 as stated in the Announcement.

(3) US$3.08 million and has been translated into SGD based on the exchange rate of US$1: S$1.355 as stated in the Announcement.

(4) Not applicable.

It is noted that the Adjusted Consideration (based on the Group's RNAV and/or RNTA per Share and the Offset) is approximately 23.3% higher than the Consideration (based on the Issue Price and Offsetting).

For the purpose of this IFA letter and in line with our engagement (which is in connection with the Proposed Acquisition as an IPT), our evaluation is based on the Consideration and Adjusted Consideration.

(b) Financial performance and position of the Target

UGP, the Target, is a company incorporated in Singapore and specialises in property development in emerging markets. UGP holds a 70% equity interest in Golden Land. Consequently, Golden Land owns a single property development project, Golden City, in Myanmar ("**Golden City Project**"). As at the Latest Practicable Date, the Company holds 100% of the entire issued and paid up share capital of DAS, which in turn owns 70% of the entire issued and paid up share capital of the Target. Accordingly, the Group has an effective interest in Golden Land of 49%.

We have been provided by the Management with unaudited consolidated financial statements for the Target for HY2018, TFY2017, TFY2016 and TFY2015. The following tables provide a summary of the unaudited consolidated financial statements for the Target for HY2018, TFY2017, TFY2016 and TFY2015.

Summary of the Consolidated Statement of Income

Figures in US$'000[(1)]	**Unaudited HY2018**	**Unaudited TFY2017**	**Unaudited TFY2016**	**Unaudited TFY2015**
Revenue	16,196	88,235	-	-
Sales tax	(824)	(4,202)	-	-
Net revenue	15,372	84,033	-	-
Cost of sales	(6,128)	(35,033)	-	-
Gross profit	9,244	49,000	-	-
Other income	14	54	2,485	980
Operating expenses	(3,010)	(22,711)	(5,144)	(6,533)
FV gain	2,528	9,159	-	-
Finance costs	(1,174)	(704)	-	-
Share of associate loss	-	(13)	-	-
Profit/(Loss) before tax	9,204	34,785	(2,659)	(5,553)
Profit/(Loss) after tax	8,180	32,495	(2,659)	(5,553)
Profit/(Loss) after tax attributable to shareholders	5,716	22,697	(1,894)	(3,980)

Note:

(1) The figures included herein and discrepancies between the listed and total amounts thereof are subject to rounding.

Summary of the Consolidated Balance Sheet

Figures in US$'000[(1)]	**Unaudited HY2018**	**Unaudited TFY2017**	**Unaudited TFY2016**	**Unaudited TFY2015**
Non-current assets	24,390	18,828	2,757	4,013
Current assets	114,950	106,184	65,184	42,351
Non-current liabilities	30,808	31,825	-	-
Current liabilities	72,338	65,152	72,809	48,470
Total borrowings	27,462	13,625	-	-
Shareholders' equity	29,694	14,200	(3,988)	(2,022)
Net working capital	42,613	41,032	(7,625)	(6,118)

Note:

(1) The figures included herein and discrepancies between the listed and total amounts thereof are subject to rounding.

We note the following:

(i) The Target did not record any revenue for the period TFY2015 and TFY2016. Pre-sales were launched in March 2014 and January 2015, and sales were recorded but not recognised as revenue until TFY2017. The Target recorded revenue of approximately US$88.2 million in TFY2017 and approximately US$16.2 million in HY2018. Other income was approximately US$0.98 million, US$2.5 million, US$54 thousand and US$14 thousand for TFY2015, TFY2016, TFY2017 and HY2018 respectively. Management has represented that the other income mainly comprised (a) exchange gains due to appreciation of USD against MMK, (b) bank interest income and (c) non-recurring rental income from Old CMA building that ceased in May 2016 due to the ongoing refurbishment work.

The Target recorded total operating expenses of approximately US$6.5 million, US$5.1 million, US$22.7 million and US$3.0 million in TFY2015, TFY2016, TFY2017 and HY2018, respectively.

The Target recorded losses attributable to shareholders' of approximately US$4.0 million in TFY2015, approximately US$1.9 million in TFY2016. The Target recorded profit attributable to shareholders' of approximately US$22.7 million in TFY2017, as well as approximately US$5.7 million in HY2018.

(ii) As at 30 September 2017, the Target's non-current assets of approximately US$24.4 million, comprising of investment properties of approximately US$19.3 million, the Old CMA property (currently undergoing refurbishment) of approximately US$2.7 million and property, plant and equipment of approximately US$2.3 million. The Target's current assets as at 30 September 2017 amounted to approximately US$115.0 million, comprising of *inter alia*, development cost of approximately US$96.1 million, accounts receivable of approximately US$9.6 million, amount due from subsidiary/associates/related party of approximately US$6.8 million and cash and bank balances of approximately $1.0 million.

The Target recorded current liabilities as at 30 September 2017 of approximately $72.3 million which comprises of unearned revenue of approximately $29.9 million, bank loans of approximately US$13.2 million, account payables of approximately US$20.4 million, amount due to shareholders of approximately US$2.5 million, other payables and accrual of approximately US$6.3 million, and.

The Target recorded non-current liabilities as at 30 September 2017 of approximately $30.8 million which comprises of accrued land lease premium of approximately US$14.1 million, deferred tax of approximately US$2.4 million and bank loans of approximately US$14.3 million.

(iii) The Target's net working capital were negative in TFY2015 and TFY2016 but went to positive of approximately US$41.0 million in TFY2017 and approximately US$42.6 million in HY2018.

(iv) The Target recorded negative equity attributable to shareholders of approximately US$2.0 million in TFY2015 and approximately US$4.0 million in TFY2016. Subsequently, the Target recorded positive equity attributable to shareholders of approximately US$14.2 million in TFY2017 and approximately US$29.7 million in HY2018. The Target's total borrowings amounted to approximately US$27.5 million as at 30 September 2017.

The Directors confirmed to the best of their knowledge, that as at the Latest Practicable Date and save for matters disclosed in this Letter and the unaudited financial statements for the Target for HY2018, there have been no material changes to the Target's assets and liabilities, financial position, condition and performance.

(c) NAV and NTA analysis of the Target

For the brief description of the NAV and NTA based approach, please refer to Paragraph 5.2 (a) of the IFA Letter.

In assessing the Consideration or the Adjusted Consideration in relation to the NAV and NTA of the Target as at 30 September 2017, we have reviewed the unaudited consolidated statement of financial position of the Target as at 30 September 2017 which have been adjusted with various adjustments, to determine whether there are any assets that are of an intangible nature and as such would not appear in a valuation based on the NTA approach, but would be included in the NAV approach. Save as disclosed in the unaudited consolidated balance sheet of the Target as at 30 September 2017 and in the Circular, the Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible assets or tangible assets which ought to be disclosed in such unaudited consolidated balance sheet as at 30 September 2017 in accordance with Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Target as at Latest Practicable Date.

The Directors have also confirmed that, based on the information available to them, as at the Latest Practicable Date, there were no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Target as at 30 September 2017, save as disclosed in the unaudited financial statement of the Target as at 30 September 2017 as well as the Circular. In addition, the Directors are of the opinion that save as disclosed in the Circular and based on the information available to them, the values of the assets (other than those for which valuation has been conducted), and liabilities as well as financial performance or condition of the Target as disclosed and reflected in the unaudited consolidated financial statements of the Target as at 30 September 2017 are true and fair. Lastly, the Directors confirmed that based on the information available to them, to the best of their knowledge or belief that such information is true, complete and accurate in all respects and that there is no other information or fact, the omission of which would render those statements or information, including our references, as well as analysis of such information to be untrue, inaccurate or incomplete in any respect or misleading.

The following table shows an extract of the unaudited consolidated statement of financial position or balance sheet of the Target as at 30 September 2017.

Consolidated unaudited balance sheet as at 30 September 2017 (1)	US$'000
Non-current assets	
Investment properties	19,318
PPE - CMA	2,731
Property, plant and equipment	2,341
	24,390
Current assets	
Development cost	96,128
Accounts receivables	9,582
Other receivables and prepayments	1,489
Amount due from Associate	209
Amount due from DAS	4,105
Amount due from JL	166
Amount due from D3 capital	26
Amount due from Nature Link	2,250
Amount due from ETC	13
Cash and bank balances	982
	114,950
Current liabilities	
Amount due to shareholder - Asiabiz Services Ltd (BVI)	400
Amount due to shareholder - D3 Capital Ltd	400
Amount due to shareholder - Strong Ever ltd	500
Amount due to shareholder - Sunshine Shimmer Ltd	400
Amount due to ETC	834
Accounts payables	20,423
Other payables and accrual	6,330
Bank loan	13,190
Unearned revenue	29,861
	72,338
Non-current liabilities	
Accrued land lease premium	14,130
Deferred tax	2,406
Bank loan	14,272
	30,808
NAV	**36,195**
Less: Non-controlling interests	6,501
NAV attributable to owners of the Company	**29,694**
Less: Intangible assets	-
NTA as at 30 September 2017	**29,694**

NAV and/or NTA attributable to the Proposed Acquisition	**5,048**
Consideration	**11,900**
Adjusted Consideration	**14,673**
Adjusted Consideration for D3 Acquisition	**8,281**
Adjusted Consideration for ASL Acquisition	**6,392**
Premium of Consideration over the Target's NAV and/or NTA attributable to the Proposed Acquisition	**135.7%**
Premium of Adjusted Consideration over the Target's NAV and/or NTA attributable to the Proposed Acquisition	**190.7%**
Premium of Adjusted Consideration for D3 Acquisition over the Target's NAV and/or NTA attributable to D3 Acquisition	**209.9%**
Premium of Adjusted Consideration for ASL Acquisition over the Target's NAV and/or NTA attributable to ASL Acquisition	**169.1%**

Note:

(1) The figures above are based on the Target's unaudited consolidated financial statements as at 30 September 2017 and are subject to rounding.

For illustrative purposes only, we note the following:-

(i) The Consideration represents a premium of approximately 135.7% over the Target's NAV and/or NTA attributable to the Proposed Acquisition.

(ii) The aggregate Adjusted Consideration represents a premium of approximately 190.7% over the Target's NAV and/or NTA attributable to the Proposed Acquisition.

(iii) The Adjusted Consideration for the D3 Acquisition represents a premium of approximately 209.9% over the Target's NAV and/or NTA attributable to the D3 Acquisition.

(iv) The Adjusted Consideration for the ASL Acquisition represents a premium of approximately 169.1% over the Target's NAV and/or NTA attributable to the ASL Acquisition.

Target's RNAV and/or RNTA

In our evaluation of the Consideration or the Adjusted Consideration, we have also considered whether there are any assets which should be valued at an amount that is materially different from that which recorded in the unaudited consolidated financial statements of the Target as at 30 September 2017. As mentioned in the earlier section, the Company has commissioned Colliers to determine the market value of the Golden City Properties on an "as-is" basis, which are recorded as investment properties, development costs and property, plant and equipment under the Target's unaudited consolidated balance sheet as at 30 September 2017. Please refer to paragraph 5.3(b) of this Letter for further details on the market value, assumptions as well as relevant confirmations and representations from the Directors.

It is noted that for the period after the Valuation Date to the Latest Practicable Date, there were additional 1 unit of Phase 1 and 15 units of Phase 2 being sold. The Directors and the Management represented and confirmed that there was no material difference in the average selling price ascribed by Colliers and the actual selling price for the said units, as such no adjustments to the market value of the Golden City Properties are needed to be made.

For illustrative purpose only, the revaluation surplus has been calculated and presented in the table below assuming a hypothetical sale of the Golden City Properties at the market value ascribed by Colliers above. The Directors and the Management represented that there will be potential tax liability of approximately US$20.6 million if the Golden City Properties which is subject to valuation were to be sold at the market value ascribed by Colliers.

Revalued NAV and Revalued NTA[1]	US$'000
Market Value of the Golden City Properties on "as-is" basis	170,630
Add: receipt in advance	29,861
Less: net book value of Golden City Properties as at 30 September 2017	(118,177)
Less: potential tax liability[2]	(20,578)
Revaluation surplus	**61,736**
Target's NAV and/or NTA as at 30 September 2017	29,694
Add: Revaluation surplus (based on effective interest)	43,215
Target's RNAV and/or RNTA	**72,909**
RNAV and/or RNTA attributable to the Proposed Acquisition	**12,395**
Discount of the Consideration from the Target RNAV and/or RNTA attributable to the Proposed Acquisition	**(4.0)%**
Premium of the Adjusted Consideration over the Target's RNAV and/or RNTA attributable to the Proposed Acquisition	**18.4%**
RNAV and/or RNTA attributable to the D3 Acquisition	**6,562**
Premium of the Adjusted Consideration for D3 Acquisition over the Target's RNAV and/or RNTA attributable to D3 Acquisition	**26.2%**
RNAV and/or RNTA attributable to the ASL Acquisition	**5,833**
Premium of the Adjusted Consideration for ASL Acquisition over the Target's RNAV and/or RNTA attributable to ASL Acquisition	**9.6%**

Notes:

(1) The Management has represented and confirmed that the net book value of the Golden City Properties recorded under the Target's unaudited financial statement as at 30 September 2017 differs from the net book value of the Golden City Properties recorded under the Group's unaudited financial statement as at 30 September 2017 as the Company has carried out the purchase price allocation exercise for the DAS Acquisition. The figures and computation are subject to rounding

(2) Figures are provided by management.

Based on the table above, we note the following:-

(i) The Consideration represents a discount of approximately 4.0% from the Target's RNAV and/or RNTA attributable to the Proposed Acquisition.

(ii) The Adjusted Consideration represents a premium of approximately 18.4% over the Target's RNAV and/or RNTA attributable to the Proposed Acquisition.

(iii) The Adjusted Consideration for D3 Acquisition represents a premium of approximately 26.2% over the Target's RNAV and/or RNTA attributable to the D3 Acquisition.

(iv) The Adjusted Consideration for ASL Acquisition represents a premium of approximately 9.6% over the Target's RNAV and/or RNTA attributable to the ASL Acquisition.

We wish to highlight that although the RNAV and/or RNTA of the Target shown above include revaluation surplus of the Golden City Properties, Non-Interested Directors and the Audit Committee should note that the Target has not realised the surplus on such assets as at the Latest Practicable Date, and that there is no assurance that the revaluation surplus eventually recorded by the Target on the Golden City Properties as described above (in the event that the Golden City Properties are disposed) will be the same as that indicated above.

The above computations and analysis are meant as an illustration and it does not necessary mean or imply that the net realisable value of the Target is as stated above. It also does not imply that the assets or properties of the Target can be disposed of at the estimated value indicated above and that after payment of all liabilities and obligations, the values or amounts as indicated for the respective types of NTA and is realisable or distributable to the shareholders of the Target.

It should be noted that the NTA basis of valuation provides an estimate of the value of a hypothetical sale of all its tangible assets over a reasonable period of time and is only relevant in the event that the Target decides to change the nature of its business or to release or convert the uses of all its assets. The NTA basis of valuation, however, does not necessarily reflect the value of the Target as a going concern nor can it capture or illustrate any value for the Target goodwill or branding. In addition, it does not illustrate the values at which the assets may actually be realized or disposed.

(d) Relative valuation analysis for the Target

In assessing the Proposed Acquisition (in terms of the Consideration or the Adjusted Consideration), we have considered the financial performance, financial position of the Selected Myanmar Companies (please refer to Section 5.3(c) of this Letter for the selection criteria etc).

The following tabulates the salient ratios for comparative financial performance and position for the Selected Myanmar Companies and the Target:-

Relative Performance of the Target

Selected Myanmar Companies	LTM ROE(1) (%)	LTM net profit margin(2) (%)	LTM asset turnover(3) (times)	Total liabilities(4)/ shareholder equity(5) (times)	Total borrowings(6) /shareholder equity(5) (times)
Yoma	4.9%	22.9%	0.1	0.6	0.3
MTSH	27.1%	n.m.(7)	0.1	0.1	No borrowings
FMI	6.1%	7.5%	0.1	7.8	0.2
MAXIMUM	**27.1%**	**22.9%**	**0.1**	**7.8**	**0.3**
MINIMUM	**4.9%**	**7.5%**	**0.1**	**0.1**	**0.2**
MEDIAN	**6.1%**	**15.2%**	**0.1**	**0.6**	**0.3**
SIMPLE AVERAGE	**12.7%**	**15.2%**	**0.1**	**2.8**	**0.3**
Target	**102.7%**	**37.4 %**	**0.6**	**3.5**	**0.9**

Source: *The latest annual reports and the announced unaudited financial statements of the respective companies.*

Notes:

(1) The *LTM ROE is based on the ratio of the most recent twelve months consolidated net profits after tax attributable to the equity holders to the consolidated equity holders excluding minority interest of the respective companies.*

(2) LTM net profit margin is the ratio of the most recent twelve months consolidated net profits after tax attributable to shareholders to the most recent twelve months total consolidated revenue of the respective companies.

(3) LTM asset turnover is the ratio of the most recent twelve months total consolidated revenue to the total consolidated assets of the respective companies.

(4) Total liabilities include all the liabilities of the respective companies but exclude any contingent liabilities, if any.

(5) Shareholders' equity is the consolidated shareholders' funds excluding minority interest of the respective companies.

(6) Total borrowings include all bank loans and borrowings as well as hire purchase obligations and interest bearing debts, where applicable.

(7) MTSH LTM net profit margin of approximately 210.8% is deemed as an outlier.

For illustrative purposes only, we note the following:

(i) The Target's LTM ROE and LTM net profit margin is higher than any of the Selected Myanmar Companies (save for MTSH's LTM net profit margin which is deemed an outlier).

(ii) The Target's asset turnover is higher than any of the Selected Myanmar Companies.

(iii) The Target's total liabilities to shareholders' equity ratio is higher than any of the Selected Myanmar Companies (save for FMI).

(iv) The Target's total borrowings to shareholders' equity ratio is higher than any of the Selected Myanmar Companies (save for MTSH which has no borrowings).

In summary, the historical financial performance of the Target as reflected by the LTM ROE and LTM net profit margin is higher than any of the Selected Myanmar Companies (save for MTSH's LTM net profit margin which is deemed an outlier). The Target's asset turnover ratio appears to be more favourable than any of the Selected Myanmar Companies. The Target's financial position in terms of total liabilities to shareholders' equity and total borrowings to shareholders' equity appears to be higher and less favourable than the Selected Myanmar Companies (save for FMI total liabilities to shareholders' equity ratio).

The following valuation statistics for the Selected Myanmar Companies are based on their respective closing prices as at the Latest Practicable Date, while the valuation of the Target is based on the Consideration and the Adjusted Consideration. All the valuation statistics are computed on a historical basis using financial data and information obtained from their latest publicly available unaudited financial statement or audited financial statements from their annual reports or result announcements.

The following table tabulates the comparative valuation statistics for the Selected Myanmar Companies and the Target should be evaluated in the context of their relative financial performance and position:

Selected Myanmar Companies	Market Capitalisation (S$ m)	LTM EV/ EBITDA(1) (times)	LTM PER(2) (times)	P/NAV(3) (times)	P/NTA(4) (times)	Premium/ (discount) over/from NTA (%)
Yoma	851.9	16.7	26.4	1.3	1.3	34.9%
MTSH	119.2	4.4	5.6	1.5	1.5	52.0%
FMI	331.7	10.4	27.6	1.7	2.3	134.2%
MAXIMUM	**851.9**	**16.7**	**27.6**	**1.7**	**2.3**	**134.2%**
MINIMUM	**119.2**	**4.4**	**5.6**	**1.3**	**1.3**	**34.9%**
MEDIAN	**331.7**	**10.4**	**26.4**	**1.5**	**1.5**	**52.0%**
SIMPLE AVERAGE	**434.3**	**10.5**	**19.9**	**1.5**	**1.7**	**73.7%**
Target(5)						
D3 Consideration	**94.9**	**2.2**	**2.3**	**1.0**	**1.0**	**(4.0)%**
ASL Consideration	**94.9**	**2.2**	**2.3**	**1.0**	**1.0**	**(4.0)%**
D3 Adjusted Consideration	**124.7**	**2.6**	**3.0**	**1.3**	**1.3**	**26.2%**
ASL Adjusted Consideration	**108.3**	**2.4**	**2.6**	**1.1**	**1.1**	**9.6%**

Source: *The latest annual reports and the announced unaudited financial statements of the respective companies.*

Notes:

(1) The LTM EV/EBITDA for the Selected Myanmar Companies are based on the most recent twelve months EBITDA as reported by the respective companies. The EBITDA for Yoma is based on the most recent twelve months period ended 30 September 2017. The EBITDA for MTSH and FMI is based on the financial year ended 31 March 2017.

(2) The LTM PERs for the Selected Myanmar Companies are based on the most recent twelve months earnings after tax as reported by the respective companies. The earnings after tax for Yoma is based on the most recent twelve months period ended 30 September 2017. The earnings after tax for MTSH and FMI is based on the financial year ended 31 March 2017.

(3) The P/NAV ratios for the Selected Myanmar Companies are based on their respective NAV values as set out in their latest available announced audited or unaudited financial statements. The NAV for Yoma is based on the most recent twelve months period ended 30 September 2017. The NAV for MTSH and FMI is based on the financial year ended 31 March 2017.

(4) The P/NTA ratios for the Selected Myanmar Companies are based on their respective NTA values as set out in their latest available announced audited or unaudited financial statements. The NTA for Yoma is based on the most recent twelve months period ended 30 September 2017. The NTA for MTSH and FMI is based on the financial year ended 31 March 2017.

(5) For the Target, the computation for P/NAV and P/NTA is based on the Target's RNAV and/or RNTA per Share.

Relative valuation for the Target

For illustrative purposes only, we note the following:

(i) The market capitalisation of the Target (as implied by the Consideration and Adjusted Consideration) is lower than any of the Selected Myanmar Companies (save for the market capitalisation as implied by the D3 Adjusted Consideration). Hence, comparison of the valuation ratios for the Target and the Selected Myanmar Companies are necessarily limited and presented herein for illustrative purpose only. It should also be noted that the Target is not listed but it is an indirectly owned subsidiary of the Group.

(ii) The valuation of the Target in terms of EV/EBITDA and LTM PER ratio (as implied by the Consideration and Adjusted Consideration) are lower than any of the Selected Myanmar Companies.

(iii) The valuation of the Target in terms of P/NAV and P/NTA (as implied by Consideration and the Adjusted Consideration) is lower than any of the Selected Myanmar Companies.

In summary, the valuation of the Target in terms of LTM EV/EBITDA, LTM PER, P/NAV and P/NTA ratios, as implied by the Consideration and Adjusted Consideration is lower than any of the Selected Myanmar Companies.

The historical financial performance of the Target as reflected by the LTM ROE and LTM net profit margin appears to be higher than any of the Selected Myanmar Companies, whilst the Target's asset turnover ratio appears to be more favourable than any of the Selected Myanmar Companies. Lastly, the Target's financial position in terms of total liabilities to shareholders' equity and total borrowings to shareholders' equity appears to be higher and less favourable than any of the Selected Myanmar Companies, save for FMI total liabilities to shareholders' equity which is higher. Accordingly given the higher LTM net profit margin and LTM ROE despite relatively better asset turnover, the valuation of the Target as implied by the Consideration is generally lower to those for the Selected Myanmar Companies.

We also wish to highlight that the NAV and NTA based approach of valuing a company is dependent on factors that may differ for each Selected Myanmar Company including, *inter alia*, factors such as depreciation policies. As such, the comparison of the NAV and NTA of the Target with those of the Selected Myanmar Companies is necessarily limited and such comparison is made for illustrative purposes only. In addition, as all the ratios and tools used invariably use the price of the shares, they may or may not take into account any relative or perceived or actual risk premiums or demand and supply conditions for those shares which may or may not have been fundamentally justified. In addition, as these are tools or ratios that are based on historical financial performance or position, they may or may not reflect the anticipated financial performance and the mix of its activities or the relative contributions in terms of assets, financial performance may differ.

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

(e) Analysis of Comparable Transactions

In our assessment of the reasonableness of the Consideration or the Adjusted Consideration, we have considered the salient terms of other acquisitions of equity interests which constitute interested person transactions undertaken by SGX-ST listed companies completed since 2015 (the "**Selected IPT Acquisitions**") to provide, *inter alia*, a general comparison of the premium over or discount to NTA, without having regard to specific industry characteristics or consideration structure or other relevant considerations. We wish to highlight that the list of the Selected IPT Acquisitions is by no means exhaustive, and that the premium (if any) that a purchaser would pay for a business depends on various factors, including, *inter alia*, the purchaser's rationale for the acquisition, consideration structure, prevailing market conditions and sentiments, attractiveness and profitability of the business and assets acquired as well as relative "bargaining position" of buyer/seller. Accordingly, any comparison made with respect to the Selected IPT Acquisitions is intended to serve as an illustrative guide only.

Name of acquirer[(1)]	Target companies	Date of announcement	% of equity interest acquired	Consideration Structure	Total consideration for target companies (S$ million)	Consideration to Target NTA (times)	Target profit/Loss
AVIC International Maritime Holdings Limited	AVIC Zhenjiang Shipyard Marine Pte. Ltd.	21-Apr-15	60%	100% cash	4.9	1.2	Profit
EMS Energy Limited	Windale Holdings Limited	24-Apr-15	100%	20.84% cash and 79.16% shares	150.0	0.8	Profit (loss 3-mth interim)
Raffles United Limited	Raffles Capital Enterprise Pte. Ltd.	10-Jun-15	51%	100% cash	8.0	1.0	Profit
Rowsley Limited	GG Collections Private Limited	27-Aug-15	50%	91% cash and 9% debt	12.0	0.7	Loss
Rowsley Limited	Café Football Limited	27-Aug-15	75%	99.99% debt (less than 0.01% cash)	1.0	3.6	Loss
Rowsley Limited	Orchid Leisure Limited	27-Aug-15	50%	48.2% cash and 51.8% debt	50.1	1.0	Loss
Midas Holdings Limited	Huicheng Capital Limited	30-Nov-15	100%	100% shares	264.0	0.7	Profit
Koh Brothers Eco Engineering Limited	Koh Brothers Building & Civil Engineering Contractor (te.) Ltd.	7-Jan-16	100%	100% shares	19.0	0.8	Profit
3Cnergy Limited	Liberty Bridge Sdn Bhd	29-Mar-16	100%	100% shares	64.0	1.0	Loss
Manhattan Resources Limited	PT Kariangau Power	29-Apr-16	92%	100% cash	50.0	1.6	Loss
Pharmesis International Ltd.	Jiangyou Neautus Traditional Chinese Medicine Technology Co. Ltd.	6-May-16	100%	100% cash	1.8	1.0	Loss
Sen Yue Holdings Limited	SMC Industrial Pte Ltd	11-May-16	50%	13.48% cash and 86.52% shares	8.9	1.0	Loss
Singapore Medical Group Limited	Lifescan Imaging Pte. Ltd.	5-Aug-16	62%	100% shares	8.5	3.2	Loss (profit 6- mth interim)
Ocean Sky International Limited	Ang Tong Seng Brothers Enterprises Pte Ltd	21-Sep-16	70%	42.11% cash and 57.89% shares	22.8	4.3	Profit
China Jinjiang Environment Holding Company Limited	Zhejiang Zhuji Bafang Thermal Power Co., Ltd	5-Oct-16	100%	100% cash	62.7	1.0	Profit
China Jinjiang Environment Holding Company Limited	Wenling Green Energy Co., Ltd.	5-Oct-16	100%	100% cash	27.8	1.3	n.a. [(2)]

Name of acquirer[1]	Target companies	Date of announcement	% of equity interest acquired	Consideration Structure	Total consideration for target companies (S$ million)	Consideration to Target NTA (times)	Target profit/Loss
Cedar Strategic Holdings Ltd. *(now known as Emerging Towns & Cities Singapore Ltd.)*	DAS Pte. Ltd.	17-Oct-16	25.025%	75.9% shares and 24.1% in cash	6.3[3]	0.5[4]	Loss
Pollux Properties Ltd.	Pollux Alpha Investments Ltd	31-Jul-17	100%	62.2% shares and 27.8% in cash (via set-off)	200.9	1.0	Profit
MAXIMUM			**100.0%**		**264.0**	**4.3**	
MINIMUM			**25.0%**		**1.0**	**0.5**	
MEDIAN			**83.6%**		**20.9**	**1.0**	
SIMPLE AVERAGE			**77.0%**		**53.5**	**1.4**	
Group	**Target**	**6-Sep-17**	**17%**	**74.1% Consideration Shares and 25.9% Offset**	**19.9[5]**	**1.1 – 1.3[6]**	**Profit**

Source: *SGX-ST announcements and circulars to shareholders in relation to the respective acquisition transactions*

Notes:

(1) Figures and computation are subject to rounding.

(2) Wenling Green Energy Co., Ltd. did not record any revenue and profits and is currently in trial operation as at the date of the circular.

(3) Based on the midpoint of the adjusted consideration and ration of adjusted consideration to target NTA for DAS of approximately between S$5.8 million to S$6.7 million and 0.46 to 0.53 times respectively.

(4) Based on RNTA attributable to the acquisition of DAS of approximately US$8.8 million.

(5) Based on the Adjusted Consideration of approximately S$19.9 million.

(6) Based on the Adjusted Consideration for ASL Acquisition over the Target's RNTA attributable to ASL Acquisition of approximately 1.1 times and the Adjusted Consideration for D3 Acquisition over the Target's RNTA attributable to D3 Acquisition of approximately 1.3 times.

For illustrative purposes only, we note the following:-

(i) The Target's value based on the Adjusted Consideration is within the range, but lower than both the median and simple average of the Selected IPT Acquisitions.

(ii) The Target's P/NAV and/or P/NTA ratio as implied by the Adjusted Consideration and the Target's RNTA and/or RNAV of between 1.1 times (for ASL Acquisition) to 1.3 times (for D3 Acquisition) is within the range, higher than the median but lower than the simple average of the Selected IPT Acquisitions.

(iii) The Target's P/NAV and/or NTA ratio as implied by the Adjusted Consideration and the Target's RNTA and/or RNAV of between 1.1 times (for ASL Acquisition) to 1.3 times (for D3 Acquisition) is higher than the adjusted consideration to Target's RNTA for the DAS Acquisition in October 2016.

The relatively higher pricing *vis a vis* the RNTA for the Proposed Acquisition as compared to the DAS Acquisition in October 2016 should be viewed in the context that: the Consideration for the currently D3 Acquisition comprises 100% Consideration Shares and for the ASL Acquisition comprises Consideration Shares (45%) and Offset (55%) whilst that for the DAS Acquisition in October 2016 were Shares (60%) and cash (40%); and the businesses for the Group before the DAS Acquisition did not involve any property investments or developments in Myanmar which generally is viewed with a relatively higher risk profile (or accordingly accorded a lower consideration to Target RNTA).

Non-Interested Directors and Audit Committee should note that as the circumstances for each of the companies listed is unique and as the companies or the transactions may not be identical to the Target or the Proposed Acquisition in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects, payment terms and other relevant criteria, the analysis is necessarily limited. Further, the list of Selected IPT Acquisitions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the Proposed Acquisition and the Selected IPT Acquisitions serves as an illustrative guide only.

6. OTHER CONSIDERATIONS

6.1. Risk factors

While we have, in the course of our evaluation, assessed the financial terms of the Proposed Acquisition and considered the transaction from the perspective of whether such terms are on normal commercial terms and prejudicial to the interests of the Company and the minority Shareholders, we have not examined the underlying business and financial risks associated with the Proposed Acquisition as well as the business prospects of the Target following the completion of the Proposed Acquisition, which shall be the responsibility of the Directors.

The risk factors in connection with the Proposed Acquisition are set out in Paragraph 2.6 of the Circular. Should any of the considerations and uncertainties highlighted in the aforementioned risk factors develop into actual event, the business, financial condition or results of the operations of the Group, the Company, the Target could be materially adversely affected.

6.2. Dilution impact of the Proposed Acquisition

It is important to note that pursuant to the Proposed Acquisition and issuance of the Consideration Shares, the shareholdings of existing Independent ASL Shareholders and Independent D3 Shareholders will be affected. In evaluating the dilution impact of the Proposed Acquisition on existing Independent Shareholders, we have considered the following:

	Total interest as at the Latest Practicable Date[(1)]		Total interest upon completion of the Proposed Acquisition[(2)]	
	Number of Shares	%	Number of Shares	%
Directors				
Christopher Chong Meng Tak[(3)]	11,082,200	1.15	11,082,200	1.01
Tan Thiam Hee[(4)]	360,000	0.04	360,000	0.03
Mr Zhu	50,469,600	5.25	88,409,600[(5)]	8.07
Wong Pak Him Patrick[(6)]	81,212,921	8.44	81,212,921	7.42
Peter Tan[(7)]	-	-	-	-
Mr Teo	59,281,760	6.16	154,131,760[(8)]	14.08
Substantial Shareholders (excluding Directors)				
Luo Shandong	172,289,396	17.91	172,289,396	15.73
Zhang Xiang	89,000,000	9.25	89,000,000	8.13
Vendors				
ASL	-	-	37,940,000	3.46
D3	-	-	94,850,000	8.66
Independent Shareholders (other than Mr Zhu and Mr Teo)	**852,415,574**	**88.59**	**852,415,574**	**77.85**
TOTAL	**962,166,934**	**100.00**	**1,094,956,934**	**100.00**

Notes:

(1) Calculated based on 962,166,934 Shares in the capital of the Group as at the Latest Practicable Date.

(2) Calculated based on 1,141,328,045 Shares in the capital of the Company assuming issuance and allotment of 132,790,000 Consideration Shares pursuant to the completion of the Proposed Acquisition as at the Latest Practicable Date.

(3) Mr. Christopher Chong Meng Tak has interests in 2,000,000 Outstanding Options (as defined in the Circular).

(4) Mr. Tan Thiam Hee has interests in 5,000,000 Outstanding Options.

(5) Mr Zhu is deemed interested in the 37,940,000 Consideration Shares after the Proposed Acquisition as he is the sole shareholder of ASL.

(6) Mr. Wong Pak Him Patrick has interest in 2,000,000 Outstanding Options.

(7) Mr. Peter Tan has interest in 2,000,000 Outstanding Options.

(8) Mr Teo has a deemed interest in the 94,850,000 Consideration Shares after the Proposed Acquisition as D3 is an associate of Mr Teo.

Based on the above illustration, we note that following the issuance of 132,790,000 Consideration Shares pursuant to the Proposed Acquisitions, the number of Shares in issue will increase from 962,166,934 Shares to 1,094,956,934 Shares. The shareholding of Mr Zhu (via deemed interest) would increase from approximately 5.25% to approximately 8.07%. The shareholding of Mr Teo (via deemed interest) would increase from approximately 6.16% to approximately 14.08%. In addition, the shareholdings of the Independent Shareholders (other than Mr Zhu and Mr Teo) would decrease from approximately 88.59% to approximately 77.85%. We note that despite the increase in interests for Mr Zhu and Mr Teo, each of them will not become controlling shareholders (more than 15% interest) pursuant to the issuance of ASL or D3 Consideration Shares.

6.3. No assurance of profitability or prices for Shares

Non-Interested Directors and the Audit Committee should note that no profit warranty has been provided by any party with respect to the future performance of the Target in connection with the Proposed Acquisition. There can be no assurance that the Target will be profitable in the near future or in the long-term.

The Target recorded net loss after tax attributable to shareholders of approximately, US$4.0 million and US$1.9 million in TFY2015 and TFY2016, respectively. The Target recorded net profit attributable to shareholders of approximately US$22.7 million and US$5.7 million in TFY2017 and HY2018 respectively.

We would also like to highlight that there is no assurance that the steps taken or to be taken by the Group or the Target subsequent to the Proposed Acquisition to improve the profitability and Shareholders' value, including, *inter alia*, potential expansion of the Group's business, will be successful or would result in an enhancement of Shareholder value or would result in the Shares being traded at prices higher than the current prices as at the Latest Practicable Date.

6.4. No alternative investment/business expansion or acquisition opportunity other than Proposed Acquisition

As at the Latest Practicable Date, the Directors have confirmed that they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.

6.5. Financial Effects for Proposed Acquisition

The financial effects for the Proposed Acquisition can be found in Paragraph 2.10 of the Circular.

We note that Proposed Acquisition would not have any effect on the NTA (in nominal terms) of the Group as the Proposed Acquisition is completed with minority shareholders of a subsidiary under common control via the issuance of Consideration Shares. However, the effect is less favourable for NTA per Share as there is no change in the NTA of the Group as at 31 December 2016 before and after the Proposed Acquisition but there would be issuance of Consideration Shares. Further, the net profit attributable to Shareholders would increase after the Proposed Acquisition, and it would result in an improvement to the Group EPS from 1.56 Singapore cents to 1.63 Singapore cents. Likewise there would be no change in gearing for the Group based on the assumption that the convertible substantial shareholder loan owing to Mr Luo Shandong has been converted into equity as at 31 December 2016. Management has also represented that the NTA attributable to shareholders after deduction of the non-controlling interest will increase from 5.6 Singapore cents before the Proposed Acquisition to 6.4 Singapore cents after the Proposed Acquisition.

6.6. Voting for the ASL Acquisition and D3 Acquisition

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the shareholders.

We note from Paragraph 8 of the Circular that Mr Zhu and Mr Teo shall abstain, and shall procure that each of their associates and nominees abstain from voting in respect of each of their shareholdings in the Company on the ordinary resolutions relating to the ASL Acquisition and D3 Acquisition (as may be applicable) and the issuance and allotment of the Consideration Shares to ASL and D3 (as may be applicable).

Mr Zhu and Mr Teo shall not, and shall procure his associates and nominees not to, accept appointments as proxies for voting at the EGM in respect of such ordinary resolutions relating to the ASL Acquisition and D3 Acquisition (as may be applicable) and the issuance and allotment of the Consideration Shares to ASL and D3 (as may be applicable) unless specific instructions have been given in the proxy form on how the Shareholders wish their votes to be cast for the ordinary resolutions to be proposed at the EGM.

7. OPINION

In arriving at our recommendation, we have reviewed and examined all factors which we have considered to be pertinent in our assessment of the ASL Acquisition and the D3 Acquisition as IPTs, including the views of and representations by the Directors. Our recommendation or opinion is by no means an indication of the merits, prospects, financial performance and position after completion of the Proposed Acquisition of the Company or the Group or the Target or whether the Group or the Target can improve their financial position and performance, and cash flow or that the anticipated benefits from the Proposed Acquisition can be realised (as the case may be) or the prices at which the Shares would trade after the completion of the Proposed Acquisition.

Our views, recommendation and opinion are thus necessarily limited and subject to these matters as well as others mentioned in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

(a) The rationale for the Proposed Acquisition as set out in Section 2.5 of the Circular and the Board's view that:

(i) the Proposed Acquisition is in line with the Group's strategy that focuses on development and investment properties in emerging countries;

(ii) driven by the lack of quality supply, Yangon's luxury real estate market presently witnesses strong update in demand by the increasingly affluent locals;

(iii) given Yangon's rapid transformation into a key residential and commercial powerhouse; the Company anticipates that the valuation of the Golden City Project will continue to appreciate along with the surrounding area's growth; and

(iv) the Golden City Project has the potential to generate good development returns and yield.

(b) The historical financial performance and position of the Group. The Group reported profit after tax attributable to the owners of the Company of approximately S$13.3 million and S$1.6 million in FY2016 and FY2015 respectively. In FY2014, the Group reported significant loss after tax attributable to the owners of the Company of approximately S$52.2 million in FY2014 mainly due to other non-operating expenses recorded in FY2014. In addition, we note that the Group's net working capital position worsened from approximately S$0.6 million as at 31 December 2014, to a negative of approximately S$12.9 million as at 31 December 2015. It subsequently improved significantly to about S$143.1 million as at 31 December 2016 but decreased to approximately S$111.8 million as at 30 September 2017. The Group shareholders' equity increased from approximately S$0.7 million as at 31 December 2014 to approximately S$4.6 million as at 31 December 2015 and subsequently rose to approximately S$54.4 million as at 31 December 2016 (mainly due to the proceeds from both the rights issue and placement exercises which were conducted during FY2016). Shareholders' equity for the Group further increased to approximately S$101.0 million as at 30 September 2017 (mainly due to the accumulated loss of the Group being written off following completion of the capital reduction on 3 January 2017, and also resulted in a corresponding reduction in the share capital, partially offset by the issue of new shares arising from exercise of warrants, conversion of convertible loan and acquisition of the remaining shares in DAS).

(c) The evaluation of the Issue Price (as set out in Section 5 of this Letter) after taking into account, *inter alia*, the following factors:

(i) The Issue Price represents a discount of approximately 14.3% from the Group's NAV and/or NTA per Share as at 30 September 2017.

(ii) The Issue Price represents a discount of approximately 23.9% from the Group's RNAV and/or RNTA per Share.

(iii) Comparison of Issue Price and historical prices for Shares:

- The Issue Price is at a premium of approximately 5.9% over the last transacted price of S$0.085 per Share on the Catalist on 4 September 2017, being the Last Trading Day prior to the Announcement Date;

- The Issue Price is at a discount of approximately 15.1%, 13.7% and 9.9% from the VWCP for the Shares for the 12-month, 6-month and 3 month periods prior to the Announcement Date respectively;

- The Issue Price is at a premium of approximately 9.2% over the VWCP for the Shares for the 1-month period prior to the Announcement Date;

- The Issue Price is at a premium of approximately 12.4% over the VWCP for the Shares for the period commencing on the Announcement Date and ending on the Latest Practicable Date; and

- The Issue Price is at a premium of approximately 13.9% over the last transacted price of S$0.079 per Share on the Catalist on 13 November 2017, being the last Trading Day prior to the Latest Practicable Date.

Non-Interested Directors should note that the above comparison should be assessed in the context of low liquidity for Shares for the 12 months period prior to the Announcement Date. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller. Whilst historically transacted prices for the Shares may not be a meaningful indicator of its fundamental value, they nonetheless represent for prices for transactions between willing buyer and willing seller.

(iv) Fair comparison of the valuation of the Group as implied by the Issue Price with the valuation ratios of the Selected Comparable Companies – the valuation of the Group in terms of LTM EV/EBITDA and LTM PER, as implied by the Issue Price, is within the range of the Selected Comparable Companies although it appears to be less favourable than both the median and simple average of the Selected Comparable Companies. Meanwhile, the valuation of the Group in terms of P/NAV and P/NTA, as implied by the Issue Price and the Group's RNAV and RNTA, appear to be fairly comparable to the Selected Comparable Companies (higher than median but lower than simple average). The above valuation ratios when assessed in the context of the historical financial performance and position of the Group *vis a vis* the Selected Comparable Companies, appears reasonable and comparable with the Selected Comparable Companies.

Comparison with the Past Fund Raising exercises conducted by the Company – whilst the Issue Price appears to be less favourable in terms of premiums or discounts to last transacted prices prior to the relevant announcements for the 2015 Subscription Price, 2015 Investment Price and 2016 Subscription Price which were at premiums. However, the Issue Price is more favourable than the 2016 Rights Issue which had a discount of approximately 10% in terms of the last transacted prices prior to the relevant announcement. The 2016 Rights Issue should be viewed in perspective wherein rights shares are normally issued at a discount to the prevailing market prices. In addition, the valuation of the Group in terms of the P/NTA appears to be less favourable than the 2016 Subscription Price and 2016 Rights Issue Price in terms of the P/NTA multiples as implied by the relevant prices and the then prevailing latest announced unaudited NTA prior to the date of announcement. As highlighted in Paragraph 5.3 of this Letter, the Issue Price is within the range but lower than both the median and simple average of the 2015 Subscription Price, 2015 Investment Price, 2016 Subscription Price and 2016 Rights Issue Price in terms of the P/NTA multiple as implied by the Subscription/ Investment/Rights Issue Price and the then prevailing latest announced unaudited NTA prior to the date of announcement.

(v) Comparison with recently announced acquisitions. The terms of the Proposed Acquisitions which are Interested Person Transactions are fairly comparable to the Proposed GLRE Acquisition which is non-Interested Person Transaction in terms of the Consideration for the Proposed Acquisitions and the GLRE Consideration which is on the premise of the respective effective interest in GLRE and an "internal" valuation of GLRE of approximately US$100 million and the Issue Price for the Consideration Shares pursuant to the Proposed Acquisitions is similar to the GLRE Issue Price for the Proposed GLRE Acquisition. We also note that the Red Roof Issue Price pursuant to the Proposed Red Roof Acquisition which is non-Interested Person Transaction is in line with the Issue Price pursuant to the Proposed Acquisitions which are Interested Person Transactions. The comparison of the Proposed Acquisition and the Proposed GLRE Acquisition and the Proposed Red Roof Acquisition is based on the information disclosed in the GLRE Announcement and Red Roof Announcement and confirmation from the Directors that as at the Latest Practicable Date, the mode of payment for the GLRE Consideration and the Red Roof Consideration has not been determined. As such our analysis and the comparison above is necessary limited and for illustrative purpose only.

(d) The evaluation of the Consideration for the Proposed Acquisition or the Adjusted Consideration (as set out in Section 5 of this Letter) after taking into account, *inter alia*, the following factors:

(i) The Consideration for the D3 Acquisition will be paid solely by the issuance of the Consideration Shares whilst the Consideration for the ASL Acquisition shall be satisfied by way of offsetting Unit(s) within the Golden City Project within 24 months after the date of completion and issuance of the Consideration Shares.

(ii) The Directors' representations and confirmations that the Consideration paid to the respective Vendors are in proportion to the respective equity interest in the Target and the structure of the Consideration is based on negotiations with respective Vendors (on a willing buyer willing seller basis) after taking into account their preferences and respective negotiations with the Company as well as the Company's requirements.

(iii) The Adjusted Consideration (based on the Group's RNAV and/or RNTA per Share and the Offset) is approximately 23.3% higher than the Consideration (based on the Issue Price and Offsetting).

(iv) The historical financial performance and position of the Target. The Target did not record any revenue for the period TFY2015 and TFY2016 and recorded revenue of approximately US$88.2 million in TFY2017 and approximately US$16.2 million in HY2018. In addition, we note that the Target recorded losses attributable to shareholders' of approximately US$4.0 million in TFY2015, approximately US$1.9 million in TFY2016 and recorded profit attributable to shareholders' of approximately US$22.7 million in TFY2017, as well as approximately US$5.7 million in HY2018. The Target recorded negative equity attributable to shareholders of approximately US$2.0 million in TFY2015 and approximately US$4.0 million in TFY2016. Subsequently, the Target recorded positive equity attributable to shareholders of approximately US$14.2 million in TFY2017 and approximately US$29.7 million in HY2018. The Target's net working capital were negative in TFY2015 and TFY2016 but were positive in TFY2017 and HY2018.

(v) The Consideration represents a premium of approximately 135.7% over the Target's NAV and/or NTA attributable to the Proposed Acquisition whilst the Adjusted Consideration represents a premium of approximately 190.7% over the Target's NAV and/or NTA attributable to the Proposed Acquisition.

The Adjusted Consideration for D3 Acquisition represents a premium of approximately 209.9% over the Target's NAV and/or NTA attributable to the D3 Acquisition whilst the Adjusted Consideration for ASL Acquisition represents a premium of approximately 169.1% over the Target's NAV and/or NTA attributable to the ASL Acquisition.

(vi) The Consideration represents a discount of approximately 4.0% from the Target's RNAV and/or RNTA attributable to the Proposed Acquisition whilst, the Adjusted Consideration represents a premium of approximately 18.4% over the Target's RNAV and/or RNTA attributable to the Proposed Acquisition.

The Adjusted Consideration for D3 Acquisition represents a premium of approximately 26.2% over the Target's RNAV and/or RNTA attributable to the D3 Acquisition whilst the Adjusted Consideration for ASL Acquisition represents a premium of approximately 9.6% over the Target's RNAV and/or RNTA attributable to the ASL Acquisition.

(vii) Comparison with the valuation ratios of the Selected Myanmar Companies – The valuation of the Group in terms of LTM EV/EBITDA, LTM PER, P/NAV and P/NTA ratios (as implied by the Consideration and Adjusted Consideration) appear to be lower than any of the Selected Myanmar Companies.

(viii) Fair comparison (from the Company's perspective) of the Proposed Acquisition and the Selected IPT Acquisitions. The valuation of the Target in terms of P/NTA as implied by the Adjusted Consideration and the Target's RNTA is within the range, higher than the median but lower than the simple average for the Selected IPT Acquisitions.

(ix) Comparison with the DAS Acquisition – Whilst the valuation of the Target in terms of P/NTA as implied by the Adjusted Consideration and the Target's RNTA of between 1.1 times to 1.3 times appears to be higher than the multiple for the DAS Acquisition, such comparison should be viewed in the context that: (a) the Consideration for the Proposed Acquisition shall be satisfied by issuance of Consideration Shares (74.1%) and the Offset (25.9%) whilst that for the DAS Acquisition in October 2016 were Shares (60%) and cash (40%); and (b) the businesses for the Group before the DAS Acquisition did not involve any property investments or developments in Myanmar which generally is viewed with a relatively higher risk profile (or accordingly accorded a lower consideration to Target RNTA).

(e) The potential financial effects of the Proposed Acquisition as outlined in Section 2.10 of the Circular. We wish to highlight that the Proposed Acquisition will have a favourable effect on the Group's EPS and NTA attributable to the Shareholders per Share (after deducting non-controlling interest) as well as has no effect on the Group's financial position in terms of gearing. We also note that the Directors believe and consider the Proposed Acquisition to be in the interest of and beneficial to the Group for the reasons stated in the Section 2.5 of the Circular.

(f) The risk factors as set out in Section 2.6 of the Circular.

(g) The dilution impact on existing Independent Shareholders' interest which appears to be not significant.

(h) The Directors' confirmation that as at the Latest Practicable Date, they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.

(i) Other relevant considerations as set out in Section 5 of this Letter.

In summary, having regard to our analysis and the consideration in this Letter (including its limitations and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant conditions prevailing as at the Latest Practicable Date, and subject to our terms of reference, **we are of the opinion that, notwithstanding the Proposed Acquisition may be less favourable than the DAS Acquisition in terms of the implied valuation multiples for both the Group and the Target, on balance, the ASL Acquisition and D3 Acquisition as IPTs are ON NORMAL COMMERCIAL TERMS, and NOT PREJUDICIAL to the interest of the Company and its Minority Shareholders**.

We consider the financial terms of the ASL Acquisition and D3 Acquisition as IPTs to be, on balance, **ON NORMAL COMMERCIAL TERMS**, from a financial point of view after factoring, *inter alia*, the following:

(i) The Consideration for the D3 Acquisition will be satisfied entirely by the issuance of the Consideration Shares whilst the Consideration for the ASL Acquisition shall be satisfied by way of offsetting Unit(s) within the Golden City Project within 24 months after the date of completion and issuance of the Consideration Shares. As confirmed by the Directors, the Consideration for the Proposed Acquisitions and the GLRE Consideration is on the premise of the respective effective interest in GLRE and an "internal" valuation of GLRE of approximately US$100 million.

(ii) The Directors' representations and confirmations that the Consideration paid to the respective Vendors are in proportion to the respective equity interest in the Target and the structure of the Consideration is based on negotiations with respective Vendors (on a willing buyer willing seller basis) after taking into account their preferences and respective negotiations with the Company as well as the Company's requirements.

(iii) The Issue Price represents a premium of approximately 9.2% and 5.9% over the VWCP for the Shares for the 1 month period prior to the Announcement Date and the last transacted price for the Shares on the Last Trading Day. The Issue Price for the Proposed Acquisition is in line with both the GLRE Issue Price and the Red Roof Issue Price, which are non-Interested Person Transaction.

(iv) Fair comparison of the valuation of the Group as implied by the Issue Price with the valuation ratios of the Selected Comparable Companies – the valuation of the Group in terms of LTM EV/EBITDA and LTM PER, as implied by the Issue Price, is within the range of the Selected Comparable Companies although it appears to be less favourable than both the median and simple average of the Selected Comparable Companies. Meanwhile, the valuation of the Group in terms of P/NAV and P/NTA, as implied by the Issue Price and the Group's RNAV and RNTA, appear to be fairly comparable to the Selected Comparable Companies (higher than median but lower than simple average).

(v) Fair comparison (from the Company's perspective) of the Proposed Acquisition and the Selected IPT Acquisitions. The valuation of the Target in terms of P/NTA as implied by the Adjusted Consideration and the Target's RNTA is within the range, higher than the median but lower than the simple average for the Selected IPT Acquisitions.

(vi) The Adjusted Consideration for D3 Acquisition represents a premium of approximately 26.2% over the Target's RNAV and/or RNTA attributable to the D3 Acquisition (or P/RNTA of 1.3 times), while the Adjusted Consideration for ASL Acquisition represents a premium of approximately 9.6% over the Target's RNAV and/or RNTA attributable to the ASL Acquisition (or P/RNTA of 1.1 times). These P/RNTA multiples look reasonable as compared to the median and simple average P/NTA for the Selected Myanmar Companies of approximately 1.5 times and 1.7 times.

We considered the financial terms of the ASL Acquisition and D3 Acquisition as an IPT to be **NOT PREJUDICIAL** to the interest of the Company and its Minority Shareholders, from a financial point of view after factoring, *inter alia*, the following:

(i) The potential financial effects of the Proposed Acquisition as outlined in Section 2.10 of the Circular. While the Proposed Acquisition will have a favourable effect on the Group's EPS and NTA attributable to the Shareholders per Share (after deducting non-controlling interest) as well as has no effect on the Group's financial position in terms of gearing. We also note that the Directors believe and consider the Proposed Acquisition to be in the interest of and beneficial to the Group for the reasons stated in the Section 2.5 of the Circular.

(ii) The Board's view that: (a) the Proposed Acquisition is in line with the Group's strategy that focuses on development and investment properties in emerging countries; (b) driven by the lack of quality supply, Yangon's luxury real estate market presently witnesses strong update in demand by the increasingly affluent locals; (c) given Yangon's rapid transformation into a key residential and commercial powerhouse; the Company anticipates that the valuation of the Golden City Project will continue to appreciate along with the surrounding area's growth; and (d) the Golden City Project has the potential to generate good development returns and yield.

(iii) The dilution impact on existing Independent Shareholders' interest which appears to be not significant.

(iv) The Directors' confirmation that as at the Latest Practicable Date, they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.

(v) It should be noted that cash is a valuable commodity in Myanmar and the D3 Acquisition as an IPT will be paid solely by the issuance of the Consideration Shares whilst the Consideration for the ASL Acquisition as an IPT shall be satisfied by way of offsetting Unit(s) within the Golden City Project within 24 months after the date of completion and issuance of the Consideration Shares, unlike the DAS Acquisition whereby the acquisition was completed via a mix of cash and Shares. Accordingly, the ASL Acquisition and D3 Acquisition as an IPT are accorded a higher valuation.

Furthermore, the Company has net borrowings (after deduction of the cash and cash equivalents) of approximately S$29.8 million as at 30 September 2017. In the event that the ASL Acquisition and D3 Acquisition as an IPT was acquired via cash, there would be greater dilution to the existing Shareholders as the Company would need to fund the ASL Acquisition and D3 Acquisition as an IPT via fund raising activities such as private placement, which would entail higher discount to the placees (as share placement are usually issued at discounts to market). In addition, there would be more risk and uncertainty to the Company as more time will be needed to source for investors who are willing to invest within a short span of time resulting in more time needed to complete the transaction, which could increase the transactional costs.

Recommendation

Based on our assessment of the financial terms of the ASL Acquisition and D3 Acquisition as IPTs as set out above, from a financial point of view, we advise the Non-Interested Directors and the Audit Committee to recommend that Independent ASL Shareholders and Independent D3 Shareholders vote in favour of the ASL Acquisition and D3 Acquisition to be proposed at the EGM respectively. We advise the Non-Interested Directors and the Audit Committee to highlight to Independent Shareholders the matters as stated in our Letter, including, *inter alia*, our limitation in analysis, evaluation, comments and opinion in this Letter is necessarily limited. We advise the Non-Interested Directors and the Audit Committee to recommend the Independent ASL Shareholders and Independent D3 Shareholders to exercise caution in their decision in voting in favour of or against the ASL Acquisition and D3 Acquisition respectively.

In performing our evaluation, we have not been provided with, and have not had access to, any financial projections or future plans or corporate actions (if any) of the Company or the Group or the Target. The opinion set forth herein is based solely on publicly available information and information provided by the Directors and Management and therefore does not reflect any projections or future financial performance of the Company or the Group or the Target after the completion of the Proposed Transactions and is based on the economic and market conditions prevailing as of the date of this opinion. Our advice is solely confined to our views on the ASL Acquisition and D3 Acquisition as IPTs.

Matters to highlight

We would also wish to highlight the following matters which may affect the decisions or actions of the Independent ASL Shareholders and Independent D3 Shareholders:

(1) The scope of our appointment does not require us to express, and we do not express and have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Target after the completion of the transactions stipulated in the Circular. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group or the Target and neither are we responsible for it. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the ASL Acquisition and the D3 Acquisition as IPTs or the other transactions or resolutions stipulated in the Circular (if any) or voting for or voting against the ASL Acquisition and the D3 Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or on the future financial performance of the Company or the Group or the Target or the plans (if any) for each of them. Estimates or analysis or evaluation of the merits of the Company or the Group or the Target or the ASL Acquisition and the D3 Acquisition as IPTs, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

(2) Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment, investment properties and development properties) and the Target's assets and liabilities (including without limitation, property, plant and equipment, investment properties and development cost) or contracts entered into by the Group or Target and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Group or the Target save for the Colliers Valuation Report issued by the Independent Valuer. With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment, investment properties and development cost) including, *inter alia* the contracts or agreements that the Target or the Group has embarked upon or are about to embark upon and have

relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

(3) The Directors confirmed that as at the Latest Practicable Date and save for matters disclosed in this Letter and the unaudited financial statements for the Group and the Target for 9M2017 and HY2018 respectively, there has been no material changes to the Group's and the Target assets and liabilities, financial position, condition and performance.

(4) The Directors' representation and confirmation that the Unauthorised Withdrawals are not expected to have any material impact to the Group's financial performance and position, including but not limited to the Group's NAV and/or NTA due to the reasons as stated in Paragraph 5.2 of this Letter, which are still applicable and have not changed as at the Latest Practicable Date.

Specific objectives

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular or individual needs and constraints of any individual Independent Shareholder. As each Independent ASL Shareholder and Independent D3 Shareholder or group of Independent Shareholders would have different investment objectives and profiles, we would advise the Non-Interested Directors and the Audit Committee to advise any individual Shareholder or group of Shareholders who may require specific advice in the context of investments in unlisted shares or his or their specific investment objectives or portfolio should consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624, not less than 72 hours before the time for holding the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy or proxies.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the EGM.

In addition, Independent ASL Shareholders and Independent D3 Shareholders are advised to read Paragraph 7 of the Circular and Notice of the EGM which has been enclosed with the Circular carefully so that the appropriate election on voting for or voting against can be made.

This Letter is addressed to the Non-Interested Directors and the Audit Committee in connection with and for the sole purpose of their evaluation of the ASL Acquisition and D3 Acquisition as IPTs and is not meant or intended to be an evaluation of the other resolutions to be proposed. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor any other party, may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case, except at the forthcoming EGM and for the sole purpose of the Proposed Acquisition and/or at the forthcoming EGM. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters and the scope of our appointment stated herein and does not apply by implication to any other matter. Save as disclosed herein, nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act Chapter 53B and any re-enactment thereof shall not apply. Nothing herein shall prevent or exclude Shareholders from relying on this Letter in connection with the Proposed Acquisition, whether pursuant to the Contracts (Rights of Third Parties) Act Chapter 53B of Singapore or otherwise.

The recommendations made by the Non-Interested Directors and Audit Committee to the Independent ASL Shareholders and Independent D3 Shareholders in relation to the ASL Acquisition and D3 Acquisition respectively, as well as other resolutions referred to in the Circular (where applicable) and the issue of the Circular shall remain the sole responsibility of the Non-Interested Directors and the Directors respectively.

Yours faithfully,

For and on behalf of
ASIAN CORPORATE ADVISORS PTE. LTD.

H.K. LIAU	FOO QUEE YIN
MANAGING DIRECTOR	MANAGING DIRECTOR

1. Executive summary

Property address	:	The Property is located on Yankin Road, Yankin Township, Yangon, Myanmar (Approximate GPS coordinates: N16.827042°, E96.165208°)
Description	:	The Property is to be developed as a mixed-use development referred to as "Golden City', which will comprise condominium, retail, office, and serviced apartment components. The land has a total area of 8.369 acres (33,868.141 sq m), and will contain eleven (11) buildings of different types when expected to be fully completed in Q4 2019. The land is leased from The Quarter Master General Office, Office of the Commander-in-Chief (Army), Nay Pyi Taw, by Nature Link Travels & Tours Co., Ltd. and Golden Land Real Estate Development Co., Ltd., for an initial term of 50 years commencing from 15 October 2013, plus another 2 terms, each of which is 10 years. In total, the Property will have a total GFA of 329,332.98 sq m and a total leasable, saleable, and owner-occupied area of 238,892.13 sq m, upon completion. Phase 1 is complete. Phase 2 is 100% structurally complete and 30% of the interior works are complete. The CMA building is structurally completed and internal works are 95% complete, based upon our inspection of the Property. Phase 3 and Phase 4 are a vacant land.
Registered Owner	:	Nature Link Travels & Tours Co., Ltd and Golden Land Real Estate Development Company Limited
Interest Valued	:	Leasehold interest in the land and mixed-use development referred to as 'Golden City', for a term of 50 years extendable by another two terms of 10 years. On the date of valuation, there was 66.16 remaining years.
Purpose of Valuation	:	For the purpose of acquisition, for the use of the Independent Financial Advisors (IFA) and for circulation to shareholders of Emerging Towns & Cities Singapore Ltd, a company listed in the Singapore Exchange (SGX) formerly trading as Cedar Strategic Holdings Ltd
Valuation Approach	:	Income Approach (Residual Method) and Market Approach, subject to the assumptions as advised below.
Basis and Date of Valuation	:	Market Value of the Property on an "as-is" basis The valuation date is 31 August 2017

Valuation Figures	: **A) Market Value of Leasehold Land and under construction buildings (Phases 1, 2, Block 11)** **USD136,760,000** **(United States Dollars One Hundred Thirty-Six Million Seven Hundred Sixty Thousand)** *Note: The calculation to arrive at the Market Value above, particularly Phases 1 and 2, takes into account (1) sold units where cash has not been received and (2) unsold units* **B) Market Value of Leasehold Land (Vacant Land - Phases 3 &4)** **USD33,870,000** **(United States Dollars Thirty-Three Million Eight Hundred Seventy Thousand)**

NOTICE OF EXTRAORDINARY GENERAL MEETING

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 198003839Z)
(the "**Company**")

*All capitalised terms in the Resolutions below and defined in the circular dated 11 December 2017 to the shareholders of the Company (the "**Circular**") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.*

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of the Company will be held at 55 Market Street #03-01, Singapore 048941 on 26 December 2017 (Tuesday) at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following Resolutions:

ORDINARY RESOLUTION 1 – THE PROPOSED ACQUISITION OF 320 SHARES REPRESENTING 8% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM ASIABIZ SERVICES LTD

Resolved that subject to and contingent upon the passing of Ordinary Resolution 2:

(a) approval be and is hereby given for the acquisition of 320 shares representing 8% of the total issued and paid-up shares of Uni Global Power Pte. Ltd. (the "**Target**") by the Company's wholly-owned subsidiary, DAS Pte. Ltd. ("**DAS**"), from Asiabiz Services Ltd ("**ASL**") in accordance with the terms and conditions of the sale and purchase agreement entered into between DAS and ASL (the "**ASL Acquisition**") which constitutes an interested person transaction under the Catalist Rules; and

(b) the Directors of the Company and each of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the proposed ASL Acquisition, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this resolution or the transactions contemplated pursuant to or in connection with the proposed ASL Acquisition.

ORDINARY RESOLUTION 2 – THE PROPOSED ALLOTMENT AND ISSUE OF 37,940,000 CONSIDERATION SHARES AT AN ISSUE PRICE OF S$0.09 EACH TO ASIABIZ SERVICES LTD

Resolved that subject to and contingent upon the passing of Ordinary Resolution 1, authority be and is hereby given to the Directors:

(a) to allot and issue to ASL an aggregate of 37,940,000 ordinary shares in the Company, credited as fully paid-up, at an issue price of S$0.09 each as part satisfaction of the consideration for the ASL Acquisition; and

(b) to complete and do all acts and things (including any other agreements or documents and procurement of third party consents) as they may consider necessary or expedient for the purposes of, in connection with or to give effect to this resolution as they think fit and in the interests of the Company.

Shareholders should note that Ordinary Resolutions 1 and 2 are inter-conditional upon each other. This means that:

(a) if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 would not be passed; and

(b) if Ordinary Resolution 1 is not passed, Ordinary Resolution 2 would not be passed.

ORDINARY RESOLUTION 3 – THE PROPOSED ACQUISITION OF 360 SHARES REPRESENTING 9% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM D3 CAPITAL LIMITED

Resolved that subject to and contingent upon the passing of Ordinary Resolution 4:

(a) approval be and is hereby given for the acquisition of 360 shares representing 9% of the total issued and paid-up shares of the Target by DAS from D3 Capital Limited ("**D3**") in accordance with the terms and conditions of the sale and purchase agreement entered into between DAS and D3 (the "**D3 Acquisition**") which constitutes an interested person transaction under the Catalist Rules; and

(b) the Directors of the Company and each of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the proposed D3 Acquisition, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this resolution or the transactions contemplated pursuant to or in connection with the proposed D3 Acquisition.

ORDINARY RESOLUTION 4 – THE PROPOSED ALLOTMENT AND ISSUE OF 94,850,000 CONSIDERATION SHARES AT AN ISSUE PRICE OF S$0.09 EACH TO D3 CAPITAL LIMITED

Resolved that subject to and contingent upon the passing of Ordinary Resolution 3, authority be and is hereby given to the Directors:

(a) to allot and issue to D3 an aggregate of 94,850,000 ordinary shares in the Company, credited as fully paid-up, at an issue price of S$0.09 each as satisfaction of the consideration for the D3 Acquisition; and

(b) to complete and do all acts and things (including any other agreements or documents and procurement of third party consents) as they may consider necessary or expedient for the purposes of, in connection with or to give effect to this resolution as they think fit and in the interests of the Company.

Shareholders should note that Ordinary Resolutions 3 and 4 are inter-conditional upon each other. This means that:

(c) if Ordinary Resolution 4 is not passed, Ordinary Resolution 3 would not be passed; and

(d) if Ordinary Resolution 3 is not passed, Ordinary Resolution 4 would not be passed.

By Order of the Board

Christopher Chong Meng Tak
Non-Executive Group Chairman
11 December 2017

Notes:

(1) A Member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(2) A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"**Relevant intermediary**" means:

(a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(3) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

(4) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at **80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624** at least 72 hours before the time fixed for the Extraordinary General Meeting. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the Extraordinary General Meeting in order for him to be entitled to vote at the Extraordinary General Meeting.

(5) By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number 198003839Z)

PROXY FORM
EXTRAORDINARY GENERAL MEETING

IMPORTANT

A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see note 3 for the definition of "relevant intermediary").

For investors who have used their CPF moneys to buy shares in the capital of EMERGING TOWNS & CITIES SINGAPORE LTD., this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ________________________________ (Name), NRIC/Passport Number*______________

of ____ (Address)

being a member/members of **EMERGING TOWNS & CITIES SINGAPORE LTD.** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Meeting to be held at 55 Market Street #03-01, Singapore 048941 on 26 December 2017 (Tuesday) at 9.30 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

	RESOLUTION	**For***	**Against***
1.	Ordinary Resolution **PROPOSED ACQUISITION OF 320 SHARES REPRESENTING 8% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM ASIABIZ SERVICES LTD**		
2.	Ordinary Resolution **PROPOSED ALLOTMENT AND ISSUE OF CONSIDERATION SHARES TO ASIABIZ SERVICES LTD**		
3.	Ordinary Resolution **PROPOSED ACQUISITION OF 360 SHARES REPRESENTING 9% OF THE TOTAL ISSUED AND PAID-UP SHARES OF UNI GLOBAL POWER PTE. LTD. FROM D3 CAPITAL LIMITED**		
4.	Ordinary Resolution **PROPOSED ALLOTMENT AND ISSUE OF CONSIDERATION SHARES TO D3 CAPITAL LIMITED**		

* If you wish to exercise all your votes "**For**" or "**Against**", please indicate your vote "**For**" or "**Against**" with "**X**" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________day of _________________2017.

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

PROXY FORM

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a member of the Company.

5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the said Depository Register and registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

6. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at **80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624** not less than 72 hours before the time set for the Extraordinary General Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.

9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Cap 50) of Singapore.

10. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the Extraordinary General Meeting if he is able to do so. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

11. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Company.

12. Agent Banks acting on the request of CPF Investors who wish to attend the Extraordinary General Meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 72 hours before the time appointed for holding the Extraordinary General Meeting.

13. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the Extraordinary General Meeting in order for him to be entitled to vote at the Extraordinary General Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 11 December 2017.